

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

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

**Roy W Hunter, CPA, PLLC
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To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Micheal Hale, Barren County Judge/Executive
Members of the Barren 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 Barren County Fiscal Court, for the year ended June 30, 2021, and the related notes to the financial statement which collectively comprise the Barren 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 Barren 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 Barren 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 Barren 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 described in Note 1.

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 Barren County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards (supplemental 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 the 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.

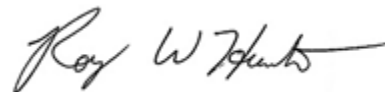
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2022, on our consideration of the Barren 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 Barren 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 Questioned Costs included herein, which discusses the following report finding:

2021-001 The Barren County Fiscal Court's Schedule Of Expenditures Of Federal Awards Was Inaccurate

Respectfully submitted,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

May 3, 2022

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

Micheal Hale	County Judge/Executive
Jeff Botts	Magistrate
Trent Riddle	Magistrate
Carl Dickerson	Magistrate
Tim Coomer	Magistrate
Mark Bowman	Magistrate
Kenneth Sartin	Magistrate
Billy Houchens	Magistrate

Other Elected Officials:

Kathryn Thomas	County Attorney
Aaron Bennett	Jailer
Helena Birdwell	County Clerk
Krissie Coe Fields	Circuit Court Clerk
Kent Keen	Sheriff
Kim Shipley	Property Valuation Administrator
Tim Gibson	Coroner

Appointed Personnel:

Denise Riddle	Former County Treasurer
Jenny Hoffman	County Treasurer
Nancy Houchens	Deputy County Judge/Executive
Sherry Jones	Finance Officer/Fiscal Court Clerk

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

For The Year Ended June 30, 2021

BARREN 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
RECEIPTS				
Taxes	\$ 5,339,652	\$	\$	\$ 79,023
In Lieu Tax Payments	117,910			
Licenses and Permits	304,254			
Intergovernmental	3,789,085	1,702,136	1,825,108	
Charges for Services			211,564	
Miscellaneous	232,870	48,509	416,819	
Interest	4,024	2,196	303	7
Total Receipts	<u>9,787,795</u>	<u>1,752,841</u>	<u>2,453,794</u>	<u>79,030</u>
DISBURSEMENTS				
General Government	3,668,545			
Protection to Persons and Property	739,376		1,959,614	
General Health and Sanitation	929,948			
Social Services	85,604			
Recreation and Culture	764,444			
Roads		1,965,366		
Debt Service	127,376		99,172	
Capital Projects				
Administration	<u>1,752,409</u>	<u>283,159</u>	<u>649,673</u>	<u>64</u>
Total Disbursements	<u>8,067,702</u>	<u>2,248,525</u>	<u>2,708,459</u>	<u>64</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>1,720,093</u>	<u>(495,684)</u>	<u>(254,665)</u>	<u>78,966</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	746,334		1,029,600	
Transfers To Other Funds	<u>(1,224,566)</u>		<u>(490,655)</u>	
Total Other Adjustments to Cash (Uses)	<u>(478,232)</u>		<u>538,945</u>	
Net Change in Fund Balance	1,241,861	(495,684)	284,280	78,966
Fund Balance - Beginning (Restated)	<u>1,183,874</u>	<u>1,503,271</u>	<u>47,721</u>	
Fund Balance - Ending	<u>\$ 2,425,735</u>	<u>\$ 1,007,587</u>	<u>\$ 332,001</u>	<u>\$ 78,966</u>
Composition of Fund Balance				
Bank Balance	\$ 2,686,838	\$ 1,351,251	\$ 364,419	\$ 78,966
Plus: Deposits In Transit	13,482		67,453	
Less: Outstanding Checks	(274,585)	(343,664)	(99,871)	
Investments				
Fund Balance - Ending	<u>\$ 2,425,735</u>	<u>\$ 1,007,587</u>	<u>\$ 332,001</u>	<u>\$ 78,966</u>

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

BARREN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2021
(Continued)

Budgeted Funds					
Recreation Department Fund	Drug Forfeiture Fund	Hiseville Cemetery Fund	ABC Fund	Safe House Fund	Federal Drug Forfeitures Fund
\$	\$	\$	\$	\$	\$
82,848		12,875			
102,117	9,906	3,774	175,572		2
241	1	6,428	37	37	
<u>185,206</u>	<u>9,907</u>	<u>23,077</u>	<u>175,609</u>	<u>37</u>	<u>2</u>
	8,546		53,945		8,000
260,466		12,876	16,250		
71,279					
<u>38,102</u>	<u>64</u>	<u>50</u>			<u>64</u>
<u>369,847</u>	<u>8,610</u>	<u>12,926</u>	<u>70,195</u>		<u>8,064</u>
<u>(184,641)</u>	<u>1,297</u>	<u>10,151</u>	<u>105,414</u>	<u>37</u>	<u>(8,062)</u>
210,095					
			(79,000)		(2,159)
<u>210,095</u>			<u>(79,000)</u>		<u>(2,159)</u>
25,454	1,297	10,151	26,414	37	(10,221)
21,447	213	175,074	38,510	20,808	24,328
<u>\$ 46,901</u>	<u>\$ 1,510</u>	<u>\$ 185,225</u>	<u>\$ 64,924</u>	<u>\$ 20,845</u>	<u>\$ 14,107</u>
\$ 96,880	\$ 8,057	\$ 57,764	\$ 64,939	\$ 20,845	\$ 22,107
(49,979)	(6,547)	(1,500)	(15)		(8,000)
		128,961			
<u>\$ 46,901</u>	<u>\$ 1,510</u>	<u>\$ 185,225</u>	<u>\$ 64,924</u>	<u>\$ 20,845</u>	<u>\$ 14,107</u>

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

BARREN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2021
(Continued)

