

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

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



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

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable James Kay, Woodford County Judge/Executive
Members of the Woodford 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 Woodford County Fiscal Court, for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the Woodford County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Woodford County Fiscal Court, for the year ended June 30, 2022, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

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



To the People of Kentucky
 The Honorable Andy Beshear, Governor
 Holly M. Johnson, Secretary
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 The Honorable James Kay, Woodford County Judge/Executive
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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 Woodford 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

Woodford County Fiscal Court's management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Woodford County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Woodford County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Woodford County Fiscal Court. The Budgetary Comparison Schedules 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 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 are fairly stated in all material respects in relation to the financial statement as a whole.

Other Information

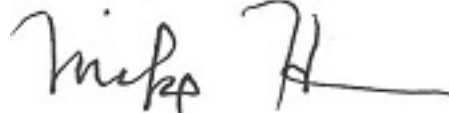
Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information,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

To the People of Kentucky
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Members of the Woodford County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the Woodford 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 Woodford County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

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

Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

December 14, 2022

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

James Kay	County Judge/Executive
Jackie Brown	Magistrate
Kelly Carl	Magistrate
Mary Ann Gill	Magistrate
William Downey	Magistrate
Larry Blackford	Magistrate
Matt Merrill	Magistrate
C.L. Watts	Magistrate
Liles Taylor	Magistrate

Other Elected Officials:

Alan George	County Attorney
Michele Rankin	Jailer
Sandy Jones	County Clerk
Christie Edwards	Circuit Court Clerk (through 08/31/2021)
Sarah Littrell	Circuit Court Clerk (started 09/01/2021 through present)
John Wilhoit	Sheriff
Judy Bobbitt	Property Valuation Administrator
Randy Owens	Coroner

Appointed Personnel:

Sabra Garmon	County Treasurer (through 10/29/2021)
Rebecca Wilson	County Treasurer (appointed 10/29/2021 through present)

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

For The Year Ended June 30, 2022

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

For The Year Ended June 30, 2022

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	\$ 10,999,481	\$	\$
Licenses and Permits	37,153		
Intergovernmental	2,189,314	1,083,652	1,510,967
Charges for Services	1,184,448	3,640	33,155
Miscellaneous	736,821	1,480	55,954
Interest	341,778		
Total Receipts	<u>15,488,995</u>	<u>1,088,772</u>	<u>1,600,076</u>
DISBURSEMENTS			
General Government	5,202,611		
Protection to Persons and Property	3,786,041		1,770,728
General Health and Sanitation	1,133,668		
Social Services	129,257		
Recreation and Culture	980,201		
Roads		1,128,918	
Bus Services	12,598		
Debt Service	200,800		
Capital Projects	1,177,576		
Administration	407,750	298,138	505,652
Total Disbursements	<u>13,030,502</u>	<u>1,427,056</u>	<u>2,276,380</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>2,458,493</u>	<u>(338,284)</u>	<u>(676,304)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	971,510	460,000	635,000
Transfers To Other Funds	(1,919,397)		
Total Other Adjustments to Cash (Uses)	<u>(947,887)</u>	<u>460,000</u>	<u>635,000</u>
Net Change in Fund Balance	1,510,606	121,716	(41,304)
Fund Balance - Beginning (Restated)	<u>12,769,316</u>	<u>23,242</u>	<u>120,570</u>
Fund Balance - Ending	<u>\$ 14,279,922</u>	<u>\$ 144,958</u>	<u>\$ 79,266</u>
Composition of Fund Balance			
Bank Balance	\$ 14,322,952	\$ 172,090	\$ 95,799
Plus: Deposits In Transit			
Less: Outstanding Checks	(483,392)	(27,132)	(16,533)
Certificates of Deposit	440,362		
Fund Balance - Ending	<u>\$ 14,279,922</u>	<u>\$ 144,958</u>	<u>\$ 79,266</u>

