

**REPORT OF THE AUDIT OF THE  
CHRISTIAN COUNTY  
FISCAL COURT**

**For The Year Ended  
June 30, 2019**



**MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**209 ST. CLAIR STREET  
FRANKFORT, KY 40601-1817  
TELEPHONE (502) 564-5841  
FACSIMILE (502) 564-2912**



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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky  
The Honorable Andy Beshear, Governor  
Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
The Honorable Steve Tribble, Christian County Judge/Executive  
Members of the Christian County Fiscal Court

Independent Auditor's Report

**Report on the Financial Statement**

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Christian County Fiscal Court, for the year ended June 30, 2019, and the related notes to the financial statement which collectively comprise the Christian County Fiscal Court's financial statement as listed in the table of contents.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on this financial statement 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 Fiscal Court Audits* 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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



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

As described in Note 1 of the financial statement, the financial statement is prepared by the Christian County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate 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.

The effects on the financial statement 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 Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Christian County Fiscal Court as of June 30, 2019, 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 statement referred to above presents fairly, in all material respects, the fund balances of the Christian County Fiscal Court as of June 30, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

### **Emphasis of Matters**

As discussed in Note 11 to the financial statement, the entity has had numerous significant transactions with businesses controlled by, and with people who are related to, the officers and directors of the entity. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Christian County Fiscal Court. The Budgetary Comparison Schedules (supplementary information) and Schedule of Capital Assets (other information) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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**Other Matters (Continued)**

*Supplementary Information (Continued)*

The accompanying Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules are fairly stated in all material respects in relation to the financial statement as a whole.

The Schedule of Capital Assets has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2020, on our consideration of the Christian County Fiscal Court'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 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Christian County Fiscal Court's internal control over financial reporting and compliance.

Based on the results of our audit, we present the accompanying Schedule of Findings and Responses included herein, which discusses the following report findings:

- 2019-001 The Fiscal Court Is Not Using Purchase Orders Correctly
- 2019-002 The Christian County Jail Lacks Segregation Of Duties Over Jail Commissary And Inmate Accounts
- 2019-003 The Christian County Fiscal Court Did Not Properly Disburse All Restricted CMRS Funds And Local Landline Taxes

Respectfully submitted,



Mike Harmon  
Auditor of Public Accounts

June 3, 2020

**CHRISTIAN COUNTY OFFICIALS****For The Year Ended June 30, 2019****Fiscal Court Members:**

Steve Tribble	County Judge/Executive
Magaline Ferguson	Magistrate
Mark Wells	Magistrate
Mark E. Cansler	Magistrate
Darrell Gustafson	Magistrate
Rich Liebe	Magistrate
Phillip Peterson	Magistrate
Jerry Gilliam	Magistrate
Terry Bowman	Magistrate

**Other Elected Officials:**

John T. Soyars	County Attorney
Bradley Boyd	Jailer
Michael Kem	County Clerk
Paige Parker	Circuit Court Clerk
Tyler DeArmond	Sheriff
Angela Strader	Property Valuation Administrator
Scott Daniel	Coroner

**Appointed Personnel:**

Walter Cummings	County Treasurer
Ruth Mason	Assistant County Treasurer
Kelly Finley	Chief Financial Officer



**CHRISTIAN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCES - REGULATORY BASIS**

**For The Year Ended June 30, 2019**

**CHRISTIAN COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**

**For The Year Ended June 30, 2019**

	<b>Budgeted Funds</b>			
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>
<b>RECEIPTS</b>				
Taxes	\$ 7,853,351	\$	\$	\$
In Lieu Tax Payments	210,942			
Excess Fees	1,086,207			
Licenses and Permits	121,680			
Intergovernmental	1,678,441	2,294,307	7,492,762	175,386
Charges for Services	293,248		526,045	
Miscellaneous	193,992	14,205	274,050	
Interest	294,388	9,517	17,067	1,843
<b>Total Receipts</b>	<b>11,732,249</b>	<b>2,318,029</b>	<b>8,309,924</b>	<b>177,229</b>
<b>DISBURSEMENTS</b>				
General Government	10,243,172			
Protection to Persons and Property	612,071		5,677,437	
General Health and Sanitation	573,695			
Social Services	121,940			
Recreation and Culture	1,109,437			
Roads		2,762,077		98,377
Airports	38,000			
Debt Service	14,358		25,810	
Capital Projects	1,097,002			
Administration	3,566,954	439,284	1,619,587	
<b>Total Disbursements</b>	<b>17,376,629</b>	<b>3,201,361</b>	<b>7,322,834</b>	<b>98,377</b>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(5,644,380)	(883,332)	987,090	78,852
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds	1,127,776			
Lease Premium	19,029			
Transfers From Other Funds		1,045,000		
Transfers To Other Funds	(1,914,795)	(235,882)	(283,205)	
<b>Total Other Adjustments to Cash (Uses)</b>	<b>(767,990)</b>	<b>809,118</b>	<b>(283,205)</b>	
Net Change in Fund Balance	(6,412,370)	(74,214)	703,885	78,852
Fund Balance - Beginning (Restated)	15,586,040	102,723	259,996	21,007
Fund Balance - Ending	<b>\$ 9,173,670</b>	<b>\$ 28,509</b>	<b>\$ 963,881</b>	<b>\$ 99,859</b>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 6,777,085	\$ 186,552	\$ 1,049,967	\$ 102,359
Less: Outstanding Checks	(1,548,149)	(158,043)	(86,086)	(2,500)
Certificates of Deposit	3,944,734			
Fund Balance - Ending	<b>\$ 9,173,670</b>	<b>\$ 28,509</b>	<b>\$ 963,881</b>	<b>\$ 99,859</b>