	Budgeted Funds		
	CDBG Blight Removal Fund	Samson Street Jail Bonds Fund	Federal Grants Fund
RECEIPTS			
Taxes	\$	\$	\$
In Lieu Tax Payments			
Licenses and Permits			
Intergovernmental	7,200	6,635	2,036,750
Charges for Services			
Miscellaneous			
Interest		11	610
Total Receipts	<u>7,200</u>	<u>6,646</u>	<u>2,037,360</u>
DISBURSEMENTS			
General Government			
Protection to Persons and Property			
General Health and Sanitation			
Social Services			
Recreation and Culture			
Roads			
Debt Service		497,290	
Capital Projects	7,200		
Administration		25	47
Total Disbursements	<u>7,200</u>	<u>497,315</u>	<u>47</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		<u>(490,669)</u>	<u>2,037,313</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds		490,655	
Transfers To Other Funds			(680,304)
Total Other Adjustments to Cash (Uses)		<u>490,655</u>	<u>(680,304)</u>
Net Change in Fund Balance		(14)	1,357,009
Fund Balance - Beginning (Restated)	1	142	
Fund Balance - Ending	<u>\$ 1</u>	<u>\$ 128</u>	<u>\$ 1,357,009</u>
Composition of Fund Balance			
Bank Balance	\$ 1	\$ 128	\$ 1,357,009
Plus: Deposits In Transit			
Less: Outstanding Checks			
Investments			
Fund Balance - Ending	<u>\$ 1</u>	<u>\$ 128</u>	<u>\$ 1,357,009</u>

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

BARREN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2021
(Continued)

Budgeted Funds		Unbudgeted Funds				
Court Fees Fund	American Rescue Plan Act Fund	Public Properties Corporation Fund	Glasgow/Barren County Public Library Corporation Fund	Jail Commissary Fund	Total Funds	
\$	\$	\$	\$	\$	\$	5,418,675
						117,910
						304,254
11,960	4,297,425	251,950	59,088			13,987,337
						307,287
				683,576		1,673,145
14		3				13,912
<u>11,974</u>	<u>4,297,425</u>	<u>251,953</u>	<u>59,088</u>	<u>683,576</u>		<u>21,822,520</u>
						3,672,304
						2,769,481
						929,948
						114,730
				608,157		1,633,067
						1,965,366
		250,850	59,088			1,105,055
						7,200
		<u>1,100</u>				<u>2,724,757</u>
<u>3,759</u>		<u>251,950</u>	<u>59,088</u>	<u>608,157</u>		<u>14,921,908</u>
						2,476,684
						(2,476,684)
						6,900,612
8,215	4,297,425	3		75,419		6,900,612
						2,476,684
						(2,476,684)
						6,900,612
25,156	4,297,425	43,858	894	214,990		3,300,287
<u>\$ 33,371</u>	<u>\$ 4,297,425</u>	<u>\$ 43,861</u>	<u>\$ 894</u>	<u>\$ 290,409</u>		<u>\$ 10,200,899</u>
						10,841,190
						82,113
(1,784)				(65,420)		(851,365)
						128,961
<u>\$ 33,371</u>	<u>\$ 4,297,425</u>	<u>\$ 43,861</u>	<u>\$ 894</u>	<u>\$ 290,409</u>		<u>\$ 10,200,899</u>

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

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

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**BARREN COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2021

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Barren County includes all budgeted and unbudgeted funds under the control of the Barren 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.

The Barren County Library would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, it is no longer a required component of the reporting entity. Audits can be obtained from the Barren County Fiscal Court, 117 North Public Square, Glasgow, KY 42141.

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.

BARREN 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)

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.

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.

Recreation Department Fund - The primary purpose of this fund is to account for the recreational expenses of the county. The primary source of receipts for this fund is the recreational fees and concessions.

Drug Forfeiture Fund - The primary purpose of this fund is to account for local drug seizure award expenses of the county. The primary sources of receipts for this fund are court ordered payments.

Hiseville Cemetery Fund - The primary purpose of this fund is to account for cemetery upkeep expenses of the county. The primary sources of receipts for this fund are donations and associated cemetery fees.

ABC Fund - The primary purpose of this fund is to account for alcohol beverage monitoring and enforcement expenses of the county. The primary sources of receipts for this fund are taxes and license fees.

Safe House Fund - The primary purpose of this fund is to account is to assist citizens in cases of emergencies to obtain necessities. The primary sources of receipts for this fund are donations.

Federal Drug Forfeitures Fund - The primary purpose of this fund is to account for federal drug forfeiture expenses of the county. The primary sources of receipts for this fund are court ordered seized funds and proceeds.

CDBG Blight Removal Fund - The primary purpose of this fund is to account for community development block grant expenses of the county. The primary sources of receipts for this fund are federal grants.

Samson Street Jail Bonds Fund - The primary purpose of this fund is to account for the jail debt service payments of the county. The primary sources of receipts for this fund are transfers from other funds.

Federal Grants Fund - The primary purpose of this fund is to account for the federal grants' receipts and expenditures. The primary sources of receipts for this fund are federal grants and interest earned.

Court Fees Fund - The primary purpose of this fund is to account for court facility fees and related renewals and repairs. The primary source of receipts for this fund is Administrative Office of the Courts (AOC) reimbursements.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for the American Rescue Plan Act's (ARPA) receipts and expenditures. The primary sources of receipts for this fund are ARPA's monies and interest earned.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Properties 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.

Glasgow/Barren County Public Library Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to construct the Mary Wood Weldon Memorial Library.

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.

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.

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 facilities construction corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Barren County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Barren 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 Barren County Fiscal Court.

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

Note 1. Summary of Significant Accounting Policies (Continued)

F. Barren County Elected Officials (Continued)

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

G. 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).

H. 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.

I. Governmental Accounting Standard Board (GASB) 84

GASB 84 was implemented during fiscal year 2021. Under GASB 84, the amount of the inmate funds was removed from the jail commissary fund balance.

Note 2. Deposits and Investments

A. 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.

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

Note 2. Deposits and Investments (Continued)

A. Deposits (Continued)

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.

