



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Clark County, Missouri

The Office of the State Auditor contracted for an audit of the Clark County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-078



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Clark County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	We recommend that the county formally document internal controls required under the <i>Uniform Guidance</i> .

THE COUNTY OF CLARK
KAHOKA, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

THE COUNTY OF CLARK
KAHOKA, MISSOURI
TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
<u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances– All Governmental Funds- Regulatory Basis Year Ended December 31, 2019	3
Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis Year Ended December 31, 2019	4-20
<i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis As of December 31, 2019	21
Notes to the Financial Statements	22-37
<u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
<u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings	38
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	39-40
Schedule of Findings and Responses Year Ended December 31, 2019	41-42
Summary Schedule of Prior Year Findings and Responses	43-45

FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Clark, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Clark ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2020, on our consideration of the County of Clark’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Clark’s internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 25, 2020

FINANCIAL STATEMENTS

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH DECEMBER 31, 2019
General Revenue Fund	\$ 276,333.82	\$ 995,105.35	\$ 1,061,149.15	\$ 210,290.02
Special Road and Bridge Fund	165,305.10	1,284,021.84	1,304,732.27	144,594.67
Assessment Fund	20,244.77	153,738.93	125,434.23	48,549.47
One Half Cent Sales Road and Bridge Fund	81.16	309,547.55	316,707.88	(7,079.17)
Road and Bridge Escrow Fund	119,947.91	21,218.69	-	141,166.60
One Half Cent Sales Jail and Law Enforcement Fund	152,952.73	743,297.08	686,177.44	210,072.37
Civil Process Fund	8,546.31	10,167.71	6,935.75	11,778.27
Sheriff's Revolving Fund	8,870.59	5,205.00	6,950.96	7,124.63
Law Enforcement Training Fund	5,386.09	3,052.00	4,069.01	4,369.08
Inmate Security Fund	21,217.63	8,886.08	26,398.60	3,705.11
Peace Officers Standards Fund	124.61	1,344.22	1,468.83	-
Drug Enforcement Fund	1,052.34	-	-	1,052.34
Local Law Enforcement Block Grant Fund	35.19	-	-	35.19
Prosecuting Attorney Admin Handling Cost Fund	6,112.51	1,128.28	70.00	7,170.79
Prosecuting Attorney Training Fund	2,725.83	1,974.17	2,723.51	1,976.49
Senior Services Fund	20,767.55	55,710.68	60,103.00	16,375.23
Recorder Fund	20,474.02	3,368.79	6,135.09	17,707.72
Recorder Automatic Fund	13,397.55	1,611.25	1,700.24	13,308.56
Building Maintenance Fund	17,934.35	48,298.75	48,823.27	17,409.83
Local Emergency Planning Fund	14,821.89	2,975.38	4,843.42	12,953.85
Election Equipment Fund	4,987.81	4,049.30	1,875.00	7,162.11
Election Service Fund	2,180.31	443.23	-	2,623.54
Courthouse Sales Tax Fund	587,049.72	309,503.67	276,569.08	619,984.31
Courthouse Debt Service Fund	38,891.93	352,480.87	354,281.25	37,091.55
Domestic Violence Fund	3,458.75	3,360.14	-	6,818.89
Law Enforcement Restitution Fund	10,075.11	63,408.28	55,367.57	18,115.82
Tax Maintenance Fund	19,952.05	10,223.19	11,898.95	18,276.29
Office of Emergency Manager Grant Fund	-	36,625.00	36,625.00	-
	<u>\$ 1,542,927.63</u>	<u>\$ 4,430,745.43</u>	<u>\$ 4,401,039.50</u>	<u>\$ 1,572,633.56</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