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

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

Budgeted Funds					
Local Government Economic Assistance Fund	State Grants Fund	Federal Grants Fund	Disaster Emergency Services Fund	American Rescue Plan Act Fund	Debt Services Fund
\$	\$	\$	\$	\$	\$
	716,131	64,989	26,447	2,596,383	
			75,536		
				269	
	716,131	64,989	101,983	2,596,652	
				161,314	
	11,888	74,700	213,127	123,254	
	54,795			32,057	
	562,150				
				27,310	
					346,397
				19,704	
	628,833	74,700	213,127	363,639	346,397
	87,298	(9,711)	(111,144)	2,233,013	(346,397)
	350,000		128,000		346,397
				(971,510)	
	350,000		128,000	(971,510)	346,397
	437,298	(9,711)	16,856	1,261,503	
176,927	91,261	1,195,204		2,596,383	
\$ 176,927	\$ 528,559	\$ 1,185,493	\$ 16,856	\$ 3,857,886	\$ 0
\$ 176,927	\$ 529,421	\$ 1,185,493	\$ 19,162	\$ 3,857,886	\$
	(862)		(2,306)		
\$ 176,927	\$ 528,559	\$ 1,185,493	\$ 16,856	\$ 3,857,886	\$ 0

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

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

	<u>Unbudgeted Funds</u>			
	<u>Sheriff Asset Forfeiture Fund</u>	<u>Public Properties Corporation Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>
RECEIPTS				
Taxes	\$	\$	\$	\$ 10,999,481
Licenses and Permits				37,153
Intergovernmental		239,419		8,427,302
Charges for Services			97,620	1,318,863
Miscellaneous	69,105			938,896
Interest				342,047
Total Receipts	<u>69,105</u>	<u>239,419</u>	<u>97,620</u>	<u>22,063,742</u>
DISBURSEMENTS				
General Government	153,488			5,517,413
Protection to Persons and Property				5,979,738
General Health and Sanitation				1,220,520
Social Services				129,257
Recreation and Culture			119,823	1,662,174
Roads				1,156,228
Bus Services				12,598
Debt Service		239,419		786,616
Capital Projects				1,177,576
Administration				1,231,244
Total Disbursements	<u>153,488</u>	<u>239,419</u>	<u>119,823</u>	<u>18,873,364</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(84,383)</u>	<u>(0)</u>	<u>(22,203)</u>	<u>3,190,378</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds				2,890,907
Transfers To Other Funds				(2,890,907)
Total Other Adjustments to Cash (Uses)				
Net Change in Fund Balance	(84,383)	(0)	(22,203)	3,190,378
Fund Balance - Beginning (Restated)	<u>115,776</u>		<u>91,392</u>	<u>17,180,071</u>
Fund Balance - Ending	<u>\$ 31,393</u>	<u>\$ (0)</u>	<u>\$ 69,189</u>	<u>\$ 20,370,449</u>
Composition of Fund Balance				
Bank Balance	\$ 31,393	\$	\$ 40,580	\$ 20,431,703
Plus: Deposits In Transit			28,609	28,609
Less: Outstanding Checks				(530,225)
Certificates of Deposit				440,362
Fund Balance - Ending	<u>\$ 31,393</u>	<u>\$ 0</u>	<u>\$ 69,189</u>	<u>\$ 20,370,449</u>

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

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**WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2022

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

State Grants Fund - The primary purpose of this fund is to account for state grant monies received.

Federal Grants Fund - The primary purpose of this fund is to account for federal grant monies received.

Disaster Emergency Services Fund - The primary purpose of this fund is to account for disaster and emergency expenses of the county. The primary sources of receipts for this fund are federal and state grants.

American Recovery Plan Act Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary source of receipts for this fund are federal grants received under the American Recovery Plan Act.

Debt Services Fund - The primary purpose of this fund is to account for debt service payments. The county has debt obligations related to their general obligation bonds for the Falling Springs Community Center and the park expansion.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Sheriff Asset Forfeiture Fund - The primary purpose of this fund is to account for additional law enforcement expenses of the Woodford County Sheriff's office. The primary sources of receipts for this fund are forfeiture cash. This fund should have been budgeted.

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

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

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

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

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

E. Woodford County Elected Officials

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

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

Note 2. Deposits and Investments

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

Custodial Credit Risk - Deposits

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

Note 3. Transfers

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

	General Fund	American Rescue Plan Act Fund	Total Transfers In
General Fund	\$	\$ 971,510	\$ 971,510
Road Fund	460,000		460,000
Jail Fund	635,000		635,000
State Grants Fund	350,000		350,000
Disaster Emergency Service Fund	128,000		128,000
Debt Service Fund	346,397		346,397
Total Transfers Out	<u>\$ 1,919,397</u>	<u>\$ 971,510</u>	<u>\$ 2,890,907</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.

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

Note 4. Custodial Funds

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

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2022, was \$16,733.