B. Investments

As of June 30, 2021, the fiscal court had the following investments and maturities:

Type	Cost Basis	Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury					
Mutual Funds	\$ 128,961	\$ 128,961	\$	\$	\$
Total Fund Balance	\$ 128,961	\$ 128,961	\$ 0	\$ 0	\$ 0

Custodial Credit Risk is the risk that, in the event of failure of the counterparty, the fiscal court will not be able to recover the value of its certificates of deposit, investments, or collateral securities that are in the possession of an outside party. The fiscal court's investment policy requires counterparties to provide sufficient collateral or other insurance if any investments or deposits exceed the insurance provided by Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). All certificates of deposit and investments must be held by the counterparty in the fiscal court's name. The fiscal court has \$0 of certificates of deposit and \$0 of investments in securities held by the counterparties' trust departments in the fiscal court's name. The counterparty maintains the \$0 of certificates of deposit at depository institutions insured by the FDIC and limits certificates of deposit at each depository institution to the \$250,000 FDIC coverage limit. In addition, the SIPC provides up to \$500,000 coverage for securities and cash (limit of \$250,000 for cash) per client and the counterparties maintain additional insurance coverage for loss of securities and cash above the coverage provided by FDIC and SIPC.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The fiscal court is statutorily limited as to credit ratings, at the time of purchase. KRS 66.480 and the fiscal court's investment policy define the following items as permissible investments:

- 1) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;

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

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

- 2) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
 - a. United States Treasury;
 - b. Export-Import Bank of the United States;
 - c. Farmers Home Administration;
 - d. Government National Mortgage Corporation; and
 - e. Merchant Marine bonds;
- 3) Obligations of any corporation of the United States government, including but not limited to:
 - a. Federal Home Loan Mortgage Corporation;
 - b. Federal Farm Credit Banks;
 - c. Bank for Cooperatives;
 - d. Federal Intermediate Credit Banks;
 - e. Federal Land Banks;
 - f. Federal Home Loan Banks;
 - g. Federal National Mortgage Association; and
 - h. Tennessee Valley Authority;
- 4) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- 5) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;
- 6) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;
- 7) Commercial paper rated in the highest category by a competent rating agency;
- 8) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- 9) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;
- 10) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:
 - a. The mutual funds shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended.
 - b. The management company of the investment company shall have been in operation for at least five years; and
 - c. All of the securities in the mutual fund shall be eligible investments pursuant to this section;
- 11) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and
- 12) Individual high-quality corporate bonds that are managed by a professional investment manager that:
 - a. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
 - b. Have a standard maturity of no more than ten years; and
 - c. Are rated in the three highest rating categories by at least two competent credit rating agencies.

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

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

The fiscal court is limited to investing no more than 20 percent in categories 5, 6, 7, 9, and 10 above per state statute and the fiscal court's investment policy. As of June 30, 2021, the fiscal court does not have any investments in these categories.

The fiscal court's rated investments, as of June 30, 2021, and the ratings are presented in the table below. All issuers of the municipal bonds are located in the Commonwealth of Kentucky.

Type	Standard & Poor's/Moody's Credit Ratings					Cost Basis
	AAA/Aaa	AA/Aa	A	WR	Unrated/NA	
U.S. Treasury						
Mutual Funds	\$	\$	\$	\$	128,961	128,961
Total Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,961	\$ 128,961

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the fiscal court's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk. The fiscal court does not have 5 percent or more of the fiscal court's investments invested in any single security.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The fiscal court's policy provides that, to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. See table above for investments listed by type and duration.

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The fiscal court's policy historically has been to invest only in securities in U.S. denominations.

Note 3. Transfers

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

	General Fund	Jail Fund	ABC Fund	Federal Drug Forfeitures Fund	Federal Grants Fund	Total Transfers In
General Fund	\$	\$	\$ 79,000	\$ 2,159	\$ 665,175	\$ 746,334
Jail Fund	1,014,471				15,129	1,029,600
Recreation Department Fund	210,095					210,095
Samson Street Jail Bond Fund		490,655				490,655
Total Transfers Out	\$ 1,224,566	\$ 490,655	\$ 79,000	\$ 2,159	\$ 680,304	\$ 2,476,684

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.

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

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 \$6,382.

Note 5. Long-term Debt

A. Direct Borrowings and Direct Placements

1. KACo Lease For EMS Building

On September 22, 2008, the Barren County Fiscal Court entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust for the construction of an EMS building. The agreement is secured by the project. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, Project sold or re-leased, or lease rental payments may be declared due and payable. The principal was \$500,000 at a variable interest rate for a period of 20 years, with principal and interest paid monthly. The principal outstanding as of June 30, 2021, was \$238,138. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 28,062	\$ 14,445
2023	29,464	12,646
2024	30,936	10,773
2025	32,481	8,768
2026	34,104	6,692
2027-2029	83,091	6,899
Totals	<u>\$ 238,138</u>	<u>\$ 60,223</u>

2. KACo Lease For Ballpark Lighting

On January 26, 2010, the Barren County Fiscal Court entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust for the purchase and installation of ballpark lighting. The agreement is secured by the project. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, Project sold or re-leased, or lease rental payments may be declared due and payable. The principal was \$250,000 at a various interest rate for the period of 13 years and 6 months, with principal and interest paid monthly. The principal outstanding as of June 30, 2021, was \$0.

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. KACo Lease For Body Scanner

On May 24, 2017, the Barren County Fiscal Court entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust for the purchase of a body scanner for use at the detention center. The agreement is secured by the body scanner. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, Project repossessed and sold or re-leased, or lease rental payments may be declared due and payable. The principal was \$150,000 at a variable interest rate with principal and interest paid monthly. The principal outstanding as of June 30, 2021, was \$0.

B. Other Debt

1. General Obligation Bonds, Series 2010B - Correction Center

On April 22, 2010, the Barren County Fiscal Court issued \$8,395,000 of taxable general obligation bonds (Build America Bonds), series 2010A. The bonds mature serially through April 1, 2040 and require annual principal payments on April 1 beginning April 1, 2012 and semi-annual interest payments April 1 and October 1 at varying interest rates from 1.6% to 5.75%. In addition, on April 22, 2010, the Barren County Fiscal Court also issued \$510,000 in taxable general obligation bonds (recovery zone economic development bonds), series 2010B. The bonds require one principal payment on April 1, 2040, and semi-annual interest payments on April 1 and October 1, at an interest rate of 6.10%.

