

**REPORT OF THE AUDIT OF THE
CAMPBELL COUNTY
CLERK**

**For The Year Ended
December 31, 2015**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

AUDIT OF THE CAMPBELL COUNTY CLERK

**For The Year Ended
December 31, 2015**

The Auditor of Public Accounts has completed the Campbell County Clerk's audit for the year ended December 31, 2015. Based upon the audit work performed, the financial statements present fairly in all material respects, the receipts and disbursements of the Campbell County Clerk and the receipts, disbursements, and fund balances of the Campbell County Clerk's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting.

Financial Condition:

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a county clerk's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and paid quarterly to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The Campbell County Clerk had total receipts of \$20,776,752, which was a \$29,776 decrease from the prior year. Except for reimbursed expenses in the amount of \$180,659 and fiscal court contributions of \$104,689, the clerk paid 25% of receipts to the Campbell County Fiscal Court in the amount of \$455,299. This was an increase of \$2,968 from the prior year. In addition, 75% fund operating disbursements decreased by \$156,737.

Deposits:

The county clerk's deposits were insured and collateralized by bank securities.

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT 1

STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS.....3

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
FUND BALANCES OF THE COUNTY CLERK'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS6

NOTES TO THE FINANCIAL STATEMENTS.....8

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*..... 15



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Steve Pendery, Campbell County Judge/Executive
The Honorable James Luersen, Campbell County Clerk
Members of the Campbell County Fiscal Court

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying Statement of Receipts and Disbursements - Regulatory Basis of the County Clerk of Campbell County, Kentucky and the Statement of Receipts, Disbursements, and Fund Balances of the County Clerk's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2015, 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 accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. 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 opinion.



The Honorable Steve Pendery, Campbell County Judge/Executive
The Honorable James Luersen, Campbell County Clerk
Members of the Campbell County Fiscal Court

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Campbell County Clerk on the basis of the accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 Opinions 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 Campbell County Clerk, as of December 31, 2015, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the receipts and disbursements of the clerk and the receipts, disbursements, and fund balances of the Campbell County Clerk's operating fund and county fund with the state treasurer for the year ended December 31, 2015, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2017, on our consideration of the Campbell County Clerk'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 internal control over financial reporting 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 over financial reporting and compliance.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

April 21, 2017

CAMPBELL COUNTY
 JAMES LUERSEN, COUNTY CLERK
STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS

For The Year Ended December 31, 2015

Receipts

State Fees For Services:

Tax Bill Preparation	\$ 6,114	
Registration of Voters	<u>26,772</u>	\$ 32,886

Fiscal Court:

Tax Bill Preparation Fee	10,813	
Registration of Voters	92,406	
Real Estate Conveyance for PVA	<u>1,470</u>	104,689

Reimbursements:

County Reimbursement	56,922	
Election Expense Reimbursement	<u>1,200</u>	58,122

Licenses and Taxes:

Motor Vehicle-

Licenses and Transfers	2,208,846	
Usage Tax	7,930,977	
Tangible Personal Property Tax	8,514,046	
Notary Fees	39,970	
Lien Release Fees	28,600	
Miscellaneous Income	2,370	

Other-

Marriage Licenses	28,826	
Occupational Licenses	75	
Deed Transfer Tax	363,800	
Delinquent Tax	<u>828,760</u>	19,946,270

Fees Collected for Services:

Recordings-

Deeds, Easements, and Contracts	46,845	
Real Estate Mortgages	192,393	
Chattel Mortgages and Financing Statements	182,696	
Powers of Attorney	3,812	
Affordable Housing Trust	85,248	
All Other Recordings	46,680	

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

CAMPBELL COUNTY
 JAMES LUERSEN, COUNTY CLERK
 STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
 For The Year Ended December 31, 2015
 (Continued)

Receipts (Continued)

Fees Collected for Services: (Continued)

Charges for Other Services-

Candidate Filing Fees	\$	330	
Copywork		32,246	
Refunds/Overpayments		36,640	
Postage		7,895	\$ 634,785
			<hr/>

Total Receipts 20,776,752

Disbursements

Payments to State:

Motor Vehicle-

Licenses and Transfers	\$1,496,437	
Usage Tax	7,689,537	
Tangible Personal Property Tax	2,466,337	
Licenses, Taxes, and Fees-		
Delinquent Tax	80,089	
Legal Process Tax	70,755	
Affordable Housing Trust	85,248	11,888,403
	<hr/>	

Payments to Fiscal Court:

Tangible Personal Property Tax	662,830	
Delinquent Tax	112,619	
Deed Transfer Tax	345,610	1,121,059
	<hr/>	

Payments to Other Districts:

Tangible Personal Property Tax	\$5,121,629	
Delinquent Tax	389,446	\$5,511,075
	<hr/>	

Payments to Sheriff 66,715

Payments to County Attorney 108,102

CAMPBELL COUNTY
 JAMES LUERSEN, COUNTY CLERK
 STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
 For The Year Ended December 31, 2015
 (Continued)

Disbursements (Continued)

Other Disbursements:

Overpayments/Refunds	\$	49,061	
Postage		5,893	
Election Expenses		18,593	
Miscellaneous		1,903	\$ 75,450
		<u>1,903</u>	<u>\$ 75,450</u>

Total Disbursements \$ 18,770,804

Net Receipts 2,005,948

Payments to State Treasurer:

75% Operating Fund *		1,539,236	
25% County Fund		455,299	1,994,535
		<u>455,299</u>	<u>1,994,535</u>

Balance Due at Completion of Audit \$ 11,413

* Includes reimbursed expenses in the amount of \$180,659 for the audit period.
 See Note 1 of Notes to Financial Statements.

