

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

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



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
auditor.ky.gov**

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

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Jeff Dobson, Knott County Judge/Executive
Members of the Knott 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 Knott County Fiscal Court, for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the Knott 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 Knott 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 Knott 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 Knott 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 Jeff Dobson, Knott County Judge/Executive
 Members of the Knott 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 Knott 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

Knott 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 Knott 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 Knott 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 Jeff Dobson, Knott County Judge/Executive
Members of the Knott 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 Knott 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
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Members of the Knott County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, on our consideration of the Knott 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 Knott County Fiscal Court's internal control over financial reporting and compliance.

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

- 2022-001 The Knott County Fiscal Court Does Not Have Adequate Internal Controls At The Knott County Sportsplex
- 2022-002 The Knott County Fiscal Court Does Not Have Adequate Internal Controls At The Mine Made Adventure Park And Campground

Respectfully submitted,

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

Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

November 4, 2022

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

| | |
|----------------|------------------------|
| Jeff Dobson | County Judge/Executive |
| Avery Shrum | Magistrate |
| Calvin Waddles | Magistrate |
| Langus Martin | Magistrate |
| Kenny Dyer | Magistrate |

Other Elected Officials:

| | |
|-----------------|----------------------------------|
| Tim Bates | County Attorney |
| Robby Slone | Jailer |
| Reci Cornett | County Clerk |
| Lisa Bolen | Circuit Court Clerk |
| Dale Richardson | Sheriff |
| Tonya Fugate | Property Valuation Administrator |
| Corey Watson | Coroner |

Appointed Personnel:

| | |
|--------------|-------------------|
| Kevin Jacobs | County Treasurer |
| Brenon Lewis | Financial Officer |

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

For The Year Ended June 30, 2022

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

For The Year Ended June 30, 2022

| | Budgeted Funds | | |
|--|-------------------------|----------------------|----------------------|
| | General Fund | Road Fund | Jail Fund |
| RECEIPTS | | | |
| Taxes | \$ 1,737,067 | \$ | \$ |
| In Lieu Tax Payments | 11,165 | | |
| Excess Fees | 66,864 | | |
| Intergovernmental | 261,066 | 2,207,464 | 94,699 |
| Charges for Services | 197,760 | | |
| Miscellaneous | 263,966 | 13,836 | |
| Interest | 3,733 | 4,157 | 424 |
| Total Receipts | <u>2,541,621</u> | <u>2,225,457</u> | <u>95,123</u> |
| DISBURSEMENTS | | | |
| General Government | 1,106,016 | | |
| Protection to Persons and Property | 250 | | 593,286 |
| General Health and Sanitation | | | |
| Social Services | 6,795 | | |
| Recreation and Culture | | | |
| Roads | | 1,999,677 | |
| Debt Service | 3,172 | 476,097 | |
| Capital Projects | | 151,079 | |
| Administration | 1,026,657 | 192,480 | 54,297 |
| Total Disbursements | <u>2,142,890</u> | <u>2,819,333</u> | <u>647,583</u> |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | <u>398,731</u> | <u>(593,876)</u> | <u>(552,460)</u> |
| Other Adjustments to Cash (Uses) | | | |
| Transfers From Other Funds | 2,222,169 | 1,354,706 | 561,000 |
| Transfers To Other Funds | (1,581,000) | (599,661) | |
| Total Other Adjustments to Cash (Uses) | <u>641,169</u> | <u>755,045</u> | <u>561,000</u> |
| Net Change in Fund Balance | 1,039,900 | 161,169 | 8,540 |
| Fund Balance - Beginning | <u>12,093</u> | <u>159,164</u> | <u>5,223</u> |
| Fund Balance - Ending | <u>\$ 1,051,993</u> | <u>\$ 320,333</u> | <u>\$ 13,763</u> |
| Composition of Fund Balance | | | |
| Bank Balance | \$ 1,067,621 | \$ 351,878 | \$ 13,837 |
| Payroll Revolving Account Reconciled Balance | 3,938 | | |
| Plus: Deposits In Transit | | | |
| Less: Outstanding Checks | (19,566) | (31,545) | (74) |
| Fund Balance - Ending | <u>\$ 1,051,993</u> | <u>\$ 320,333</u> | <u>\$ 13,763</u> |

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

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

| Budgeted Funds | | | | | | |
|--|---------------------------------|-----------------------------------|--|--------------------------|------------------------------------|-----------------------|
| Local Government Economic Assistance Fund | State Grant Fund | Federal Grant Fund | Emergency Management Fund | Forestry Fund | Sports Complex Fund | E-911 Fund |
| \$ | \$ | \$ | \$ | \$ 3,255 | \$ | \$ 93,649 |
| 1,288,386 | 308,158 | 585,335 | 586,857 | | 237,427 | |
| 360,371 | | | | | 4,490 | 50 |
| 264,288 | | | | | 314 | 462 |
| 1,780 | 472 | | 209 | 119 | | |
| 1,914,825 | 308,630 | 585,335 | 587,066 | 3,374 | 242,231 | 94,161 |
| 28,827 | | | | | | |
| 163,224 | | | | 2,118 | | 100,767 |
| 129,723 | | 85,742 | | | | |
| 161,643 | 60,758 | 50,020 | | | | |
| 828,370 | | | | | 492,835 | |
| 48,343 | | | | | | |
| | | 449,593 | | | | |
| 260,134 | | | | | 68,377 | 17,552 |
| 1,620,264 | 60,758 | 585,355 | | 2,118 | 561,212 | 118,319 |
| 294,561 | 247,872 | (20) | 587,066 | 1,256 | (318,981) | (24,158) |
| 117,200 | 60,000 | 15,000 | | | 320,000 | |
| (330,000) | (301,608) | (15,000) | (586,906) | | | |
| (212,800) | (241,608) | | (586,906) | | 320,000 | |
| 81,761 | 6,264 | (20) | 160 | 1,256 | 1,019 | (24,158) |
| 40,959 | 16,211 | 234 | 174 | 5,885 | 4,441 | 41,652 |
| \$ 122,720 | \$ 22,475 | \$ 214 | \$ 334 | \$ 7,141 | \$ 5,460 | \$ 17,494 |
| \$ 153,870 | \$ 22,475 | \$ 2,214 | \$ 334 | \$ 7,141 | \$ 30,961 | \$ 18,553 |
| | | | | | 279 | |
| (31,150) | | (2,000) | | | (25,780) | (1,059) |
| \$ 122,720 | \$ 22,475 | \$ 214 | \$ 334 | \$ 7,141 | \$ 5,460 | \$ 17,494 |