These bonds were issued for the purpose of the acquisition, construction, and equipping of a new Barren County Corrections Center. Upon the happening and continuance of any event of default as defined in the bond, a suit may be filed, or bond may be declared due and payable. The fiscal court expected to receive Build America subsidy payments and Recovery Zone interest subsidy payments from the United States Treasury to cover 35% to 45%, respectively, of the interest payments on these bonds. On April 1, 2015, the series 2010A bonds were refunded by general obligation bonds, series 2015. Bonds outstanding as of June 30, 2021, were \$510,000, the remaining series 2010B principal. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$	\$ 31,110
2023		31,110
2024		31,110
2025		31,110
2026		31,110
2027-2031		155,550
2032-2036		155,550
2037-2040	510,000	124,450
Totals	\$ 510,000	\$ 591,100

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

Note 5. Long-term Debt (Continued)

B. Other Debt (Continued)

2. Barren County Public Properties Corporation Lease Refunding Revenue Bonds, Series 2017

On August 23, 2017, the Barren County Public Properties Corporation issued \$2,250,000 of lease refunding revenue bonds, series 2017, for the purpose of paying the costs associated with the refunding and refinancing of the fiscal court's mortgage revenue bonds, series 2007, used to renovate the Barren County Courthouse. The bonds are secured by a foreclosable first mortgage lien on the project. Upon the happening and continuance of any event of default as defined in the bond, the mortgage may be enforced, a suit may be filed, or the bond may be declared due and payable. The bonds mature through February 1, 2029 and require annual principal payments on February 1 starting on February 1, 2018, and semi-annual interest payments at 4.00% on February 1 and August 1 of each year.

Although the fiscal court is obligated to pay the corporation annual rentals in the full amount of the principal and interest requirements of the bonds for each year the lease agreement is renewed, the fiscal court expects to receive payments for the use of the Barren County Courthouse from the Kentucky Judicial Branch, Administrative Office of the Courts (AOC). AOC will pay directly to the trustee a portion of the fiscal court's annual rental in the form of a use allowance. Bonds outstanding as of June 30, 2021, were \$1,710,000. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2022	\$ 185,000	\$ 63,650
2023	195,000	56,250
2024	200,000	48,450
2025	210,000	40,450
2026	220,000	32,050
2027-2029	700,000	44,700
Totals	<u>\$ 1,710,000</u>	<u>\$ 285,550</u>

3. Glasgow/Barren County Public Library Corporation, Lease Revenue Bonds, Series 2008

On December 18, 2008, the Glasgow/Barren County Public Library Corporation issued \$1,245,000 of lease revenue bonds for the purpose of paying the costs associated with renovating and equipping the new library building. The bonds are secured by a foreclosable first mortgage lien on the project. The bonds are also secured by the assignment of the Corporation of all its rights, title, and interest to a lease agreement with the county and the city of Glasgow, Kentucky. The bonds mature serially through December 1, 2033, and require annual principal payments on December 1 beginning December 1, 2009, and semi-annual interest payments on June 1 and December 1 at interest rates ranging from 3.0% to 6.25%.

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

Note 5. Long-term Debt (Continued)

B. Other Debt (Continued)

3. Glasgow/Barren County Public Library Corporation, Lease Revenue Bonds, Series 2008 (Continued)

Although the fiscal court and the City of Glasgow are obligated to pay the corporation annual rentals of 9% and 10%, respectively, of the full amount of the principal and interest requirements of the bonds for each year the lease agreement is renewed, the fiscal court and the City of Glasgow expect to receive payments for the use of the Mary Wood Weldon Memorial Library from the Barren County Library Board. The Barren County Library Board will pay directly to the trustee the annual rental of the fiscal court and the City of Glasgow in the form of a use allowance. Bonds outstanding as of June 30, 2021, were \$305,000. Further principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 45,000	\$ 16,644
2023	50,000	13,912
2024	50,000	11,037
2025	55,000	7,950
2026	55,000	4,650
2027	50,000	1,500
Totals	<u>\$ 305,000</u>	<u>\$ 55,693</u>

4. General Obligation Refunding Bonds, Series 2015 - Correction Center

On April 15, 2015, the Barren County Public Properties Corporation issued \$7,815,000 of general obligation refunding bonds, series 2015, for the purpose of paying the costs associated with the refunding and refinancing of the fiscal court's general obligation bonds, series 2010A, used to construct the Barren County Corrections Center. Upon the happening and continuance of any event of default as defined in the bond, a suit may be filed or bond may be declared due and payable. The bonds mature through April 1, 2039, and require annual principal payments on April 1 starting on April 1, 2016, and semi-annual interest payments between the rates of 1 to 3.375% on October 1 and April 1 of each year. The principal outstanding as of June 30, 2021, was \$6,250,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2022	\$ 270,000	\$ 190,780
2023	280,000	185,380
2024	285,000	179,780
2025	290,000	171,230
2026	300,000	162,530
2027-2031	1,640,000	671,950
2032-2036	1,900,000	405,483
2037-2039	1,285,000	87,750
Totals	<u>\$ 6,250,000</u>	<u>\$ 2,054,883</u>

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

Note 5. Long-term Debt (Continued)

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	\$ 423,507	\$	\$ 185,369	\$ 238,138	\$ 28,062
Other Debt	9,265,000		490,000	8,775,000	500,000
Total Long-term Debt	<u>\$ 9,688,507</u>	<u>\$ 0</u>	<u>\$ 675,369</u>	<u>\$ 9,013,138</u>	<u>\$ 528,062</u>

D. Aggregate Debt Schedule

The aggregate debt schedule is as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 500,000	\$ 302,184	\$ 28,062	\$ 14,445
2023	525,000	286,652	29,464	12,646
2024	535,000	270,377	30,936	10,773
2025	555,000	250,740	32,481	8,768
2026	575,000	230,340	34,104	6,692
2027-2031	2,390,000	873,700	83,091	6,899
2032-2036	1,900,000	561,033		
2037-2040	1,795,000	212,200		
	<u>\$ 8,775,000</u>	<u>\$ 2,987,226</u>	<u>\$ 238,138</u>	<u>\$ 60,223</u>

Note 6. 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 Public Pension Authority (KPPA). 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 2019 was \$1,008,483, and FY 2020 was \$1,166,839, FY 2021 was 1,057,091.