GENERAL REVENUE FUND		
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 407,000.00	\$ 403,999.07
Sales Taxes	325,000.00	309,547.12
Intergovernmental	350.00	739.09
Charges for Services	163,746.00	159,017.25
Interest	13,000.00	14,240.95
Other	86,325.50	57,561.87
Transfers In	134,000.00	50,000.00
TOTAL RECEIPTS	1,129,421.50	995,105.35
DISBURSEMENTS		
County Commission	108,766.00	111,247.28
County Clerk	88,950.00	84,340.19
Elections	25,700.00	13,207.73
Building and Grounds	98,130.00	72,407.80
Treasurer	46,836.00	44,956.95
Collector	104,935.00	102,077.46
Recorder of Deeds	65,858.00	61,000.02
Circuit Clerk	15,900.00	9,033.16
Court Administration	23,403.00	23,445.47
Public Administrator	29,208.78	21,995.37
Prosecuting Attorney	98,173.00	91,751.51
Juvenile Officer	26,550.00	23,101.22
County Coroner	30,975.00	22,224.98
Emergency Fund	33,822.64	1,622.82
Other	77,715.00	75,737.19
Transfers Out	306,366.00	303,000.00
TOTAL DISBURSEMENTS	1,181,288.42	1,061,149.15
RECEIPTS OVER (UNDER) DISBURSEMENTS	(51,866.92)	(66,043.80)
CASH BALANCES, JANUARY 1	276,333.82	276,333.82
CASH BALANCES, DECEMBER 31	\$ 224,466.90	\$ 210,290.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

SPECIAL ROAD AND BRIDGE FUND		
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 695,000.00	\$ 699,132.97
Intergovernmental	564,052.00	574,608.38
Interest	5,000.00	4,661.04
Other	11,500.00	5,619.45
Transfers In	9,600.00	-
TOTAL RECEIPTS	1,285,152.00	1,284,021.84
DISBURSEMENTS		
Salaries	308,445.00	321,994.48
Employee Fringe Benefits	195,020.00	142,318.34
Supplies	171,300.00	126,584.53
Insurance	47,500.00	45,782.52
Road and Bridge Materials	185,030.90	292,392.20
Equipment Repairs	85,000.00	103,043.14
Rentals	400.00	400.00
Equipment Purchases	155,891.00	98,189.85
Road and Bridge Construction	150,000.00	85,575.85
Other	19,300.00	18,451.36
Transfers Out	132,570.20	70,000.00
TOTAL DISBURSEMENTS	1,450,457.10	1,304,732.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(165,305.10)	(20,710.43)
CASH BALANCES, JANUARY 1	165,305.10	165,305.10
CASH BALANCES, DECEMBER 31	\$ -	\$ 144,594.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		ONE HALF CENT SALES ROAD AND BRIDGE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 325,000.00	\$ 309,547.55
Intergovernmental	125,000.00	132,307.44	-	-
Interest	625.00	656.14	-	-
Other	4,900.00	4,775.35	-	-
Transfers In	16,000.00	16,000.00	-	-
TOTAL RECEIPTS	146,525.00	153,738.93	325,000.00	309,547.55
DISBURSEMENTS				
Salaries	91,811.00	85,625.47	-	-
Employee Fringe Benefits	30,150.00	22,157.15	-	-
Office Supplies	3,000.00	2,849.78	-	-
Equipment	2,200.00	2,454.27	70,890.00	76,671.25
Mileage and Training	6,500.00	8,108.00	-	-
Postage	3,200.00	2,779.80	-	-
Mapping	3,000.00	952.00	-	-
Programming	1,000.00	-	-	-
Copier/Fax	7,000.00	507.76	-	-
Rock	-	-	237,860.00	240,036.63
Transfers Out	-	-	16,250.00	-
TOTAL DISBURSEMENTS	147,861.00	125,434.23	325,000.00	316,707.88
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,336.00)	28,304.70	-	(7,160.33)
CASH BALANCES, JANUARY 1	20,244.77	20,244.77	81.16	81.16
CASH BALANCES, DECEMBER 31	\$ 18,908.77	\$ 48,549.47	\$ 81.16	\$ (7,079.17)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ROAD AND BRIDGE ESCROW FUND		ONE HALF CENT SALES JAIL AND LAW ENFORCEMENT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 325,000.00	\$ 309,507.33
Intergovernmental	-	-	88,500.00	87,838.38
Interest	1,200.00	1,218.69	-	-
Other	-	-	152,500.00	105,951.37
Transfers In	20,000.00	20,000.00	240,000.00	240,000.00
TOTAL RECEIPTS	21,200.00	21,218.69	806,000.00	743,297.08
DISBURSEMENTS				
Salaries	-	-	481,556.00	465,182.32
Employee Fringe Benefits	-	-	114,000.00	84,613.83
Office Expenditures	-	-	16,100.00	15,216.74
Equipment	-	-	25,500.00	22,582.42
Prisoner Meals	-	-	26,500.00	26,067.19
Prisoner Board	-	-	4,000.00	4,131.36
Other	-	-	33,800.00	23,531.48
Building	120,000.00	-	-	-
Insurance	-	-	46,500.00	44,852.10
TOTAL DISBURSEMENTS	120,000.00	-	747,956.00	686,177.44
RECEIPTS OVER (UNDER) DISBURSEMENTS	(98,800.00)	21,218.69	58,044.00	57,119.64
CASH BALANCES, JANUARY 1	119,947.91	119,947.91	152,952.73	152,952.73
CASH BALANCES, DECEMBER 31	\$ 21,147.91	\$ 141,166.60	\$ 210,996.73	\$ 210,072.37