Note 5. Leases

A. Lessor

1. Jack Jouett House

During the current fiscal year, the Woodford County Fiscal Court began leasing a property known as the Jack Jouett House to a private citizen. The lease is for one year with a one-year extension and the lease can be terminated by either party with a three-day notice. The Woodford County Fiscal Court will receive monthly payments of \$300. The Woodford County Fiscal Court recognized \$3,600 in lease revenue during the current fiscal year related to this lease. As of June 30, 2022, the Woodford County Fiscal Court's receivable for lease payments was \$3,600.

2. Fred Lane Farm

During the current fiscal year, the Woodford County Fiscal Court began leasing a property known as the Fred Lane Farm to a private citizen. The lease is for one year with a one-year extension and the lease can be terminated after one year by either party with a ninety-day written notice. The Woodford County Fiscal Court will receive semi-annual payments of \$8,188. The Woodford County Fiscal Court recognized \$8,188 in lease revenue during the current fiscal year related to this lease. As of June 30, 2022, the Woodford County Fiscal Court's receivable for lease payments was \$16,377.

3. Tennis Court Complex

In 2021, the Woodford County Fiscal Court began leasing a property known as the Tennis Court Complex to the Board of Education for Woodford County. The lease is for 20 years and the Woodford County Fiscal Court received a one-time payment of \$30,000 in 2021. There is an option to renew the lease if both parties agree. If the lessor takes action to terminate the lease early, the lessee is entitled to a pro rata reimbursement based on remaining number of months left on the lease. The lessee may terminate lease at any time but would not be entitled to a reimbursement. The Woodford County Fiscal Court did not recognize any revenue during the current year. As of June 30, 2022, the Woodford County Fiscal Court did not show a receivable for this lease.

4. Community Stadium Football/Soccer Complex

In 2018, the Woodford County Fiscal Court began leasing a property known as the Community Stadium football/soccer complex to the Woodford Youth Soccer Association, Inc. The lease is for five years with a four-year extension and the Woodford County Fiscal Court will receive monthly payments of \$200 for the months of December through March. The Woodford County Fiscal Court recognized \$800 in lease revenue during the current fiscal year related to this lease. As of June 30, 2022, the Woodford County Fiscal Court's receivable for lease payments was \$800.

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

Note 5. Leases (Continued)

B. Lessee

1. Office Equipment Lease

During the current fiscal year, the Woodford County Fiscal Court entered into a 63-month lease agreement as lessee for the acquisition and use of office equipment. An initial lease liability was recorded in the amount of \$5,601 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$4,712. The Woodford County Fiscal Court is required to make monthly principal payments of \$89. The future principal and interest lease payments as of June 30, 2022, were as follows:

	Fiscal Year Ended June 30, 2022	Amount
	2023	\$ 1,067
	2024	1,067
	2025	1,067
	2026	1,067
	2027	444
Total minimum lease payments		<u>\$ 4,712</u>

2. Office Equipment Lease

During the current fiscal year, the Woodford County Fiscal Court entered into a 5-year lease agreement as lessee for the acquisition and use of office equipment. An initial lease liability was recorded in the amount of \$9,368 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$9,056. The Woodford County Fiscal Court is required to make monthly principal payments of \$156. The future principal and interest lease payments as of June 30, 2022, were as follows:

	Fiscal Year Ended June 30, 2022	Amount
	2023	\$ 1,874
	2024	1,874
	2025	1,874
	2026	1,874
	2027	1,560
Total minimum lease payments		<u>\$ 9,056</u>

Note 6. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Ambulance Building Lease

On March 12, 2020, Woodford County entered into a \$701,120 general obligation lease with Kentucky Bank for the construction of a new ambulance building, with repayment to be made over a 60-month period. Principal and interest payments are due on the 12th of each month. The interest rate is 2.0 percent. In the event of default, the security is the first priority mortgage and assignment of rents on real property for the building address.