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

Note 6. Employee Retirement System (Continued)

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 KPPA 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 KPPA 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.

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the KPPA 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. Hazardous members contribute 8 percent of their annual creditable compensation and 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 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 hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

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

Note 6. Employee Retirement System (Continued)

Hazardous (Continued)

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 39.58 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.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. 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.

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

B. Health Insurance Coverage - Tier 2 and Tier 3 – Nonhazardous (Continued)

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. Health Insurance Coverage - Tier 2 and Tier 3 - Hazardous

Once members reach a minimum vesting period of 15 years, they earn fifteen 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. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. 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 COLA since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

D. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of KPPA 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.

E. 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.

F. 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.

KPPA Annual Financial Report and Proportionate Share Audit Report

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

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

Note 6. Employee Retirement System (Continued)

KPPA Annual Financial Report and Proportionate Share Audit Report (Continued)

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.

Note 7. Deferred Compensation

The Barren 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 8. Health Reimbursement/Flexible Spending Account

The Barren County Fiscal Court established a flexible spending account (FSA) on September 11, 1995 to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides a debit card to employees with \$500 balances. Employees may also contribute additional pre-tax funds through payroll deduction. The balance of the plan is \$10,278. The fiscal court also has an employee benefit account at a local bank that had a balance of \$20,146 as of June 30, 2021. This account is used to pay out contributions and other costs related to the FSA/health reimbursement account (HRA) to the third-party administrator.

Note 9. Insurance

For the fiscal year ended June 30, 2021, the Barren 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.

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

Note 10. Asset Retirement Obligation

The Barren County Fiscal Court purchased a body scanner for the detention center during 2017. Due to the x-ray technology used by this device, additional expenses might occur when this asset is retired. The fiscal court has not obtained estimated fees to dispose of this asset, but does not expect it to have a significant cost. The estimated life of this asset is 10 years.

Note 11. Prior Period Adjustments

General Fund:

Ending Cash Balance Prior Year	\$ 1,209,030
Subtract: Beginning balance of new fund - Court Fees	<u>(25,156)</u>
Ending Cash Balance Prior Year (restated)	<u><u>\$ 1,183,874</u></u>

Court Fees Fund:

Ending Cash Balance Prior Year	\$ 0
Add: Prior year ending balance in general fund	<u>25,156</u>
Ending Cash Balance Prior Year (restated)	<u><u>\$ 25,156</u></u>

Jail Commissary:

Ending Cash Balance Prior Year	\$ 221,566
Subtract: Implementation of GASB 84 - Remove Inmate Funds	<u>(6,576)</u>
Ending Cash Balance Prior Year (restated)	<u><u>\$ 214,990</u></u>

Total Fund Balance:

Ending Cash Balance - Prior Year	\$ 3,306,863
Subtract: Implementation of GASB 84 - Remove Inmate Funds	<u>(6,576)</u>
Ending Cash Balance Prior Year (restated)	<u><u>\$ 3,300,287</u></u>

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

For The Year Ended June 30, 2021

BARREN 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	\$ 4,660,000	\$ 5,447,403	\$ 5,339,652	\$ (107,751)
In Lieu Tax Payments	107,000	117,910	117,910	
Licenses and Permits	241,500	303,825	304,254	429
Intergovernmental	3,260,500	3,843,003	3,789,085	(53,918)
Miscellaneous	143,600	166,130	232,870	66,740
Interest	32,200	32,200	4,024	(28,176)
Total Receipts	<u>8,444,800</u>	<u>9,910,471</u>	<u>9,787,795</u>	<u>(122,676)</u>
DISBURSEMENTS				
General Government	3,936,143	4,084,700	3,668,545	416,155
Protection to Persons and Property	743,879	908,797	739,376	169,421
General Health and Sanitation	908,768	986,948	929,948	57,000
Social Services	96,935	108,073	85,604	22,469
Recreation and Culture	669,000	767,209	764,444	2,765
Debt Service	129,500	129,500	127,376	2,124
Administration	1,708,200	3,977,884	1,752,409	2,225,475
Total Disbursements	<u>8,192,425</u>	<u>10,963,111</u>	<u>8,067,702</u>	<u>2,895,409</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>252,375</u>	<u>(1,052,640)</u>	<u>1,720,093</u>	<u>2,772,733</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	343,870	343,870	746,334	402,464
Transfers To Other Funds	(914,782)	(914,782)	(1,224,566)	(309,784)
Total Other Adjustments to Cash (Uses)	<u>(570,912)</u>	<u>(570,912)</u>	<u>(478,232)</u>	<u>92,680</u>
Net Change in Fund Balance	(318,537)	(1,623,552)	1,241,861	2,865,413
Fund Balance - Beginning (Restated)	<u>318,537</u>	<u>1,209,031</u>	<u>1,183,874</u>	<u>(25,157)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (414,521)</u>	<u>\$ 2,425,735</u>	<u>\$ 2,840,256</u>

