

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

**For The Year Ended
June 30, 2021**



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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, 2021, 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.



To the People of Kentucky
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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, 2021, 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, 2021, 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 as described in Note 1.

Emphasis Of Matters

As discussed in Note 11 to the financial statement, the entity has had 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 and Other 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 and the Schedule of Expenditures of Federal Awards (supplementary information), as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 and Other Information (Continued)

The accompanying Budgetary Comparison Schedules and Schedule of Expenditures of Federal Awards 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 and the Schedule of Expenditures of Federal Awards 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 December 9, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

December 9, 2021

CHRISTIAN COUNTY OFFICIALS**For The Year Ended June 30, 2021****Fiscal Court Members:**

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

Other Elected Officials:

John Soyars	County Attorney
Brad Boyd	Jailer
Mike Kem	County Clerk
Paige Parker	Circuit Court Clerk
Tyler DeArmond	Sheriff
Angie Strader	Property Valuation Administrator
Scott Daniel	Coroner

Appointed Personnel:

Walter Cummings	County Treasurer
Ruth Mason	Assistant County Treasurer
Misty Glover	Chief Financial Officer

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

For The Year Ended June 30, 2021

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

For The Year Ended June 30, 2021

	Budgeted Funds				
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund	E-911 Fund
RECEIPTS					
Taxes	\$ 8,126,661	\$	\$	\$	\$ 105,156
In Lieu Tax Payments	182,593				
Excess Fees	670,440				
Licenses and Permits	112,590				
Intergovernmental	3,489,842	1,947,942	6,141,692	177,243	367,836
Charges for Services	224,205		293,656		
Miscellaneous	696,331	119,790	216,289		
Interest	104,066	3,663	4,115	1,339	8,134
Total Receipts	<u>13,606,728</u>	<u>2,071,395</u>	<u>6,655,752</u>	<u>178,582</u>	<u>481,126</u>
DISBURSEMENTS					
General Government	3,249,999				
Protection to Persons and Property	682,690		5,104,190		506,817
General Health and Sanitation	555,955				
Social Services	146,342				
Recreation and Culture	776,044				
Roads		2,217,131		291,093	
Airports	38,000				
Debt Service					
Capital Projects	960,962	72,000			
Administration	4,519,980	511,794	1,708,233		
Total Disbursements	<u>10,929,972</u>	<u>2,800,925</u>	<u>6,812,423</u>	<u>291,093</u>	<u>506,817</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>2,676,756</u>	<u>(729,530)</u>	<u>(156,671)</u>	<u>(112,511)</u>	<u>(25,691)</u>
Other Adjustments to Cash (Uses)					
Financing Obligation Proceeds	401,540				
Transfers From Other Funds		735,000	300,000		179,095
Transfers To Other Funds	(2,171,821)		(62,709)		
Total Other Adjustments to Cash (Uses)	<u>(1,770,281)</u>	<u>735,000</u>	<u>237,291</u>		<u>179,095</u>
Net Change in Fund Balance	906,475	5,470	80,620	(112,511)	153,404
Fund Balance - Beginning (Restated)	7,924,035	21,101	432,693	152,774	873,663
Fund Balance - Ending	<u>\$ 8,830,510</u>	<u>\$ 26,571</u>	<u>\$ 513,313</u>	<u>\$ 40,263</u>	<u>\$ 1,027,067</u>
Composition of Fund Balance					
Bank Balance	\$ 9,063,395	\$ 27,588	\$ 561,005	\$ 41,947	\$ 1,029,984
Plus: Deposits In Transit	464				
Less: Outstanding Checks	(233,349)	(1,017)	(47,692)	(1,684)	(2,917)
Fund Balance - Ending	<u>\$ 8,830,510</u>	<u>\$ 26,571</u>	<u>\$ 513,313</u>	<u>\$ 40,263</u>	<u>\$ 1,027,067</u>

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, 2021
(Continued)

