

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

**For The Year Ended
June 30, 2024**



**ALLISON BALL
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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ALLISON BALL
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 David Voegelé, Oldham County Judge/Executive
Members of the Oldham 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 Oldham County Fiscal Court, for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the Oldham County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Oldham County Fiscal Court, for the year ended June 30, 2024, 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 Oldham County Fiscal Court, for the year ended June 30, 2024, 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 the Oldham 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
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Oldham 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

Oldham 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oldham County Fiscal Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Oldham County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

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

- 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oldham County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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 Oldham 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.

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Members of the Oldham County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, on our consideration of the Oldham 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 Oldham County Fiscal Court's internal control over financial reporting and compliance.

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

2024-001 The Oldham County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 22, 2024

OLDHAM COUNTY OFFICIALS**For The Year Ended June 30, 2024****Fiscal Court Members:**

David Voegele	County Judge/Executive
Brent Likins	Magistrate
Wayne Theiss	Magistrate
Kevin Woosley	Magistrate
Kevin Jeffries	Magistrate
Chris Haunz	Magistrate
Stephanie Hawkins	Magistrate
Bob Dye	Magistrate
Michael Logsdon	Magistrate

Other Elected Officials:

Berry Baxter	County Attorney
Jeff Tindall	Jailer
Amy Alvey	County Clerk
Steve Kaelin	Circuit Court Clerk
Tim Wakefield	Sheriff
Barbara W. Dietrich	Property Valuation Administrator
David Pendleton	Coroner

Appointed Personnel:

Patrick Meador	County Treasurer
J. Stanley Clark	Chief Financial Officer

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

For The Year Ended June 30, 2024

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

For The Year Ended June 30, 2024

	<u>Budgeted Funds</u>			
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>	<u>Local Government Economic Assistance Fund</u>
RECEIPTS				
Taxes	\$ 19,111,468	\$	\$	\$ 237,153
Excess Fees	709,286			
Licenses and Permits	904,920			
Intergovernmental	6,214,755	1,846,523	5,429,313	1,775,349
Charges for Services	788,057		135,863	
Miscellaneous	4,988,290	1,395	356,632	
Interest	1,816,132	108,515		10,307
Total Receipts	<u>34,532,908</u>	<u>1,956,433</u>	<u>5,921,808</u>	<u>2,022,809</u>
DISBURSEMENTS				
General Government	6,989,367			
Protection to Persons and Property	9,853,477		5,790,065	10,000
General Health and Sanitation	6,026,508			354,322
Social Services	360,000			
Recreation and Culture	6,258,327			260,525
Roads		4,761,661		
Bus Services				88,170
Other Transportation Facilities and Services				356,290
Debt Service	1,212,809			
Capital Projects				19,675
Administration	958,006			
Total Disbursements	<u>31,658,494</u>	<u>4,761,661</u>	<u>5,790,065</u>	<u>1,088,982</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>2,874,414</u>	<u>(2,805,228)</u>	<u>131,743</u>	<u>933,827</u>
Other Adjustments to Cash (Uses)				
Deposits received for construction				
Refund of deposits				
Transfers From Other Funds	6,569,686	3,649,075	287,827	250,000
Transfers To Other Funds	(7,081,759)	(735,333)	(419,570)	(250,000)
Total Other Adjustments to Cash (Uses)	<u>(512,073)</u>	<u>2,913,742</u>	<u>(131,743)</u>	
Net Change in Fund Balance	2,362,341	108,514		933,827
Fund Balance - Beginning	39,108,250	2,165,929		96,973
Fund Balance - Ending	<u>\$ 41,470,591</u>	<u>\$ 2,274,443</u>	<u>\$ 0</u>	<u>\$ 1,030,800</u>
Composition of Fund Balance				
Bank Balance	\$ 25,185,892	\$ 2,274,443	\$	\$ 1,030,051
Plus: Deposits In Transit				749
Less: Outstanding Checks	(3,120,851)			
Certificates of Deposit				
Investments	19,405,550			
Fund Balance - Ending	<u>\$ 41,470,591</u>	<u>\$ 2,274,443</u>	<u>\$ 0</u>	<u>\$ 1,030,800</u>

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

OLDHAM COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2024
(Continued)

Budgeted Funds							Unbudgeted Funds
Central Dispatch Fund	County Police Accounts Fund	Clerk Storage Fee Escrow Fund	Alcohol Beverage License Fund	General Obligation Bond Fund	ARPA Fund	Opioid Settlement Escrow Fund	Planning and Zoning Escrow Fund
\$ 648,668	\$	\$	\$	\$	\$	\$	\$
			548,880	1,435,930			
	1,148	93,520				371,365	
	1,678			143	124,172	5,824	107,261
648,668	2,826	93,520	548,880	1,436,073	124,172	377,189	107,261
		79,103					
3,540,998			548,880			20,000	
				1,435,930			
					6,044,100		
3,540,998		79,103	548,880	1,435,930	6,044,100	20,000	
(2,892,330)	2,826	14,417		143	(5,919,928)	357,189	107,261
							238,648
							(406,890)
2,894,858							
(2,528)					(5,054,995)		(107,261)
2,892,330					(5,054,995)		(275,503)
	2,826	14,417		143	(10,974,923)	357,189	(168,242)
	106,368	85,329		1,019	10,974,923	336,041	2,237,272
\$ 0	\$ 109,194	\$ 99,746	\$ 0	\$ 1,162	\$ 0	\$ 693,230	\$ 2,069,030
\$	\$ 109,194	\$ 99,746	\$	\$ 1,162	\$	\$ 693,230	\$ 2,069,030
\$ 0	\$ 109,194	\$ 99,746	\$ 0	\$ 1,162	\$ 0	\$ 693,230	\$ 2,069,030

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

OLDHAM COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2024
(Continued)