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

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

| | Budgeted Funds | | |
|--|--------------------------------|----------------------------------|------------------------|
| | APRA Grant Fund | Debt Service Fund | Total Funds |
| RECEIPTS | | | |
| Taxes | \$ | \$ | \$ 1,833,971 |
| In Lieu Tax Payments | | | 11,165 |
| Excess Fees | | | 66,864 |
| Intergovernmental | 1,437,946 | 473,862 | 7,243,773 |
| Charges for Services | | | 795,558 |
| Miscellaneous | | | 546,630 |
| Interest | 1,885 | | 13,555 |
| Total Receipts | <u>1,439,831</u> | <u>473,862</u> | <u>10,511,516</u> |
| DISBURSEMENTS | | | |
| General Government | | | 1,134,843 |
| Protection to Persons and Property | | | 859,645 |
| General Health and Sanitation | 1,047,253 | | 1,262,718 |
| Social Services | | | 279,216 |
| Recreation and Culture | | | 1,321,205 |
| Roads | | | 2,048,020 |
| Debt Service | | 725,908 | 1,205,177 |
| Capital Projects | | | 600,672 |
| Administration | | | 1,619,497 |
| Total Disbursements | <u>1,047,253</u> | <u>725,908</u> | <u>10,330,993</u> |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | <u>392,578</u> | <u>(252,046)</u> | <u>180,523</u> |
| Other Adjustments to Cash (Uses) | | | |
| Transfers From Other Funds | | 252,046 | 4,902,121 |
| Transfers To Other Funds | <u>(1,487,946)</u> | <u></u> | <u>(4,902,121)</u> |
| Total Other Adjustments to Cash (Uses) | <u>(1,487,946)</u> | <u>252,046</u> | <u></u> |
| Net Change in Fund Balance | (1,095,368) | | 180,523 |
| Fund Balance - Beginning | <u>1,438,301</u> | <u>271</u> | <u>1,724,608</u> |
| Fund Balance - Ending | <u>\$ 342,933</u> | <u>\$ 271</u> | <u>\$ 1,905,131</u> |
| Composition of Fund Balance | | | |
| Bank Balance | \$ 342,933 | \$ 271 | \$ 2,012,088 |
| | | | 3,938 |
| Plus: Deposits In Transit | | | 279 |
| Less: Outstanding Checks | | | (111,174) |
| Fund Balance - Ending | <u>\$ 342,933</u> | <u>\$ 271</u> | <u>\$ 1,905,131</u> |

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

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

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**KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2022

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

KNOTT 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)

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

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

State Grant Fund - The primary purpose of this fund is to account for the grants that are received from various state agencies earmarked for specific projects. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the general fund.

Federal Grant Fund - The primary purpose of this fund is to account for the grants that are received from various federal agencies earmarked for specific projects. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the general fund.

Emergency Management Fund - The primary purpose of this fund is to account for the grants that are received from various state and federal agencies earmarked for disaster related projects. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the general fund.

Forestry Fund - The primary purpose of this fund is to account for the taxes received and the related expenditures to prevent forest fires.

Sports Complex Fund - The primary purpose of this fund is to account for the revenue and expenditures of the sports complex. It is primarily funded from charges for service and transfers from other funds.

E-911 Fund - The primary purpose of this fund is to account for the tax revenues and expenditures related to maintaining the local E-911 service.

ARPA Grant Fund - The primary purpose of this fund is to account for the tax revenues and expenditures related to the American Rescue Plan Act grant.

Debt Service Fund - This fund contains the youth center general obligation bond issue and the justice center corporation bond issue. Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

E. Knott County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Knott 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 Knott 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).

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

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

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

H. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on this criteria, the following is considered a joint venture of the Knott County Fiscal Court:

Kentucky River Regional Jail

On June 29, 2005, Knott and Perry Counties (the participating counties) entered into an Interlocal Cooperation Agreement in order to provide for joint and cooperative action in the maintenance and financing of the Kentucky River Regional Jail. Pursuant to this interlocal agreement, Perry County financed the acquisition and construction of the Kentucky River Regional Jail. On November 1, 2007, the Perry County Fiscal Court issued \$4,975,000 of general obligation bonds to refund the Perry County Detention Center Bond from December 2001. Pursuant to the lease and sublease, each participating county covenants to meet its proportionate share of the debt service requirements on the bond as follows (the “proportionate share” or “use allowance”): 75 percent for Perry County and 25 percent for Knott County.

Note 2. Deposits

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

Custodial Credit Risk - Deposits

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

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

Note 3. Transfers

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

| | General Fund | Road Fund | LGEA Fund | State Grant Fund | Federal Grant Fund | Emergency Management Fund | ARPA Fund | Total Transfers In |
|---------------------|--------------------|-------------------|------------------|---------------------|-----------------------|---------------------------------|--------------------|-----------------------|
| General Fund | \$ | \$ 599,661 | \$ 70,000 | \$ 49,562 | \$ 15,000 | \$ | \$1,487,946 | \$ 2,222,169 |
| Road Fund | 775,000 | | | | | 579,706 | | 1,354,706 |
| Jail Fund | 301,000 | | 260,000 | | | | | 561,000 |
| LGEA Fund | 110,000 | | | | | 7,200 | | 117,200 |
| State Grant Fund | 60,000 | | | | | | | 60,000 |
| Federal Grant Fund | 15,000 | | | | | | | 15,000 |
| Sports Complex Fund | 320,000 | | | | | | | 320,000 |
| Debt Service Fund | | | | 252,046 | | | | 252,046 |
| Total Transfers Out | <u>\$1,581,000</u> | <u>\$ 599,661</u> | <u>\$330,000</u> | <u>\$301,608</u> | <u>\$ 15,000</u> | <u>\$ 586,906</u> | <u>\$1,487,946</u> | <u>\$ 4,902,121</u> |

Reason for transfers:

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

Note 4. Leases

A. Road Department Building

On July 23, 2007, the Knott County Fiscal Court entered into a 20-year lease agreement as lessee on a building for the road department. An initial lease liability was recorded in the amount of \$19,200 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$118,400. The Knott County Fiscal Court is required to make monthly principal payments of \$1,600.