<u>Budgeted Funds</u>		<u>Unbudgeted Funds</u>			<u>Internal Service Fund</u>	
<u>American Rescue Fund</u>	<u>General Obligation Bond Fund</u>	<u>Industrial Development Authority Revolving Loan Fund</u>	<u>Public Courthouse Corporation Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>	<u>Health Insurance Fund</u>
\$	\$	\$	\$	\$	\$ 8,231,817	\$
					182,593	
					670,440	
					112,590	
6,843,112			1,376,091		20,343,758	
					517,861	
	88,308	66,036		1,659,831	2,846,585	2,356,886
5,767	2	3,817	2	5,965	136,870	6,093
<u>6,848,879</u>	<u>88,310</u>	<u>69,853</u>	<u>1,376,093</u>	<u>1,665,796</u>	<u>33,042,514</u>	<u>2,362,979</u>
					3,249,999	
					6,293,697	
					555,955	
					146,342	
				1,444,366	2,220,410	
					2,508,224	
					38,000	
	1,042,211		1,436,800		2,479,011	
					1,032,962	
			1,250		6,741,257	2,184,663
	<u>1,042,211</u>	<u></u>	<u>1,438,050</u>	<u>1,444,366</u>	<u>25,265,857</u>	<u>2,184,663</u>
<u>6,848,879</u>	<u>(953,901)</u>	<u>69,853</u>	<u>(61,957)</u>	<u>221,430</u>	<u>7,776,657</u>	<u>178,316</u>
					401,540	
100	1,020,335		62,709		2,297,239	
	(62,709)				(2,297,239)	
<u>100</u>	<u>957,626</u>	<u></u>	<u>62,709</u>	<u></u>	<u>401,540</u>	<u></u>
6,848,979	3,725	69,853	752	221,430	8,178,197	178,316
	67,361	475,522	1,006	665,277	10,613,432	787,172
<u>\$ 6,848,979</u>	<u>\$ 71,086</u>	<u>\$ 545,375</u>	<u>\$ 1,758</u>	<u>\$ 886,707</u>	<u>\$ 18,791,629</u>	<u>\$ 965,488</u>
\$ 6,848,979	\$ 71,086	\$ 545,375	\$ 1,758	\$ 908,804	\$ 19,099,921	\$ 965,520
					464	
				(22,097)	(308,756)	(32)
<u>\$ 6,848,979</u>	<u>\$ 71,086</u>	<u>\$ 545,375</u>	<u>\$ 1,758</u>	<u>\$ 886,707</u>	<u>\$ 18,791,629</u>	<u>\$ 965,488</u>

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

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TO THE FINANCIAL STATEMENT**

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**CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2021

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, 2021
(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.

American Rescue Fund - The primary purpose of this fund is to account for Coronavirus Relief Fund grants and related disbursements. The primary sources of receipts for this fund are federal grants.

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.

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 the 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.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

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.

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).

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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.

H. Related Organizations and Jointly Governed Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the Christian County Water District is considered a related organization of Christian County Fiscal Court.

A regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that created the organization, but that is not a joint venture because participants do not retain on ongoing financial interest or responsibility is a jointly governed organization. Based on these criteria, the following are considered jointly governed organizations of the Christian County Fiscal Court: Hopkinsville-Christian County Airport; Hopkinsville-Christian County Ambulance Service; Hopkinsville-Christian County Communication Center; Hopkinsville-Christian County Tourism Commission; Hopkinsville-Christian County Economic Development; Hopkinsville-Christian County Public Library; Hopkinsville-Christian County Senior Citizens; and Hopkinsville-Christian County Planning Commission.

Note 2. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected 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 the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2021, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2021.

	General Fund	Jail Fund	General Obligation Bond Fund	Total Transfers In
Road Fund	\$ 735,000	\$	\$	\$ 735,000
Jail Fund	300,000			300,000
E-911 Fund	179,095			179,095
American Rescue Fund	100			100
General Obligation Bond Fund	957,626	62,709		1,020,335
Public Courthouse Corporation			62,709	62,709
	<u>\$ 2,171,821</u>	<u>\$ 62,709</u>	<u>\$ 62,709</u>	<u>\$ 2,297,239</u>
Total Transfers Out	<u>\$ 2,171,821</u>	<u>\$ 62,709</u>	<u>\$ 62,709</u>	<u>\$ 2,297,239</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. Custodial Funds

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. In accordance with the regulatory basis of accounting, custodial funds are not presented on the financial statement.

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2021 was \$232,486.