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

**CHRISTIAN COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2019**  
**(Continued)**

Budgeted Funds		Unbudgeted Funds				Internal Service Fund
E911 Fund	General Obligation Bond Fund	Industrial Development Authority Revolving Loan Fund	Public Courthouse Corporation Fund	Jail Commissary Fund	Total Funds	Health Insurance Fund
\$ 116,900	\$	\$	\$	\$	\$ 7,970,251	\$
					210,942	
					1,086,207	
					121,680	
344,077			1,380,881		13,365,854	
					819,293	
11,053		23,992		1,337,015	1,854,307	2,217,853
24,197	517	19,007	257	18,800	385,593	16,057
496,227	517	42,999	1,381,138	1,355,815	25,814,127	2,233,910
		550,000			10,793,172	
455,266					6,744,774	
					573,695	
					121,940	
				1,361,217	2,470,654	
					2,860,454	
					38,000	
	1,325,901		1,443,350		2,809,419	
					1,097,002	
		40			5,625,865	2,316,577
455,266	1,325,901	550,040	1,443,350	1,361,217	33,134,975	2,316,577
40,961	(1,325,384)	(507,041)	(62,212)	(5,402)	(7,320,848)	(82,667)
					1,127,776	
					19,029	
	1,388,882		63,219		2,497,101	
	(63,219)				(2,497,101)	
	1,325,663		63,219		1,146,805	
40,961	279	(507,041)	1,007	(5,402)	(6,174,043)	(82,667)
987,542	288	954,342	9	715,408	18,627,355	690,376
\$ 1,028,503	\$ 567	\$ 447,301	\$ 1,016	\$ 710,006	\$ 12,453,312	\$ 607,709
\$ 1,091,513	\$ 567	\$ 447,301	\$ 1,016	\$ 745,657	\$ 10,402,017	\$ 642,160
(63,010)				(35,651)	(1,893,439)	(34,451)
					3,944,734	
\$ 1,028,503	\$ 567	\$ 447,301	\$ 1,016	\$ 710,006	\$ 12,453,312	\$ 607,709

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

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**CHRISTIAN COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2019**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The financial statement of Christian County includes all budgeted and unbudgeted funds under the control of the Christian County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act as the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

**B. Basis of Accounting**

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally, except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

**C. Basis of Presentation**

**Budgeted Funds**

The fiscal court reports the following budgeted funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of receipts for this fund are reimbursements from the state and federal governments, payments from other counties for housing prisoners, and transfers from the general fund. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation (Continued)**

**Budgeted Funds (Continued)**

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments.

E-911 Fund - The primary purpose of this fund is to account for the dispatch expenses of the county. The primary source of receipts for this fund is the 911 telephone surcharge.

General Obligation Bond Fund - The purpose of this fund is to account for debt service requirements of the general obligation refunding bonds. The primary sources of receipts for this fund are transfers from other funds.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

Industrial Development Authority Revolving Loan Fund - The primary purpose of this fund is to account for the activities of the Christian County Industrial Authority. Activity of this fund includes repayment of small business loans made by fund. On November 12, 2003, the Department for Local Government approved an ordinance allowing this activity.

Public Courthouse Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings and their additions.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund.

**Internal Service Fund**

The fiscal court reports the following internal Service fund:

Health Insurance Fund - The primary purpose of this fund is to account for contributions, claims, and fees for self-insured employee health insurance.

**D. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and according to the laws of Kentucky as required by the state local finance officer.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Information (Continued)**

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

The state local finance officer does not require the jail commissary fund to be budgeted because the fiscal court does not approve the expenses of this fund.

The state local finance officer does not require the Public Courthouse Corporation Fund or the Industrial Development Authority Revolving Loan Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

**E. Christian County Elected Officials**

Kentucky law provides for election of the officials listed below from the geographic area constituting Christian County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of the Christian County Fiscal Court.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

**F. Deposits and Investments**

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

KRS 66.480 authorizes the county 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).

**G. Long-term Obligations**

The fund financial statement recognizes bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as disbursements. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 2. Deposits**

The fiscal court 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 fiscal court 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. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government 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 June 30, 2019, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2019.

	General Fund	Road Fund	Jail Fund	General Obligation Bond Fund	Total Transfers In
Road Fund	\$ 1,045,000	\$	\$	\$	\$ 1,045,000
General Obligation Bond Fund	869,795	235,882	283,205		1,388,882
Public Courthouse Corporation Fund				63,219	63,219
Total Transfers Out	<u>\$ 1,914,795</u>	<u>\$ 235,882</u>	<u>\$ 283,205</u>	<u>\$ 63,219</u>	<u>\$ 2,497,101</u>

Reason for transfers:

To move resources from and to the general fund and other funds, for budgetary purposes, to the funds that will expend them.

**Note 4. Agency Trust Funds**

Agency trust funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments.

The fiscal court has the following agency trust funds:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2019, was \$360,277.

Animal Shelter Fund - This fund accounts for funds received by the local animal shelter until they are divided between the appropriate agencies. The balance in the animal shelter fund as of June 30, 2019, was \$12,727.