The future principal and interest lease payments as of June 30, 2022, were as follows:

| Fiscal Year Ended June 30 | Amount |
|------------------------------|-------------------|
| 2023 | \$ 19,200 |
| 2024 | 19,200 |
| 2025 | 19,200 |
| 2026 | 19,200 |
| 2027 | 19,200 |
| 2028-2029 | <u>22,400</u> |
| Total Minimum Lease Payments | <u>\$ 118,400</u> |

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

Note 4. Leases (Continued)

B. Copier

On February 25, 2004, the Knott County Fiscal Court entered into a lease agreement as lessee on a copier for the judge's office. An initial lease liability was recorded in the amount of \$798 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$3,192. The Knott County Fiscal Court is required to make monthly principal payments of \$67.

The future principal and interest lease payments as of June 30, 2022, were as follows:

| Fiscal Year Ended June 30 | Amount |
|------------------------------|-----------------|
| 2023 | \$ 798 |
| 2024 | 798 |
| 2025 | 798 |
| 2026 | 798 |
| Total Minimum Lease Payments | <u>\$ 3,192</u> |

C. Jail

On July 1, 2018, the Knott County Fiscal Court entered into a 20-year lease agreement as lessee on a jail bond treated as rental payments in which the Perry County Fiscal Court is to invoice the county on a monthly basis. A lease liability was recorded in the amount of \$0 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$1,692,684. The Knott County Fiscal Court is required to make monthly principal payments of \$13,038.

The future principal and interest lease payments as of June 30, 2022, were as follows:

| Fiscal Year Ended June 30 | Amount |
|------------------------------|--------------------|
| 2023 | \$ 444,082 |
| 2024 | 158,628 |
| 2025 | 118,892 |
| 2026 | 78,401 |
| 2027 | 78,599 |
| 2028-2032 | 386,432 |
| 2033-2037 | 382,813 |
| 2038-2041 | 44,837 |
| Total Minimum Lease Payments | <u>\$1,692,684</u> |

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

Note 5. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Financing Obligation - Refinancing - 2021 Series B

The Knott County Fiscal Court received lease proceeds in the amount of \$4,400,000 to pay off the prior financing obligation - refinancing. Lease principal payments are due in annual installments with the interest payable in semi-annual installments, beginning June 10, 2021. Interest accrues at 2.4 percent. In case of default, the lessor may (a) by appropriate court action, enforce the pledge set forth in this lease so that during the remaining lease term there is levied on all the taxable property of the lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to the pay the lease rental payments when and as due, (b) take legal title to, and sell or re-lease the project or any portion thereof, or (c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under this lease (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise dispose of the project in accordance with applicable law); and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under this lease (subject, however, to the limitations thereon contained in this lease) and to recover damages for the breach thereof.

As of June 30, 2022, the remaining principal balance outstanding was \$4,270,000. Payments for the remaining years are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Principal</u> | <u>Scheduled Interest</u> |
|---------------------------------------|---------------------|-------------------------------|
| 2023 | \$ 170,000 | \$ 92,975 |
| 2024 | 325,000 | 88,025 |
| 2025 | 335,000 | 81,425 |
| 2026 | 330,000 | 74,775 |
| 2027 | 340,000 | 68,075 |
| 2028-2032 | 1,045,000 | 244,211 |
| 2033-2037 | 1,380,000 | 138,043 |
| 2038 | 345,000 | 4,744 |
| Totals | <u>\$ 4,270,000</u> | <u>\$ 792,273</u> |

2. Financing Obligation - Flood Relief

On April 6, 2021, the Knott County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties. The purpose of this lease is to provide financial assistance for flood damaged property. The principal component of lease payments shall be \$500,000. The term of this agreement shall be from date of closing through June 27, 2027, with no principal component or interest component collected through June 30, 2022, nor will any interest accrue through June 30, 2022. Beginning on July 1, 2022, the interest component of lease payments shall be the annual rate of 3.74%. In case of default, lessor may terminate agreement immediately upon occurrence of any of the following: lessee fails to pay when due any of the payments, or to perform, or rectify breach of, any obligation assumed by lessee in this agreement; lessee makes an assignment for the benefit of creditors; or is subject to any receivership, insolvency, or bankruptcy proceedings; any other event which causes lessor, in good faith, to deem itself insecure.

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

2. Financing Obligation - Flood Relief (Continued)

Whenever any event of default occurs, the lessor may, without any further demand or notice, terminate the lease term and give notice to the lessee to vacate or surrender the project assets within seven days from the date of such notice; exercise all the rights and remedies of a secured party under the Kentucky Uniform Commercial Code, with respect to the project assets, and may otherwise repossess and liquidate or foreclose upon the project assets in lawful manner; sell or re-lease the project or any portion thereof; recover from the lessee lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the project assets.

As of June 30, 2022, the remaining principal balance outstanding was \$100,000. Payments for the remaining years are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Principal</u> | <u>Scheduled Interest</u> |
|---------------------------------------|-------------------|-------------------------------|
| 2027 | <u>\$ 100,000</u> | <u>\$ 2,192</u> |
| Totals | <u>\$ 100,000</u> | <u>\$ 2,192</u> |

3. Financing Obligation - Sports Complex

The Knott County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties issued for \$1,212,265 in revenue bonds dated November 15, 2017. The bonds were issued for roads and a building as well as improvements at the Sportsplex. The bonds are payable in annual installments with the interest payable in semi-annual installments, beginning December 20, 2017. Interest accrues at a rate of 2.71 percent.

