

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

**For The Year Ended  
June 30, 2022**



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

**Independent Auditor's Report**

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

**Report on the Audit of the Financial Statement**

***Opinions***

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Christian County Fiscal Court, for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the Christian County Fiscal Court's financial statement as listed in the table of contents.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompany financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Christian County Fiscal Court, for the year ended June 30, 2022, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

***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 section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Christian County Fiscal Court, for the year ended June 30, 2022, or the changes in financial position and cash flows thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Christian County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the Christian County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statement***

Christian County Fiscal Court's management is responsible for the preparation and fair presentation of the 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 Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 Christian County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Christian County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

***Auditor's Responsibilities for the Audit of the Financial Statement (Continued)***

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Matters**

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Christian County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

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.

***Other Information***

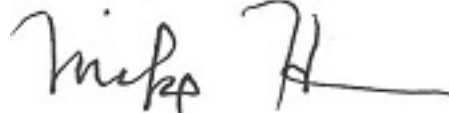
Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the Christian County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Christian County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

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

Mike Harmon  
Auditor of Public Accounts  
Frankfort, Ky

November 30, 2022



**CHRISTIAN COUNTY OFFICIALS****For The Year Ended June 30, 2022****Fiscal Court Members:**

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

**Other Elected Officials:**

John Soyars	County Attorney
Brad Boyd	Jailer - 7/1/21 to 7/31/21
Brad Hewell	Jailer - 8/1/21 to 6/30/20
Mike Kem	County Clerk
Paige Parker	Circuit Court Clerk
Tyler DeArmond	Sheriff
Angie Strader	Property Valuation Administrator
Scott Daniel	Coroner

**Appointed Personnel:**

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

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

**For The Year Ended June 30, 2022**

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

**For The Year Ended June 30, 2022**

	<b>Budgeted Funds</b>				
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>	<b>E911 Fund</b>
<b>RECEIPTS</b>					
Taxes	\$ 9,203,387	\$	\$	\$	\$ 97,842
In Lieu Tax Payments	160,077				
Excess Fees	769,038				
Licenses and Permits	146,762				
Intergovernmental	1,166,328	2,423,975	6,167,848	153,645	382,870
Charges for Services	319,274		259,531		
Miscellaneous	217,026	127,243	281,177	1,684	
Interest	67,884	3,274	2,512	352	7,090
Total Receipts	<u>12,049,776</u>	<u>2,554,492</u>	<u>6,711,068</u>	<u>155,681</u>	<u>487,802</u>
<b>DISBURSEMENTS</b>					
General Government	3,444,762				
Protection to Persons and Property	697,582		5,893,173		565,008
General Health and Sanitation	711,840				
Social Services	165,907				
Recreation and Culture	742,761				
Roads		3,018,880		172,135	
Airports	38,000				
Debt Service					
Capital Projects	607,348	100,491			
Administration	3,804,841	522,560	1,565,017		
Total Disbursements	<u>10,213,041</u>	<u>3,641,931</u>	<u>7,458,190</u>	<u>172,135</u>	<u>565,008</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>1,836,735</u>	<u>(1,087,439)</u>	<u>(747,122)</u>	<u>(16,454)</u>	<u>(77,206)</u>
<b>Other Adjustments to Cash (Uses)</b>					
Transfers From Other Funds		1,250,000	600,000		
Transfers To Other Funds	<u>(2,808,103)</u>		<u>(64,725)</u>		
Total Other Adjustments to Cash (Uses)	<u>(2,808,103)</u>	<u>1,250,000</u>	<u>535,275</u>		
Net Change in Fund Balance	(971,368)	162,561	(211,847)	(16,454)	(77,206)
Fund Balance - Beginning (Restated)	<u>8,823,605</u>	<u>26,571</u>	<u>513,313</u>	<u>40,263</u>	<u>1,027,068</u>
Fund Balance - Ending	<u>\$ 7,852,237</u>	<u>\$ 189,132</u>	<u>\$ 301,466</u>	<u>\$ 23,809</u>	<u>\$ 949,862</u>
<b>Composition of Fund Balance</b>					
Bank Balance	\$ 8,078,816	\$ 237,195	\$ 527,228	\$ 25,270	\$ 1,063,801
Plus: Deposits In Transit	10,359		250		
Less: Outstanding Checks	<u>(236,938)</u>	<u>(48,063)</u>	<u>(226,012)</u>	<u>(1,461)</u>	<u>(113,939)</u>
Fund Balance - Ending	<u>\$ 7,852,237</u>	<u>\$ 189,132</u>	<u>\$ 301,466</u>	<u>\$ 23,809</u>	<u>\$ 949,862</u>

