

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

**For The Year Ended
June 30, 2023**



**ALLISON BALL
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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 Tina Teegarden, Bracken County Judge/Executive
Members of the Bracken 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 Bracken County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Bracken 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 Bracken County Fiscal Court, for the year ended June 30, 2023, 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 Bracken County Fiscal Court, for the year ended June 30, 2023, 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 Bracken 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 Bracken 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

Bracken 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 Bracken 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bracken 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 Tina Teegarden, Bracken County Judge/Executive
Members of the Bracken 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 Bracken 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of the Bracken 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 Bracken County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

December 11, 2023

BRACKEN COUNTY OFFICIALS**For The Year Ended June 30, 2023****Fiscal Court Members:**

Tina Teegarden	County Judge/Executive
Sandy Ruf	Magistrate
Craig Miller	Magistrate
David Kelsch	Magistrate
Daniel Holleran	Magistrate
Deborah Mayfield	Magistrate
John Scott	Magistrate
Heather Brumley	Magistrate
Kevin Jarrells	Magistrate

Other Elected Officials:

Beth Moore	County Attorney
Charles Clos	Jailer
Jennifer Free	County Clerk
Heather Rehtin	Circuit Court Clerk
Robert Boody	Sheriff
Tracey Florer	Property Valuation Administrator
Christopher Cummins	Coroner

Appointed Personnel:

Judith F. Brothers	County Treasurer
Lois Garrison	Financial Officer

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

For The Year Ended June 30, 2023

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

For The Year Ended June 30, 2023

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
RECEIPTS			
Taxes	\$ 2,200,276	\$	\$
In Lieu Tax Payments	296		
Excess Fees	101,240		
Licenses and Permits	2,400		
Intergovernmental	389,356	1,193,465	73,089
Charges for Services	1,944		14,006
Miscellaneous	188,816	74,312	671
Interest	5,842	452	27
Total Receipts	<u>2,890,170</u>	<u>1,268,229</u>	<u>87,793</u>
DISBURSEMENTS			
General Government	1,039,052		
Protection to Persons and Property	124,982		216,377
General Health and Sanitation	171,856		
Recreation and Culture	34,487		
Roads	208,331	1,402,183	
Debt Service			
Capital Projects		10,038	
Administration	896,478	251,039	20,113
Total Disbursements	<u>2,475,186</u>	<u>1,663,260</u>	<u>236,490</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>414,984</u>	<u>(395,031)</u>	<u>(148,697)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds		255,000	155,000
Transfers To Other Funds	(673,848)		
Total Other Adjustments to Cash (Uses)	<u>(673,848)</u>	<u>255,000</u>	<u>155,000</u>
Net Change in Fund Balance	(258,864)	(140,031)	6,303
Fund Balance - Beginning (Restated)	4,737,098	180,172	10,194
Fund Balance - Ending	<u>\$ 4,478,234</u>	<u>\$ 40,141</u>	<u>\$ 16,497</u>
Composition of Fund Balance			
Bank Balance	\$ 4,506,083	\$ 88,426	\$ 17,693
Less: Outstanding Checks	(27,849)	(48,285)	(1,196)
Fund Balance - Ending	<u>\$ 4,478,234</u>	<u>\$ 40,141</u>	<u>\$ 16,497</u>

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

BRACKEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2023
(Continued)

Budgeted Funds				
C.D.B.G. Fund	Senior Citizens Fund	Dispatch/911 Fund	County Clerk Fund	American Rescue Plan Act Fund
\$	\$	\$ 49,663	\$	\$
38,545		218,355		50,000
	3,600		11,970	
		41	6	1,661
<u>38,545</u>	<u>3,600</u>	<u>268,059</u>	<u>11,976</u>	<u>51,661</u>
	12,494		426	
		424,029		
<u>42,027</u>		<u>112,745</u>		
<u>42,027</u>	<u>12,494</u>	<u>536,774</u>	<u>426</u>	
<u>(3,482)</u>	<u>(8,894)</u>	<u>(268,715)</u>	<u>11,550</u>	<u>51,661</u>
	8,000	255,848		
	<u>8,000</u>	<u>255,848</u>		
(3,482)	(894)	(12,867)	11,550	51,661
<u>3,482</u>	<u>2,955</u>	<u>33,855</u>		<u>1,613,216</u>
<u>\$ 0</u>	<u>\$ 2,061</u>	<u>\$ 20,988</u>	<u>\$ 11,550</u>	<u>\$ 1,664,877</u>
\$ 0	\$ 2,061	\$ 58,921	\$ 11,550	\$ 1,664,877
		(37,933)		
<u>\$ 0</u>	<u>\$ 2,061</u>	<u>\$ 20,988</u>	<u>\$ 11,550</u>	<u>\$ 1,664,877</u>