	<u>Unbudgeted Funds</u>		<u>Private Purpose</u>	
	<u>Public Properties Corporation Fund</u>	<u>Jail Commissary Fund</u>	<u>Oldham County Geographical Information Consortium Fund</u>	<u>Total Funds</u>
RECEIPTS				
Taxes	\$	\$	\$	\$ 19,997,289
Excess Fees				709,286
Licenses and Permits				1,453,800
Intergovernmental	2,854,187			19,556,057
Charges for Services				923,920
Miscellaneous		775,271	141	6,587,762
Interest	1,679,184		995	3,854,211
Total Receipts	<u>4,533,371</u>	<u>775,271</u>	<u>1,136</u>	<u>53,082,325</u>
DISBURSEMENTS				
General Government			1,530	7,070,000
Protection to Persons and Property				19,743,420
General Health and Sanitation				6,380,830
Social Services				380,000
Recreation and Culture		936,836		7,455,688
Roads				4,761,661
Bus Services				88,170
Other Transportation Facilities and Services				356,290
Debt Service	2,854,187			5,502,926
Capital Projects	20,279,268			26,343,043
Administration				958,006
Total Disbursements	<u>23,133,455</u>	<u>936,836</u>	<u>1,530</u>	<u>79,040,034</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(18,600,084)</u>	<u>(161,565)</u>	<u>(394)</u>	<u>(25,957,709)</u>
Other Adjustments to Cash (Uses)				
Deposits received for construction				238,648
Refund of deposits				(406,890)
Transfers From Other Funds				13,651,446
Transfers To Other Funds				(13,651,446)
Total Other Adjustments to Cash (Uses)				<u>(168,242,000)</u>
Net Change in Fund Balance	(18,600,084)	(161,565)	(394)	(26,125,951)
Fund Balance - Beginning	<u>37,309,012</u>	<u>385,465</u>	<u>82,652</u>	<u>92,889,233</u>
Fund Balance - Ending	<u>\$ 18,708,928</u>	<u>\$ 223,900</u>	<u>\$ 82,258</u>	<u>\$ 66,763,282</u>
Composition of Fund Balance				
Bank Balance	\$ 18,708,928	\$ 256,200	\$ 32,387	\$ 50,460,263
Plus: Deposits In Transit				749
Less: Outstanding Checks		(32,300)		(32,300)
Certificates of Deposit			49,871	49,871
Investments				19,405,550
Fund Balance - Ending	<u>\$ 18,708,928</u>	<u>\$ 223,900</u>	<u>\$ 82,258</u>	<u>\$ 66,763,282</u>

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

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

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**OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The Oldham County Ambulance Taxing District would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, it is no longer a required component of the reporting entity. At the end of fieldwork, the audit of the Oldham County Ambulance Taxing District was completed and can be obtained from the Oldham County Fiscal Court by contacting the Chief Financial Officer, 100 W Jefferson Street, Suite 4, LaGrange, KY 40031.

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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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.

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

County Police Accounts Fund - The primary purpose of this fund is to account for additional law enforcement expenses of the county. The primary sources of receipts for this fund are fines and forfeitures.

Clerk Storage Fee Escrow Fund - The primary purpose of this fund is to account for the expenses related to the clerk's storage costs. The primary source of receipts for this fund is the monies from consumers for storage fees paid.

Alcohol Beverage License Fund - The primary purpose of this fund is to account for expenditures related to the alcohol beverage license fund enforcement. The primary source of receipts for this fund is the monies from alcohol business license fees.

General Obligation Bond Fund - The purpose of this fund is to account for debt service requirements of the lease agreement and the general obligation bonds for projects related to the Oldham County Environmental Authority.

ARPA Fund - The primary purpose of this fund is to account for the expenses approved under the American Rescue Plan Act. The primary source of receipts for this fund is the monies from the federal government related to the American Rescue Plan Act.

Opioid Settlement Escrow Fund - The primary purpose of this fund is to account for the expenses related to opioid prevention activities. The primary source of receipts for this fund is the monies from opioid settlement.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Planning and Zoning Escrow Fund - The primary purpose of this fund is to account for restricted construction deposits and the refunding of those deposits once the bond is released. The only sources of receipts for this fund are interest income and forfeiture of any deposit, which is rare.

Public Properties Corporation Fund - The purpose of this fund is to account for construction and debt service costs related to the renovation of the judicial center. The Department for Local Government does not require the fiscal court to report or budget this fund.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund. The Department for Local Government does not require the fiscal court to report or budget this fund.

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.

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

The state local finance officer does not require the public facilities construction corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Oldham County Elected Officials

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

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

F. Deposits and Investments

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

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

G. Long-term Obligations

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

Note 2. Deposits and Investments

A. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were not met, as the fiscal court did not have a written agreement with the bank.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 2. Deposits and Investments (Continued)

A. Deposits (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The fiscal court 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*. On June 30, 2024, the fiscal court's bank balance was exposed to custodial credit risk as follows:

- Uncollateralized and Uninsured \$33,687

B. Investments

As of June 30, 2024, the fiscal court had the following investments and maturities:

Type	Cost Basis	Maturities (In Years)	
		Less Than 1	
Cash Equivalents:			
U.S. Government Securities	\$ 9,212,120	\$	9,212,120
Investments:			
US Treasury	10,193,430		10,193,430
Total Investments	<u>19,405,550</u>		<u>19,405,550</u>
Total Fund Balance	<u>\$ 19,405,550</u>	\$	<u>19,405,550</u>

Custodial Credit Risk is the risk that, in the event of failure of the counterparty, the fiscal court will not be able to recover the value of its certificates of deposit, investments, or collateral securities that are in the possession of an outside party. The fiscal court's investment policy requires counterparties to provide sufficient collateral or other insurance if any investments or deposits exceed the insurance provided by Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). All certificates of deposit and investments must be held by the counterparty in the fiscal court's name. The fiscal court has \$49,871 of certificates of deposit and \$19,405,550 of investments in securities held by the counterparties' trust departments in the fiscal court's name. The counterparty maintains the \$49,871 of certificates of deposit at depository institutions insured by the FDIC and limits certificates of deposit at each depository institution to the \$250,000 FDIC coverage limit. In addition, the SIPC provides up to \$500,000 coverage for securities and cash (limit of \$250,000 for cash) per client and the counterparties maintain additional insurance coverage for loss of securities and cash above the coverage provided by FDIC and SIPC.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

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

- 1) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;
- 2) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
 - a. United States Treasury;
 - b. Export-Import Bank of the United States;
 - c. Farmers Home Administration;
 - d. Government National Mortgage Corporation; and
 - e. Merchant Marine bonds.
- 3) Obligations of any corporation of the United States government, including but not limited to:
 - a. Federal Home Loan Mortgage Corporation;
 - b. Federal Farm Credit Banks;
 - c. Bank for Cooperatives;
 - d. Federal Intermediate Credit Banks;
 - e. Federal Land Banks;
 - f. Federal Home Loan Banks;
 - g. Federal National Mortgage Association; and
 - h. Tennessee Valley Authority.
- 4) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- 5) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;
- 6) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;
- 7) Commercial paper rated in the highest category by a competent rating agency;
- 8) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- 9) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;
- 10) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:
 - a. The mutual funds shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended.
 - b. The management company of the investment company shall have been in operation for at least five years; and
 - c. All of the securities in the mutual fund shall be eligible investments pursuant to this section.
- 11) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

12) Individual high-quality corporate bonds that are managed by a professional investment manager that:

- a. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
- b. Have a standard maturity of no more than ten years; and
- c. Are rated in the three highest rating categories by at least two competent credit rating agencies.