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

**CHRISTIAN COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2022**  
**(Continued)**

Budgeted Funds		Unbudgeted Funds			Internal Service Fund	
General Obligation Bond Fund	American Rescue Fund	Industrial Development Authority Revolving Loan Fund	Public Courthouse Corporation Fund	Jail Commissary Fund	Total Funds	Health Insurance Fund
\$	\$	\$	\$	\$	\$ 9,301,229	\$
					160,077	
					769,038	
					146,762	
	6,843,111		1,380,875		18,518,652	
					578,805	
		58,384		1,856,603	2,542,117	2,262,080
11	48,147	3,927	2	7,760	140,959	5,391
11	6,891,258	62,311	1,380,877	1,864,363	32,157,639	2,267,471
					3,444,762	
					7,155,763	
					711,840	
					165,907	
				1,609,022	2,351,783	
					3,191,015	
					38,000	
1,022,828			1,378,875		2,401,703	
					707,839	
1,327			1,250		5,894,995	2,430,985
1,024,155			1,380,125	1,609,022	26,063,607	2,430,985
(1,024,144)	6,891,258	62,311	752	255,341	6,094,032	(163,514)
1,022,828					2,872,828	
1,022,828					(2,872,828)	
(1,316)	6,891,258	62,311	752	255,341	6,094,032	(163,514)
71,086	6,848,979	545,376	1,758	894,113	18,792,132	965,488
\$ 69,770	\$ 13,740,237	\$ 607,687	\$ 2,510	\$ 1,149,454	\$ 24,886,164	\$ 801,974
\$ 69,770	\$ 13,740,237	\$ 607,687	\$ 2,510	\$ 1,167,087	\$ 25,519,601	\$ 692,694
					10,609	109,330
				(17,633)	(644,046)	(50)
\$ 69,770	\$ 13,740,237	\$ 607,687	\$ 2,510	\$ 1,149,454	\$ 24,886,164	\$ 801,974

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

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**CHRISTIAN COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2022**

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

**A. Reporting Entity**

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

**B. Basis of Accounting**

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

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

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

**C. Basis of Presentation**

**Budgeted Funds**

The fiscal court reports the following budgeted funds:

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

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

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

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

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

**Budgeted Funds (Continued)**

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

E911 Fund - The primary purpose of this fund is to account for the dispatch expenses of the county. The primary sources of receipts for this fund are the 911 telephone surcharge.

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

American Rescue Fund - The primary purpose of this fund is to account for Coronavirus State and Local Fiscal Recovery Funds grant and related disbursements. The primary sources of receipts for this fund are from the federal grant.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

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

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

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

**Internal Service Fund**

The fiscal court reports the following internal service fund:

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

**D. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, 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.



**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

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

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

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

The state local finance officer does not require the public courthouse corporation fund or the industrial development authority revolving loan fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

**E. Christian County Elected Officials**

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

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

**F. Deposits and Investments**

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

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

**G. Long-term Obligations**

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

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

**H. Jointly Governed Organizations**

A regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that created the organization, but that is not a joint venture because participants do not retain an ongoing financial interest or responsibility is a jointly governed organization. Based on these criteria, the following are considered jointly governed organizations of the Christian County Fiscal Court:

Hopkinsville-Christian County Convention & Visitors Bureau  
Hopkinsville-Christian County Economic Development Council  
Hopkinsville-Christian County Senior Citizens, Inc.  
Hopkinsville-Christian County Planning Commission  
Hopkinsville-Christian County Ambulance Service  
Hopkinsville-Christian County Public Library  
Hopkinsville-Christian County Airport Board  
Hopkinsville-Christian County Communication Center

**Note 2. Deposits**

The fiscal court maintains deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2022, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2022.

	General Fund	Jail Fund	Total Transfers In
Road Fund	\$ 1,250,000	\$	\$ 1,250,000
Jail Fund	600,000		600,000
General Obligation Bond Fund	958,103	64,725	1,022,828
Total Transfers Out	<u>\$ 2,808,103</u>	<u>\$ 64,725</u>	<u>\$ 2,872,828</u>

Reason for transfers:

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

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(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, 2022, was \$144,339.

**Escrow Fund** - This fund accounts for stale dated checks held on behalf of the county clerk's office. The beginning balance as of July 1, 2021, was \$6,905. There were no receipts or disbursements during the fiscal year leaving a balance of \$6,905 as of June 30, 2022. When statutorily required, the county will turn over the escrowed funds to the Kentucky State Treasurer as unclaimed property in compliance with KRS 393A.

**Note 5. Receivables**

- A. On June 1, 2019, the fiscal court loaned the Hopkinsville Industrial Foundation, Inc. \$250,000 for the purpose of making improvements to real estate. Terms of the agreement stipulate a ten-year repayment schedule at 1.5 percent interest. As of June 30, 2022, principal balance due was \$172,818.
- B. On January 8, 2019, the fiscal court loaned the Hopkinsville Christian County Airport Board \$300,000 for the purpose of financing the construction of ten hangars at the Hopkinsville Christian County Airport. Terms of the agreement stipulate a twelve-year repayment schedule at 1.5 percent interest. As of June 30, 2022, principal balance due of \$232,888.
- C. On June 2, 2020, the fiscal court loaned the New Horizon Scholar House of Hopkinsville, LLP \$15,000 for the purpose of making improvements to real estate. Terms of the agreement stipulate a five-year repayment schedule at 3 percent interest. As of June 30, 2022, principal balance due was \$9,268.
- D. On June 2, 2020, the fiscal court loaned the New Horizon Scholar House of Hopkinsville, LLLP \$10,000 for the purpose of making improvements to real estate. Terms of the agreement stipulate that no principal or interest payments are due until September 1, 2025, at which time the full principal amount is due. As of June 30, 2022, the principal balance due was \$10,000.