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

1. Ambulance Building Lease (Continued)

The outstanding principal balance as of June 30, 2022, was \$521,045.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 126,651	\$ 8,634
2024	140,871	6,712
2025	143,770	3,812
2026	109,753	932
Totals	<u>\$ 521,045</u>	<u>\$ 20,090</u>

B. Other Debt

1. General Obligation Bonds – Series 2012

On August 1, 2012, the Woodford County Fiscal Court issued \$1,550,000 general obligation bonds to purchase land to expand Falling Springs Park and to pay the associated costs of issuing the bonds. Principal payments are due August 1, and interest is payable semiannually on February 1 and August 1. The interest rate varies based on bond maturity date and ranges from 1.0% to 2.375%. The bonds are general obligations of the county and the full faith, credit, and taxing power of the county is irrevocably pledged to the payment of principal and interest on the bonds when due. The outstanding principal balance as of June 30, 2022, was \$875,000.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 35,000	\$ 18,388
2024	75,000	17,375
2025	80,000	15,825
2026	80,000	14,225
2027	80,000	12,625
2028-2032	435,000	35,788
2033	90,000	1,069
Totals	<u>\$ 875,000</u>	<u>\$ 115,295</u>

2. First Mortgage Revenue Refunding Bonds – Series 2017

On April 11, 2017, the Woodford County Public Properties Corporation issued \$2,260,496 in first mortgage revenue refunding bonds, series 2017 for the purpose of the defeasance of the outstanding first mortgage revenue refunding bonds, series 2008, along with paying the associated costs of issuing the bonds. Principal payments are due August 1, and interest is payable semiannually on February 1 and August 1. The interest rate is 2.27 percent. In the event of default, the purchaser may enforce the foreclosable mortgage lien on the project, file suit against the county, and/or declare all bonds due and payable.

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

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

2. First Mortgage Revenue Refunding Bonds – Series 2017 (Continued)

The outstanding principal balance as of June 30, 2022, was \$1,514,685.

Fiscal Year Ending June 30	Principal	Scheduled Interest
2023	\$ 203,035	\$ 34,383
2024	205,444	29,775
2025	212,708	25,111
2026	214,736	20,282
2027	221,611	15,408
2028-2029	457,151	15,693
Totals	<u>\$ 1,514,685</u>	<u>\$ 140,652</u>

3. General Obligation Bonds – Series 2020

On June 16, 2020, the Woodford County Fiscal Court issued \$5,423,800 general obligation bonds to finance an energy savings project as well as refinance the clocktower project debt, and to pay the associated costs of issuing the bonds. Principal payments are due June 1, and interest is payable semiannually on June 1 and December 1. The interest rate is 1.310 percent. The bonds are general obligations of the county and the full faith, credit, and taxing power of the county is irrevocably pledged to the payment of principal and interest on the bonds when due. The outstanding principal balance as of June 30, 2022, was \$4,944,800.

Fiscal Year Ending June 30	Principal	Scheduled Interest
2023	\$ 270,100	\$ 64,777
2024	234,700	61,239
2025	234,200	58,164
2026	275,900	55,096
2027	391,700	51,482
2028-2032	2,045,800	179,116
2033-2035	1,492,400	40,458
Totals	<u>\$ 4,944,800</u>	<u>\$ 510,332</u>

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

Note 6. Long-term Debt (Continued)

C. Changes In Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 656,565	\$	\$ 135,518	\$ 521,047	\$ 126,651
Other Debt	7,789,270		454,785	7,334,485	508,135
Total Long-term Debt	<u>\$ 8,445,835</u>	<u>\$ 0</u>	<u>\$ 590,303</u>	<u>\$ 7,855,532</u>	<u>\$ 634,786</u>

D. Aggregate Debt Schedule

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

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 508,135	\$ 117,547	\$ 126,650	\$ 8,634
2024	515,144	108,389	140,871	6,712
2025	526,908	99,100	143,771	3,812
2026	570,636	89,603	109,755	932
2027	693,311	79,515		
2028-2032	2,937,951	230,597		
2033-2035	1,582,400	41,527		
Totals	<u>\$ 7,334,485</u>	<u>\$ 766,278</u>	<u>\$ 521,047</u>	<u>\$ 20,090</u>

Note 7. Commitment Debt

The Woodford County Economic Development Authority entered into a loan agreement with Wesbanco Bank, Inc. on January 30, 2020, in the amount of \$2,067,770. The interest rate on the loan is 3.25% and was obtained for the purpose of refinancing the existing Wesbanco Bank real estate development loan dated December 1, 2005. The loan is to be repaid in semi-annual payments of interest only, beginning on the 30th day of January 2020, and continuing the 30th day of each successive month thereafter. The entire principal and interest of this loan shall be paid in full on the maturity date, which is January 30, 2023. The loan is guaranteed by Woodford County and the City of Midway and secured by real estate. Woodford County and the City of Midway each guarantee one-half of the interest due on the loan.