**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 5. Receivables**

- A. The county loaned \$150,000 to the Hopkinsville Industrial Foundation, Inc., on April 1, 2011, for the purpose of making improvements to real estate. Terms of the agreement stipulate an eight-year repayment schedule at 1.5 percent interest. As of June 30, 2019, the principal balance was paid in full.
- B. The county loaned \$250,000 to the Hopkinsville Industrial Foundation, Inc., on June 1, 2019, for the purpose of making improvements to real estate. Terms of the agreement stipulate a ten-year repayment schedule at 1.5 percent interest. As of June 30, 2019, principal balance due was \$244,195.
- C. The county loaned \$300,000 to the Hopkinsville Christian County Airport Board, on January 8, 2019, for the purpose of financing the construction of ten hangars at the Hopkinsville Christian County Airport. Terms of the agreement stipulate a twelve-year repayment schedule at 1.5 percent interest. The borrower shall pay interest only for the first six months of the loan. The first monthly installment shall be due and payable on July 10, 2019, and a like payment on the 15<sup>th</sup> day of each month thereafter until paid in full. As of June 30, 2019, the principal balance due was \$ 300,000.
- D. The county loaned \$120,309 to the Hopkinsville Carnegie Library, Inc., on May 12, 2015, for the purpose of financing certain real estate. Terms of the agreement stipulate the principal amount of the loan plus any interest accrued at a rate of 2 percent shall be payable in full on or before June 15, 2020. As of June 30, 2019, the principal balance due was \$120,309.

**Note 6. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Sheriff's Vehicles - 2016**

On April 6, 2016, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$152,855 at a 3.87 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The maturity date of the obligation is January 20, 2020. The balance of the financing obligation at June 30, 2019, was \$39,368. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 39,369	\$ 1,211
Totals	\$ 39,369	\$ 1,211

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**A. Direct Borrowings and Direct Placements (Continued)**

**2. Sheriff's Vehicles - 2017**

On March 8, 2017, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$255,255 at a 3.56 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The maturity date of the obligation is January 21, 2021. The balance of the financing obligation at June 30, 2019, was \$130,777. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 64,486	\$ 4,659
2021	66,291	2,362
Totals	<u>\$ 130,777</u>	<u>\$ 7,021</u>

**3. Sheriff's Vehicles - 2019**

On February 21, 2019, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$146,776 at a 4.05 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The maturity date of the obligation is January 20, 2023. The balance of the financing obligation at June 30, 2019, was \$146,776. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 34,909	\$ 5,697
2021	35,960	4,531
2022	37,273	3,074
2023	38,634	1,565
Totals	<u>\$ 146,776</u>	<u>\$ 14,867</u>

**4. Convention Center Lease**

On March 19, 2019, the fiscal court entered into an agreement with the Kentucky Association of Counties Finance Corporation in the sum of \$981,000 at a 2 percent effective interest rate. The financing obligation was used for the construction of an addition at the convention center. The maturity date of the obligation is August 1, 2034. The balance of the financing obligation at June 30, 2019, was \$981,000. Annual debt service requirements to maturity are as follows:

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**A. Direct Borrowings and Direct Placements (Continued)**

**4. Convention Center Lease (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 45,000	\$ 42,772
2021	50,000	40,409
2022	50,000	37,784
2023	55,000	35,159
2024	55,000	32,272
2025-2029	330,000	114,372
2030-2034	396,000	42,834
Totals	<u>\$ 981,000</u>	<u>\$ 345,602</u>

**B. Other Debt**

**1. Revenue Refunding Bonds, Series 2007**

The Christian County Public Courthouse Corporation (Corporation) was established by the fiscal court to act as the agency and instrumentality of the fiscal court in acquiring, developing, and financing public improvements and public projects. The Corporation issued its Christian County Public Courthouse Corporation Lease Revenue Bonds (District Court Facility Project), Series 2000, dated November 1, 2000, (the Series 2000 Bonds) for the purpose of acquiring, constructing, and furnishing a court facility and the completion of the renovation and improvement of the Christian County Corrections Center located in Hopkinsville, Kentucky.

The Corporation adopted, at the direction of the fiscal court, a resolution authorizing the Series 2007 Bonds for the purpose of paying the costs associated with the refunding and refinancing of the Series 2000 Bonds.

The series 2007 bonds are secured by a foreclosable first mortgage lien on the district court facility project. The series 2007 bonds are also secured by the assignment of the Corporation of all its rights, title and interest to a lease agreement with the fiscal court.

The series 2007 bonds in the amount of \$16,545,000 dated April 5, 2007, bear interest payable semi-annually on February 1 and August 1 of each year commencing August 1, 2007, at rates ranging from 3.50 percent to 4.00 percent. The Series 2007 Bonds mature on August 1 of each year, in the years and in the principal amounts shown below. The balance on these bonds as of June 30, 2019, was \$5,325,000. Annual debt service requirements to maturity are as follows:

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**B. Other Debt (Continued)**

**1. Revenue Refunding Bonds, Series 2007 (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 1,255,000	\$ 187,900
2021	1,300,000	136,800
2022	1,360,000	83,600
2023	1,410,000	28,200
Totals	<u>\$ 5,325,000</u>	<u>\$ 436,500</u>

**2. Christian County General Obligation Recovery Zone Economic Development and Refunding Bonds, Series 2010A**

On June 1, 2010, the fiscal court issued Series 2010A Recovery Zone Economic Development Bonds in the amount of \$2,045,000. The Series 2010A bonds were issued for the purpose of road work to be performed on county roads. The Series 2010A bonds bear interest of 3.60 percent. Payments are due on December 1 and June 1 of each year. The maturity date of the bonds is June 30, 2020. The balance of these bonds as of June 30, 2019, was \$225,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	<u>\$ 225,000</u>	<u>\$ 8,100</u>
Totals	<u>\$ 225,000</u>	<u>\$ 8,100</u>