Note 5. Receivables

- A. The county loaned \$250,000 to 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, 2021, principal balance due was \$196,697.
- B. The county loaned \$300,000 to 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. As of June 30, 2021, the principal balance due was \$257,612.
- C. The county loaned \$120,309 to Hopkinsville Carnegie Library, Inc., on May 12, 2015, for the purpose of financing certain real estate. Terms of 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, 2021, the Carnegie Library property had been deeded over to the Christian County Fiscal Court as payment for the outstanding loan. The value of the property exceeded the loan balance, and the county now considers the loan paid in full.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 5. Receivables (Continued)

- D. The county loaned \$15,000 to the New Horizon Scholar House of Hopkinsville, LLLP, on June 2, 2020, for the purpose of making improvements to real estate. Terms of the agreement stipulate a five year repayment schedule at 3 percent interest. As of June 30, 2021, principal balance due was \$11,938.
- E. The county loaned \$10,000 to the New Horizon Scholar House of Hopkinsville, LLLP, on June 2, 2020, for the purpose of making improvements to real estate. Terms of the agreement stipulate that no principal or interest payments are due until September 1, 2025, in which the full principal amount is due. As of June 30, 2021, the principal balance due was \$10,000.

Note 6. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Financing Obligation - 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 agreement is secured by the vehicles purchased. The maturity date of the obligation is January 20, 2021. The principal balance was paid in full on January 20, 2021. As of June 30, 2021, the remaining balance was \$0.

2. Financing Obligation - 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 agreement is secured by the vehicles purchased. The maturity date of the obligation is January 20, 2023. The balance of the financing obligation as June 30, 2021 was \$75,907. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 37,273	\$ 3,074
2023	38,634	1,565
Totals	\$ 75,907	\$ 4,639

3. Financing Obligation - Sheriff's Vehicles - 2021

On July 8, 2020, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$133,148 at a 3.41 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The agreement is secured by the vehicles purchased. The maturity date of the obligation is January 20, 2024. The balance of the financing obligation as June 30, 2021 was \$100,053. Annual debt service requirements to maturity are as follows:

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. Financing Obligation - Sheriff's Vehicles - 2021 (Continued)

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 32,367	\$ 3,369
2023	33,341	2,264
2024	34,345	1,125
Totals	<u>\$ 100,053</u>	<u>\$ 6,758</u>

4. Financing Obligation - Sheriff's Vehicles - 2021

On June 2, 2021, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$268,392 at a 2.38 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The agreement is secured by the vehicles purchased. The maturity date of the obligation is January 20, 2025. The balance of the financing obligation as June 30, 2021 was \$268,392. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 66,464	\$ 4,241
2023	65,994	4,806
2024	67,301	3,235
2025	68,633	1,633
Totals	<u>\$ 268,392</u>	<u>\$ 13,915</u>

5. Financing Obligation - 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 agreement is secured by the project. In the event of default, the project will be taken over by the corporation. The maturity date of the obligation is June 1, 2034. The balance of the financing obligation at June 30, 2021 was \$886,000. Annual debt service requirements to maturity are as follows:

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

5. Financing Obligation - Convention Center Lease (Continued)

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 50,000	\$ 37,784
2023	55,000	35,160
2024	55,000	32,272
2025	60,000	29,385
2026	60,000	26,234
2027-2031	360,000	83,434
2032-2034	246,000	18,152
Totals	<u>\$ 886,000</u>	<u>\$ 262,421</u>

B. Other Debt

1. 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 Counties Leasing Trust Program for the energy conservation project in the amount of \$2,210,000 and the jail renovation in the amount of \$1,575,000. The bonds bear interest of 2.00 percent to 3.125 percent. The maturity date of the bonds is February 1, 2027. As of June 30, 2021, the balance of these bonds was \$945,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 145,000	\$ 28,769
2023	150,000	24,418
2024	155,000	19,919
2025	160,000	15,268
2026	165,000	10,469
2027	170,000	5,313
Totals	<u>\$ 945,000</u>	<u>\$ 104,156</u>

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

2. 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 Theatre rehabilitation, museum rehabilitation, and sportsplex project. The bonds bear interest of 3.00 percent to 4.00 percent. The maturity date of the bonds is December 31, 2037. As of June 30, 2021, the balance of these bonds was \$7,845,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$	\$ 258,700
2023		258,700
2024		258,700
2025	365,000	251,400
2026	465,000	234,800
2027-2031	2,605,000	885,900
2032-2036	3,055,000	438,075
2037-2038	1,355,000	41,025
Totals	<u>\$ 7,845,000</u>	<u>\$ 2,627,300</u>