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

Note 8. Employee Retirement System

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

The county's contribution for FY 2020 was \$1,167,863, FY 2021 was \$1,179,002, and FY 2022 was \$1,263,288.

Nonhazardous

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the Ky. Ret. Sys. insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute 5 percent of their annual creditable compensation. Nonhazardous members also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Ky. Ret. Sys. Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 26.95 percent.

Hazardous

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

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan.

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

Note 8. Employee Retirement System (Continued)

Hazardous (Continued)

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

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

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

Benefits are covered under KRS 78.5536.

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

Note 8. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

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

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

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

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

D. Cost of Living Adjustments - Tier 1

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

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

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

F. Death Benefit

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

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

Note 8. Employee Retirement System (Continued)

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

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

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

Note 9. Deferred Compensation

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

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

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

Note 10. Flexible Spending Account

The Woodford County Fiscal Court established a flexible spending account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. Each employee determines the amount to be withheld from their paycheck. Employees can receive reimbursement either through a debit card or by submitting a claim to the third-party administrator. The Woodford County Fiscal Court did not contribute to this plan during fiscal year ended June 30, 2022.

Note 11. Insurance

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

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

Note 12. Conduit Debt

From time to time, the county has issued debt to provide financial assistance to Woodford County 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 Woodford County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2022, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 13. Tax Abatements

A. More Than A Bakery, LLC

The occupational tax license fee is eligible for abatement under the authority of the Kentucky Business Investment Program (KBI) offered by the Kentucky Cabinet for Economic Development. More Than A Bakery, LLC is eligible to receive this tax abatement by employing 310 new hires. The taxes are abated allowing the company to retain one-half of one percent (0.5%) of occupational tax license fees which would be paid by new employees from their salaries and wages. For the fiscal year ended June 30, 2022, the company received a refund for abated occupational tax license fees in the amount of \$29,926.

B. Peristyle, LLC

The occupational tax license fee is eligible for abatement under the authority of the Kentucky Business Investment Program (KBI) offered by the Kentucky Cabinet for Economic Development. Peristyle, LLC is eligible to receive this tax abatement by employing 100 new hires. The taxes are abated allowing the company to retain one-half of one percent (0.5%) of occupational tax license fees which would be paid by new employees from their salaries and wages. For fiscal year ended June 30, 2022, the company met the requirements and Woodford County Fiscal Court abated occupational tax license fees in the amount of \$27,884.

Note 14. Prior Period Adjustments

The prior period ending balance of the general fund decreased by \$430 and the jail fund increased by \$264 in order to account for prior year voided checks and posting errors.

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WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2022

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WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2022

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 9,314,800	\$ 9,583,850	\$ 10,999,481	\$ 1,415,631
Licenses and Permits	42,000	42,000	37,153	(4,847)
Intergovernmental	1,840,465	1,840,465	2,189,314	348,849
Charges for Services	923,000	923,000	1,184,448	261,448
Miscellaneous	276,117	493,659	736,821	243,162
Interest	251,000	251,000	341,778	90,778
Total Receipts	12,647,382	13,133,974	15,488,995	2,355,021
DISBURSEMENTS				
General Government	5,182,932	5,689,685	5,202,611	487,074
Protection to Persons and Property	3,504,048	3,898,394	3,786,041	112,353
General Health and Sanitation	1,258,974	1,267,165	1,133,668	133,497
Social Services	77,500	141,240	129,257	11,983
Recreation and Culture	936,137	1,033,163	980,201	52,962
Bus Services	12,000	12,598	12,598	
Debt Service	218,539	218,765	200,800	17,965
Capital Projects	1,350,000	1,441,832	1,177,576	264,256
Administration	8,334,983	7,686,444	407,750	7,278,694
Total Disbursements	20,875,113	21,389,286	13,030,502	8,358,784
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(8,227,731)	(8,255,312)	2,458,493	10,713,805
Other Adjustments to Cash (Uses)				
Energy Savings Project	1,200,000	1,200,000		(1,200,000)
Transfers From Other Funds			971,510	971,510
Transfers To Other Funds	(3,603,944)	(3,603,944)	(1,919,397)	1,684,547
Total Other Adjustments to Cash (Uses)	(2,403,944)	(2,403,944)	(947,887)	1,456,057
Net Change in Fund Balance	(10,631,675)	(10,659,256)	1,510,606	12,169,862
Fund Balance - Beginning (Restated)	10,631,675	11,483,157	12,769,316	1,286,159
Fund Balance - Ending	\$ 0	\$ 823,901	\$ 14,279,922	\$ 13,456,021