**3. Christian County General Obligation Recovery Zone Economic Development and Refunding Bonds, Series 2010B**

On June 1, 2010, the fiscal court issued Series 2010B General Obligation Refunding Bonds in the amount of \$1,960,000. The Series 2010B bonds were issued for the purpose of refunding the General Obligation Bond, Series 1998. The Series 2010B bonds bear interest of 2.00 percent. Payments are due on December 1 and June 1 of each year. The maturity date of the bonds is June 30, 2020. The balance of these bonds as of June 30, 2019, was \$220,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	<u>\$ 220,000</u>	<u>\$ 3,438</u>
Totals	<u>\$ 220,000</u>	<u>\$ 3,438</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**B. Other Debt (Continued)**

**4. General Obligation Refunding Bonds, Series 2011**

On November 30, 2011, the fiscal court issued General Obligation Refunding Bonds, Series 2011, in the amount of \$3,785,000. The proceeds were used to refinance financing obligations with the Kentucky Association of Counties Leasing Trust Program for the Energy Conservation Project in the amount of \$2,185,000 and the jail renovation in the amount of \$1,565,000. The bonds bear interest of 2.00 percent to 3.125 percent. Payments are due on February 1 and August 1 of each year. The maturity date of the bonds is June 30, 2027. The balance of these bonds as of June 30, 2019, was \$1,225,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 140,000	\$ 36,119
2021	140,000	32,619
2022	145,000	28,769
2023	150,000	24,419
2024	155,000	19,919
2025-2027	<u>495,000</u>	<u>31,050</u>
Totals	<u>\$ 1,225,000</u>	<u>\$ 172,895</u>

**5. General Obligation Bonds Series 2017**

On December 28, 2017, the fiscal court issued General Obligation Bonds, Series 2017, in the amount of \$7,845,000. The proceeds were used to provide funds for the completion of a New Public Safety Building, Alhambra Theater Rehabilitation, Museum Rehabilitation, and Sportsplex Project. The bonds bear interest of 3.00 percent to 4.00 percent. Payments are due on June 1 of each year. The maturity date of the bonds is December 1, 2037. The balance of these bonds as of June 30, 2019, was \$7,845,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$	\$ 258,700
2021		258,700
2022		258,700
2023		258,700
2024		258,700
2025-2029	2,335,000	1,074,200
2030-2034	2,875,000	615,975
2035-2038	<u>2,635,000</u>	<u>161,025</u>
Totals	<u>\$ 7,845,000</u>	<u>\$ 3,144,700</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**B. Other Debt (Continued)**

**6. General Obligation Bonds Series 2018**

On December 28, 2017, the fiscal court issued General Obligation Bonds, Series 2018, in the amount of \$2,545,000. The proceeds were used to provide funds for the remaining costs of completion of a New Public Safety Building, Alhambra Theater Rehabilitation, Museum Rehabilitation and Sportsplex Project. The bonds bear interest of 2.00 percent. Payments are due on June 1 of each year. The maturity date of the bonds is December 1, 2024. The balance of these bonds as of June 30, 2019, was \$2,155,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	\$ 400,000	\$ 39,100
2021	405,000	31,050
2022	415,000	22,850
2023	425,000	14,450
2024	430,000	5,900
2025	80,000	800
Totals	<u>\$ 2,155,000</u>	<u>\$ 114,150</u>

**C. Changes In Long-term Debt**

Long-term Debt activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 329,656	\$ 1,127,776	\$ 159,510	1,297,922	\$ 183,764
General Obligation Bonds	12,625,000		955,000	11,670,000	985,000
Revenue Bonds	6,530,000		1,205,000	5,325,000	1,255,000
Total Long-term Debt	<u>\$ 19,484,656</u>	<u>\$ 1,127,776</u>	<u>\$ 2,319,510</u>	<u>\$ 18,292,922</u>	<u>\$ 2,423,764</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 7. Employee Retirement System**

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is 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.

The county's contribution for FY 2017 was \$677,257, FY 2018 was \$697,558, and FY 2019 was \$789,996.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the KRS insurance fund.

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 accounts. Nonhazardous covered employees contribute 5 percent of their annual creditable compensation. Nonhazardous members also contribute 1 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 KRS Board of Directors 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 4 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

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 credit.

The county's contribution rate for nonhazardous employees was 21.48 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS 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:

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 7. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

<b>Years of Service</b>	<b>% Paid by Insurance Fund</b>	<b>% Paid by Member through Payroll Deduction</b>
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.

Benefits are covered under KRS 161.714 with exception of COLA and retiree health benefits after July 2003.

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous

Once members reach a minimum vesting period of 15 years, they 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 by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

The monthly insurance benefit has been increased annually as a 1.5 percent cost of living adjustment (COLA) since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

Tier 2 member benefits are covered by KRS 161.714 with exception of COLA and retiree health benefits after July 2003. Tier 3 members are not covered by the same provisions.

C. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of KRS benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5 percent. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.



**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 7. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

D. Cost of Living Adjustments - Tier 2 and Tier 3

No COLA is given unless authorized by the legislature with specific criteria. To this point, no COLA has been authorized by the legislature for Tier 2 or Tier 3 members.

E. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KRS will pay a \$5,000 death benefit payment to the beneficiary designated by the member specifically for this benefit. Members with multiple accounts are entitled to only one death benefit.

KRS Annual Financial Report and Proportionate Share Audit Report

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. 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 proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. 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 8. Deferred Compensation**

On December 19, 2000, the Christian County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2<sup>nd</sup> Floor, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 9. Self-Health Insurance**

Christian County Fiscal Court elected to begin a partially self-funded health insurance plan for fiscal year ended June 30, 1998. This partially self-funded insurance plan covers all county employees, and the county pays for each county employee's individual coverage. Christian County contracted with Anthem Blue Cross and Blue Shield to administer the employee benefit plan for the 2018-2019 fiscal year.