CAMPBELL COUNTY
 JAMES LUERSEN, COUNTY CLERK
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 FUND BALANCES OF THE COUNTY CLERK'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2015

	75% Operating Fund	25% County Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Fund Balance - January 1, 2015	\$	\$	\$
<u>Receipts</u>			
Fees Paid to State - Operating Funds (75%)	1,539,236		1,539,236
Fees Paid to State - County Funds (25%)		455,299	455,299
	<u>1,539,236</u>	<u>455,299</u>	<u>1,994,535</u>
<u>Disbursements</u>			
Campbell County Fiscal Court		455,299	455,299
Personnel Services-			
Official's Statutory Maximum	97,529		97,529
Official's Expense Allowance	3,300		3,300
Official's Training Incentive	985		985
Deputies' Salaries	751,099		751,099
Overtime Gross	75,920		75,920
Employee Benefits-			
Employer's Share Social Security	51,663		51,663
Employer's Share Retirement	158,110		158,110
Employer's Share Health Insurance	189,195		189,195
Employer's Share Life Insurance	11		11
Employer's Share Dental Insurance	11,949		11,949
Workers' Compensation	3,919		3,919
Other Payroll Disbursements	15,375		15,375
Contracted Services-			
Advertising	43,188		43,188

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

CAMPBELL COUNTY
 JAMES LUERSEN, COUNTY CLERK
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 FUND BALANCES OF THE COUNTY CLERK'S OPERATING FUND
 AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS
 For The Year Ended December 31, 2015
 (Continued)

	75%	25%	
	Operating	County	
	Fund	Fund	Totals
<u>Disbursements</u> (Continued)			
Supplies and Materials-			
Office Supplies	\$ 29,262	\$	\$ 29,262
Other Charges-			
Bonds	16,039		16,039
Postage	17,895		17,895
Supplies	14,889		14,889
Capital Outlay-			
Office Equipment	2,672		2,672
Computer Equipment	37,775		37,775
Total Disbursements	<u>1,520,775</u>	<u>455,299</u>	<u>1,976,074</u>
Fund Balance - December 31, 2015	<u>\$ 18,461</u>	<u>\$ 0</u>	<u>\$ 18,461</u>

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

CAMPBELL COUNTY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount due from the county clerk as determined by the audit.

KRS 64.350 establishes that a fee official in counties with a population over 70,000 has two funds with the state treasurer for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a county clerk's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. These funds are closed at the end of each official term by paying the balances to the respective county government.

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive), at December 31:

- Interest receivable
- Collection on accounts due from others for 2015 services
- Reimbursements for 2015 activities
- Payments due other governmental entities for December tax and fee collections
- Payroll expenditures incurred but not paid
- Payments due vendors for goods or services provided in 2015

Also, some revenues of the fee official offices could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

CAMPBELL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

KRS 66.480 authorizes the county clerk's office to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System and Other Post-Employment Benefits

The county official and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute six percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 17.67 percent for the first six months and 17.06 percent for the last six months.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute five percent (nonhazardous) of their annual creditable compensation and one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent (nonhazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

The county clerk's contribution for calendar year 2013 was \$180,013, calendar year 2014 was \$175,563, and calendar year 2015 was \$158,110.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service.

CAMPBELL COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

CERS also provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KRS also issues a proportionate share audit report that includes the total pension liability for CERS determined by actuarial valuation as well as each participating county's proportionate share. The Schedules of Employer Allocations and Pension Amounts by Employer report and the related actuarial tables are available online at <https://kyret.ky.gov/employers/GASB/Pages/GASB-Library.aspx>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

Note 3. Deposits

The Campbell County Clerk maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county clerk and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

CAMPBELL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015
(Continued)

Note 3. Deposits (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the county clerk's deposits may not be returned. The county clerk does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. As of December 31, 2015, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Bond Account

The Campbell County Clerk maintained an account for the receipts and disbursements of mechanic's bonds. The beginning balance was \$2,992 on January 1, 2015. There was no activity during calendar year 2015, leaving the account with a balance of \$2,992 on December 31, 2015.

Note 5. Delinquent Tax Account

The Campbell County Clerk maintained an account for delinquent tax refunds and overpayments. The beginning balance on January 1, 2015, was \$38,563. Total receipts during calendar year 2015 were \$11,148 and disbursements totaled \$2,745. This left the account with a balance of \$46,966.

Note 6. Library and Archives Grant

The Campbell County Clerk received a grant from the Kentucky Department of Library and Archives in the amount of \$55,233. None of the funds had been expended as of December 31, 2015, leaving a balance in the account of \$55,233.

Note 7. Courthouse Commission

The Campbell County Clerk's office maintains a courthouse commission account that escrows taxes collected for the courthouse commission district, which is no longer a taxing district and cannot accept any tax collection revenue. The beginning balance was \$11,308. During 2015, no activity occurred, therefore, the December 31, 2015 balance was \$11,308.

Note 8. Lease

The Campbell County Clerk's office is committed to a lease agreement for software. The agreement is for four years, requires a yearly payment of \$35,760, and renews automatically for additional one-year terms thereafter. The total remaining balance of the agreement was \$107,280 as of December 31, 2015.

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



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Steve Pendery, Campbell County Judge/Executive
The Honorable James Luersen, Campbell County Clerk
Members of the Campbell County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With Government Auditing Standards**

Independent Auditor's Report

We have audited, 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, the Statement of Receipts and Disbursements - Regulatory Basis of the County Clerk of Campbell County, Kentucky, the Statement of Receipts, Disbursements, and Fund Balances of the County Clerk's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2017. The Campbell County Clerk's financial statements are prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With *Government Auditing Standards*
(Continued)

Internal Control over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Campbell County Clerk's financial statements are free of 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*.

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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Accounts

April 21, 2017