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	CIVIL PROCESS FUND		SHERIFF'S REVOLVING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ -	\$ 8,624.00	\$ 1,500.00	\$ 5,205.00
Interest	-	-	-	-
Other	9,400.00	1,543.71	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	9,400.00	10,167.71	1,500.00	5,205.00
DISBURSEMENTS				
Sheriff	8,000.00	6,935.75	8,000.00	6,950.96
TOTAL DISBURSEMENTS	8,000.00	6,935.75	8,000.00	6,950.96
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,400.00	3,231.96	(6,500.00)	(1,745.96)
CASH BALANCES, JANUARY 1	8,546.31	8,546.31	8,870.59	8,870.59
CASH BALANCES, DECEMBER 31	\$ 9,946.31	\$ 11,778.27	\$ 2,370.59	\$ 7,124.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT TRAINING FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 3,500.00	\$ 3,052.00
Transfers In	-	-
TOTAL RECEIPTS	3,500.00	3,052.00
DISBURSEMENTS		
Training & Mileage	4,000.00	4,069.01
TOTAL DISBURSEMENTS	4,000.00	4,069.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500.00)	(1,017.01)
CASH BALANCES, JANUARY 1	5,386.09	5,386.09
CASH BALANCES, DECEMBER 31	\$ 4,886.09	\$ 4,369.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	INMATE SECURITY FUND		PEACE OFFICERS STANDARDS FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 9,000.00	\$ 8,886.08	\$ -	\$ -
Intergovernmental	-	-	2,700.00	1,344.22
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	9,000.00	8,886.08	2,700.00	1,344.22
DISBURSEMENTS				
Missouri Sheriff's Association	-	-	2,700.00	1,468.83
Sheriff	28,000.00	26,398.60	-	-
TOTAL DISBURSEMENTS	28,000.00	26,398.60	2,700.00	1,468.83
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,000.00)	(17,512.52)	-	(124.61)
CASH BALANCES, JANUARY 1	21,217.63	21,217.63	124.61	124.61
CASH BALANCES, DECEMBER 31	\$ 2,217.63	\$ 3,705.11	\$ 124.61	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	DRUG ENFORCEMENT FUND		LOCAL LAW ENFORCEMENT BLOCK GRANT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 4,700.00	\$ -
Other	545.00	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	545.00	-	4,700.00	-
DISBURSEMENTS				
Equipment	-	-	4,700.00	-
Sheriff	1,000.00	-	-	-
TOTAL DISBURSEMENTS	1,000.00	-	4,700.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(455.00)	-	-	-
CASH BALANCES, JANUARY 1	1,052.34	1,052.34	35.19	35.19
CASH BALANCES, DECEMBER 31	\$ 597.34	\$ 1,052.34	\$ 35.19	\$ 35.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	PROSECUTING ATTORNEY ADMIN HANDLING COST FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 1,300.00	\$ 1,060.00
Interest	60.00	68.28
Transfers In	-	-
TOTAL RECEIPTS	1,360.00	1,128.28
DISBURSEMENTS		
Retirement Fees	-	-
MO Office of Prosecution	3,500.00	70.00
TOTAL DISBURSEMENTS	3,500.00	70.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,140.00)	1,058.28
CASH BALANCES, JANUARY 1	6,112.51	6,112.51
CASH BALANCES, DECEMBER 31	\$ 3,972.51	\$ 7,170.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	PROSECUTING ATTORNEY TRAINING FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 800.00	\$ 1,974.17
Transfers In	-	-
TOTAL RECEIPTS	800.00	1,974.17
DISBURSEMENTS		
Mileage and Training	3,000.00	2,723.51
TOTAL DISBURSEMENTS	3,000.00	2,723.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,200.00)	(749.34)
CASH BALANCES, JANUARY 1	2,725.83	2,725.83
CASH BALANCES, DECEMBER 31	\$ 525.83	\$ 1,976.49