This partially self-funded insurance plan has two distinct components that the fiscal court must pay. The first component is the fixed cost, which consists of administrative fees associated with operating the plan, and specific and aggregate reinsurance costs that cap the county's claims exposure on an individual and aggregate basis. Incurred fixed costs for fiscal year ending June 30, 2019, were \$520,226. The second component is the claims cost, all of which Christian County is responsible to pay as they incur. Once an individual exceeds \$85,000 in claims or the County's aggregate claims exceed the predetermined maximum, then the County will receive reimbursements from the reinsurance carrier. Incurred claims for fiscal year ended June 30, 2019 were \$1,747,361. Christian County Fiscal Court's contract with Anthem Blue Cross and Blue Shield has no terminal liability provision. The fiscal court would be responsible to pay all run-out claims after termination. The health insurance fund had a balance of \$607,709 as of June 30, 2019.

**Note 10. Insurance**

For the fiscal year ended June 30, 2019, the Christian County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

**Note 11. Related Party Transactions**

For the fiscal year ended June 30, 2019, the fiscal court engaged in the following related party transactions:

- A company where the son of a magistrate works received \$2,167,432 for crushed stone and asphalt purchased by the fiscal court.
- A company where the wife of a magistrate works received \$346,705 for services provided to the fiscal court.
- A company where a magistrate works received \$8,395 for equipment purchased by the fiscal court.

**Note 12. Conduit Debt**

From time to time, the county has issued bonds and notes to provide financial assistance to various organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Christian County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2019, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2019**  
**(Continued)**

**Note 13. Tax Abatement**

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, the fiscal court is required to disclose certain information about tax abatements as defined in the statement. GASB No. 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or its citizens.

The property tax was abated under the authority of the Christian County Fiscal Court and the Hopkinsville Tax Increment Finance Development Authority. The organizations are eligible to receive this tax abatement due to new construction within the boundaries of the marked development area. The taxes are abated by refunding any increment taxes collected over historical amounts. US Smokeless Tobacco Company, Drury-McCoy, LLC, and Thompson Thrift Development, Inc., have made the following commitments of developing businesses within the development district footprint. For fiscal year ended June 30, 2019, the Christian County Fiscal Court abated property taxes totaling \$133,250. As part of the tax abatement agreement, the Christian County Fiscal Court committed to the abatement of these taxes for ten years.

**Note 14. Prior Period Adjustments**

The beginning balance of the general obligation bond fund was increased by \$288, due to errors in the prior year.

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**CHRISTIAN COUNTY  
BUDGETARY COMPARISON SCHEDULES  
Supplementary Information - Regulatory Basis**

**For The Year Ended June 30, 2019**

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**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

**For The Year Ended June 30, 2019**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 7,629,740	\$ 7,629,740	\$ 7,853,351	\$ 223,611
In Lieu Tax Payments	216,414	216,414	210,942	(5,472)
Excess Fees	555,000	555,000	1,086,207	531,207
Licenses and Permits	122,631	122,631	121,680	(951)
Intergovernmental	2,970,046	2,970,046	1,678,441	(1,291,605)
Charges for Services	242,308	242,308	293,248	50,940
Miscellaneous	47,785	47,785	193,992	146,207
Interest	186,585	186,585	294,388	107,803
Total Receipts	<u>11,970,509</u>	<u>11,970,509</u>	<u>11,732,249</u>	<u>(238,260)</u>
<b>DISBURSEMENTS</b>				
General Government	10,182,620	10,307,474	10,243,172	64,302
Protection to Persons and Property	798,115	800,543	612,071	188,472
General Health and Sanitation	581,224	616,059	573,695	42,364
Social Services	207,718	214,082	121,940	92,142
Recreation and Culture	1,612,726	1,615,345	1,109,437	505,908
Airports	38,000	38,000	38,000	
Debt Service			14,358	(14,358)
Capital Projects	1,998,794	1,923,794	1,097,002	826,792
Administration	3,762,827	3,666,726	3,566,954	99,772
Total Disbursements	<u>19,182,024</u>	<u>19,182,024</u>	<u>17,376,629</u>	<u>1,805,395</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(7,211,515)</u>	<u>(7,211,515)</u>	<u>(5,644,380)</u>	<u>1,567,135</u>
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds			1,127,776	1,127,776
Lease Premium			19,029	19,029
Transfers To Other Funds	(3,415,568)	(3,415,568)	(1,914,795)	1,500,773
Total Other Adjustments to Cash (Uses)	<u>(3,415,568)</u>	<u>(3,415,568)</u>	<u>(767,990)</u>	<u>2,647,578</u>
Net Change in Fund Balance	(10,627,083)	(10,627,083)	(6,412,370)	4,214,713
Fund Balance - Beginning	<u>10,627,083</u>	<u>10,627,083</u>	<u>15,586,040</u>	<u>4,958,957</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,173,670</u>	<u>\$ 9,173,670</u>