BARREN 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	\$ 1,698,187	\$ 1,718,298	\$ 1,702,136	\$ (16,162)
Miscellaneous	700	50,264	48,509	(1,755)
Interest	46,000	46,000	2,196	(43,804)
Total Receipts	<u>1,744,887</u>	<u>1,814,562</u>	<u>1,752,841</u>	<u>(61,721)</u>
DISBURSEMENTS				
Roads	2,653,900	2,705,328	1,965,366	739,962
Administration	422,700	440,947	283,159	157,788
Total Disbursements	<u>3,076,600</u>	<u>3,146,275</u>	<u>2,248,525</u>	<u>897,750</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,331,713)</u>	<u>(1,331,713)</u>	<u>(495,684)</u>	<u>836,029</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(233,870)</u>	<u>(233,870)</u>	<u> </u>	<u>233,870</u>
Total Other Adjustments to Cash (Uses)	<u>(233,870)</u>	<u>(233,870)</u>	<u> </u>	<u>233,870</u>
Net Change in Fund Balance	(1,565,583)	(1,565,583)	(495,684)	1,069,899
Fund Balance - Beginning	<u>1,565,583</u>	<u>1,565,583</u>	<u>1,503,271</u>	<u>(62,312)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,007,587</u>	<u>\$ 1,007,587</u>

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,961,000	\$ 2,160,082	\$ 1,825,108	\$ (334,974)
Charges for Services	209,000	209,000	211,564	2,564
Miscellaneous	285,100	451,724	416,819	(34,905)
Interest	25	268	303	35
Total Receipts	<u>2,455,125</u>	<u>2,821,074</u>	<u>2,453,794</u>	<u>(367,280)</u>
DISBURSEMENTS				
Protection to Persons and Property	2,027,467	2,107,396	1,959,614	147,782
Debt Service	33,800	99,928	99,172	756
Capital Projects	500	500		500
Administration	785,850	1,167,698	649,673	518,025
Total Disbursements	<u>2,847,617</u>	<u>3,375,522</u>	<u>2,708,459</u>	<u>667,063</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(392,492)</u>	<u>(554,448)</u>	<u>(254,665)</u>	<u>299,783</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	839,782	839,782	1,029,600	189,818
Transfers To Other Funds	<u>(497,290)</u>	<u>(497,290)</u>	<u>(490,655)</u>	<u>6,635</u>
Total Other Adjustments to Cash (Uses)	<u>342,492</u>	<u>342,492</u>	<u>538,945</u>	<u>196,453</u>
Net Change in Fund Balance	(50,000)	(211,956)	284,280	496,236
Fund Balance - Beginning	<u>50,000</u>	<u>50,000</u>	<u>47,721</u>	<u>(2,279)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (161,956)</u>	<u>\$ 332,001</u>	<u>\$ 493,957</u>

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

	LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 110,000	\$ 110,000	\$ 79,023	\$ (30,977)
Interest			7	7
Total Receipts	<u>110,000</u>	<u>110,000</u>	<u>79,030</u>	<u>(30,970)</u>
DISBURSEMENTS				
Administration			64	(64)
Total Disbursements			<u>64</u>	<u>(64)</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>110,000</u>	<u>110,000</u>	<u>78,966</u>	<u>(31,034)</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(110,000)</u>	<u>(110,000)</u>		<u>110,000</u>
Total Other Adjustments to Cash (Uses)	<u>(110,000)</u>	<u>(110,000)</u>		<u>110,000</u>
Net Change in Fund Balance			78,966	78,966
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 78,966</u>	<u>\$ 78,966</u>

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

	RECREATION DEPARTMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	\$ 66,000	\$ 94,888	\$ 82,848	\$ (12,040)
Miscellaneous	91,500	115,775	102,117	(13,658)
Interest	500	500	241	(259)
Total Receipts	<u>158,000</u>	<u>211,163</u>	<u>185,206</u>	<u>(25,957)</u>
DISBURSEMENTS				
Recreation and Culture	185,300	259,025	260,466	(1,441)
Debt Service	25,900	74,300	71,279	3,021
Administration	31,800	152,685	38,102	114,583
Total Disbursements	<u>243,000</u>	<u>486,010</u>	<u>369,847</u>	<u>116,163</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(85,000)</u>	<u>(274,847)</u>	<u>(184,641)</u>	<u>90,206</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>75,000</u>	<u>75,000</u>	<u>210,095</u>	<u>135,095</u>
Total Other Adjustments to Cash (Uses)	<u>75,000</u>	<u>75,000</u>	<u>210,095</u>	<u>135,095</u>
Net Change in Fund Balance	(10,000)	(199,847)	25,454	225,301
Fund Balance - Beginning	<u>10,000</u>	<u>21,447</u>	<u>21,447</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (178,400)</u>	<u>\$ 46,901</u>	<u>\$ 225,301</u>

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

	DRUG FORFEITURE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 500	\$ 9,906	\$ 9,906	\$
Interest			1	1
Total Receipts	<u>500</u>	<u>9,906</u>	<u>9,907</u>	<u>1</u>
DISBURSEMENTS				
Protection to Persons and Property	500	8,596	8,546	50
Administration		1,523	64	1,459
Total Disbursements	<u>500</u>	<u>10,119</u>	<u>8,610</u>	<u>1,509</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		<u>(213)</u>	<u>1,297</u>	<u>1,510</u>
Net Change in Fund Balance		(213)	1,297	1,510
Fund Balance - Beginning		<u>213</u>	<u>213</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,510</u>	<u>\$ 1,510</u>

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

HISEVILLE CEMETERY FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	\$ 5,600	\$ 12,875	\$ 12,875	\$
Miscellaneous		5,851	3,774	(2,077)
Interest		4,104	6,428	2,324
Total Receipts	<u>5,600</u>	<u>22,830</u>	<u>23,077</u>	<u>247</u>
DISBURSEMENTS				
Social Services	14,100	17,230	12,876	4,354
Administration		179,961	50	179,911
Total Disbursements	<u>14,100</u>	<u>197,191</u>	<u>12,926</u>	<u>184,265</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(8,500)</u>	<u>(174,361)</u>	<u>10,151</u>	<u>184,512</u>
Net Change in Fund Balance	(8,500)	(174,361)	10,151	184,512
Fund Balance - Beginning	<u>8,500</u>	<u>174,361</u>	<u>175,074</u>	<u>713</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 185,225</u>	<u>\$ 185,225</u>