According to KRS 66.480, the fiscal court is limited to investing no more than 20 percent in categories 5, 6, 7, 9, and 10 above per state statute and the fiscal court's investment policy. As of June 30, 2024, the fiscal court does not have any investments in these categories.

The fiscal court's rated investments, as of June 30, 2024, and the ratings are presented in the table below. All issuers of the municipal bonds are located in the Commonwealth of Kentucky.

Type	Standard & Poor's/Moody's Credit Ratings	
	AAA/Aaa	Cost Basis
Cash Equivalents		
U.S. Government Securities	\$ 9,212,120	\$ 9,212,120
Investments:		
US Treasury	10,260,757	10,193,430
Total Investments	10,260,757	10,193,430
Total Fund Balance	\$ 19,472,877	\$ 19,405,550

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the fiscal court's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk, which are 52.58 percent of the fiscal court's investments. The other 47.42 percent of the fiscal court's total investments are comprised of securities from the United State Treasury. All of these investments are reported in the fiscal court's general fund.

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

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2024.

	General Fund	Road Fund	Jail Fund	LGEA Fund	Central Dispatch Fund	ARPA Fund	Planning and Zoning Escrow Fund	Total Transfers In
General Fund	\$	\$ 735,333	\$ 419,570	\$ 250,000	\$ 2,528	\$5,054,995	\$ 107,261	\$ 6,569,687
Road Fund	3,649,074							3,649,074
Jail Fund	287,827							287,827
LGEA Fund	250,000							250,000
Central Dispatch Fund	2,894,858							2,894,858
Total Transfers Out	<u>\$7,081,759</u>	<u>\$ 735,333</u>	<u>\$ 419,570</u>	<u>\$ 250,000</u>	<u>\$ 2,528</u>	<u>\$5,054,995</u>	<u>\$ 107,261</u>	<u>\$ 13,651,446</u>

Reason for transfers:

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

Note 4. Custodial Funds

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

The fiscal court has the following custodial funds:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2024 was \$27,487.

County Police Seized Funds Fund - This fund accounts for funds seized by the Oldham County Police and held until the court system issues orders on what to do with the funds. The balance in the county police seized funds fund as of June 30, 2024, was \$20,942.

Note 5. Land Held For Resale

The Oldham County Fiscal Court issued general obligation notes of \$5,438,377, series 2008, dated November 25, 2008, for the purpose of refunding some of the Oldham-LaGrange Development Authority's (OLDA), a joint venture of the Oldham County Fiscal Court and the City of LaGrange; general obligation lease revenue notes, series A, 2005 and series B, 2005 dated July 1, 2005. The fiscal court is to be paid from land sales by OLDA. In January 2012, the fiscal court paid off series C of general obligation lease revenue notes of \$2,275,000 for OLDA. In addition to debt principal, the fiscal court paid interest on behalf of OLDA of \$8,629 in fiscal year 2024. As of June 30, 2024, the fiscal court is due \$11,932,719 in proceeds from sale of land held by OLDA.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Land Held For Resale (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance
OLDA	\$ 9,715,168	\$ 8,629	\$	\$ 9,723,797
Eden Parkway	1,751,676			1,751,676
Peak Road	457,246			457,246
Total	<u>\$ 11,924,090</u>	<u>\$ 8,629</u>	<u>\$ 0</u>	<u>\$ 11,932,719</u>

Note 6. Leases

1. Lessor

A. American Legion Post

On December 4, 2020, the Oldham County Fiscal Court began leasing office space to American Legion Post. The lease is for 25 years, and the Oldham County Fiscal Court will receive annual payments of \$100. The Oldham County Fiscal Court recognized \$100 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Oldham County Fiscal Court's receivable for lease payments was \$2,100.

B. T-Mobile

On February 19, 2008, the Oldham County Fiscal Court began leasing land space to T-Mobile for a tower. The lease is for one year renewable every year for the next 30 years after signing. The Oldham County Fiscal Court will receive monthly payments of \$1,670. The Oldham County Fiscal Court recognized \$15,029 in lease revenue during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court receivable for lease payments was \$5,010.

C. Nugent Sand Company

On December 19, 2023, the Oldham County Fiscal Court began leasing land to Nugent Sand Company. The lease is for five years, and the Oldham County Fiscal Court will receive annual payments of \$3,000. The Oldham County Fiscal Court recognized \$3,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Oldham County Fiscal Court's receivable for lease payments was \$12,000.

D. Verizon Wireless

On January 19, 2009, the Oldham County Fiscal Court began leasing land space to Verizon Wireless for a tower. The lease is for five years renewable every five years after signing. The Oldham County Fiscal Court will receive monthly payments of \$2,814. The Oldham County Fiscal Court recognized \$28,014 in lease revenue during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court receivable for lease payments was \$160,376.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Leases (Continued)

2. Lessee

A. Copier

On November 1, 2021, the Oldham County Fiscal Court began leasing a copier for the use in the finance office. The lease was for five years, and the Oldham County Fiscal Court will pay monthly payments of \$1,172. The Oldham County Fiscal Court recognized the lease expenditure of \$14,062 in disbursements during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court's payable balance was \$32,812.

B. Antennae Tower

On December 6, 2016, the Oldham County Fiscal Court began leasing land space for the use of an antennae tower. The lease was for five years, and the Oldham County Fiscal Court will pay monthly payments of \$4,036. The Oldham County Fiscal Court recognized the lease expenditure of \$47,396 in disbursements during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court's payable balance was \$137,468.

C. Postage Meter

On February 18, 2020, the Oldham County Fiscal Court began leasing a postage meter. The lease was for five years, and the Oldham County Fiscal Court will pay monthly payments of \$171. The Oldham County Fiscal Court recognized the lease expenditure of \$685 in disbursements during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court's payable balance was \$513.

D. Body Cameras

On February 1, 2024, the Oldham County Fiscal Court began leasing body cameras. The lease was for five years, and the Oldham County Fiscal Court will pay annual payments of \$17,641. The Oldham County Fiscal Court recognized the lease expenditure of \$17,641 in disbursements during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court's payable balance was \$70,562.