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2019**  
**(Continued)**

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,306,090	\$ 2,306,090	\$ 2,294,307	\$ (11,783)
Miscellaneous	18,309	18,309	14,205	(4,104)
Interest	3,500	3,500	9,517	6,017
Total Receipts	<u>2,327,899</u>	<u>2,327,899</u>	<u>2,318,029</u>	<u>(9,870)</u>
<b>DISBURSEMENTS</b>				
Roads	2,972,554	3,113,980	2,762,077	351,903
Capital Projects	144,500			
Administration	475,417	478,491	439,284	39,207
Total Disbursements	<u>3,592,471</u>	<u>3,592,471</u>	<u>3,201,361</u>	<u>391,110</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,264,572)</u>	<u>(1,264,572)</u>	<u>(883,332)</u>	<u>381,240</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,475,592	1,475,592	1,045,000	(430,592)
Transfers To Other Funds	(236,020)	(236,020)	(235,882)	138
Total Other Adjustments to Cash (Uses)	<u>1,239,572</u>	<u>1,239,572</u>	<u>809,118</u>	<u>(430,454)</u>
Net Change in Fund Balance	(25,000)	(25,000)	(74,214)	(49,214)
Fund Balance - Beginning	<u>25,000</u>	<u>25,000</u>	<u>102,723</u>	<u>77,723</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,509</u>	<u>\$ 28,509</u>



**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2019**  
**(Continued)**

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 5,972,500	\$ 5,972,500	\$ 7,492,762	\$ 1,520,262
Charges for Services	562,000	562,000	526,045	(35,955)
Miscellaneous	174,000	174,000	274,050	100,050
Interest	4,800	4,800	17,067	12,267
Total Receipts	<u>6,713,300</u>	<u>6,713,300</u>	<u>8,309,924</u>	<u>1,596,624</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	5,933,430	6,029,407	5,677,437	351,970
Debt Service	12,436	26,052	25,810	242
Administration	1,804,307	1,694,714	1,619,587	75,127
Total Disbursements	<u>7,750,173</u>	<u>7,750,173</u>	<u>7,322,834</u>	<u>427,339</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,036,873)</u>	<u>(1,036,873)</u>	<u>987,090</u>	<u>2,023,963</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,070,117	1,070,117		(1,070,117)
Transfers To Other Funds	(283,244)	(283,244)	(283,205)	39
Total Other Adjustments to Cash (Uses)	<u>786,873</u>	<u>786,873</u>	<u>(283,205)</u>	<u>(1,070,078)</u>
Net Change in Fund Balance	(250,000)	(250,000)	703,885	953,885
Fund Balance - Beginning	<u>250,000</u>	<u>250,000</u>	<u>259,996</u>	<u>9,996</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 963,881</u>	<u>\$ 963,881</u>

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2019**  
**(Continued)**

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 218,000	\$ 218,000	\$ 175,386	\$ (42,614)
Interest	1,200	1,200	1,843	643
Total Receipts	<u>219,200</u>	<u>219,200</u>	<u>177,229</u>	<u>(41,971)</u>
<b>DISBURSEMENTS</b>				
Roads	244,200	244,200	98,377	145,823
Total Disbursements	<u>244,200</u>	<u>244,200</u>	<u>98,377</u>	<u>145,823</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>78,852</u>	<u>103,852</u>
Net Change in Fund Balance	(25,000)	(25,000)	78,852	103,852
Fund Balance - Beginning	<u>25,000</u>	<u>25,000</u>	<u>21,007</u>	<u>(3,993)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 99,859</u>	<u>\$ 99,859</u>

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2019**  
**(Continued)**

	<b>E911 Fund</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 130,450	\$ 130,450	\$ 116,900	\$ (13,550)
Intergovernmental	350,000	350,000	344,077	(5,923)
Miscellaneous			11,053	11,053
Interest	12,800	12,800	24,197	11,397
Total Receipts	<u>493,250</u>	<u>493,250</u>	<u>496,227</u>	<u>2,977</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	1,171,600	1,171,600	455,266	716,334
Administration	10,000	10,000		10,000
Total Disbursements	<u>1,181,600</u>	<u>1,181,600</u>	<u>455,266</u>	<u>726,334</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(688,350)</u>	<u>(688,350)</u>	<u>40,961</u>	<u>729,311</u>
Net Change in Fund Balance	(688,350)	(688,350)	40,961	729,311
Fund Balance - Beginning	<u>688,350</u>	<u>688,350</u>	<u>987,542</u>	<u>299,192</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,028,503</u>	<u>\$ 1,028,503</u>

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2019**  
**(Continued)**

	<b>GENERAL OBLIGATION BOND FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Interest	\$	\$	\$ 517	\$ 517
Total Receipts			517	517
<b>DISBURSEMENTS</b>				
Debt Service	1,389,123	1,389,123	1,325,901	63,222
Total Disbursements	1,389,123	1,389,123	1,325,901	63,222
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,389,123)	(1,389,123)	(1,325,384)	63,739
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,389,123	1,389,123	1,388,882	(241)
Transfers To Other Funds			(63,219)	(63,219)
Total Other Adjustments to Cash (Uses)	1,389,123	1,389,123	1,325,663	(63,460)
Net Change in Fund Balance			279	279
Fund Balance - Beginning (Restated)			288	288
Fund Balance - Ending	\$ 0	\$ 0	\$ 567	\$ 567

**CHRISTIAN COUNTY  
NOTES TO REGULATORY SUPPLEMENTARY  
INFORMATION - BUDGETARY COMPARISON SCHEDULES**

**June 30, 2019**

**Note 1. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and according to the laws of Kentucky as required by the state local finance officer.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

**Note 2. Excess of Disbursements Over Appropriations**

General fund debt service exceeded budgeted appropriations by \$14,358.