**Note 6. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Sheriff's Vehicle - 2019**

On February 21, 2019, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$146,776 at a 4.05 percent effective interest rate. The financial obligation was used to purchase vehicles for the Christian County Sheriff's Department. The agreement is secured by the vehicles purchased. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, project sold, repossessed or re-leased or lease rental payments may be declared due and payable. The maturity date of the obligation is January 23, 2023. The balance of the financing obligation as of June 30, 2022, was \$38,634. Annual debt service requirements to maturity are as follows:

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

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

**1. Sheriff's Vehicle – 2019 (Continued)**

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 38,634	\$ 1,565
Totals	<u>\$ 38,634</u>	<u>\$ 1,565</u>

**2. Sheriff's Vehicle - 2020**

On July 8, 2020, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$133,148 at a 3.41 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The agreement is secured by the vehicles purchased. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, project sold, repossessed, or re-leased or lease rental payments may be declared due and payable. The maturity date of the obligation is January 20, 2024. The balance of the financing obligation as of June 30, 2022, was \$67,686. Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 33,341	\$ 2,264
2024	<u>34,345</u>	<u>1,125</u>
Totals	<u>\$ 67,686</u>	<u>\$ 3,389</u>

**3. Sheriff's Vehicle - 2021**

On June 2, 2021 the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$268,392 at a 2.38 percent effective interest rate. The financing obligation was used to purchase vehicles for the Christian County Sheriff's Department. The agreement is secured by the vehicles purchased. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, project sold, repossessed, or re-leased or lease rental payments may be declared due and payable. The maturity date of the obligation is January 20, 2025. The balance of the financing obligation at June 30, 2022, was \$201,928. Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 65,994	\$ 4,806
2024	67,301	3,235
2025	<u>68,633</u>	<u>1,633</u>
Totals	<u>\$ 201,928</u>	<u>\$ 9,674</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

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

**4. Convention Center Lease**

On March 19, 2019, the fiscal court entered into an agreement with the Kentucky Association of Counties Finance Corporation in the sum of \$981,000 at a 2 percent effective interest rate. The financing obligation was used for the construction of an addition at the convention center. The agreement is secured by the project. In the event of default, the project will be taken over by the corporation. The maturity date of the obligation is June 1, 2034. The balance of the financing obligation at June 30, 2022, was \$836,000. Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 55,000	\$ 35,160
2024	55,000	32,272
2025	60,000	29,385
2026	60,000	26,234
2027	65,000	23,084
2028-2032	375,000	69,034
2033-2034	<u>166,000</u>	<u>9,468</u>
Totals	<u>\$ 836,000</u>	<u>\$ 224,637</u>

**B. Other Debt**

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

On November 30, 2011, the fiscal court issued general obligation refunding bonds, series 2011, in the amount of \$3,785,000. The proceeds were used to refinance financing obligations with the Kentucky Association of Counties Leasing Trust Program for the energy conservation project in the amount of \$2,210,000 and the jail renovation in the amount of \$1,575,000. The bonds bear interest of 2.00 percent to 3.125 percent. The maturity date of the bonds is February 1, 2027. As of June 30, 2022, the balance of these bonds was \$800,000. Annual debt service requirements to maturity for the bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 150,000	\$ 24,418
2024	155,000	19,919
2025	160,000	15,268
2026	165,000	10,469
2027	<u>170,000</u>	<u>5,313</u>
Totals	<u>\$ 800,000</u>	<u>\$ 75,387</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

**B. Other Debt (Continued)**

**2. General Obligation Bonds, Series 2017**

On December 28, 2017, the fiscal court issued general obligation bonds, series 2017, in the amount of \$7,845,000. The proceeds were used to provide funds for the completion of a new public safety building, Alhambra Theater rehabilitation, museum rehabilitation, and sportsplex project. The bonds bear interest of 3.00 percent to 4.00 percent. The maturity date of the bonds is December 1, 2037. As of June 30, 2022, the balance of these bonds was \$7,845,000. Annual debt service requirements to maturity for the bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$	\$ 258,700
2024		258,700
2025	365,000	251,400
2026	465,000	234,800
2027	480,000	215,900
2028-2032	2,700,000	793,675
2033-2037	3,145,000	345,075
2038	<u>690,000</u>	<u>10,350</u>
Totals	<u>\$ 7,845,000</u>	<u>\$ 2,368,600</u>