In case of default, the lessor may (a) by appropriate court action, enforce the pledge set forth in this lease so that during the remaining lease term there is levied on all the taxable property of the lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to the pay the lease rental payments when and as due, (b) take legal title to, and sell or re-lease the project or any portion thereof, or (c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under this lease (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise dispose of the project in accordance with applicable law); and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under this lease (subject, however, to the limitations thereon contained in this lease) and to recover damages for the breach thereof.

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. Financing Obligation - Sports Complex (Continued)

As of June 30, 2022, the principal balance outstanding was \$910,000. Payments for the remaining years are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Principal</u> | <u>Scheduled Interest</u> |
|---------------------------------------|-------------------|-------------------------------|
| 2023 | \$ 55,000 | \$ 41,410 |
| 2024 | 55,000 | 38,523 |
| 2025 | 55,000 | 35,635 |
| 2026 | 70,000 | 32,372 |
| 2027 | 70,000 | 28,698 |
| 2028-2032 | 580,000 | 48,050 |
| 2033 | 25,000 | 1,155 |
| Totals | <u>\$ 910,000</u> | <u>\$ 225,843</u> |

B. Other Debt

1. First Mortgage Refunding Revenue Bonds

The Knott County Kentucky Justice Center Corporation issued \$4,085,000 First Mortgage Refunding Revenue bonds dated October 19, 2011. The bonds are payable in annual installments with the interest payable in semi-annual installments, beginning April 1, 2012. Interest accrues at rates of 1.0 percent to 3.25 percent. In the event of default, the loan is secured by the property being financed and foreclosure upon said property would take place. As of June 30, 2022, the principal balance outstanding was \$465,000. Payments for the remaining years are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Principal</u> | <u>Scheduled Interest</u> |
|---------------------------------------|-------------------|-------------------------------|
| 2023 | \$ 465,000 | \$ 7,556 |
| Totals | <u>\$ 465,000</u> | <u>\$ 7,556</u> |

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

Note 5. Long-term Debt (Continued)

C. Changes In Long-term Debt

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

| | Beginning Balance (*Restated) | Additions | Reductions | Ending Balance | Due Within One Year |
|--|-------------------------------------|-------------|---------------------|---------------------|------------------------|
| Direct Borrowings and Direct Placements | \$ 5,862,813 | \$ | \$ 582,813 | \$ 5,280,000 | \$ 225,000 |
| Revenue Bonds | 915,000 | | 450,000 | 465,000 | 465,000 |
| Total Long-term Debt | <u>\$ 6,777,813</u> | <u>\$ 0</u> | <u>\$ 1,032,813</u> | <u>\$ 5,745,000</u> | <u>\$ 690,000</u> |

* The beginning balance was restated by \$960,000 to from revenue bonds to direct borrowings and direct placements.

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 | \$ 465,000 | \$ 7,556 | \$ 325,000 | \$ 136,577 |
| 2024 | | | 380,000 | 126,548 |
| 2025 | | | 390,000 | 117,060 |
| 2026 | | | 400,000 | 107,147 |
| 2027 | | | 410,000 | 96,773 |
| 2028-2032 | | | 1,625,000 | 292,261 |
| 2033-2037 | | | 1,405,000 | 139,198 |
| 2038 | | | 345,000 | 4,744 |
| Totals | <u>\$ 465,000</u> | <u>\$ 7,556</u> | <u>\$ 5,280,000</u> | <u>\$ 1,020,308</u> |

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

Note 6. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky 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 \$499,112, FY 2021 was \$527,351, and FY 2022 was \$632,306.

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.

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the 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.

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

Note 6. Employee Retirement System (Continued)

Hazardous (Continued)

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8 percent of their annual creditable compensation and also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

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

The county's contribution rate for hazardous employees was 44.33 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

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

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

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

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

D. Cost of Living Adjustments - Tier 1

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

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

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

F. Death Benefit

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

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

Note 6. Employee Retirement System (Continued)

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 7. Deferred Compensation

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

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

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

Note 8. Health Reimbursement Account/Flexible Spending Account

The Knott County Fiscal Court established a flexible spending account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The county contributes \$2,000 to each employee. The employees' accounts are credited each month throughout the fiscal year.

Note 9. Insurance

For the fiscal year ended June 30, 2022, the Knott 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.

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KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2022

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KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2022

| | GENERAL FUND | | | |
|--|---------------------|--------------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Taxes | \$ 1,942,850 | \$ 1,994,130 | \$ 1,737,067 | \$ (257,063) |
| In Lieu Tax Payments | 13,300 | 13,300 | 11,165 | (2,135) |
| Excess Fees | 115,000 | 115,000 | 66,864 | (48,136) |
| Intergovernmental | 304,000 | 311,602 | 261,066 | (50,536) |
| Charges for Services | 125,000 | 197,760 | 197,760 | |
| Miscellaneous | 244,100 | 273,567 | 263,966 | (9,601) |
| Interest | 2,800 | 3,750 | 3,733 | (17) |
| Total Receipts | <u>2,747,050</u> | <u>2,909,109</u> | <u>2,541,621</u> | <u>(367,488)</u> |
| DISBURSEMENTS | | | | |
| General Government | 1,025,460 | 1,189,710 | 1,106,016 | 83,694 |
| Protection to Persons and Property | 1,500 | 1,500 | 250 | 1,250 |
| Social Services | 4,000 | 6,795 | 6,795 | |
| Debt Service | 3,172 | 3,172 | 3,172 | |
| Administration | 920,882 | 1,668,630 | 1,026,657 | 641,973 |
| Total Disbursements | <u>1,955,014</u> | <u>2,869,807</u> | <u>2,142,890</u> | <u>726,917</u> |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | <u>792,036</u> | <u>39,302</u> | <u>398,731</u> | <u>359,429</u> |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | 226,429 | 2,332,170 | 2,222,169 | (110,001) |
| Transfers To Other Funds | <u>(1,188,465)</u> | <u>(2,383,565)</u> | <u>(1,581,000)</u> | <u>802,565</u> |
| Total Other Adjustments to Cash (Uses) | <u>(962,036)</u> | <u>(51,395)</u> | <u>641,169</u> | <u>692,564</u> |
| Net Change in Fund Balance | (170,000) | (12,093) | 1,039,900 | 1,051,993 |
| Fund Balance - Beginning | <u>170,000</u> | <u>12,093</u> | <u>12,093</u> | |
| Fund Balance - Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,051,993</u> | <u>\$ 1,051,993</u> |