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**CHRISTIAN COUNTY  
SCHEDULE OF CAPITAL ASSETS  
Other Information - Regulatory Basis**

**For The Year Ended June 30, 2019**

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**CHRISTIAN COUNTY**  
**SCHEDULE OF CAPITAL ASSETS**  
**Other Information - Regulatory Basis**

**For The Year Ended June 30, 2019**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 2,602,048	\$	\$	\$ 2,602,048
Land Improvements	173,925			173,925
Construction In Progress	5,057,243	6,437,552	11,071,902	422,893
Buildings and Building Improvements	36,733,517	11,246,300		47,979,817
Vehicles & Equipment	6,526,766	581,250	62,250	7,045,766
Furniture & Office Equipment	1,298,550	209,279		1,507,829
Infrastructure	25,929,146	1,534,555		27,463,701
 Total Capital Assets	 <u>\$ 78,321,195</u>	 <u>\$ 20,008,936</u>	 <u>\$ 11,134,152</u>	 <u>\$ 87,195,979</u>

**CHRISTIAN COUNTY**  
**NOTES TO OTHER INFORMATION – REGULATORY BASIS**  
**SCHEDULE OF CAPITAL ASSETS**

**June 30, 2019**

**Note 1. Capital Assets**

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land & Land Improvements	\$ 25,000	10-60
Buildings and Building Improvements	\$ 50,000	10-75
Vehicles & Equipment	\$ 5,000	3-25
Furniture & Office Equipment	\$ 5,000	8-20
Infrastructure	\$ 25,000	10-50

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

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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Steve Tribble, Christian County Judge/Executive  
Members of the Christian County Fiscal Court

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement 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, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Christian County Fiscal Court for the fiscal year ended June 30, 2019, and the related notes to the financial statement which collectively comprise the Christian County Fiscal Court's financial statement and have issued our report thereon dated June 3, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Christian County Fiscal Court'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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Christian County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Christian County Fiscal Court'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 statement 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 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We identified certain deficiencies in internal control, which are described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies as items 2019-001, 2019-002, and 2019-003.



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

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Christian County Fiscal Court's financial statement is 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.

### **Views of Responsible Officials and Planned Corrective Action**

Christian County's views and planned corrective action for the findings identified in our audit are included 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 statement, and accordingly, we express no opinion on them.

### **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,



Mike Harmon  
Auditor of Public Accounts

June 3, 2020

**CHRISTIAN COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Year Ended June 30, 2019**

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**CHRISTIAN COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Year Ended June 30, 2019**

INTERNAL CONTROL - SIGNIFICANT DEFICIENCIES:

2019-001 The Fiscal Court Is Not Using Purchase Orders Correctly

---

The Christian County Fiscal Court's purchase order system is not functioning properly. During disbursements testing, we noted that on 62 of the 91 disbursements tested, purchase orders did not exist or did not include sufficient information to meet the standards required by the Department for Local Government's (DLG) *County Budget Preparation State Local Finance Officer Policy Manual*.

This was caused by a misunderstanding of the purchase order system requirements and the reasoning behind the implementation. By not requiring a purchase order to be completed for each purchase, there are no controls in place to ensure there is adequate budgeted funds available before completing a transaction. This could cause employees to overspend budgeted amounts and might allow employees to make purchases without appropriate approval.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*. As part of these guidelines, a requirement for a purchase order journal is created. Purchase orders must include a unique purchase order number, an issue approved appropriation code where the purchase will be posted, the vendor name, the date the invoice is received, the amount of the purchase, the date in which the claim is approved by fiscal court after completion, the date paid, and the amount paid. A good purchase order system is also a good part of effective internal controls. Purchase orders allow a supervisor to review all purchases before they are made and ensure that budgeting requirements are met.

We recommend that the Christian County Fiscal Court implement a purchase order system which meets the standards set forth in the *County Budget Preparation and State Local Finance Officer Policy Manual*.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: The purchase order system has been reviewed. Purchase orders will be required for all purchases in accordance with standards required by the Department for Local Government.*

2019-002 The Christian County Jail Lacks Segregation Of Duties Over Jail Commissary And Inmate Accounts

---

The Christian County Jail has a lack of segregation of duties over the jail commissary and inmate accounts. The jail bookkeeper prepares deposits, prepares daily checkout sheets, and posts to the receipts ledgers. The bookkeeper also prepares monthly collection and disbursement reports, writes and signs checks, posts to the disbursements ledger, and prepares the monthly bank reconciliations. Compensating controls over receipts, such as the review of daily checkout sheets by other jail personnel and the review of bank reconciliations by the jailer were noted, but were not deemed to be functioning adequately enough to offset this deficiency.

According to the jailer, due to the small size of staff, and limited resources, the Christian County Jail has limited options for establishing segregation of duties. A lack of segregation of duties could result in undetected misappropriation of assets and inaccurate financial reporting to external agencies, such as the Department for Local Government. In addition, too much control by one individual without oversight can lead to undetected irregularities.

**CHRISTIAN COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Year Ended June 30, 2019  
(Continued)**

INTERNAL CONTROL - SIGNIFICANT DEFICIENCIES: (Continued):

2019-002 The Christian County Jail Has A Lack Of Segregation Of Duties Over Jail Commissary And Inmate Accounts (Continued)

---

Segregation of duties over these functions, or the implementation of compensating controls, is essential for providing protection from asset misappropriation and helping prevent inaccurate financial reporting.