**3. General Obligation Bonds, Series 2018**

On December 28, 2017, the fiscal court issued general obligation bonds, series 2018, in the amount of \$2,545,000. The proceeds were used to provide funds for the remaining costs of completion of a new public safety building, Alhambra Theater rehabilitation, museum rehabilitation, and sportsplex project. The bonds bear interest of 2.00 percent. The maturity date of the bonds is December 1, 2024. As of June 30, 2022, the balance of these bonds was \$935,000. Annual debt service requirements to maturity for the bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 425,000	\$ 14,450
2024	430,000	5,900
2025	<u>80,000</u>	<u>800</u>
Totals	<u>\$ 935,000</u>	<u>\$ 21,150</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

**B. Other Debt (Continued)**

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

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

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

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

The series 2007 bonds in the amount of \$16,545,000 dated April 5, 2007, bear interest payable semi-annually on February 1 and August 1 of each year commencing August 1, 2007, at rates ranging from 3.50 percent to 4.00 percent. The series 2007 bonds mature on August 1 of each year, in the years and in the principal amounts shown below. As of June 30, 2022, the balance on these bonds was \$1,410,000. Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	<u>\$ 1,410,000</u>	<u>\$ 28,200</u>
Totals	<u>\$ 1,410,000</u>	<u>\$ 28,200</u>

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

Long-term Debt activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct Borrowings and					
Direct Placements	\$ 1,330,352	\$	\$ 186,104	\$ 1,144,248	\$ 192,969
Other Debt	<u>12,910,000</u>		<u>1,920,000</u>	<u>10,990,000</u>	<u>1,985,000</u>
Total Long-term Debt	<u>\$ 14,240,352</u>	<u>\$ 0</u>	<u>\$ 2,106,104</u>	<u>\$ 12,134,248</u>	<u>\$ 2,177,969</u>

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

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

**D. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations at June 30, 2022, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 1,985,000	\$ 325,768	\$ 192,969	\$ 43,795
2024	585,000	284,519	156,646	36,632
2025	605,000	267,468	128,633	31,018
2026	630,000	245,269	60,000	26,234
2027	650,000	221,213	65,000	23,084
2028-2032	2,700,000	793,675	375,000	69,034
2033-2037	3,145,000	345,075	166,000	9,468
2038	690,000	10,350		
Totals	<u>\$ 10,990,000</u>	<u>\$ 2,493,337</u>	<u>\$ 1,144,248</u>	<u>\$ 239,265</u>

**Note 7. Leases**

**A. Carnegie Library**

On January 25, 2021, Christian County began leasing the library building to the Hopkinsville Carnegie Library, Inc. The lease is for one year, set to expire on December 31, 2022, with the option to extend for an additional year. Christian County recognized \$1 in lease revenue during the current fiscal year related to this lease.

**B. Alhambra Theatre**

On July 1, 2021, Christian County began leasing the theater portion of the Christian County Courthouse Annex commonly referred to as the Alhambra Theatre to the Pennyroyal Arts Council, Inc. The lease is for one year, with the option to extend for an additional year. Christian County recognized \$1 in lease revenue during the current fiscal year related to this lease.

**C. Courthouse Annex**

On July 1, 2021 Christian County began leasing the Courthouse Annex to the Unified Prosecutorial System. The lease is for three years and Christian County will receive monthly payments of \$1,884. Christian County recognized \$22,608 in lease revenue during the current fiscal year related to this lease. As of June 30, 2022, Christian County's receivable for lease payments was \$45,215.

**D. Tractors**

On May 31, 2021, Christian County entered into a three-year lease agreement as lessee for the use of two tractors. An initial lease liability was recorded in the amount of \$27,200 during the current fiscal year, which is the annual payment due. As of June 30, 2022, the value of the lease had been satisfied for the current fiscal year. The lease value of the outstanding payments is \$54,400.



**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 8. Employee Retirement System**

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (Ky. Ret. Sys.). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and Ky. Ret. Sys. The CERS nine (9) member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2020 was \$945,564, FY 2021 was \$961,765, and FY 2022 was \$1,032,527.

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 Ky. Ret. Sys. 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 Ky. Ret. Sys. 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 26.95 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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

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

Benefits are covered under KRS 78.5536.

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

Once members reach a minimum vesting period of 15 years, they earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

Tier 2 member benefits are covered by KRS 78.5536. Tier 3 members are not covered by the same provisions.