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

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,359,761	\$ 1,384,443	\$ 1,083,652	\$ (300,791)
Charges for Services	3,500	3,500	3,640	140
Miscellaneous	1,100	1,100	1,480	380
Total Receipts	<u>1,364,361</u>	<u>1,389,043</u>	<u>1,088,772</u>	<u>(300,271)</u>
DISBURSEMENTS				
Roads	2,722,934	2,936,166	1,128,918	1,807,248
Administration	424,009	471,933	298,138	173,795
Total Disbursements	<u>3,146,943</u>	<u>3,408,099</u>	<u>1,427,056</u>	<u>1,981,043</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,782,582)</u>	<u>(2,019,056)</u>	<u>(338,284)</u>	<u>1,680,772</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>1,782,582</u>	<u>1,782,582</u>	<u>460,000</u>	<u>(1,322,582)</u>
Total Other Adjustments to Cash (Uses)	<u>1,782,582</u>	<u>1,782,582</u>	<u>460,000</u>	<u>(1,322,582)</u>
Net Change in Fund Balance		(236,474)	121,716	358,190
Fund Balance - Beginning		<u>23,241</u>	<u>23,242</u>	<u>1</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (213,233)</u>	<u>\$ 144,958</u>	<u>\$ 358,191</u>

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

JAIL FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,534,544	\$ 1,561,714	\$ 1,510,967	\$ (50,747)
Charges for Services	31,000	31,000	33,155	2,155
Miscellaneous	70,000	70,000	55,954	(14,046)
Total Receipts	1,635,544	1,662,714	1,600,076	(62,638)
DISBURSEMENTS				
Protection to Persons and Property	2,119,129	2,119,132	1,770,728	348,404
Administration	872,066	1,018,598	505,652	512,946
Total Disbursements	2,991,195	3,137,730	2,276,380	861,350
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,355,651)	(1,475,016)	(676,304)	798,712
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,355,651	1,355,651	635,000	(720,651)
Total Other Adjustments to Cash (Uses)	1,355,651	1,355,651	635,000	(720,651)
Net Change in Fund Balance		(119,365)	(41,304)	78,061
Fund Balance - Beginning (Restated)		119,362	120,570	1,208
Fund Balance - Ending	\$ 0	\$ (3)	\$ 79,266	\$ 79,269

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

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)
	Original	Final	
			Variance with Final Budget Positive (Negative)
RECEIPTS			
Taxes	\$	\$	\$
Total Receipts			
DISBURSEMENTS			
Roads	176,926	176,926	176,926
Administration		1	1
Total Disbursements	176,926	176,927	176,927
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(176,926)	(176,927)	176,927
Net Change in Fund Balance	(176,926)	(176,927)	176,927
Fund Balance - Beginning	176,926	176,927	176,927
Fund Balance - Ending	\$ 0	\$ 0	\$ 176,927

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

STATE GRANTS FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 486,540	\$ 745,467	\$ 716,131	\$ (29,336)
Total Receipts	486,540	745,467	716,131	(29,336)
DISBURSEMENTS				
General Government	50,000	107,133		107,133
Protection to Persons and Property	147,985	149,935	11,888	138,047
General Health and Sanitation	88,555	88,849	54,795	34,054
Recreation and Culture		754,649	562,150	192,499
Administration	200,000	300,261		300,261
Total Disbursements	486,540	1,400,827	628,833	771,994
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(655,360)	87,298	742,658
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			350,000	350,000
Total Other Adjustments to Cash (Uses)			350,000	350,000
Net Change in Fund Balance		(655,360)	437,298	1,092,658
Fund Balance - Beginning		91,261	91,261	
Fund Balance - Ending	\$ 0	\$ (564,099)	\$ 528,559	\$ 1,092,658

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

FEDERAL GRANTS FUND			
	Budgeted Amounts		Variance with
	Original	Final	Actual Amounts, (Budgetary Basis) Final Budget Positive (Negative)
RECEIPTS			
Intergovernmental	\$ 74,700	\$ 74,700	\$ 64,989 \$ (9,711)
Total Receipts	74,700	74,700	64,989 (9,711)
DISBURSEMENTS			
Protection to Persons and Property Administration	74,700	74,700	74,700
Total Disbursements	74,700	1,195,204	1,195,204
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(1,195,204)	(9,711) 1,185,493
Net Change in Fund Balance		(1,195,204)	(9,711) 1,185,493
Fund Balance - Beginning		1,195,204	1,195,204
Fund Balance - Ending	\$ 0	\$ 0	\$ 1,185,493 \$ 1,185,493