3. 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 Theatre rehabilitation, museum rehabilitation, and sportsplex project. The bonds bear interest at 2.00 percent. The maturity date of the bonds is December 1, 2024. As of June 30, 2021, the balance of these bonds was \$1,350,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 415,000	\$ 22,850
2023	425,000	14,450
2024	430,000	5,900
2025	80,000	800
Totals	<u>\$ 1,350,000</u>	<u>\$ 44,000</u>

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

4. 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. As of June 30, 2021, the balance of these bonds was \$2,770,000. Annual debt service requirements to maturity for the bonds are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 1,360,000	\$ 83,600
2023	1,410,000	28,200
Totals	<u>\$ 2,770,000</u>	<u>\$ 111,800</u>

C. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 1,114,158	\$ 401,540	\$ 185,346	\$ 1,330,352	\$ 186,104
General Obligation Bonds	10,685,000		545,000	10,140,000	560,000
Revenue Bonds	4,070,000		1,300,000	2,770,000	1,360,000
Total Long-term Debt	<u>\$ 15,869,158</u>	<u>\$ 401,540</u>	<u>\$ 2,030,346</u>	<u>\$ 14,240,352</u>	<u>\$ 2,106,104</u>

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 6. Long-term Debt (Continued)

D. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations at June 30, 2021, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 1,920,000	\$ 393,919	\$ 186,104	\$ 48,468
2023	1,985,000	325,768	192,969	43,794
2024	585,000	284,519	156,646	36,633
2025	605,000	267,468	128,633	31,018
2026	630,000	245,269	60,000	26,234
2027-2031	2,775,000	891,213	360,000	83,434
2032-2036	3,055,000	438,075	246,000	18,152
2037-2038	1,355,000	41,025		
Totals	<u>\$ 12,910,000</u>	<u>\$ 2,887,256</u>	<u>\$ 1,330,352</u>	<u>\$ 287,733</u>

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. Effective April 1, 2021, the Kentucky Retirement Systems as an agency of the Commonwealth is now known as the Kentucky Public Pensions Authority (KPPA). The governance of CERS has been transferred to a separate 9-member board of trustees that is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2019 was \$789,996, FY 2020 was \$945,564, and FY 2021 was \$961,768.

Nonhazardous

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.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 7. Employee Retirement System (Continued)

Nonhazardous (Continued)

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 24.06 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:

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.

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

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 7. Employee Retirement System (Continued)

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.

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, KPPA 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 Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KPPA 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.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 8. Deferred Compensation

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, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

Note 9. Self-Health Insurance

The Christian County Fiscal Court elected to begin a partially self-funded health insurance plan for fiscal year ending 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 2020-2021 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, 2021 were \$659,476. 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 the fiscal year ended June 30, 2021 were \$1,474,990. The Christian County Fiscal Court's contract with Anthem Blue Cross and Blue Shield has no terminal liability provision. The county would be responsible to pay all run-out claims after termination. The health insurance fund had a balance of \$965,488 as of June 30, 2021.

Note 10. Insurance

For the fiscal year ended June 30, 2021, 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.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 11. Related Party Transaction

For the fiscal year ended June 30, 2021, the fiscal court engaged in a related party transaction that paid a company where the son of a magistrate works \$1,188,997 for crushed stone and asphalt purchased by the fiscal court pursuant to a publically bid contract.

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, 2021, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 13. Tax Abatements

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 country or its citizens.

The property tax was abated under the authority of 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 and Thompson Thrift Development, Inc., have made the commitment of developing businesses within the development district footprint. For fiscal year ended June 30, 2021, the Christian County Fiscal Court abated property taxes in reference to the agreements above totaling \$0.

The property tax was abated under the authority of Christian County Fiscal Court. The Conference Center is eligible to receive this tax abatement due to investments and increasing employment and economic activity in the county. The taxes are abated by refunding property taxes collected. For fiscal year ended June 30, 2021, the Christian County Fiscal Court abated property taxes totaling \$1,869. As part of the tax abatement agreement, the Christian County Fiscal Court committed to the abatement of these taxes for twenty years.

The Christian County Fiscal Court entered into additional tax abatement agreements to abate property taxes during fiscal year 2020. These organizations include: Downtown Development, Michael Venable, Kentucky Healthcare Holdings I, LLC, Concord Villas, LLC, Project EZ, Astro, and Emhart Teknologies, LLC. For fiscal year ended June 30, 2021, the amount of taxes abated in reference to the additional agreements entered into was \$0.

CHRISTIAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2021
(Continued)

Note 14. Contingencies

The county is involved in multiple lawsuits. While individually they may not be significant, in the aggregate they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

Note 15. Prior Period Adjustments

	General Fund	E-911 Fund	General Obligation Bond Fund	Health Insurance Fund
Ending Cash Balance Prior Year	\$ 7,989,462	\$ 873,627	\$ 1,934	\$ 787,173
Adjustments:				
Adjustment Prior Year Acct	(65,427)		65,427	
Prior Year Bank Error		36		
Rounding				(1)
Beginning Fund Balance - Restated	<u>\$ 7,924,035</u>	<u>\$ 873,663</u>	<u>\$ 67,361</u>	<u>\$ 787,172</u>

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

For The Year Ended June 30, 2021

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CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2021

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 7,925,671	\$ 7,925,671	\$ 8,126,661	\$ 200,990
In Lieu Tax Payments	210,414	210,414	182,593	(27,821)
Excess Fees	495,000	495,000	670,440	175,440
Licenses and Permits	122,625	122,625	112,590	(10,035)
Intergovernmental	2,361,846	4,652,871	3,489,842	(1,163,029)
Charges for Services	265,624	265,624	224,205	(41,419)
Miscellaneous	91,643	91,643	696,331	604,688
Interest	68,319	68,319	104,066	35,747
Total Receipts	<u>11,541,142</u>	<u>13,832,167</u>	<u>13,606,728</u>	<u>(225,439)</u>
DISBURSEMENTS				
General Government	3,818,655	4,476,108	3,249,999	1,226,109
Protection to Persons and Property	800,894	910,748	682,690	228,058
General Health and Sanitation	613,224	613,224	555,955	57,269
Social Services	229,659	236,483	146,342	90,141
Recreation and Culture	761,068	796,068	776,044	20,024
Airports	38,000	38,000	38,000	
Capital Projects	1,567,000	990,007	960,962	29,045
Administration	4,472,947	6,441,580	4,519,980	1,921,600
Total Disbursements	<u>12,301,447</u>	<u>14,502,218</u>	<u>10,929,972</u>	<u>3,572,246</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(760,305)</u>	<u>(670,051)</u>	<u>2,676,756</u>	<u>3,346,807</u>
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds	350,000	350,000	401,540	51,540
Transfers To Other Funds	(2,686,598)	(2,686,598)	(2,171,821)	514,777
Total Other Adjustments to Cash (Uses)	<u>(2,336,598)</u>	<u>(2,336,598)</u>	<u>(1,770,281)</u>	<u>566,317</u>
Net Change in Fund Balance	(3,096,903)	(3,006,649)	906,475	3,913,124
Fund Balance - Beginning (Restated)	<u>3,096,903</u>	<u>3,096,903</u>	<u>7,924,035</u>	<u>4,827,132</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 90,254</u>	<u>\$ 8,830,510</u>	<u>\$ 8,740,256</u>

CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2021
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,909,155	\$ 1,909,155	\$ 1,947,942	\$ 38,787
Miscellaneous	13,100	13,100	119,790	106,690
Interest	1,000	1,000	3,663	2,663
Total Receipts	<u>1,923,255</u>	<u>1,923,255</u>	<u>2,071,395</u>	<u>148,140</u>
DISBURSEMENTS				
Roads	2,784,655	2,794,459	2,217,131	577,328
Capital Projects	72,000	72,000	72,000	
Administration	531,577	521,773	511,794	9,979
Total Disbursements	<u>3,388,232</u>	<u>3,388,232</u>	<u>2,800,925</u>	<u>587,307</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,464,977)</u>	<u>(1,464,977)</u>	<u>(729,530)</u>	<u>735,447</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,439,977	1,439,977	735,000	(704,977)
Total Other Adjustments to Cash (Uses)	<u>1,439,977</u>	<u>1,439,977</u>	<u>735,000</u>	<u>(704,977)</u>
Net Change in Fund Balance	(25,000)	(25,000)	5,470	30,470
Fund Balance - Beginning	<u>25,000</u>	<u>25,000</u>	<u>21,101</u>	<u>(3,899)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,571</u>	<u>\$ 26,571</u>

CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2021
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 6,889,100	\$ 7,809,545	\$ 6,141,692	\$ (1,667,853)
Charges for Services	184,000	184,000	293,656	109,656
Miscellaneous	219,000	219,000	216,289	(2,711)
Interest	1,750	1,750	4,115	2,365
Total Receipts	<u>7,293,850</u>	<u>8,214,295</u>	<u>6,655,752</u>	<u>(1,558,543)</u>
DISBURSEMENTS				
Protection to Persons and Property	6,073,317	6,999,232	5,104,190	1,895,042
Debt Service	21,064	21,064		21,064
Administration	1,941,009	1,935,539	1,708,233	227,306
Total Disbursements	<u>8,035,390</u>	<u>8,955,835</u>	<u>6,812,423</u>	<u>2,143,412</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(741,540)</u>	<u>(741,540)</u>	<u>(156,671)</u>	<u>584,869</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	379,250	379,250	300,000	(79,250)
Transfers To Other Funds	<u>(62,710)</u>	<u>(62,710)</u>	<u>(62,709)</u>	<u>1</u>
Total Other Adjustments to Cash (Uses)	<u>316,540</u>	<u>316,540</u>	<u>237,291</u>	<u>(79,249)</u>
Net Change in Fund Balance	(425,000)	(425,000)	80,620	505,620
Fund Balance - Beginning	<u>425,000</u>	<u>425,000</u>	<u>432,693</u>	<u>7,693</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 513,313</u>	<u>\$ 513,313</u>

CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2021
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 155,500	\$ 155,500	\$ 177,243	\$ 21,743
Interest	375	375	1,339	964
Total Receipts	<u>155,875</u>	<u>155,875</u>	<u>178,582</u>	<u>22,707</u>
DISBURSEMENTS				
Roads	295,875	295,875	291,093	4,782
Total Disbursements	<u>295,875</u>	<u>295,875</u>	<u>291,093</u>	<u>4,782</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(112,511)</u>	<u>27,489</u>
Net Change in Fund Balance	(140,000)	(140,000)	(112,511)	27,489
Fund Balance - Beginning	<u>140,000</u>	<u>140,000</u>	<u>152,774</u>	<u>12,774</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,263</u>	<u>\$ 40,263</u>

CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2021
(Continued)

	E-911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 106,075	\$ 106,075	\$ 105,156	\$ (919)
Intergovernmental	357,000	357,000	367,836	10,836
Interest	4,625	4,625	8,134	3,509
Total Receipts	<u>467,700</u>	<u>467,700</u>	<u>481,126</u>	<u>13,426</u>
DISBURSEMENTS				
Protection to Persons and Property	1,207,700	1,217,483	506,817	710,666
Administration	10,000	217		217
Total Disbursements	<u>1,217,700</u>	<u>1,217,700</u>	<u>506,817</u>	<u>710,883</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(25,691)</u>	<u>724,309</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			179,095	179,095
Total Other Adjustments to Cash (Uses)			<u>179,095</u>	<u>179,095</u>
Net Change in Fund Balance	(750,000)	(750,000)	153,404	903,404
Fund Balance - Beginning (Restated)	<u>750,000</u>	<u>750,000</u>	<u>873,663</u>	<u>123,663</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,027,067</u>	<u>\$ 1,027,067</u>

CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2021
(Continued)

	AMERICAN RESCUE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$ 6,843,111	\$ 6,843,112	\$ 1
Interest			5,767	5,767
Total Receipts		6,843,111	6,848,879	5,768
DISBURSEMENTS				
Administration		6,843,111		6,843,111
Total Disbursements		6,843,111		6,843,111
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			6,848,879	6,848,879
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			100	100
Total Other Adjustments to Cash (Uses)			100	100
Net Change in Fund Balance			6,848,979	6,848,979
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 6,848,979	\$ 6,848,979

CHRISTIAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2021
(Continued)

	GENERAL OBLIGATION BOND FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	\$	\$ 88,308	\$ 88,308
Interest			2	2
Total Receipts			88,310	88,310
DISBURSEMENTS				
Debt Service	930,081	1,020,335	1,042,211	(21,876)
Total Disbursements	930,081	1,020,335	1,042,211	(21,876)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(930,081)	(1,020,335)	(953,901)	66,434
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	930,081	930,081	1,020,335	90,254
Transfers To Other Funds			(62,709)	(62,709)
Total Other Adjustments to Cash (Uses)	930,081	930,081	957,626	27,545
Net Change in Fund Balance		(90,254)	3,725	93,979
Fund Balance - Beginning (Restated)			67,361	67,361
Fund Balance - Ending	\$ 0	\$ (90,254)	\$ 71,086	\$ 161,340

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

June 30, 2021

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

The general obligation bond fund, debt service line item, exceeded budgeted appropriations by \$21,876.

**CHRISTIAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2021

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CHRISTIAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of Treasury</u>				
<i>Passed-Through Kentucky Department for Local Government</i>				
COVID-19 Coronavirus Relief Fund	21.019	2100000049 & 00001552	\$	\$ 1,618,562
Total U.S. Department of Treasury				<u>1,618,562</u>
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through Kentucky Department for Local Government</i>				
Community Development Block Grants/State's Program CDBG - Trilogy Recovery Center for Women	14.228	2000001218	\$	\$ 190,000
Total U.S. Department of Housing and Urban Development				<u>190,000</u>
<u>U. S. Department of Justice</u>				
<i>Passed-Through Kentucky Department Justice</i>				
Crime Victim Assistance	16.575	111	\$	\$ 60,950
Violence Against Women Formula Grants	16.588	668		<u>73,020</u>
Total U.S. Department of Justice				<u>133,970</u>
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through Kentucky Department of Military Affairs</i>				
Emergency Management Performance Grants	97.042	2000000513	\$	\$ 36,922
Total U.S. Department of Homeland Security				<u>36,922</u>
Total Expenditures of Federal Awards			\$ 0	<u>\$ 1,979,454</u>

The accompanying notes are an integral part of this schedule.

CHRISTIAN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Christian County, Kentucky under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Christian County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Christian County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Christian County has not adopted an indirect cost rate and has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

For The Year Ended June 30, 2021

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CHRISTIAN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2021

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 2,831,221	\$	\$	\$ 2,831,221
Construction In Progress	529,319	52,345	581,664	
Land Improvements	173,925			173,925
Buildings	48,051,377	84,225		48,135,602
Vehicles and Equipment	7,001,716	762,197		7,763,913
Furniture and Office Equipment	1,514,929	526,148		2,041,077
Infrastructure	29,658,657	1,336,343		30,995,000
 Total Capital Assets	 <u>\$ 89,761,144</u>	 <u>\$ 2,761,258</u>	 <u>\$ 581,664</u>	 <u>\$ 91,940,738</u>

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

June 30, 2021

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 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 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, 2021 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 December 9, 2021.

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) as a basis for designing 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 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. 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.



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 financial statement. 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 H", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

December 9, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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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 Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Christian County Fiscal Court's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Christian County Fiscal Court's major federal programs for the year ended June 30, 2021. The Christian County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Christian County Fiscal Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Christian County Fiscal Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Christian County Fiscal Court's compliance.



Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance
(Continued)

Opinion on Each Major Federal Program

In our opinion, the Christian County Fiscal Court complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Christian County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Christian County Fiscal Court's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Christian County Fiscal Court's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

December 9, 2021

**CHRISTIAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2021

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**CHRISTIAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2021

Section I: Summary of Auditor's Results

Financial Statement

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with Regulatory Basis: Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**CHRISTIAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2021
(Continued)**

Section II: Financial Statement Findings

None.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

Fiscal Year	Finding Number	Finding	Assistance Listing Number (If Applicable)	Questioned Costs (If Applicable)	Fiscal Year Finding Initially Occurred	Status (Resolved, Partially Resolved, Unresolved)	Agency Response and Comment
2020	2020-001	Jail Commissary Funds Should Not Be Used As A Donation To Private Institutions Or Create Personal Benefit	N/A	N/A	2020	Resolved	The Christian County Jail will refrain from purchasing snack cakes from local fundraisers.

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

CHRISTIAN COUNTY FISCAL COURT

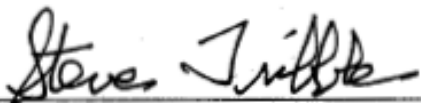
For The Year Ended June 30, 2021

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
CHRISTIAN COUNTY FISCAL COURT

For The Year Ended June 30, 2021

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.



County Judge/Executive



County Treasurer