C. Cost of Living Adjustments - Tier 1

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

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

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

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

**E. Death Benefit**

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

Ky. Ret. Sys. Annual Financial Report and Proportionate Share Audit Report

Ky. Ret. Sys. issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KPPA also issues proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

**Note 9. Deferred Compensation**

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

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

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

**Note 10. Self-Health Insurance**

The Christian County Fiscal Court elected to begin a partially self-funded health insurance plan for fiscal year ended June 30, 2022. This partially self-funded insurance plan covers all county employees, and the county pays for each county employee's individual coverage. Christian County contracted with Anthem Blue Cross and Blue Shield to administer the employee benefit plan for the 2021-2022 fiscal year.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 10. Self-Health Insurance (Continued)**

This partially self-funded insurance plan has two distinct components that the fiscal court must pay. The first component is the fixed cost, which consists of administrative fees associated with operating the plan, and specific and aggregate reinsurance costs that cap the county's claims exposure on an individual and aggregate basis. Incurred fixed costs for fiscal year ending June 30, 2022 were \$651,567. The second component is the claims cost, all of which Christian County is responsible to pay as they incur. Once an individual exceeds \$85,000 in claims or the county's aggregate claims exceed the predetermined maximum, then the county will receive reimbursements from the reinsurance carrier. Incurred claims for fiscal year ended June 30, 2022, were \$1,778,382. The Christian County Fiscal Court's contract with Anthem Blue Cross and Blue Shield has no terminal liability provision. The county would be responsible to pay all run-out claims after termination. The health insurance fund had a balance of \$801,974 as of June 30, 2022.

**Note 11. Insurance**

For the fiscal year ended June 30, 2022, the Christian County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

**Note 12. Related Party Transactions**

For the fiscal year ended June 30, 2022, the fiscal court engaged in a related party transaction that paid a company where the son of a magistrate works \$22,582 for crushed stone and asphalt purchased by the fiscal court pursuant to a publicly bid contract.

**Note 13. Conduit Debt**

From time to time, the county has issued bonds and notes to provide financial assistance to various organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Christian County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2022, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

**Note 14. Tax Abatements**

**A. U.S. Smokeless Tobacco**

On August 12, 2014, the Christian County Fiscal Court entered into an interlocal agreement with the City of Hopkinsville to abate real property ad valorem taxes generated by U.S. Smokeless Tobacco. The city and the county pledged 80% of their respective incremental revenues from the real property ad valorem taxes generated from the project site. During fiscal year ended June 30, 2022, the Christian County Fiscal Court abated \$0 of real property ad valorem taxes.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 14. Tax Abatements (Continued)**

**B. Hopkinsville-Christian County Conference Center Corporation**

On February 20, 2014, the Christian County Fiscal Court entered into an interlocal agreement with the City of Hopkinsville, and Hopkinsville Tax Increment Tax Authority to abate county ad valorem real estate taxes from the Hopkinsville-Christian County Conference Center Corporation. The conference center is eligible to receive these tax abatements as it will encourage investment and increase employment and economic activity within the county. The assessed value of taxable real property within the local development area is less than 20% of the assessed value of taxable real property within the county. This agreement shall continue for 20 years after establishment. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court abated \$0 of taxable real property.

**C. Thompson Thrift Development, Inc.**

On July 14, 2015, the Christian County Fiscal Court entered into an interlocal agreement with the City of Hopkinsville to abate ad valorem taxes generated by Thompson Thrift Development Inc. The city and county have agreed to pledge 100% of the incremental ad valorem tax revenue generated from the project site in order to repay the city's financing of the grant. This tax abatement will encourage and support economic development endeavors. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court abated \$0 of ad valorem taxes.

**D. Michael Venable**

In November 2019, the Christian County Fiscal Court entered into an agreement with Michael Venable. This agreement authorized the developer and/or its assigns to retain through a rebate 80% of any increase in ad valorem tax revenue otherwise collected by the county from an increased assessment of the real property owned. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**E. Kentucky Healthcare Holdings I, LLC**

On November 26, 2019, the Christian County Fiscal Court entered into an agreement with Kentucky Healthcare Holdings I, LLC. This agreement authorized the company to retain through a rebate 90% of any increase in ad valorem tax revenue otherwise collected by the county resulting from an increased assessment after January 1, 2019 of any real property owned by company and located within the commercial incentive district for a period of 15 years. During the fiscal year ended June 30, 2022, the Christian County Fiscal refunded \$0 of ad valorem taxes.

**F. Concord Villas, LLC**

On February 25, 2020, the Christian county fiscal court entered into an agreement with Concord Villas, LLC to refund 80% of county property taxes for ten years based upon increase in valuation. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of property taxes.

**G. Emhart Teknologies, LLC**

On November 10, 2020, the Christian County Fiscal Court entered into an agreement with Emhart Teknologies LLC to rebate 90% of any increase in ad valorem tax revenue collected by the county resulting from any increased assessment after January 1, 2021 of any real property owned by company and located within the commercial incentive district for a period of 15 years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 14. Tax Abatements (Continued)**

**H. Kindred Holdings, LLC**

On April 13, 2021, the Christian County Fiscal Court entered into an agreement with Kindred Holdings LLC to rebate 90% of any increase in ad valorem tax revenue otherwise collected by the county resulting from any increased assessment after January 1, 2022 of any real property owned by the company and located within the commercial incentive district for a period of 15 years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**I. Legacy Metals Manufacturing, LLC**