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

DISASTER EMERGENCY SERVICES FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 30,500	\$ 30,500	\$ 26,447	\$ (4,053)
Miscellaneous	75,555	75,555	75,536	(19)
Total Receipts	106,055	106,055	101,983	(4,072)
DISBURSEMENTS				
Protection to Persons and Property	225,169	271,736	213,127	58,609
Administration	200	200		200
Total Disbursements	225,369	271,936	213,127	58,809
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(119,314)	(165,881)	(111,144)	54,737
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	119,314	119,314	128,000	8,686
Total Other Adjustments to Cash (Uses)	119,314	119,314	128,000	8,686
Net Change in Fund Balance		(46,567)	16,856	63,423
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ (46,567)	\$ 16,856	\$ 63,423

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

AMERICAN RESCUE PLAN ACT FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 2,592,448	\$ 2,596,383	\$ 2,596,383	\$
Interest			269	269
Total Receipts	2,592,448	2,596,383	2,596,652	269
DISBURSEMENTS				
General Government		519,870	161,314	358,556
Protection to Persons and Property		468,810	123,254	345,556
General Health and Sanitation		61,559	32,057	29,502
Recreation and Culture		10,612		10,612
Roads		27,310	27,310	
Capital Projects		91,832		91,832
Administration	2,592,448	1,532,166	19,704	1,512,462
Total Disbursements	2,592,448	2,712,159	363,639	2,348,520
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
		(115,776)	2,233,013	2,348,789
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(971,510)	(971,510)
Total Other Adjustments to Cash (Uses)			(971,510)	(971,510)
Net Change in Fund Balance		(115,776)	1,261,503	1,377,279
Fund Balance - Beginning			2,596,383	2,596,383
Fund Balance - Ending	\$ 0	\$ (115,776)	\$ 3,857,886	\$ 3,973,662

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

DEBT SERVICES FUND			
	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>(Budgetary</u> <u>Basis)</u>
			<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
RECEIPTS			
Taxes	\$	\$	\$
Total Receipts			
DISBURSEMENTS			
Debt Service	346,397	346,397	346,397
Total Disbursements	346,397	346,397	346,397
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(346,397)	(346,397)	(346,397)
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	346,397	346,397	346,397
Total Other Adjustments to Cash (Uses)	346,397	346,397	346,397
Net Change in Fund Balance			
Fund Balance - Beginning			
Fund Balance - Ending	\$ 0	\$ 0	\$ 0

WOODFORD COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2022

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

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

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

The American Rescue Plan Act (ARPA) Fund did not have a balanced budget. The fund had an ending balance of \$115,776 and was a result of an error in account coding for an approved budget amendment.

WOODFORD COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2022

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WOODFORD COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2022

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 3,554,537	\$	\$	\$ 3,554,537
Buildings	26,864,309			26,864,309
Vehicles	3,714,598	577,208	307,945	3,983,861
Equipment	2,496,506	187,724		2,684,230
Infrastructure	30,660,692	120,294		30,780,986
 Total Capital Assets	 <u>\$ 67,290,642</u>	 <u>\$ 885,226</u>	 <u>\$ 307,945</u>	 <u>\$ 67,867,923</u>

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

June 30, 2022

Note 1. Capital Assets

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

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land Improvements	All	10-60
Buildings	\$ 25,000	10-75
Building Improvements	\$ 25,000	3-25
Equipment	\$ 2,500	3-25
Vehicles	\$ 2,500	3-25
Infrastructure	\$ 20,000	10-50

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

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable James Kay, Woodford County Judge/Executive
Members of the Woodford 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 Woodford County Fiscal Court for the fiscal year ended June 30, 2022 and the related notes to the financial statement which collectively comprise the Woodford County Fiscal Court's financial statement and have issued our report thereon dated December 14, 2022.

Internal Control Over Financial Reporting

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

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

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



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

Compliance And Other Matters

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

Purpose of this Report

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

Respectfully submitted,

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

Mike Harmon
Auditor of Public Accounts
Frankfort, Ky

December 14, 2022