E. Dash Cameras

On July 1, 2021, the Oldham County Fiscal Court began leasing dash cameras. The lease was for five years, and the Oldham County Fiscal Court will pay annual payments of \$43,344. On December 8, 2023, the Oldham County Fiscal Court added additional dash cameras to the lease, which will require two annual payments of \$18,421. The Oldham County Fiscal Court recognized the lease expenditure of \$ 61,765 in disbursements during the current fiscal year. As of June 30, 2024, the Oldham County Fiscal Court's payable balance was \$105,109.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Leases (Continued)

2. Lessee

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 142,408
2026	123,474
2027	62,941
2028	<u>17,641</u>
Total Minimum Lease Payments	<u>\$ 346,464</u>

Note 7. Subscription-Based Information Technology Arrangements (SBITA)

A. SBITA – IT Software and Equipment Subscription

The Oldham County Fiscal Court entered into various subscription-based information technology arrangements for IT software and equipment software used by all departments. The subscription terms are five years totaling \$495,083, and the Oldham County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$420,757. The Oldham County Fiscal Court is required to make monthly principal and interest payments of \$7,940.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 75,970	\$ 19,310
2026	79,857	15,423
2027	83,942	11,338
2028	88,237	7,043
2029	<u>92,751</u>	<u>2,529</u>
Totals	<u>\$ 420,757</u>	<u>\$ 55,643</u>

B. SBITA – Police Body Cameras Subscription

The Oldham County Fiscal Court entered into a subscription-based information technology arrangement for police body cameras software in the police department. The subscription terms are five years totaling \$117,189, and the Oldham County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$83,109. The Oldham County Fiscal Court is required to make annual principal and interest payments of \$23,438 per year.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 7. Subscription-Based Information Technology Arrangements (SBITA) (Continued)

B. SBITA – Police Body Cameras Subscription (Continued)

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 19,282	\$ 4,156
2026	20,246	3,192
2027	21,259	2,179
2028	<u>22,322</u>	<u>1,116</u>
Totals	<u>\$ 83,109</u>	<u>\$ 10,643</u>

C. SBITA – Computer Aided Dispatch (CAD) Subscription

The Oldham County Fiscal Court entered into a subscription-based information technology arrangement for Computer Aided Dispatch (CAD) software in the central dispatch department. The subscription terms are five years totaling \$50,340, and the Oldham County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$33,421. The Oldham County Fiscal Court is required to make annual payments of \$10,104 per year adjusted annually for CPI.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$10,028	\$1,671
2026	\$11,112	\$1,170
2027	<u>\$12,281</u>	<u>\$614</u>
Totals	<u>\$ 33,421</u>	<u>\$ 3,455</u>

Note 8. Private Purpose Trust Fund

Private-purpose trust funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

The fiscal court has the following private purpose trust fund:

Oldham County Geographical Information Consortium (OGIC) Fund - This fund accounts for funds received through an interlocal agreement with various government agencies in Oldham County. The purpose of this agreement is to conserve public resources and prevent unnecessary duplication of services, by utilization of certain technological improvements at Oldham County Planning and Development described as Geographic Information System (GIS) Technology. The balance in the OGIC Fund as of June 30, 2024, was \$82,258.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Lease Agreement - Wastewater Treatment Facilities - Sewer District #2

On June 14, 2001, the fiscal court, on behalf of the Oldham County Environmental Authority (formerly the sewer district) entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the amount of \$4,000,000 at an interest rate of 4.94% for acquisition of various local wastewater treatment facilities, renovation thereto, and the professional and administrative fees incurred in this acquisition. The lease term is for 30 years with the balance to be paid in full on January 20, 2031. In the event the lease is terminated by both parties performing their agreed to conditions, the title of the property named in the lease will be conveyed to the county. The Oldham County Environmental Authority makes the principal and interest payments to U.S. Bank (the trustee). The principal and note receivable balance on the lease was \$1,525,000 as of June 30, 2024. Principal payment requirements and scheduled interest for the remaining term of the agreement are as follows:

June 30	Principal	Scheduled Interest
2025	\$ 185,000	\$ 82,842
2026	195,000	72,019
2027	205,000	60,624
2028	215,000	48,656
2029	230,000	35,997
2030-2031	495,000	31,111
Totals	<u>\$ 1,525,000</u>	<u>\$ 331,249</u>

B. Other Debt

1. General Obligation Bonds, Refunding Series 2012

The Oldham County Fiscal Court issued general obligation bonds of \$4,055,000, series 2012, dated December 19, 2012, for the purpose of refunding all or a portion of its outstanding County of Oldham, Kentucky General Obligation Bonds (Courthouse Annex Project), Series 2002, dated June 1, 2002, in the original principal amount of \$3,170,000 and General Obligation Lease Agreement (the "2005D Lease") with the Oldham-LaGrange Development Authority, in connection with the issuance of the Oldham-LaGrange Development Authority General Obligation Lease Revenue Bonds (County of Oldham) 2005 Series D, dated July 1, 2005, in the original principal amount of \$2,720,000. The 2012 series bonds were issued at varying interest rates ranging from 2.0% to 2.5% and will be retired by December 1, 2030. Interest payments are due on June 1 and interest and principal on December 1. In the event of default, the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2024, was \$955,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-term Debt (Continued)

B. Other Debt (Continued)

1. General Obligation Bonds, Refunding Series 2012 (Continued)

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 125,000	\$ 20,000
2026	130,000	17,450
2027	135,000	14,800
2028	135,000	12,100
2029	140,000	9,000
2030-2031	<u>290,000</u>	<u>7,250</u>
Totals	<u>\$ 955,000</u>	<u>\$ 80,600</u>

2. General Obligation Bonds, Refunding Series 2014 - Oldham County Environmental Authority Project And Note Receivable

The Oldham County Fiscal Court on behalf of the Oldham County Environmental Authority (formerly the sewer district) issued general obligation bonds of \$9,790,000 Series 2014, dated November 1, 2014, for construction of certain extensions, additions, and improvements to various local wastewater treatment facilities. The 2014 series bonds were issued at varying interest rates ranging from 3.0% to 3.2% and will be retired by December 1, 2034. The Oldham County Environmental Authority makes the principal and interest payments to U.S. Bank (the trustee). Interest payments are due on June 1 and interest and principal on December 1. In the event of default, the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2024, was \$6,105,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 475,000	\$ 182,085
2026	490,000	167,610
2027	505,000	152,685
2028	520,000	137,310
2029	535,000	121,485
2030-2034	2,935,000	343,370
2035	<u>645,000</u>	<u>10,320</u>
Totals	<u>\$ 6,105,000</u>	<u>\$ 1,114,865</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-term Debt (Continued)

B. Other Debt (Continued)

3. General Obligation Bonds, Series 2016 - Oldham County Detention Center

The Oldham County Fiscal Court issued general obligation bonds of \$7,620,000, series 2016, dated December 6, 2016, for the purpose of financing some of the construction costs of the detention center project. The 2016 series bonds were issued at an interest rate which varies from 3.00 to 4.00% and with a 20-year term will be retired by June 30, 2037. Annual interest payments are due on June 30 until June 30, 2030, when annual interest and principal payments become due each June 30. In the event of default, the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2024, was \$7,620,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$	\$ 247,469
2026		247,469
2027		247,469
2028		247,469
2029		247,469
2030-2034	4,335,000	901,244
2035-2037	<u>3,285,000</u>	<u>159,702</u>
Totals	<u>\$ 7,620,000</u>	<u>\$ 2,298,291</u>