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SENIOR SERVICES FUND		RECORDER FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 55,700.00	\$ 55,605.56	\$ -	\$ -
Intergovernmental	52.00	105.12	-	-
Charges for Services	-	-	-	3,160.00
Interest	-	-	-	208.79
Transfers In	-	-	-	-
TOTAL RECEIPTS	55,752.00	55,710.68	-	3,368.79
DISBURSEMENTS				
Applications	70,000.00	60,103.00	-	-
Digital Imaging	-	-	20,742.02	6,135.09
TOTAL DISBURSEMENTS	70,000.00	60,103.00	20,742.02	6,135.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,248.00)	(4,392.32)	(20,742.02)	(2,766.30)
CASH BALANCES, JANUARY 1	20,767.55	20,767.55	20,474.02	20,474.02
CASH BALANCES, DECEMBER 31	\$ 6,519.55	\$ 16,375.23	\$ (268.00)	\$ 17,707.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	RECORDER AUTOMATIC FUND		BUILDING MAINTENANCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	1,611.25	-	-
Other	-	-	-	8,298.75
Transfers In	-	-	40,000.00	40,000.00
TOTAL RECEIPTS	-	1,611.25	40,000.00	48,298.75
DISBURSEMENTS				
Equipment	5,000.00	-	-	-
Building Repairs and Maintenance	-	-	57,600.00	48,823.27
Other	8,397.55	1,700.24	-	-
TOTAL DISBURSEMENTS	13,397.55	1,700.24	57,600.00	48,823.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,397.55)	(88.99)	(17,600.00)	(524.52)
CASH BALANCES, JANUARY 1	13,397.55	13,397.55	17,934.35	17,934.35
CASH BALANCES, DECEMBER 31	\$ -	\$ 13,308.56	\$ 334.35	\$ 17,409.83

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LOCAL EMERGENCY PLANNING FUND		ELECTION EQUIPMENT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 3,100.00	\$ 2,975.38	\$ -	\$ -
Interest	-	-	-	49.30
Other	-	-	-	-
Transfers In	-	-	4,000.00	4,000.00
TOTAL RECEIPTS	3,100.00	2,975.38	4,000.00	4,049.30
DISBURSEMENTS				
Rent	400.00	400.00	-	-
Postage	35.00	44.79	-	-
Insurance	600.00	567.00	-	-
Repairs and Maintenance	-	-	1,500.00	-
Equipment	-	-	6,000.00	1,875.00
Other	3,965.00	3,831.63	-	-
TOTAL DISBURSEMENTS	5,000.00	4,843.42	7,500.00	1,875.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,900.00)	(1,868.04)	(3,500.00)	2,174.30
CASH BALANCES, JANUARY 1	14,821.89	14,821.89	4,987.81	4,987.81
CASH BALANCES, DECEMBER 31	\$ 12,921.89	\$ 12,953.85	\$ 1,487.81	\$ 7,162.11

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ELECTION SERVICE FUND		COURTHOUSE SALES TAX FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 325,000.00	\$ 309,503.67
Interest	21.00	25.43	-	-
Other	1,000.00	417.80	-	-
Transfers In	-	-	110,000.00	-
TOTAL RECEIPTS	1,021.00	443.23	435,000.00	309,503.67
DISBURSEMENTS				
Training and Mileage	1,700.00	-	-	-
Other	300.00	-	-	-
Transfers Out	-	-	354,281.25	276,569.08
TOTAL DISBURSEMENTS	2,000.00	-	354,281.25	276,569.08
RECEIPTS OVER (UNDER) DISBURSEMENTS	(979.00)	443.23	80,718.75	32,934.59
CASH BALANCES, JANUARY 1	2,180.31	2,180.31	587,049.72	587,049.72
CASH BALANCES, DECEMBER 31	\$ 1,201.31	\$ 2,623.54	\$ 667,768.47	\$ 619,984.31