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

| | ROAD FUND | | | |
|--|-------------------------|--------------|---|---|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ 1,784,849 | \$ 2,253,928 | \$ 2,207,464 | \$ (46,464) |
| Miscellaneous | 1,500 | 14,336 | 13,836 | (500) |
| Interest | 4,500 | 4,500 | 4,157 | (343) |
| Total Receipts | 1,790,849 | 2,272,764 | 2,225,457 | (47,307) |
| DISBURSEMENTS | | | | |
| Roads | 1,390,050 | 2,008,340 | 1,999,677 | 8,663 |
| Debt Service | 584,020 | 981,200 | 476,097 | 505,103 |
| Capital Projects | 70,000 | 151,080 | 151,079 | 1 |
| Administration | 170,350 | 706,152 | 192,480 | 513,672 |
| Total Disbursements | 2,214,420 | 3,846,772 | 2,819,333 | 1,027,439 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (423,571) | (1,574,008) | (593,876) | 980,132 |
| Other Adjustments to Cash (Uses) | | | | |
| Borrowed Money | 500,000 | 500,000 | | (500,000) |
| Transfers From Other Funds | | 1,594,506 | 1,354,706 | (239,800) |
| Transfers To Other Funds | (226,429) | (679,662) | (599,661) | 80,001 |
| Total Other Adjustments to Cash (Uses) | 273,571 | 1,414,844 | 755,045 | (659,799) |
| Net Change in Fund Balance | (150,000) | (159,164) | 161,169 | 320,333 |
| Fund Balance - Beginning | 150,000 | 159,164 | 159,164 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 320,333 | \$ 320,333 |

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

| JAIL FUND | | | | |
|--|------------------|------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ 113,250 | \$ 115,891 | \$ 94,699 | \$ (21,192) |
| Miscellaneous | 750 | 750 | | (750) |
| Interest | 400 | 500 | 424 | (76) |
| Total Receipts | 114,400 | 117,141 | 95,123 | (22,018) |
| DISBURSEMENTS | | | | |
| Protection to Persons and Property | 769,808 | 782,818 | 593,286 | 189,532 |
| Administration | 52,992 | 252,946 | 54,297 | 198,649 |
| Total Disbursements | 822,800 | 1,035,764 | 647,583 | 388,181 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (708,400) | (918,623) | (552,460) | 366,163 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | 703,400 | 913,400 | 561,000 | (352,400) |
| Total Other Adjustments to Cash (Uses) | 703,400 | 913,400 | 561,000 | (352,400) |
| Net Change in Fund Balance | (5,000) | (5,223) | 8,540 | 13,763 |
| Fund Balance - Beginning | 5,000 | 5,223 | 5,223 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 13,763 | \$ 13,763 |

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

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

| | Budgeted Amounts | | Actual Amounts, (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|--|---|
| | Original | Final | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 742,500 | \$ 1,292,772 | \$ 1,288,386 | \$ (4,386) |
| Charges for Services | 185,001 | 363,868 | 360,371 | (3,497) |
| Miscellaneous | 70,900 | 305,022 | 264,288 | (40,734) |
| Interest | 1,800 | 2,300 | 1,780 | (520) |
| Total Receipts | 1,000,201 | 1,963,962 | 1,914,825 | (49,137) |
| DISBURSEMENTS | | | | |
| General Government | 27,090 | 30,875 | 28,827 | 2,048 |
| Protection to Persons and Property | 167,126 | 173,686 | 163,224 | 10,462 |
| General Health and Sanitation | 182,300 | 199,180 | 129,723 | 69,457 |
| Social Services | 143,050 | 162,390 | 161,643 | 747 |
| Recreation and Culture | 426,600 | 842,245 | 828,370 | 13,875 |
| Roads | 45,500 | 49,045 | 48,343 | 702 |
| Administration | 381,600 | 515,664 | 260,134 | 255,530 |
| Total Disbursements | 1,373,266 | 1,973,085 | 1,620,264 | 352,821 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (373,065) | (9,123) | 294,561 | 303,684 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | 298,165 | 298,165 | 117,200 | (180,965) |
| Transfers To Other Funds | | (330,000) | (330,000) | |
| Total Other Adjustments to Cash (Uses) | 298,165 | (31,835) | (212,800) | (180,965) |
| Net Change in Fund Balance | (74,900) | (40,958) | 81,761 | 122,719 |
| Fund Balance - Beginning | 74,900 | 40,958 | 40,959 | 1 |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 122,720 | \$ 122,720 |

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

| | STATE GRANT FUND | | | |
|--|------------------|------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ 347,772 | \$ 369,093 | \$ 308,158 | \$ (60,935) |
| Miscellaneous | 1,000 | 1,000 | | (1,000) |
| Interest | 1,750 | 1,750 | 472 | (1,278) |
| Total Receipts | 350,522 | 371,843 | 308,630 | (63,213) |
| DISBURSEMENTS | | | | |
| General Government | 75 | 75 | | 75 |
| Protection to Persons and Property | 55,000 | 42,000 | | 42,000 |
| General Health and Sanitation | 3,100 | 3,100 | | 3,100 |
| Social Services | 20,000 | 60,760 | 60,758 | 2 |
| Recreation and Culture | 8,000 | 8,000 | | 8,000 |
| Roads | 1,000 | 1,000 | | 1,000 |
| Administration | 7,088 | 12,298 | | 12,298 |
| Total Disbursements | 94,263 | 127,233 | 60,758 | 66,475 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | 256,259 | 244,610 | 247,872 | 3,262 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | | 60,000 | 60,000 | |
| Transfers To Other Funds | (271,259) | (320,821) | (301,608) | 19,213 |
| Total Other Adjustments to Cash (Uses) | (271,259) | (260,821) | (241,608) | 19,213 |
| Net Change in Fund Balance | (15,000) | (16,211) | 6,264 | 22,475 |
| Fund Balance - Beginning | 15,000 | 16,211 | 16,211 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 22,475 | \$ 22,475 |