On January 25, 2022, the Christian County Fiscal Court entered into an agreement with Legacy Metals Manufacturing LLC, to rebate 70% of any increase in ad valorem tax revenue otherwise collected by the county resulting from any increased assessment after January 1, 2022 of any real property owned by company and located within the commercial incentive district for a period of ten years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**J. AJM, LLC**

On February 22, 2022, the Christian County Fiscal Court entered into an agreement with AJM, LLC, to rebate 90% of any increase in ad valorem tax revenue otherwise collected by the county resulting from any increased assessment after January 1, 2021 of any real property owned by the company and located within the commercial incentive district for a period of 12 years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**K. Bluegrass Park, LLC**

On February 22, 2022, the Christian County Fiscal Court entered into an agreement with Bluegrass Park LLC, to rebate 90% of any increase in ad valorem tax revenue otherwise collected by the county resulting from any increased assessment after January 1, 2022 of any real property owned by the company and located within the housing incentive district for a period of 12 years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**L. Stillworks, LLC (Casey Jones Distillery)**

On May 10, 2022, the Christian County Fiscal Court entered into an agreement with Stillworks LLC Casey Jones Distillery to rebate 70% of any increase in ad valorem tax revenue otherwise collected by the county resulting from any increased assessment after January 1, 2022 of any real property owned by the developer and located within the commercial incentive district for a period of ten years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0 of ad valorem taxes.

**M. Martinera International, Inc**

On September 14, 2021, the Christian County Fiscal Court entered into an agreement with Martinera International Inc to rebate 90% of any increase in ad valorem tax revenue otherwise collected by the county resulting from any increased assessment after January 1, 2022 of any real property owned by company and located within the commercial incentive district for a period of 15 years. During the fiscal year ended June 30, 2022, the Christian County Fiscal Court refunded \$0.

**CHRISTIAN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2022**  
**(Continued)**

**Note 15. Commitments and Contingencies**

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

**Note 16. Prior Period Adjustments**

	<u>General Fund</u>	<u>Jail Commissary</u>
Ending Cash Balance - Prior Year	\$ 8,830,510	\$ 886,707
Adjustments:		
To Remove Escrow Acct Balance	(6,905)	
Prior Year Voided Checks	<u>                    </u>	<u>7,406</u>
	<u>\$ 8,823,605</u>	<u>\$ 894,113</u>

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

**For The Year Ended June 30, 2022**

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

**For The Year Ended June 30, 2022**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 8,184,280	\$ 8,184,280	\$ 9,203,387	\$ 1,019,107
In Lieu Tax Payments	182,414	182,414	160,077	(22,337)
Excess Fees	623,000	623,000	769,038	146,038
Licenses and Permits	149,510	149,510	146,762	(2,748)
Intergovernmental	2,374,122	2,374,122	1,166,328	(1,207,794)
Charges for Services	216,650	216,650	319,274	102,624
Miscellaneous	91,608	91,608	217,026	125,418
Interest	60,500	60,500	67,884	7,384
Total Receipts	11,882,084	11,882,084	12,049,776	167,692
<b>DISBURSEMENTS</b>				
General Government	4,063,445	4,449,062	3,444,762	1,004,300
Protection to Persons and Property	812,905	904,108	697,582	206,526
General Health and Sanitation	632,877	753,258	711,840	41,418
Social Services	230,766	252,066	165,907	86,159
Recreation and Culture	778,520	778,520	742,761	35,759
Airports	38,000	38,000	38,000	
Capital Projects	1,587,000	1,122,000	607,348	514,652
Administration	4,555,787	4,312,286	3,804,841	507,445
Total Disbursements	12,699,300	12,609,300	10,213,041	2,396,259
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(817,216)	(727,216)	1,836,735	2,563,951
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds	450,000	450,000		(450,000)
Transfers To Other Funds	(3,389,269)	(3,389,269)	(2,808,103)	581,166
Total Other Adjustments to Cash (Uses)	(2,939,269)	(2,939,269)	(2,808,103)	131,166
Net Change in Fund Balance	(3,756,485)	(3,666,485)	(971,368)	2,695,117
Fund Balance - Beginning (Restated)	3,756,485	3,756,485	8,823,605	5,067,120
Fund Balance - Ending	\$ 0	\$ 90,000	\$ 7,852,237	\$ 7,762,237

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2022**  
**(Continued)**

<b>ROAD FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,242,788	\$ 2,242,788	\$ 2,423,975	\$ 181,187
Miscellaneous	13,100	13,100	127,243	114,143
Interest	3,000	3,000	3,274	274
Total Receipts	2,258,888	2,258,888	2,554,492	295,604
<b>DISBURSEMENTS</b>				
Roads	2,954,619	3,052,307	3,018,880	33,427
Capital Projects	72,000	100,491	100,491	
Administration	561,381	525,202	522,560	2,642
Total Disbursements	3,588,000	3,678,000	3,641,931	36,069
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,329,112)	(1,419,112)	(1,087,439)	331,673
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,304,112	1,304,112	1,250,000	(54,112)
Total Other Adjustments to Cash (Uses)	1,304,112	1,304,112	1,250,000	(54,112)
Net Change in Fund Balance	(25,000)	(115,000)	162,561	277,561
Fund Balance - Beginning	25,000	25,000	26,571	1,571
Fund Balance - Ending	\$ 0	\$ (90,000)	\$ 189,132	\$ 279,132