4. General Obligation Refunding Bonds, Series 2017 - Oldham County Environmental Authority Project

The Oldham County Fiscal Court issued general obligation refunding bonds of \$3,561,946, series 2017, dated September 5, 2017, for the purpose of refinancing the callable portion of the general obligation bonds, refunding series 2009 (see Note 7.B.1). The 2017 series bonds were issued at an interest rate 2.080% and with a 12-year term and will be retired by October 1, 2029. Interest payments are due on April 1, principal and interest are due on October 1. In the event of default, the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2024, was \$2,881,552. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-term Debt (Continued)

B. Other Debt (Continued)

4. General Obligation Refunding Bonds, Series 2017 - Oldham County Environmental Authority Project (Continued)

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 454,618	\$ 55,208
2026	466,599	45,628
2027	478,023	35,804
2028	483,927	25,799
2029	494,301	15,626
2030	504,084	5,242
Totals	<u>\$ 2,881,552</u>	<u>\$ 183,307</u>

5. General Obligation Bonds, Series 2017 - Oldham County Detention Center

The Oldham County Fiscal Court issued general obligation bonds of \$8,100,000, series 2017, dated September 7, 2017, for the purpose of financing some of the construction costs of the detention center project. The 2017 series bonds were issued at an interest rate which varies from 2.00 to 3.05% and with a 12-year term will be retired by December 1, 2029. Interest payments are due on June 1 and interest and principal on December 1. In the event of default, the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2024, was \$4,175,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 710,000	\$ 109,453
2026	730,000	89,653
2027	750,000	69,303
2028	770,000	47,825
2029	795,000	24,735
2030	420,000	6,405
Totals	<u>\$ 4,175,000</u>	<u>\$ 347,374</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-term Debt (Continued)

B. Other Debt (Continued)

6. Oldham County Public Facilities Construction Corporation First Mortgage Revenue Bonds (Court Facilities Project) Series 2022

The Oldham County Public Properties Corporation issued \$42,920,000 first mortgage revenue bonds, series 2022, dated December 15, 2022, for the purpose of financing for the costs associated with construction of an addition to and renovation of the existing court facility. Principal payments are due each year on February 1, in amounts indicated below starting February 1, 2024. Interest on the bonds will be payable semi-annually on February 1 and August 1, beginning August 1, 2023.

The Kentucky Administrative Office of the Courts (AOC) makes the principal and interest payments to the trustee. In the event of default, the county can compel AOC to perform all duties related the agreement, and if a suit is filed by the county, a court may appoint a receiver to administer the system on behalf of the district to charge rates sufficient to provide the principal and interest payments and to operate the system. The principal balance outstanding for the bond issue as of June 30, 2024, was \$42,225,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	\$ 975,000	\$ 1,879,800
2026	1,020,000	1,831,050
2027	1,075,000	1,780,050
2028	1,125,000	1,726,300
2029	1,185,000	1,670,050
2030-2034	6,865,000	7,401,250
2035-2039	8,760,000	5,504,250
2040-2044	10,860,000	3,409,200
2045-2048	10,360,000	1,056,400
Totals	<u>\$ 42,225,000</u>	<u>\$ 26,258,350</u>

C. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Other Debt	\$ 66,378,692	\$	\$ 2,417,140	\$ 63,961,552	\$ 2,739,618
Direct Borrowings and Direct Placements	1,700,000		175,000	1,525,000	185,000
Total Long-term Debt	<u>\$ 68,078,692</u>	<u>\$ 0</u>	<u>\$ 2,592,140</u>	<u>\$ 65,486,552</u>	<u>\$ 2,924,618</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-term Debt (Continued)

D. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations at June 30, 2024, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 2,739,618	\$ 2,494,015	\$ 185,000	\$ 82,842
2026	2,836,599	2,398,860	195,000	72,019
2027	2,943,023	2,300,111	205,000	60,624
2028	3,033,927	2,196,803	215,000	48,656
2029	3,149,301	2,088,365	230,000	35,997
2030-2034	15,349,084	8,664,761	495,000	31,111
2035-2039	12,690,000	5,674,272		
2040-2044	10,860,000	3,409,200		
2045-2048	10,360,000	1,056,400		
Totals	<u>\$ 63,961,552</u>	<u>\$ 30,282,787</u>	<u>\$ 1,525,000</u>	<u>\$ 331,249</u>

E. On-Behalf Payments

On July 1, 2020, The Louisville Metropolitan Sewer District (MSD) completed their acquisition of the Oldham County Environmental Authority (OCEA). As part of this agreement, they assumed all of the obligations of OCEA. For the Fiscal year ended June 30, 2023, all debt payments related to OCEA were timely paid by MSD. Funds to make these payments are from service charges paid by the sewer customers in Oldham County. The debt was issued by the Oldham County Fiscal Court for the benefit of OCEA, with OCEA agreeing to make all payments and charging service charges at rates to make the payments. The payments made by MSD are shown on the Statement of Receipts, Disbursements, and Changes in Fund Balance under the general obligation bond fund as intergovernmental receipts and debt service disbursements in the amount of \$1,440,050.

Note 10. 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 member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2022 was \$3,051,321, FY 2023 was \$3,302,283, and FY 2024 was \$3,276,183.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Employee Retirement System (Continued)

Nonhazardous

Nonhazardous covered employees are required to contribute 5% of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6% of their salary to be allocated as follows: 5% will go to the member's account and 1% 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% of their annual creditable compensation. Nonhazardous members also contribute 1% 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% 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 23.34%.

Hazardous

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Employee Retirement System (Continued)

Hazardous (Continued)

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

The county's contribution rate for hazardous employees was 43.69%.

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 \$10 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 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 \$10 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.

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

Once members reach a minimum vesting period of 15 years, they earn \$10 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%. 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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Employee Retirement System (Continued)

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

The monthly insurance benefit has been increased annually as a 1.5% 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 \$15 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%. Upon the death of a hazardous employee, the employee's spouse receives \$10 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% 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%. 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.

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

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

G. Ky. Ret. Sys. Annual Financial Report and Proportionate Share Audit Report (Continued)

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

Note 11. Deferred Compensation

The Oldham 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 12. Health Reimbursement Account/Flexible Spending Account

The Oldham County Fiscal Court provides a Health Reimbursement Arrangement (HRA) to assist employees and dependents to cover the cost of the deductible and out of pocket costs in relation to the 2024 health insurance plan. For single coverage, the plan has an upfront deductible of \$4,000, 50% coinsurance (\$2,750) after the deductible, and a total maximum out of pocket of \$6,750. The HRA will reimburse you after you reach \$2,000 in total cost. The remaining \$4,750 is covered through reimbursements of the HRA. The United Healthcare plan will pay 100% thereafter for normal covered claims.