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

| | FEDERAL GRANT FUND | | | |
|--|---------------------------|--------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ 1,915,000 | \$ 2,115,000 | \$ 585,335 | \$ (1,529,665) |
| Interest | 1 | 1 | | (1) |
| Total Receipts | 1,915,001 | 2,115,001 | 585,335 | (1,529,666) |
| DISBURSEMENTS | | | | |
| General Health and Sanitation | 1,701,000 | 1,465,405 | 85,742 | 1,379,663 |
| Social Services | | 200,000 | 50,020 | 149,980 |
| Capital Projects | 214,000 | 449,595 | 449,593 | 2 |
| Administration | 305 | 235 | | 235 |
| Total Disbursements | 1,915,305 | 2,115,235 | 585,355 | 1,529,880 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (304) | (234) | (20) | 214 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | | 15,000 | 15,000 | |
| Transfers To Other Funds | | (15,000) | (15,000) | |
| Total Other Adjustments to Cash (Uses) | | | | |
| Net Change in Fund Balance | (304) | (234) | (20) | 214 |
| Fund Balance - Beginning | 304 | 234 | 234 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 214 | \$ 214 |

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

| EMERGENCY MANAGEMENT FUND | | | | |
|--|------------------|------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ 33,000 | \$ 597,692 | \$ 586,857 | \$ (10,835) |
| Interest | 100 | 600 | 209 | (391) |
| Total Receipts | 33,100 | 598,292 | 587,066 | (11,226) |
| DISBURSEMENTS | | | | |
| Roads | 15,350 | 10,250 | | 10,250 |
| Administration | 1,480,150 | 710 | | 710 |
| Total Disbursements | 1,495,500 | 10,960 | | 10,960 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (1,462,400) | 587,332 | 587,066 | (266) |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers To Other Funds | (18,000) | (587,506) | (586,906) | 600 |
| Total Other Adjustments to Cash (Uses) | (18,000) | (587,506) | (586,906) | 600 |
| Net Change in Fund Balance | (1,480,400) | (174) | 160 | 334 |
| Fund Balance - Beginning | 1,480,400 | 174 | 174 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 334 | \$ 334 |

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

| FORESTRY FUND | | | | |
|--|------------------|----------|--|---|
| | Budgeted Amounts | | Actual Amounts, (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| RECEIPTS | | | | |
| Taxes | \$ 3,515 | \$ 3,628 | \$ 3,255 | \$ (373) |
| Interest | 80 | 130 | 119 | (11) |
| Total Receipts | 3,595 | 3,758 | 3,374 | (384) |
| DISBURSEMENTS | | | | |
| Protection to Persons and Property | 4,108 | 4,108 | 2,118 | 1,990 |
| Administration | 687 | 5,535 | | 5,535 |
| Total Disbursements | 4,795 | 9,643 | 2,118 | 7,525 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (1,200) | (5,885) | 1,256 | 7,141 |
| Net Change in Fund Balance | (1,200) | (5,885) | 1,256 | 7,141 |
| Fund Balance - Beginning | 1,200 | 5,885 | 5,885 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 7,141 | \$ 7,141 |

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

| SPORTS COMPLEX FUND | | | | |
|--|------------------|------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Charges for Services | \$ 216,000 | \$ 237,500 | \$ 237,427 | \$ (73) |
| Miscellaneous | 7,500 | 7,500 | 4,490 | (3,010) |
| Interest | 245 | 495 | 314 | (181) |
| Total Receipts | 223,745 | 245,495 | 242,231 | (3,264) |
| DISBURSEMENTS | | | | |
| Recreation and Culture | 381,500 | 499,455 | 492,835 | 6,620 |
| Administration | 53,645 | 70,481 | 68,377 | 2,104 |
| Total Disbursements | 435,145 | 569,936 | 561,212 | 8,724 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (211,400) | (324,441) | (318,981) | 5,460 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | 204,900 | 320,000 | 320,000 | |
| Total Other Adjustments to Cash (Uses) | 204,900 | 320,000 | 320,000 | |
| Net Change in Fund Balance | (6,500) | (4,441) | 1,019 | 5,460 |
| Fund Balance - Beginning | 6,500 | 4,441 | 4,441 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 5,460 | \$ 5,460 |

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

| E-911 FUND | | | | |
|--|------------------|-----------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Taxes | \$ 92,000 | \$ 93,650 | \$ 93,649 | \$ (1) |
| Miscellaneous | 100 | 100 | 50 | (50) |
| Interest | 725 | 725 | 462 | (263) |
| Total Receipts | 92,825 | 94,475 | 94,161 | (314) |
| DISBURSEMENTS | | | | |
| Protection to Persons and Property | 89,000 | 104,295 | 100,767 | 3,528 |
| Administration | 48,825 | 31,832 | 17,552 | 14,280 |
| Total Disbursements | 137,825 | 136,127 | 118,319 | 17,808 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (45,000) | (41,652) | (24,158) | 17,494 |
| Net Change in Fund Balance | (45,000) | (41,652) | (24,158) | 17,494 |
| Fund Balance - Beginning | 45,000 | 41,652 | 41,652 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 17,494 | \$ 17,494 |