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	COURTHOUSE DEBT SERVICE FUND		DOMESTIC VIOLENCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	3,354.00	3,311.00
Interest	200.00	203.53	-	49.14
Other	80,586.55	75,708.26	-	-
Transfers In	354,281.25	276,569.08	-	-
TOTAL RECEIPTS	435,067.80	352,480.87	3,354.00	3,360.14
DISBURSEMENTS				
Bond Payment	354,081.25	354,081.25	-	-
Agent Fees	200.00	200.00	-	-
Domestic Violence Shelters	-	-	3,458.75	-
Transfers Out	110,000.00	-	-	-
TOTAL DISBURSEMENTS	464,281.25	354,281.25	3,458.75	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,213.45)	(1,800.38)	(104.75)	3,360.14
CASH BALANCES, JANUARY 1	38,891.93	38,891.93	3,458.75	3,458.75
CASH BALANCES, DECEMBER 31	\$ 9,678.48	\$ 37,091.55	\$ 3,354.00	\$ 6,818.89

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT RESTITUTION FUND		TAX MAINTENANCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 120,000.00	\$ 63,408.28	\$ 9,500.00	\$ 10,024.85
Interest	-	-	-	198.34
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	120,000.00	63,408.28	9,500.00	10,223.19
DISBURSEMENTS				
Application from Law	120,000.00	55,367.57	-	-
Supplies	-	-	-	3,497.62
Mileage & Training	-	-	-	1,211.43
Other	-	-	7,200.00	7,189.90
TOTAL DISBURSEMENTS	120,000.00	55,367.57	7,200.00	11,898.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	8,040.71	2,300.00	(1,675.76)
CASH BALANCES, JANUARY 1	10,075.11	10,075.11	19,952.05	19,952.05
CASH BALANCES, DECEMBER 31	\$ 10,075.11	\$ 18,115.82	\$ 22,252.05	\$ 18,276.29

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	OFFICE OF EMERGENCY MANAGER GRANT FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ -	\$ -
Intergovernmental	40,450.00	33,625.00
Charges for Services	\$ -	\$ -
Other	-	-
Transfers In	-	3,000.00
TOTAL RECEIPTS	40,450.00	36,625.00
DISBURSEMENTS		
Emergency Management Performance Grant	27,450.00	25,756.50
Equipment	3,500.00	2,944.05
Other	9,500.00	7,924.45
TOTAL DISBURSEMENTS	40,450.00	36,625.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-
CASH BALANCES, JANUARY 1	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	2019					
ASSETS	Tax Sales Surplus	Unclaimed Fees	CERF	School Fines	Collector	Cemetery Trusts
Cash and Cash Equivalents	\$ 3,951.93	\$ 7,983.50	\$ 110.19	\$ 25.11	\$ 6,136,261.91	\$ 136.39
Investments	-	-	-	-	-	61,018.97
Total Investments	-	-	-	-	-	61,018.97
Total Assets	3,951.93	7,983.50	110.19	25.11	6,136,261.91	61,155.36
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	3,951.93	7,983.50	110.19	25.11	6,136,261.91	61,155.36
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,951.93	\$ 7,983.50	\$ 110.19	\$ 25.11	\$ 6,136,261.91	\$ 61,155.36

	Clerk Election	Sheriff	Prosecuting Attorney	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,607.89	\$ 17,299.13	\$ 110.00	\$ 6,167,486.05
Investments	-	-	-	\$ 61,018.97
Total Investments	-	-	-	61,018.97
Total Assets	1,607.89	17,299.13	110.00	6,228,505.02
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	1,607.89	17,299.13	110.00	6,228,505.02
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,607.89	\$ 17,299.13	\$ 110.00	\$ 6,228,505.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Clark, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1836 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Clark County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019, for purposes of taxation, was:

	<u>2019</u>
Real Estate	\$ 71,300,254
Personal Property	27,701,465
Railroad and Utilities	<u>21,892,081</u>
	<u>\$ 120,893,800</u>