For family coverage, the plan has an upfront deductible of \$8,000, 50% coinsurance (\$6,750) after the deductible, and total maximum out of pocket of \$13,500. The HRA will reimburse the first family member who incurs claims after \$3,200 in total cost. If a second family member incurs claims, they will be responsible for \$1,000 in total cost. Once a family reaches a total of \$4,000 in total cost, they will be covered at 100%. The HRA covers the remaining \$9,500. The United Healthcare plan will pay 100% thereafter for normal covered claims.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 13. Insurance

For the fiscal year ended June 30, 2024, the Oldham County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 14. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to a local company for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Oldham County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2024, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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

For The Year Ended June 30, 2024

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OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 17,450,958	\$ 17,450,958	\$ 19,111,468	\$ 1,660,510
Excess Fees	803,215	803,215	709,286	(93,929)
Licenses and Permits	768,370	768,370	904,920	136,550
Intergovernmental	5,784,974	9,784,974	6,214,755	(3,570,219)
Charges for Services	658,886	658,886	788,057	129,171
Miscellaneous	248,176	248,176	4,988,290	4,740,114
Interest	944,052	944,052	1,816,132	872,080
Total Receipts	<u>26,658,631</u>	<u>30,658,631</u>	<u>34,532,908</u>	<u>3,874,277</u>
DISBURSEMENTS				
General Government	14,798,563	14,872,442	6,989,367	7,883,075
Protection to Persons and Property	7,526,515	11,527,115	9,853,477	1,673,638
General Health and Sanitation	7,804,057	7,807,652	6,026,508	1,781,144
Social Services	355,000	360,000	360,000	
Recreation and Culture	7,481,777	7,464,703	6,258,327	1,206,376
Debt Service	1,212,809	1,212,809	1,212,809	
Administration	1,123,793	1,057,793	958,006	99,787
Total Disbursements	<u>40,302,514</u>	<u>44,302,514</u>	<u>31,658,494</u>	<u>12,644,020</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(13,643,883)</u>	<u>(13,643,883)</u>	<u>2,874,414</u>	<u>16,518,297</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			6,569,686	6,569,686
Transfers To Other Funds	<u>(8,138,087)</u>	<u>(8,138,087)</u>	<u>(7,081,759)</u>	<u>1,056,328</u>
Total Other Adjustments to Cash (Uses)	<u>(8,138,087)</u>	<u>(8,138,087)</u>	<u>(512,073)</u>	<u>7,626,014</u>
Net Change in Fund Balance	(21,781,970)	(21,781,970)	2,362,341	24,144,311
Fund Balance - Beginning	<u>21,781,970</u>	<u>21,781,970</u>	<u>39,108,250</u>	<u>17,326,280</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,470,591</u>	<u>\$ 41,470,591</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,635,359	\$ 1,635,359	\$ 1,846,523	\$ 211,164
Miscellaneous			1,395	1,395
Interest	75,000	75,000	108,515	33,515
Total Receipts	<u>1,710,359</u>	<u>1,710,359</u>	<u>1,956,433</u>	<u>246,074</u>
DISBURSEMENTS				
Roads	5,314,841	5,314,841	4,761,661	553,180
Total Disbursements	<u>5,314,841</u>	<u>5,314,841</u>	<u>4,761,661</u>	<u>553,180</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,604,482)</u>	<u>(3,604,482)</u>	<u>(2,805,228)</u>	<u>799,254</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	3,604,482	3,604,482	3,649,075	44,593
Transfers To Other Funds			(735,333)	(735,333)
Total Other Adjustments to Cash (Uses)	<u>3,604,482</u>	<u>3,604,482</u>	<u>2,913,742</u>	<u>(690,740)</u>
Net Change in Fund Balance			108,514	108,514
Fund Balance - Beginning			<u>2,165,929</u>	<u>2,165,929</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,274,443</u>	<u>\$ 2,274,443</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 5,524,716	\$ 5,524,716	\$ 5,429,313	\$ (95,403)
Charges for Services	102,040	102,040	135,863	33,823
Miscellaneous	353,778	353,778	356,632	2,854
Total Receipts	<u>5,980,534</u>	<u>5,980,534</u>	<u>5,921,808</u>	<u>(58,726)</u>
DISBURSEMENTS				
Protection to Persons and Property	6,209,232	6,209,232	5,790,065	419,167
Total Disbursements	<u>6,209,232</u>	<u>6,209,232</u>	<u>5,790,065</u>	<u>419,167</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(228,698)</u>	<u>(228,698)</u>	<u>131,743</u>	<u>360,441</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	228,698	228,698	287,827	59,129
Transfers To Other Funds			(419,570)	(419,570)
Total Other Adjustments to Cash (Uses)	<u>228,698</u>	<u>228,698</u>	<u>(131,743)</u>	<u>(360,441)</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
	RECEIPTS			
Taxes	\$ 234,000	\$ 234,000	\$ 237,153	\$ 3,153
Intergovernmental	4,768,139	4,768,139	1,775,349	(2,992,790)
Interest	500	500	10,307	9,807
Total Receipts	<u>5,002,639</u>	<u>5,002,639</u>	<u>2,022,809</u>	<u>(2,979,830)</u>
DISBURSEMENTS				
Protection to Persons and Property	10,000	10,000	10,000	
General Health and Sanitation	1,850,456	1,823,456	354,322	1,469,134
Recreation and Culture	234,000	261,000	260,525	475
Bus Services	80,000	88,170	88,170	
Other Transportation Facilities and Services	3,391,774	3,383,604	356,290	3,027,314
Capital Projects	214,145	214,145	19,675	194,470
Total Disbursements	<u>5,780,375</u>	<u>5,780,375</u>	<u>1,088,982</u>	<u>4,691,393</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(777,736)</u>	<u>(777,736)</u>	<u>933,827</u>	<u>1,711,563</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	777,736	777,736	250,000	(527,736)
Transfers To Other Funds			(250,000)	(250,000)
Total Other Adjustments to Cash (Uses)	<u>777,736</u>	<u>777,736</u>	<u></u>	<u>(777,736)</u>
Net Change in Fund Balance			933,827	933,827
Fund Balance - Beginning			<u>96,973</u>	<u>96,973</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,030,800</u>	<u>\$ 1,030,800</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	CENTRAL DISPATCH FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 677,530	\$ 677,530	\$ 648,668	\$ (28,862)
Total Receipts	<u>677,530</u>	<u>677,530</u>	<u>648,668</u>	<u>(28,862)</u>
DISBURSEMENTS				
Protection to Persons and Property	4,204,701	4,204,701	3,540,998	663,703
Total Disbursements	<u>4,204,701</u>	<u>4,204,701</u>	<u>3,540,998</u>	<u>663,703</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,527,171)</u>	<u>(3,527,171)</u>	<u>(2,892,330)</u>	<u>634,841</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	3,527,171	3,527,171	2,894,858	(632,313)
Transfers To Other Funds			(2,528)	(2,528)
Total Other Adjustments to Cash (Uses)	<u>3,527,171</u>	<u>3,527,171</u>	<u>2,892,330</u>	<u>(634,841)</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	COUNTY POLICE ACCOUNTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 1,148	\$ (3,852)
Interest	750	750	1,678	928
Total Receipts	<u>5,750</u>	<u>5,750</u>	<u>2,826</u>	<u>(2,924)</u>
DISBURSEMENTS				
Protection to Persons and Property	<u>57,450</u>	<u>12,450</u>		<u>12,450</u>
Total Disbursements	<u>57,450</u>	<u>12,450</u>		<u>12,450</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(51,700)</u>	<u>(6,700)</u>	<u>2,826</u>	<u>9,526</u>
Net Change in Fund Balance	(51,700)	(6,700)	2,826	9,526
Fund Balance - Beginning	<u>51,700</u>	<u>51,700</u>	<u>106,368</u>	<u>54,668</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 45,000</u>	<u>\$ 109,194</u>	<u>\$ 64,194</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