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2022**  
**(Continued)**

<b>JAIL FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 5,230,982	\$ 5,230,982	\$ 6,167,848	\$ 936,866
Charges for Services	188,000	188,000	259,531	71,531
Miscellaneous	204,000	204,000	281,177	77,177
Interest	2,000	2,000	2,512	512
Total Receipts	5,624,982	5,624,982	6,711,068	1,086,086
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	5,695,419	6,060,308	5,893,173	167,135
Administration	2,003,961	1,639,072	1,565,017	74,055
Total Disbursements	7,699,380	7,699,380	7,458,190	241,190
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,074,398)	(2,074,398)	(747,122)	1,327,276
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,839,123	1,839,123	600,000	(1,239,123)
Transfers To Other Funds	(64,725)	(64,725)	(64,725)	
Total Other Adjustments to Cash (Uses)	1,774,398	1,774,398	535,275	(1,239,123)
Net Change in Fund Balance	(300,000)	(300,000)	(211,847)	88,153
Fund Balance - Beginning	300,000	300,000	513,313	213,313
Fund Balance - Ending	\$ 0	\$ 0	\$ 301,466	\$ 301,466

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2022**  
**(Continued)**

<b>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 156,000	\$ 156,000	\$ 153,645	\$ (2,355)
Miscellaneous			1,684	1,684
Interest	750	750	352	(398)
Total Receipts	156,750	156,750	155,681	(1,069)
<b>DISBURSEMENTS</b>				
Roads	181,750	181,750	172,135	9,615
Total Disbursements	181,750	181,750	172,135	9,615
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(25,000)	(25,000)	(16,454)	8,546
Net Change in Fund Balance	(25,000)	(25,000)	(16,454)	8,546
Fund Balance - Beginning	25,000	25,000	40,263	15,263
Fund Balance - Ending	\$ 0	\$ 0	\$ 23,809	\$ 23,809

**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2022**  
**(Continued)**

<b>E911 FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 104,600	\$ 104,600	\$ 97,842	\$ (6,758)
Intergovernmental	375,000	375,000	382,870	7,870
Interest	6,100	6,100	7,090	990
Total Receipts	485,700	485,700	487,802	2,102
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	\$ 1,225,700	\$ 1,231,081	\$ 565,008	\$ 666,073
Administration	10,000	4,619		4,619
Total Disbursements	1,235,700	1,235,700	565,008	670,692
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(750,000)	(750,000)	(77,206)	672,794
Net Change in Fund Balance	(750,000)	(750,000)	(77,206)	672,794
Fund Balance - Beginning	750,000	750,000	1,027,068	277,068
Fund Balance - Ending	\$ 0	\$ 0	\$ 949,862	\$ 949,862

**CHRISTINA COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2022**  
**(Continued)**

<b>GENERAL OBLIGATION BOND FUND</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts, (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Interest	\$	\$	\$ 11	\$ 11
Total Receipts			11	11
<b>DISBURSEMENTS</b>				
Debt Service	1,022,831	1,022,831	1,022,828	3
Administration			1,327	(1,327)
Total Disbursements	1,022,831	1,022,831	1,024,155	(1,324)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,022,831)	(1,022,831)	(1,024,144)	(1,313)
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,022,831	1,022,831	1,022,828	(3)
Total Other Adjustments to Cash (Uses)	1,022,831	1,022,831	1,022,828	(3)
Net Change in Fund Balance			(1,316)	(1,316)
Fund Balance - Beginning			71,086	71,086
Fund Balance - Ending	\$ 0	\$ 0	\$ 69,770	\$ 69,770



**CHRISTIAN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2022**  
**(Continued)**

<b>AMERICAN RESCUE FUND</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts, (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 6,843,111	\$ 6,843,111	\$ 6,843,111	\$
Interest	25,850	25,850	48,147	22,297
Total Receipts	6,868,961	6,868,961	6,891,258	22,297
<b>DISBURSEMENTS</b>				
Capital Projects	13,000,000	13,000,000		13,000,000
Total Disbursements	13,000,000	13,000,000		13,000,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(6,131,039)	(6,131,039)	6,891,258	13,022,297
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds	(712,072)	(712,072)		712,072
Total Other Adjustments to Cash (Uses)	(712,072)	(712,072)		712,072
Net Change in Fund Balance	(6,843,111)	(6,843,111)	6,891,258	13,734,369
Fund Balance - Beginning	6,843,111	6,843,111	6,848,979	5,868
Fund Balance - Ending	\$ 0	\$ 0	\$ 13,740,237	\$ 13,740,237

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

**June 30, 2022**

**Note 1. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, 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.

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

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

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

The general obligation bond fund, administration line item, exceeded budgeted appropriations by \$1,327.