During 2019, the County Commission approved a \$1.1086 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.3545
Senior Services Fund	0.0504
Special Road and Bridge Fund	<u>0.7037</u>
	<u>\$ 1.1086</u>

F. Cash Deposits

Deposits are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such deposits is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as “Cash” under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, the carrying amount of the County's deposits was \$1,572,633.56, and the bank balance was \$5,261,086.30. The total bank balance as of December 31, 2019, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances – Governmental Funds:</u>	
Deposits and cash equivalents	\$ 1,572,633.56
Total Governmental Funds	<u>1,572,633.56</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	6,167,486.05
Investments	<u>61,018.97</u>
Total Agency Funds	<u>6,228,505.02</u>
Total Deposits and Investments as of December 31, 2019	<u>\$ 7,801,138.58</u>

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2019.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the year ended December 31, 2019.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2019.

III. LONG-TERM DEBT

In 2010, the County issued Taxable General Obligation Bonds of \$4,000,000 to provide for the construction of a new County Courthouse. The bonds are due in annual installments ranging from \$125,000 to \$360,000 through June of 2030. Interest payments are scheduled semi-annually and range from 2.30% to 6.50%, before any federal subsidy.

The bonds were issued through the Build America Recovery Zone Economic Development Bonds program that provides 45% in federal subsidies on the total interest requirements. The interest is paid to the County on a semi-annual basis corresponding with interest payments to the bondholders.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

As of December 31, 2019, the payments for the taxable general obligation bonds were as follows:

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
2010 Taxable G.O. Bond	\$ 3,025,000.00	\$ -	\$ 175,000.00	\$ 2,850,000.00	\$ 179,081.25
	<u>\$ 3,025,000.00</u>	<u>\$ -</u>	<u>\$ 175,000.00</u>	<u>\$ 2,850,000.00</u>	<u>\$ 179,081.25</u>

The future payments for the taxable general obligation bonds as of December 31, 2019, are as follows:

Year Ending December 31,	Interest	Principal	Total
2020	\$ 170,550.00	\$ 175,000.00	\$ 345,550.00
2021	160,520.00	195,000.00	355,520.00
2022	148,920.00	205,000.00	353,920.00
2023	136,595.00	220,000.00	356,595.00
2024	123,400.00	235,000.00	358,400.00
2025-2029	367,692.50	1,460,000.00	1,827,692.50
2030	11,700.00	360,000.00	371,700.00
	<u>\$ 1,119,377.50</u>	<u>\$ 2,850,000.00</u>	<u>\$ 3,969,377.50</u>

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. OPERATING LEASES

On May 10, 2016, the County entered into a 60-month rental agreement with Mobilis Technologies LLC for the use of land record management software and hardware. The cost is \$800 per month and is paid quarterly. The County spent \$9,600.00 in 2019 under this rental agreement.

The future payments for the operating lease as of December 31, 2019, is as follows:

Year Ending December 31,	Rental Payments
2020	9,600.00
2021	4,000.00
	<u>\$ 13,600.00</u>

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Clark County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Clark County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Section 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

	<u>2019 Valuation</u>
Benefit Multiplier:	1.00%
Final Average Salary:	5 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	27	8
Inactive employees entitled to but not yet receiving benefits	4	2
Active employees	<u>23</u>	<u>6</u>
	<u>54</u>	<u>16</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 0.2% (General) and 2.1% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%; net of investment expenses

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 56,234	\$ 15,105
2 Interest on Total Pension Liability	134,302	18,002
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(65,448)	6,841
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(116,920)	(17,081)
7 Net change in total pension liability	8,168	22,867
8 Total pension liability - beginning	1,882,252	249,275
9 Total pension liability - ending	<u>\$ 1,890,420</u>	<u>\$ 272,142</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 2,255	\$ 1,845
2 Contributions - employee	30,328	8,256
3 Net investment income	151,608	20,757
4 Benefit payments, including refunds of employee contributions	(116,920)	(17,081)
5 Pension plan administrative expense	(7,605)	(1,810)
6 Other (net transfer)	(25,376)	541
7 Net change in plan fiduciary net position	34,290	12,508
8 Plan fiduciary net position - beginning	2,374,542	330,887
9 Plan fiduciary net position - ending	<u>\$ 2,408,832</u>	<u>\$ 343,395</u>
C. Net Pension Liability / (Asset)	<u>\$ (518,412)</u>	<u>\$ (71,253)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.42%	126.18%
E. Covered-Employee Payroll	\$ 708,378	\$ 208,134
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-73.18%	-34.23%