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

	ABC FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 120,000	\$ 170,509	\$ 175,572	\$ 5,063
Interest		30	37	7
Total Receipts	<u>120,000</u>	<u>170,539</u>	<u>175,609</u>	<u>5,070</u>
DISBURSEMENTS				
Protection to Persons and Property		53,964	53,945	19
Social Services		16,250	16,250	
Administration	120,000	59,835		59,835
Total Disbursements	<u>120,000</u>	<u>130,049</u>	<u>70,195</u>	<u>59,854</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		<u>40,490</u>	<u>105,414</u>	<u>64,924</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(79,000)	(79,000)
Total Other Adjustments to Cash (Uses)			<u>(79,000)</u>	<u>(79,000)</u>
Net Change in Fund Balance		40,490	26,414	(14,076)
Fund Balance - Beginning		<u>38,510</u>	<u>38,510</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 79,000</u>	<u>\$ 64,924</u>	<u>\$ (14,076)</u>

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

	SAFE HOUSE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$	\$	\$ 37	\$ 37
Total Receipts			37	37
DISBURSEMENTS				
Administration		20,843		20,843
Total Disbursements		20,843		20,843
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(20,843)	37	20,880
Net Change in Fund Balance		(20,843)	37	20,880
Fund Balance - Beginning		20,808	20,808	
Fund Balance - Ending	\$	0	\$ 20,845	\$ 20,880

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

FEDERAL DRUG FORFEITURES FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	\$	\$ 2	\$ 2
Total Receipts			2	2
DISBURSEMENTS				
Protection to Persons and Property		8,000	8,000	
Administration		14,169	64	14,105
Total Disbursements		22,169	8,064	14,105
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(22,169)	(8,062)	14,107
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(2,159)	(2,159)
Total Other Adjustments to Cash (Uses)			(2,159)	(2,159)
Net Change in Fund Balance		(22,169)	(10,221)	11,948
Fund Balance - Beginning		24,328	24,328	
Fund Balance - Ending	\$	0	\$ 14,107	\$ 11,948

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

CDBG BLIGHT REMOVAL FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$ 284,000	\$ 7,200	\$ (276,800)
Total Receipts		284,000	7,200	(276,800)
DISBURSEMENTS				
Capital Projects		284,001	7,200	276,801
Total Disbursements		284,001	7,200	276,801
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(1)		1
Net Change in Fund Balance		(1)		1
Fund Balance - Beginning		1	1	
Fund Balance - Ending	\$	0	\$ 1	\$ 1

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

SAMSON STREET JAIL BOND FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$	\$ 6,635	\$ 6,635
Interest		11	11	
Total Receipts		11	6,646	6,635
DISBURSEMENTS				
Debt Service	497,290	503,877	497,290	6,587
Administration		111	25	86
Total Disbursements	497,290	503,988	497,315	6,673
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(497,290)	(503,977)	(490,669)	13,308
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	497,290	497,390	490,655	(6,735)
Total Other Adjustments to Cash (Uses)	497,290	497,390	490,655	(6,735)
Net Change in Fund Balance		(6,587)	(14)	6,573
Fund Balance - Beginning			142	142
Fund Balance - Ending	\$ 0	\$ (6,587)	\$ 128	\$ 6,715

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

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$ 2,036,750	\$ 2,036,750	\$
Interest		611	610	(1)
Total Receipts		2,037,361	2,037,360	(1)
DISBURSEMENTS				
Administration		1,357,057	47	1,357,010
Total Disbursements		1,357,057	47	1,357,010
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		680,304	2,037,313	1,357,009
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(680,304)	(680,304)
Total Other Adjustments to Cash (Uses)			(680,304)	(680,304)
Net Change in Fund Balance		680,304	1,357,009	676,705
Fund Balance - Beginning		1		(1)
Fund Balance - Ending	\$ 0	\$ 680,305	\$ 1,357,009	\$ 676,704

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

	COURT FEES FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$		\$ 11,960	\$
Interest		11	14	3
Total Receipts		11,971	11,974	3
DISBURSEMENTS				
General Government		3,759	3,759	
Administration		33,368		33,368
Total Disbursements		37,127	3,759	33,368
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(25,156)	8,215	33,371
Net Change in Fund Balance		(25,156)	8,215	33,371
Fund Balance - Beginning (Restated)		25,156	25,156	
Fund Balance - Ending	\$	0	\$ 33,371	\$ 33,371

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

AMERICAN RESCUE PLAN ACT FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$ 4,297,425	\$ 4,297,425	\$
Total Receipts		4,297,425	4,297,425	
DISBURSEMENTS				
Administration		4,297,425		4,297,425
Total Disbursements		4,297,425		4,297,425
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			4,297,425	4,297,425
Net Change in Fund Balance			4,297,425	4,297,425
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 4,297,425	\$ 4,297,425

BARREN 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

Local Government Economic Assistance Fund's administration and overall expenditures exceeded budgeted appropriations by \$64.

Recreation Department Fund's recreation and culture exceeded budgeted appropriations by \$1,441.

**BARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2021

BARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Provided to Subrecipient</u>	<u>Total Federal Expenditures</u>
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through Kentucky Department of Local Government:</i>				
Community Development Block Grant/States Program	14.228		\$	\$ 7,200
Total U.S. Department of Housing and Urban Development			<u>\$</u>	<u>\$ 7,200</u>
<u>U.S. Department of Justice</u>				
<i>Passed-Through Kentucky Department of Justice:</i>				
Crime Victim Assistance Grant	16.575	VOCA-2019-Barren County -00149	\$	\$ 10,000
Crime Victim Assistance Grant	16.575	VOCA-2020-Barren County - 00043		44,217
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAG-Barren River-01239		102,494
Total U.S. Department of Justice			<u>\$</u>	<u>\$ 156,711</u>
<u>U. S. Department of Treasury</u>				
<i>Passed-Through Kentucky Department of Local Government:</i>				
COVID-19 Coronavirus Relief Fund (CRF)	21.019	C166	\$	\$ 583,633
COVID-19 Coronavirus Relief Fund (CRF)	21.019	C2-277		510,270
Total U.S. Department of Treasury			<u>\$</u>	<u>\$ 1,093,903</u>
<u>U. S. Election Assistance Commission</u>				
<i>Passed-Through Kentucky Board of Elections:</i>				
COVID-19 2020 Help America Vote Act (HAVA) CARES Act	90.404		\$	\$ 19,970
Total U.S. Election Assistance Commission			<u>\$</u>	<u>\$ 19,970</u>
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through Kentucky Department of Military Affairs:</i>				
Emergency Management Performance Grant	97.042	SC 095 200000513	\$	\$ 29,544
Total U.S. Department of Homeland Security			<u>\$</u>	<u>\$ 29,544</u>
Total Cash Expenditures of Federal Awards			<u>\$ 0</u>	<u>\$ 1,307,328</u>

The accompanying notes are an integral part of this schedule

BARREN 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 Barren 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 Barren County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Barren County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the 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

Barren 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.