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

**For The Year Ended June 30, 2022**

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

**For The Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<b><u>U. S. Department of Treasury</u></b>				
<b><i>Direct Program:</i></b>				
COVID 19-Coronavirus State and Local Fiscal Recovery Funds	21.027		\$	\$ 608,357
<b>Total U.S. Department of Treasury</b>			\$	\$ 608,357
<b><u>U. S. Department of Housing and Urban Development</u></b>				
<b><i>Passed-Through Kentucky Department for Local Government:</i></b>				
Community Development Block Grants/State's Program				
Trilogy Center	14.228		\$	\$ 200,000
Utility Project	14.228			20,000
<b>Total U.S. Department of Housing and Urban Development</b>			\$	\$ 220,000
<b><u>U. S. Department of Justice</u></b>				
<b><i>Passed-Through Kentucky Department Justice and Public Safety</i></b>				
Crime Victim Assistance	16.575	111 & 117	\$	\$ 64,476
Violence Against Women Formula Grants	16.588	668 & 709		53,683
<b>Total U.S. Department of Justice and Public Safety</b>			\$	\$ 118,159
<b><u>U. S. Department of Homeland Security</u></b>				
<b><i>Passed-Through Kentucky Department of Military Affairs:</i></b>				
Emergency Management Performance Grants	97.042		\$	\$ 68,024
Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)	97.036	DR 4630		3,775
Hazard Mitigation Grant	97.039	DR 4631		18,435
<b>Total U.S. Department of Homeland Security</b>			\$	\$ 90,234
<b>Total Expenditures of Federal Awards</b>			\$ 0	\$ 1,036,750

The accompanying notes are an integral part of this schedule.

**CHRISTIAN COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2022**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Christian County, Kentucky under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Christian County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Christian County, Kentucky.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

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

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

**For The Year Ended June 30, 2022**

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

**For The Year Ended June 30, 2022**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 2,831,221	\$	\$	\$ 2,831,221
Construction In Progress		90,578		90,578
Land Improvements	173,925	69,035		242,960
Buildings and Building Improvements	48,135,602	442,009		48,577,611
Vehicles and Equipment	7,763,913	529,602	492,587	7,800,928
Furniture and Office Equipment	2,041,077			2,041,077
Infrastructure	30,995,000	1,514,582		32,509,582
 Total Capital Assets	 <u>\$ 91,940,738</u>	 <u>\$ 2,645,806</u>	 <u>\$ 492,587</u>	 <u>\$ 94,093,957</u>

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

**June 30, 2022**

**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.

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

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

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

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**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Christian County Fiscal Court for the fiscal year ended June 30, 2022 and the related notes to the financial statement which collectively comprise the Christian County Fiscal Court's financial statement and have issued our report thereon dated November 30, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Christian County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Christian County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Christian County Fiscal Court's internal control.

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

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



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

**Compliance And Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mike H", with a long horizontal stroke extending to the right.

Mike Harmon  
Auditor of Public Accounts  
Frankfort, Ky

November 30, 2022

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

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

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

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited the Christian County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Christian County Fiscal Court's major federal programs for the year ended June 30, 2022. The Christian County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Christian County Fiscal Court complied, in all material respects, with the 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, 2022.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Christian County Fiscal Court and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Christian County Fiscal Court's compliance with the compliance requirements referred to above.



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

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Christian County Fiscal Court's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Christian County Fiscal Court's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Christian County Fiscal Court's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Christian County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Christian County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Christian County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

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

**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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,

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

Mike Harmon  
Auditor of Public Accounts  
Frankfort, Ky

November 30, 2022

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

**For The Year Ended June 30, 2022**

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

**For The Year Ended June 30, 2022**

**Section I: Summary of Auditor's Results**

***Financial Statement***

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP:

Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

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

***Federal Awards***

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs: <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 programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID 19-Coronavirus State and Local Fiscal Recovery Funds

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

**CHRISTIAN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2022  
(Continued)**

**Section II: Financial Statement Findings**

None.

**Section III: Federal Award Findings And Questioned Costs**

None.

**Section IV: Summary Schedule of Prior Audit Findings**

Not applicable.



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

**CHRISTIAN COUNTY FISCAL COURT**

**For The Year Ended June 30, 2022**

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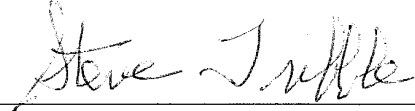
CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE

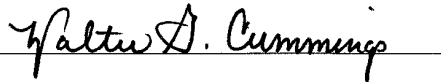
CHRISTIAN COUNTY FISCAL COURT

For The Year Ended June 30, 2022

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

A handwritten signature in cursive script, appearing to read "Steve Trinkle", written over a horizontal line.

County Judge/Executive

A handwritten signature in cursive script, appearing to read "Walter D. Cummings", written over a horizontal line.

County Treasurer