We recommend the Christian County Jail segregate duties. If proper segregation of duties is not possible due to budget constraints, we recommend that the Christian County Jail implement compensating controls over Jail Commissary and Inmate accounts.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: No response.*

*County Jailer's Response: The Christian County Jail is reviewing staff duties with regard to jail commissary and inmate accounts. As noted by auditors current staffing makes it challenging to provide for complete segregation of duties. Staff will work to strengthen compensating controls to provide additional review and approval.*

2019-003 The Christian County Fiscal Court Did Not Properly Disburse All Restricted CMRS Funds And Local Landline Taxes

---

The Christian County Fiscal Court (county) receives wireless (CMRS) fees and landline taxes from various telecommunications companies. The CMRS fees are collected by the state 911 Services Board and paid to the county. The landline taxes are assessed in accordance with local ordinance #91-4. Both the CMRS fee and landline taxes are restricted in use and are set aside into the E911 Fund. In accordance with a 2011 inter-local agreement between the county and the City of Hopkinsville, the county acts as the fiscal agent for CMRS and landline taxes.

The county's E911 fund receives the CMRS fees on behalf of the Hopkinsville/Christian County Emergency Communications Center (ECC) which is the designated city and county Public Safety Answering Point (PSAP), which is the point that 911 calls are received and dispatched. In fiscal year ended June 30, 2019, the county received \$344,077 of CMRS funds, and of these funds, \$234,260 were remitted directly to the ECC. An additional \$66,978 was paid to vendors on behalf of the ECC. The remaining CMRS receipts of \$42,839 are due to the ECC as of June 30, 2019.

During disbursements testing, we noted two disbursements paid to the Christian County Fire & Rescue totaling \$59,480 from landline taxes. Pursuant to KRS 65.760, contributions to fire departments do not meet the criteria of being attributable to the establishment, operation, or maintenance of a PSAP.

It was also noted that funds were being accumulated in the E911 fund to ensure adequate repairs on a microwave tower and other infrastructure as needed. Per the treasurer, the county built a new microwave tower in 2015 and decided to pay all maintenance costs directly instead of signing a maintenance agreement in an attempt to save money. The bulk of the E911 fund balance was accumulated prior to July 1, 2016. The June 30, 2016 ending E911 fund balance was \$879,613. However, auditors found that not all CMRS funds collected after July 1, 2016, were properly remitted to or paid on behalf of the ECC. Based on the treasurer's records, there appears to be an additional \$94,898 of CMRS funds due to the ECC for combined fiscal years 2017 and 2018.

**CHRISTIAN COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Year Ended June 30, 2019  
(Continued)**

INTERNAL CONTROL - SIGNIFICANT DEFICIENCIES: (Continued):

2019-003 The Christian County Fiscal Court Did Not Properly Disburse All Restricted CMRS Funds And Local Landline Taxes (Continued)

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The \$784,715 remaining balance of E911 funds accumulated prior to July 1, 2016 should be used for “for the establishment, operation, and maintenance of a 911 emergency communication system” in accordance with KRS 65.760 as written prior to the 2016 amendment.

The funds were not properly remitted to the PSAP due to a conflict in the 2011 inter-local agreement requirements and the 2016 changes to KRS 65.760. The county did not update the inter-local agreement when the applicable laws and regulations regarding the use of CMRS funds and other applicable taxes changed. Additionally, the inter-local agreement did not take into account the requirements of KRS 65.7631. By not remitting CMRS funds properly and using landline taxes for unallowable uses, the PSAP was denied funds that could be used for the establishment, operation, or maintenance of the PSAP.

KRS 65.760 applies to the landline tax that the county instituted to provide funds for the ECC. KRS 65.760, including current and prior editions, provide the county and PSAP with guidelines on the allowable uses of revenues raised from any special tax, license, or fee levied for the delivery of 911 emergency services. KRS 65.760(4) states, “[a]ll revenues raised from any special tax, license, or fee levied under subsection (3) of this section shall be expended only as provided in this subsection and only to the extent that the expenditure is directly attributable to the establishment, operation, or maintenance of a PSAP, the delivery of 911 emergency services, or the provision of wireless enhanced 911 services...”

KRS 65.760 (5) also affirms, “[a] local government shall not use revenues from any special tax, license, or fee levied under subsection (3) of this section for personnel costs, facility costs, training and membership costs, equipment costs, vehicle costs, professional services costs, public education costs, nor any of the following costs, unless the expense is directly attributable to the delivery of 911 emergency services: (a) Personnel costs for the following personnel, unless directly functioning as PSAP staff:... (3). Fire protection personnel;”

Additionally, KRS 65.7631(5), which governs the uses of CMRS funds states in part, “[a]ll amounts distributed to PSAPs under this subsection shall be used by the PSAPs solely for the purposes of answering, routing, and properly disposing of CMRS 911 calls, training PSAP staff, and public education concerning appropriate use of 911, in accordance with KRS 65.760(4) and (5)[.]”

We recommend that the county remit \$137,737 of E911 CMRS funds to the ECC in order to fully pay over CMRS funds in accordance with KRS 65.760. We also recommend the county general fund reimburse the E911 fund for all payments made to the Christian County Fire and Rescue (CCFR) from E911 landline funds. While the county disbursed \$59,480 to the CCFR in fiscal year ended June 30, 2019, auditors noted additional payments in fiscal years ending June 30, 2018 and June 30, 2020, that should be reimbursed from the county’s general fund.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive’s Response: Christian County will remit \$137,737 of E911 CMRS funds to the ECC in accordance with auditor recommendations. Christian County will also transfer payments made to the volunteer fire departments from the general fund to the E911 fee fund. Additionally, Christian County will transfer 100% of future CMRS funding to the local PSAP.*

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**CERTIFICATION OF COMPLIANCE -  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

**CHRISTIAN COUNTY FISCAL COURT**


**For The Year Ended June 30, 2019**

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

For The Year Ended June 30, 2019

The Christian County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



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County Judge/Executive



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County Treasurer