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 2,124,097	\$ 1,890,420	\$ 1,694,201
Plan Fiduciary Net Position	2,408,832	2,408,832	2,408,832
Net Pension Liability / (Asset) (NPL)	\$ (284,735)	\$ (518,412)	\$ (714,631)
Police Division:			
Total Pension Liability (TPL)	\$ 312,158	\$ 272,142	\$ 240,100
Plan Fiduciary Net Position	343,395	343,395	343,395
Net Pension Liability / (Asset) (NPL)	\$ (31,237)	\$ (71,253)	\$ (103,295)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$36,022 (General) and \$11,078 (Police). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,765	\$ (54,260)	\$ 9,024	\$ (5,913)
Changes in assumptions	16,544	-	1,262	-
Net difference between projected and actual earnings on pension plan investments	-	(61,257)	-	(10,443)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	\$ 31,309	\$ (115,517)	\$ 10,286	\$ (16,356)

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2020	(8,198)	\$ (203)
2021	(46,163)	(4,869)
2022	(33,119)	(1,822)
2023	3,272	824
2024	-	-
Thereafter	-	-
Total	<u>\$ (84,208)</u>	<u>\$ (6,070)</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	Transfers In	Transfers Out
General Revenue Fund	\$ 50,000.00	\$ 303,000.00
Special Road and Bridge Fund	-	70,000.00
Assessment Fund	16,000.00	-
Road and Bridge Escrow Fund	20,000.00	-
One Half Cent Sales Jail and Law Enforcement Fund	240,000.00	-
Building Maintenance Fund	40,000.00	-
Election Equipment Fund	4,000.00	-
Courthouse Sales Tax Fund	-	276,569.08
Courthouse Debt Service Fund	276,569.08	-
Office of Emergency Manager Grant Fund	3,000.00	-
	<u>\$ 649,569.08</u>	<u>\$ 649,569.08</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) are refunded to the employee.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)(concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2019, the County collected and remitted to CERF, employee contributions of approximately \$40,526.76, for the year then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366, for the year ended December 31, 2019.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were no participants at December 31, 2019.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Clark County provides employees with up to 15 days of paid vacation based upon the number of years of continuous service.

Regular full-time employees who have worked beyond their probationary period with the County who either retire or leave by some other separation shall receive compensation for all of accumulated unused vacation time leave. Sick time is not paid upon separation.

Every employee is expected to take at least some vacation time every year. Vacation is not accrued past the anniversary date of the employee.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the actual expenses exceed those budgeted in the Law Enforcement Training Fund and the Tax Maintenance Fund.
- B. For the year ended December 31, 2019, the One Half Cent Sales Road and Bridge Fund had a deficit balance of (\$7,079.17).
- C. For the year ended December 31, 2019, the Recorder Fund had a deficit budget amount of (\$268.00).

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Clark, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Clark ("County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2019-001, 2019-002, 2019-003)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 25, 2020

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared to the COSO framework standards for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared to COSO framework standards.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS (continued)

2019-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

2019-003 Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Views of responsible officials and planned corrective actions: The County Clerk (Kelly Waples) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

Status: This finding is repeated in the current audit as 2019-001.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

Status: This finding is repeated in the current audit as 2019-002.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

2018-003	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All
	Program Title:	All
	Pass- Through Entity	
	Identification Number:	All
	Award Year:	2018
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018 (concluded)

2018-003 Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Status: This finding is repeated in the current audit as 2019-003.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 25, 2020

To the County Commissioners
The County of Clark, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Clark (the "County") as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in the County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. The responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared to the COSO framework standards for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared to COSO framework standards.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Identification: Repeat finding FS 2018-001.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-002 Identification: Repeat finding FS 2018-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283..

2019-003 Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Identification: Repeat finding SA 2018-001.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Views of responsible officials and planned corrective actions: The County Clerk (Kelly Waples) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 year. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 25, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff, which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.