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

| ARPA GRANT FUND | | | | |
|--|-------|--------------|--------------|---------------|
| | | Actual | | Variance with |
| | | Amounts, | | Final Budget |
| Budgeted Amounts | | (Budgetary | | Positive |
| Original | Final | Basis) | | (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ | \$ 1,437,946 | \$ 1,437,946 | \$ |
| Interest | | 2,569 | 1,885 | (684) |
| Total Receipts | | 1,440,515 | 1,439,831 | (684) |
| DISBURSEMENTS | | | | |
| General Health and Sanitation | | 1,200,000 | 1,047,253 | 152,747 |
| Administration | | 190,870 | | 190,870 |
| Total Disbursements | | 1,390,870 | 1,047,253 | 343,617 |
| Excess (Deficiency) of Receipts Over | | | | |
| Disbursements Before Other | | | | |
| Adjustments to Cash (Uses) | | | | |
| | | 49,645 | 392,578 | 342,933 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers To Other Funds | | (1,487,946) | (1,487,946) | |
| Total Other Adjustments to Cash (Uses) | | (1,487,946) | (1,487,946) | |
| Net Change in Fund Balance | | | | |
| | | (1,438,301) | (1,095,368) | 342,933 |
| Fund Balance - Beginning | | 1,438,301 | 1,438,301 | |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 342,933 | \$ 342,933 |

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

| DEBT SERVICE FUND | | | | |
|--|------------------|---------------|----------------------------------|--|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts, (Budgetary Basis) | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ | \$ 473,862.00 | \$ 473,862.00 | \$ |
| Total Receipts | | 473,862 | 473,862 | |
| DISBURSEMENTS | | | | |
| Debt Service | 745,122 | 745,122 | 725,908 | 19,214 |
| Total Disbursements | 745,122 | 745,122 | 725,908 | 19,214 |
| Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses) | (745,122) | (271,260) | (252,046) | 19,214 |
| Other Adjustments to Cash (Uses) | | | | |
| Transfers From Other Funds | | 271,260 | 252,046 | (19,214) |
| Total Other Adjustments to Cash (Uses) | | 271,260 | 252,046 | (19,214) |
| Net Change in Fund Balance | | | | |
| Fund Balance - Beginning | | | 271 | 271 |
| Fund Balance - Ending | \$ 0 | \$ 0 | \$ 271 | \$ 271 |

KNOTT 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.

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KNOTT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2022

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KNOTT 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 |
|---|-----------------------------------|--|--------------------------|----------------------------|
| <u>U. S. Department of Health and Human Services</u> | | | | |
| <i>Passed-Through Kentucky Department for Aging and Independent Living KRADD:</i> | | | | |
| Nutrition Services Incentive Program | 93.053 | PON2 1700002624 4 | \$ | \$ 14,571 |
| Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | PON2 1700002624 4 | | 106,044 |
| Total U.S. Department of Health and Human Services | | | | \$ 120,615 |
| <u>U. S. Department of Homeland Security</u> | | | | |
| <i>Passed-Through Kentucky Department Military Affairs:</i> | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | \$ | \$ 477,855 |
| Emergency Management Performance Grants | | | | |
| EMS Reimbursement | 97.042 | | | 7,165 |
| Total U.S. Department of Homeland Security | | | | \$ 485,020 |
| <u>U. S. Department of Interior</u> | | | | |
| <i>Direct Program:</i> | | | | |
| Abandoned Mine Land Economic Revitalization Program | 15.252 | | \$ | \$ 134,335 |
| Total U.S. Department of Interior | | | | 134,335 |
| <u>U. S. Department of Housing and Urban Development</u> | | | | |
| <i>Passed-Through Kentucky Department for Local Government:</i> | | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 16-043 | \$ 398,000 | \$ 401,000 |
| Total U.S. Department of Housing and Urban Development | | | 398,000 | 401,000 |
| <u>U. S. Department of Treasury</u> | | | | |
| <i>Passed-Through Kentucky Department for Local Government:</i> | | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | \$ | \$ 1,047,252 |
| Total U.S. Department of Treasury | | | | 1,047,252 |
| <u>U. S. Department of Transportation</u> | | | | |
| <i>Passed-Through Kentucky Department for Local Government:</i> | | | | |
| Emergency Food and Shelter National Board Program | 97.024 | | \$ 50,000 | \$ 50,000 |
| Total U.S. Department of Transportation | | | 50,000 | 50,000 |
| Total Expenditures of Federal Awards | | | \$ 448,000 | \$ 2,238,222 |

The accompanying notes are an integral part of this schedule.

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

Knott 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.

KNOTT COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2022

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KNOTT 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 and Land Improvements | \$ 1,094,505 | \$ | \$ | \$ 1,094,505 |
| Buildings and Building Improvements | 25,990,462 | 1,217,711 | | 27,208,173 |
| Vehicles and Equipment | 2,849,119 | 62,334 | | 2,911,453 |
| Infrastructure | 12,681,341 | 604,488 | | 13,285,829 |
| Total Capital Assets | <u>\$ 42,615,427</u> | <u>\$ 1,884,533</u> | <u>\$ 0</u> | <u>\$ 44,499,960</u> |

KNOTT 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) |
|-------------------------------------|-----------------------------|------------------------|
| Buildings and Building Improvements | \$ 10,000 | 10-20 |
| Vehicles and Equipment | \$ 10,000 | 5 |
| Infrastructure | \$ 10,000 | 5-10 |

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

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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 Jeff Dobson, Knott County Judge/Executive
Members of the Knott 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 Knott County Fiscal Court for the fiscal year ended June 30, 2022, and the related notes to the financial statement which collectively comprise the Knott County Fiscal Court's financial statement and have issued our report thereon dated November 4, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be significant deficiencies.



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 Knott 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*.

Views of Responsible Official and Planned Corrective Action

Knott County's views and planned corrective action for the findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. The county's responses were not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on them.

Purpose of this Report

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

Respectfully submitted,

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

Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

November 4, 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 Jeff Dobson, Knott County Judge/Executive
Members of the Knott County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Knott 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 Knott County Fiscal Court's major federal programs for the year ended June 30, 2022. The Knott 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, Knott 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 Knott 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 Knott County Fiscal Court's compliance with the compliance requirements referred to above.

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 Knott County Fiscal Court's federal program.