CLERK STORAGE FEE ESCROW FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 100,000	\$ 100,000	\$ 93,520	\$ (6,480)
Total Receipts	100,000	100,000	93,520	(6,480)
DISBURSEMENTS				
General Government	100,000	100,000	79,103	20,897
Total Disbursements	100,000	100,000	79,103	20,897
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			14,417	14,417
Net Change in Fund Balance			14,417	14,417
Fund Balance - Beginning			85,329	85,329
Fund Balance - Ending	\$ 0	\$ 0	\$ 99,746	\$ 99,746

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

ALCOHOL BEVERAGE LICENSE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Licenses and Permits	\$ 530,000	\$ 530,000	\$ 548,880	\$ 18,880
Total Receipts	530,000	530,000	548,880	18,880
DISBURSEMENTS				
Protection to Persons and Property	530,000	555,000	548,880	6,120
Total Disbursements	530,000	555,000	548,880	6,120
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(25,000)		25,000
Net Change in Fund Balance		(25,000)		25,000
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ (25,000)	\$ 0	\$ 25,000

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

GENERAL OBLIGATION BOND FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 4,290,117	\$ 4,290,117	\$ 1,435,930	\$ (2,854,187)
Interest			143	143
Total Receipts	<u>4,290,117</u>	<u>4,290,117</u>	<u>1,436,073</u>	<u>(2,854,044)</u>
DISBURSEMENTS				
Debt Service	<u>4,290,117</u>	<u>4,290,117</u>	<u>1,435,930</u>	<u>2,854,187</u>
Total Disbursements	<u>4,290,117</u>	<u>4,290,117</u>	<u>1,435,930</u>	<u>2,854,187</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>143</u>	<u>143</u>
Net Change in Fund Balance			143	143
Fund Balance - Beginning			<u>1,019</u>	<u>1,019</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,162</u>	<u>\$ 1,162</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	ARPA FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$		\$ 124,172	\$ 124,172
Total Receipts			124,172	124,172
DISBURSEMENTS				
Capital Projects		7,161,804	10,974,923	6,044,100
Administration		3,813,119		4,930,823
Total Disbursements		10,974,923	10,974,923	6,044,100
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(10,974,923)	(10,974,923)	(5,919,928)
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(5,054,995)	(5,054,995)
Total Other Adjustments to Cash (Uses)			(5,054,995)	(5,054,995)
Net Change in Fund Balance		(10,974,923)	(10,974,923)	(10,974,923)
Fund Balance - Beginning		10,974,923	10,974,923	10,974,923
Fund Balance - Ending	\$	0	\$ 0	\$ 0

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

OPIOID SETTLEMENT ESCROW FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	\$	\$ 371,365	\$ 371,365.0
Interest			5,824	5,824
Total Receipts			377,189	377,189
DISBURSEMENTS				
Social Services		20,000	20,000	
Total Disbursements		20,000	20,000	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(20,000)	357,189	377,189
Net Change in Fund Balance		(20,000)	357,189	377,189
Fund Balance - Beginning			336,041	336,041
Fund Balance - Ending	\$ 0	\$ (20,000)	\$ 693,230	\$ 713,230

OLDHAM COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2024

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.

**OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2024

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OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Federal Expenditures
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through State Division of Emergency Management</i>				
Flood Mitigation Assistance Grants (Oldham Co Oldham Acres Elevation)	97.029	PON2-095-2200000268-1	\$	\$ 189,024
Flood Mitigation Assistance Grants (Oldham Co Harmony Village Elevatio	97.029	PON2-095-2300002989-1		165,298
Sub-Total Flood Mitigation Assistance				<u>354,322</u>
<i>Passed-Through State Division of Emergency Management</i>				
Emergency Management Performance Grants (2024)	97.042	SC-095-2300000859-1		25,007
Emergency Management Performance Grants (2023)	97.042	SC-095-2200000589-1		9,689
Sub-total Emergency Management Performance				<u>34,696</u>
Total U.S. Department of Homeland Security				<u>389,018</u>
<u>U. S. Department of Transportation</u>				
<i>Passed-Through State Transportation Cabinet</i>				
Highway Planning & Construction - Buckner Connector	20.205	05-754.00		77,716
Highway Planning & Construction - Springhill Trace Sidewalks	20.205	05-757.00		222,859
Sub-Total Highway Planning & Construction				<u>300,575</u>
<i>Passed-Through State Transportation Cabinet</i>				
<i>Highway Safety Cluster</i>				
National Priority Safety Programs- Occupant Protection	20.616	OP-023-12		3,440
National Priority Safety Programs - Occupant Protection	20.616	OP-024-62		16,403
Sub-Total Highway Safety Cluster - National Priority Safety Programs				<u>19,843</u>
Total U.S. Department of Transportation				<u>320,418</u>
<u>U. S. Environmental Protection Agency</u>				
<i>Passed-Through State Division of Water</i>				
Performance Partnership Grants - Currys Fork Reducing NPS Pollution	66.605	PON2-129-2000002514-1		375
Performance Partnership Grants - Currys Fork Improving Water Quality	66.605	PON2-129-2100000552-1		11,430
Total U.S. Environmental Protection Agency				<u>11,805</u>
<u>U. S. Department of the Treasury</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		10,974,923
Total U.S. Department of the Treasury				<u>10,974,923</u>
Total Expenditures of Federal Awards			<u>\$ 0</u>	<u>11,696,164</u>

The accompanying notes are an integral part of this schedule.