BARREN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2021

BARREN 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 and Land Improvements	\$ 1,265,357	\$	\$	\$ 1,265,357
Buildings and Buildings Improvements	20,329,025			20,329,025
Vehicles	2,575,224	318,877	148,409	2,745,692
Equipment	2,915,730	54,719		2,970,449
Infrastructure	11,211,601	548,295		11,759,896
 Total Capital Assets	 <u>\$ 38,296,937</u>	 <u>\$ 921,891</u>	 <u>\$ 148,409</u>	 <u>\$ 39,070,419</u>

BARREN 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	\$ 12,500	10-60
Buildings and Building Improvements	\$ 25,000	10-75
Equipment	\$ 2,500	3-25
Vehicles	\$ 2,500	3-25
Infrastructure	\$ 20,000	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***

The Honorable Micheal Hale, Barren County Judge/Executive
Members of the Barren 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 Barren County Fiscal Court for the fiscal year ended June 30, 2021 and the related notes to the financial statement which collectively comprise the Barren County Fiscal Court's financial statement and have issued our report thereon dated May 3, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Barren 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 Barren County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Barren County Fiscal Court's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Responses we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questionable costs as item 2021-001 to be a material weakness.

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 Barren 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questionable costs as item 2021-001.

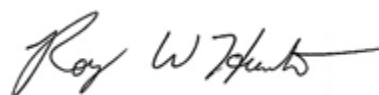
Views of Responsible Official and Planned Corrective Action

Barren County's views and planned corrective action for the finding identified in our audit is included in the accompanying Schedule of Findings and Responses. The county's response was not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on it.

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,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

May 3, 2022

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

The Honorable Micheal Hale, Barren County Judge/Executive
Members of the Barren County Fiscal Court

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

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Barren 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 Barren County Fiscal Court's major federal programs for the year ended June 30, 2021. The Barren 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 Barren 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 Barren 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 Barren County Fiscal Court's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the Barren 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

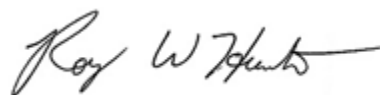
Management of the Barren County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Barren County Fiscal Court's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing audit 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 Barren 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 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 significant deficiencies or material weaknesses. 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,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

May 3, 2022

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

For The Year Ended June 30, 2021

**BARREN 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 auditor issued: Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

Are any material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input 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: <i>Unmodified</i>		
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 program:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund (CRF)

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

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

Section II: Financial Statement Findings

2021-001 The Schedule of Federal Expenditures Was Materially Misstated

The county did not prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) for fiscal year ended June 30, 2021, in accordance with the Uniform Guidance. During testing, there were \$410,269 of federal expenditures related to CFDA 21.019 – Coronavirus Relief Fund that was included in fiscal year 2021 instead of including them in fiscal year 2020, which is the year the expenditures occurred.

According to the county personnel, the county originally thought that the second reimbursement related to the federal grant were related to fiscal year ending June 30, 2021 payroll and payroll related costs.

The inclusion of the Coronavirus Relief Fund federal expenditures related to the second reimbursement resulted in the SEFA being overstated by \$410,269. The expenditures overstatement was related to prior year. As a result of this error, the need for a single audit was missed in prior year.

Good internal controls dictate that the schedule of expenditures of federal awards be reconciled to the expenditures ledger to ensure that all federal awards are accurately stated.

2 CFR 200.516(a) requires the auditee to “also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements.” At a minimum, the schedule should include the following, if applicable.

- (1) List individual Federal programs by Federal agency.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the [Catalog of Federal Domestic Assistance] CFDA number or other identifying number when the CFDA information is not available.
- (4) Includes notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to sub-recipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year-end. While not required, it is preferable to present this information in the schedule.

We recommend the county ensure that a complete and accurate Schedule of Expenditures of Federal Awards is prepared.

Views of Responsible Official and Planned Corrective Action:

The restrictions changed on reimbursement of CARES money. After the first draw, we were allowed to go back and claim expenses that were not allowed on the first draw. This caused my SEFA to be incorrect. SEFA is being corrected.

BARREN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2021
(Continued)

Section III: Federal Findings

None noted.

Section IV: Schedule of Prior Audit Findings



Barren County Fiscal Court

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 T. 270-651-8560
 F. 270-651-2844

Office of the County Treasurer

Jenny Hoffman, County Treasurer
 117- 3A North Public Square
 Glasgow, Kentucky 42141

Finding Number	Prior Year Finding Title	Status	Corrective Action
2020-001	The Barren County Fiscal Court Did Not Approve All Cash Transfers	Resolved	Not Applicable.
2020-002	The Barren County Fiscal Court Does Not Have Adequate Controls Over Disbursements	Resolved	Not Applicable
2020-003	The Barren County Fiscal Court Failed to Implement Adequate Internal Controls Over Maintenance of The Capital Asset Schedule	Resolved	Not Applicable
2020-004	The Schedule of Federal Expenditures Was Materially Misstated	Unresolved	Not Applicable

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

BARREN COUNTY FISCAL COURT

For The Year Ended June 30, 2021

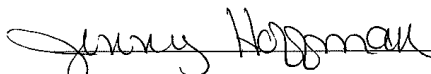
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2021

The Barren 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