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

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 Knott 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 Knott 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 Knott 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 Knott 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 Knott 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,

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Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

November 4, 2022

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KNOTT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2022

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KNOTT 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 checked="" type="checkbox"/> Yes | <input type="checkbox"/> None Reported |
| Are any noncompliances material to financial statements noted? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Federal Awards

Internal control over major programs:

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

Identification of major programs:

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

| | |
|--|---|
| 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 |

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

Section II: Financial Statement Findings

Internal Control - Significant Deficiencies

2022-001 The Knott County Fiscal Court Does Not Have Adequate Internal Controls At The Knott County Sportsplex

This is a repeat finding and was included in the prior year audit report as finding 2021-003. Our review of the receipts and disbursement process for the Knott County Sportsplex revealed weaknesses in internal controls that should be addressed. The Knott County Sportsplex collects money for rental fees, membership fees, concessions, front door ticket sales, driving range, arcades, advertisements, and vending machines. During basketball season, referees are paid out of the front door cash receipts. The Sportsplex director calculates the sales report and deposit, faxes the daily checkout sheet to the county treasurer, and makes the daily deposit. If referees are paid out of the cash drawer, the amount is listed on the daily checkout sheet to reduce cash receipts from the day's business.

The fiscal court did not implement good internal controls over receipts. Because internal controls are not in place for receipts, money could be misappropriated and go undetected.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual* states, "[d]isbursements by check only." Good internal controls over cash receipts help safeguard assets from employee theft, robbery, and unauthorized use. Good internal controls also enhance the accuracy and reliability of accounting records by reducing the risk of errors, intentional mistakes, and misrepresentations in the accounting process.

KRS 68.275(1) states, "[c]laims against the county that are within the amount of line items of the county budget and arise pursuant to contracts duly authorized by the fiscal court shall be paid by the county judge/executive by a warrant drawn on the county and co-signed by the county treasurer." KRS 68.275(2) states, "[t]he county judge/executive shall present all claims to the fiscal court for review prior to payment and the court, for good cause shown, may order that a claim not be paid."

Due to the high volume of cash transactions and the failure to account for significant amounts of revenue, we recommend the county implement the following procedures:

- Pre-numbered receipts should be maintained for all monies collected. This accounts for front desk, concession stand, and the driving range.
- All checks should be copied and detailed on the deposit ticket with a name to identify collections.
- All daily checkout sheets and deposit tickets should be signed or initialed with a supervisor's approval to verify correct amounts were collected and deposited daily.
- All disbursements paid to referees should be made by check only.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Fiscal Court has implemented various controls to help this situation for example a point of sales system.

The Court is always trying to increase internal controls at the Sportsplex.

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

Section II: Financial Statement Findings

Internal Control - Significant Deficiencies (Continued)

2022-002 The Knott County Fiscal Court Does Not Have Adequate Internal Controls At The Mine Made Adventure Park And Campground

This is a repeat finding and was included in the prior year audit report as finding 2021-004. A review of the receipts process for the Knott County Mine Made Adventure Park and Campground revealed weaknesses in internal controls that should be addressed. The Knott County Mine Made Adventure Park and Campground collects money for campsite and cabin rentals, RV storage rentals, parking fees for ATV rides, and sells shirts, ice, and firewood. One employee is in charge of the operations which involves collecting, reconciling, and depositing money into the bank on a weekly basis instead of daily.

The fiscal court did not implement good internal controls over receipts. Because internal controls are not in place for receipts, money could be misappropriated and go undetected. Good internal controls over cash receipts help safeguard assets from employee theft, robbery, and unauthorized use. Good internal controls also enhance the accuracy and reliability of accounting records by reducing the risk of errors, intentional mistakes, and misrepresentations in the accounting process.

Due to the high volume of cash transaction, we recommend the county implement the following procedures:

- Pre-numbered receipts should be maintained for all monies collected. This accounts for all rentals and sales.
- All daily checkout sheets and deposit tickets should be signed or initialed with a supervisor's approval to verify correct amounts were collected and deposited daily.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Fiscal Court has implemented various controls to help this situation for example a point of sales system.

The Court is always trying to increase internal controls at the Mine Made Park.

Section III: Federal Award Findings And Questioned Costs

None.

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

Section IV: Summary Schedule of Prior Audit Findings

| Finding Number | Prior Year Finding Title | Status | Corrective Action |
|----------------|--|------------|--|
| 2021-001 | The Knott County Fiscal Court Does Not Have Adequate Internal Controls Over Disbursements | Unresolved | This finding comes from the counties lack of funds. Some claims are paid after 30 days or on installments. This can only be fixed by raising taxes in a poor county. |
| 2021-002 | The Knott County Fiscal Court Does Not Have Adequate Internal Controls Over Credit Card Transactions | Resolved | Credit card users have been instructed to turn in all receipts |
| 2021-003 | The Knott County Fiscal Court Does Not Have Adequate Internal Controls At The Knott County Sportsplex | Unresolved | Current year finding 2022-001 We have numerous controls in place. The auditors are unwilling or unable to tell us how to fix the problem. |
| 2021-004 | The Knott County Fiscal Court Does Not Have Adequate Internal Controls At The Mine Made Adventure Park And Campground | Unresolved | Current year finding 2022-002 We have numerous controls in place. The auditors are unwilling or unable to tell us how to fix the problem. |
| 2021-005 | Disbursements Exceeded Approved Budget Appropriations | Resolved | All issues are corrected. |
| 2021-006 | The Knott County Fiscal Court Has Received Reimbursement For \$245,877 In Unallowed And Questioned Costs For The Coronavirus Relief Fund Federal Program | Unresolved | The KCFC will be consulting again with the KY DLG on how to resolve this matter. This step is redundant as the DLG instructed the KCFC to handle the funds in this matter to begin with. |

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

KNOTT COUNTY FISCAL COURT

For The Year Ended June 30, 2022

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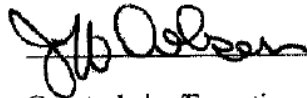
CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

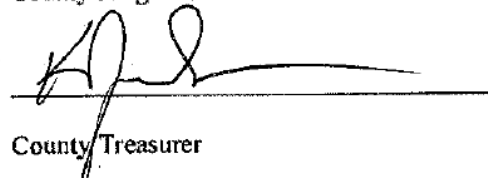
COUNTY FISCAL COURT

For The Year Ended June 30, 2022

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



County Judge/Executive



County Treasurer