OLDHAM COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Oldham County, Kentucky under programs of the federal government for the year ended June 30, 2024. 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 Oldham County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Oldham 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

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

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

For The Year Ended June 30, 2024

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OLDHAM COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 3,799,292	\$ 435,000	\$	\$ 4,234,292
Construction in Progress	6,944,430	11,297,729	9,333,642	8,908,517
Buildings	12,561,117			12,561,117
Land and Building Improvements	27,450,280	5,971,566		33,421,846
Vehicles	6,573,684	452,984	92,911	6,933,757
Equipment	6,782,922	2,068,818	199,080	8,652,660
Infrastructure	45,170,176	7,899,250		53,069,426
 Total Capital Assets	 <u>\$109,281,901</u>	 <u>\$ 28,125,347</u>	 <u>\$ 9,625,633</u>	 <u>\$127,781,615</u>

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

June 30, 2024

Note 1. Capital Assets

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

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land Improvements	\$ 25,000	20-25
Buildings and Building Improvements	\$ 50,000	10-60
Equipment	\$ 5,000	3-20
Vehicles	\$ 5,000	3-12
Infrastructure	\$ 25,000	12-25

**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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ALLISON BALL
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 David Voegele, Oldham County Judge/Executive
Members of the Oldham 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 Oldham County Fiscal Court for the fiscal year ended June 30, 2024, and the related notes to the financial statement which collectively comprise the Oldham County Fiscal Court's financial statement and have issued our report thereon dated November 22, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Findings and Questioned Costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 to be a material weakness.



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

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Oldham 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

Government Auditing Standards requires the auditor to perform limited procedures on the Oldham County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The county's response was not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 22, 2024

**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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ALLISON BALL
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 David Voegelé, Oldham County Judge/Executive
Members of the Oldham County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Oldham 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 Oldham County Fiscal Court's major federal programs for the year ended June 30, 2024. The Oldham 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, the Oldham 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, 2024.

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 the Oldham 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 Oldham County Fiscal Court's compliance with the compliance requirements referred to above.



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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oldham 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 Oldham 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 Oldham 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 Oldham 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 Oldham 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,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 22, 2024

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

For The Year Ended June 30, 2024

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

For The Year Ended June 30, 2024

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
• Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input 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> 21.027	<u>Name of Federal Program or Cluster</u> Coronavirus State and Local Fiscal Recovery Funds
--------------------------------------------	------------------------------------------------------------------------------------------------

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

OLDHAM COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024
(Continued)

Section II: Financial Statement Findings

Internal Control - Material Weaknesses

2024-001 The Oldham County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated

The fourth quarter report presented to the Department for Local Government (DLG) was inaccurate and materially misstated due to the following:

- Public Properties Corporation Fund (PPC) receipts and disbursements totaling \$2,854,187 were included in the General Obligation Bond Fund in error. The PPC Fund is an unbudgeted fund and is presented separately on the financial statement.
- The Public Facilities Construction First Mortgage Revenue Bonds (Court Facilities Project) with an outstanding balance of \$42,225,000 was not included on the long-term debt liability schedule on the fourth quarter report.
- Cash transfers from the ARPA Fund to the General Fund totaling \$4,930,823 were recorded as a Capital Project expenditure on both the ARPA Fund and the General Fund. In addition, it was recorded as a Loss Revenue receipt in the General Fund overstating both receipts and disbursements on the fourth quarter report.
- Activity for the Planning and Zoning Escrow Fund was not included on the fourth quarter report.
- Transfers In and Transfers Out were netted together in the General Fund, Road Fund, Jail Fund, LGEA Fund, and Central Dispatch Fund instead of being presented separately as required.

Management was not aware a revised fourth quarter report should be submitted to DLG that reflects the county's final financial statement. The county treasurer submitted the fourth quarter report to DLG as required but prior to final adjustments to the financial statement being made. In addition, the amount recorded on the quarterly financial statement for transfers in and transfers out was inaccurate due to netting the amounts for reporting purposes. The treasurer and chief financial officer made the proper adjustments to the financial statement after submitting the fourth quarter report to DLG for approval. However, the omitted adjustments to the fourth quarter report resulted in significant and material adjustments to the financial statements.

The county's fourth quarter report had material adjustments that were not made timely and resulted in incorrect information being relied upon by those using that report, specifically DLG and fiscal court members for fiscal decision making.

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires."

The Department for Local Government (DLG), given authority by KRS 68.210, requires minimum accounting and reporting standards. The Uniform System of Accounts requires counties to submit quarterly reports to their regulatory agency, the Department for Local Government (DLG). Adequate internal controls should ensure that these reports include all funds of the county, all activity within the funds, and agree to the county's reconciled cash balances.

**OLDHAM COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024
(Continued)**

Section II: Financial Statement Findings (Continued)

Internal Control - Material Weakness (Continued)

2024-001 The Oldham County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated
(Continued)

We recommend the fiscal court implement procedures to ensure:

- The fourth quarter report submitted to DLG reflects the county's final financial statement that includes all adjustments.
- PPC Fund activity should not be included with another budgeted fund.
- Planning and Zoning Escrow Fund activity should be disclosed.
- All debt should be properly disclosed on the fourth quarter report liability schedule.
- Bank cash transfers between funds should not be posted to receipts and disbursements; there should be transfers in and out between funds.
- All transfers in are reported separately from transfers out on the fourth quarterly report, using the account codes 4909 and 4910.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Fourth Quarter Report submitted did not match the Statement of Receipts, Disbursements, and Changes in Fund Balances provided to the auditors. The above listed conditions except the ones related to ARPA and Planning and Zoning Escrow were correctly shown on the report provided. The accounting treatment for the ARPA transaction was debated even by the auditors, and we had reached out for guidance from various sources, including DLG and auditors as how the transaction should be shown. We agree with the final resolution as shown on the audit report.

Fourth quarter reporting related to the Planning and Zoning Escrow Fund was consistent with prior audits, and in fact was not included on the Financial Statements until FY 2021. The General Obligation Bond Fund was considered an unbudgeted fund until FY 2021. We will now include activity in the fund on the fourth quarter report.

Management now understands that the Fourth Quarter Report should include all adjustments and match this report. The Fourth Quarter Report did agree to the county's reconciled cash balances but did show some of the activity within the funds on a net basis. The county's fourth quarter report is not provided to or relied upon by fiscal court members for fiscal decision making. Detailed actual to budget by department reports are provided monthly to fiscal court members for such purposes. Management understands the current requirements related to the fourth quarter report and will immediately comply with such.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

None.

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

OLDHAM COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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



County Judge/Executive



County Treasurer