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

BRACKEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2023
(Continued)

	<u>Unbudgeted Funds</u>		
	<u>Opioid Settlement Fund</u>	<u>Public Properties Corporation Fund</u>	<u>Total Funds</u>
RECEIPTS			
Taxes	\$	\$	\$ 2,249,939
In Lieu Tax Payments			296
Excess Fees			101,240
Licenses and Permits			2,400
Intergovernmental		1,138,834	3,101,644
Charges for Services			15,950
Miscellaneous	56,147		335,516
Interest	43	33	8,105
Total Receipts	<u>56,190</u>	<u>1,138,867</u>	<u>5,815,090</u>
DISBURSEMENTS			
General Government			1,051,972
Protection to Persons and Property			765,388
General Health and Sanitation			171,856
Recreation and Culture			34,487
Roads			1,610,514
Debt Service		1,137,834	1,137,834
Capital Projects			10,038
Administration		1,000	1,323,402
Total Disbursements		<u>1,138,834</u>	<u>6,105,491</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>56,190</u>	<u>33</u>	<u>(290,401)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds			673,848
Transfers To Other Funds			(673,848)
Total Other Adjustments to Cash (Uses)			<u> </u>
Net Change in Fund Balance	56,190	33	(290,401)
Fund Balance - Beginning (Restated)		1,115	6,582,087
Fund Balance - Ending	<u>\$ 56,190</u>	<u>\$ 1,148</u>	<u>\$ 6,291,686</u>
Composition of Fund Balance			
Bank Balance	\$ 56,190	\$ 1,148	\$ 6,406,949
Less: Outstanding Checks			(115,263)
Fund Balance - Ending	<u>\$ 56,190</u>	<u>\$ 1,148</u>	<u>\$ 6,291,686</u>

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

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TO THE FINANCIAL STATEMENT**

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BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

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

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

C.D.B.G. Fund - The primary purpose of this fund is to account for community development block grant proceeds and related disbursements. The primary sources of receipts for this fund are grants from the state or federal governments.

Senior Citizens Fund - The primary purpose of this fund is to account for rental receipts and maintenance expenses of the senior citizens building.

Dispatch/911 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 Clerk Fund - The primary purpose of this fund is to account for county clerk storage fees. The primary source of receipts for this fund is the county clerk.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for American Rescue Plan Act receipts and related disbursements. The primary source of receipts for this fund is the federal government.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Opioid Settlement Fund - The primary purpose of this fund is to account for funds used to combat the county's opioid crisis. Receipts of this fund are received from the state as a result of the state's agreement with major opioid manufacturers and distributors. This fund is required to be budgeted by the Department for Local Government; however, it was not budgeted by the fiscal court. There were no disbursements for the fiscal year ending June 30, 2023.

Public Properties Corporation Fund - The primary purpose of this fund is to account for the financing and construction of major capital assets. This fund handles financial activities associated with the judicial center construction. The Department for Local Government does not require the fiscal court to 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.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

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. Bracken County Elected Officials

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

H. Interlocal Agreement

In June 2018, Bracken County and the City of Augusta entered into an Interlocal Cooperation Agreement in order to provide financing for repairs to the community pool in Augusta. Per terms of the agreement, Bracken County will provide a loan to Augusta in the amount of \$150,000 to be used to repair the community pool. Augusta is to pay back the Bracken County Fiscal Court over a period of 20 years with a payment of \$7,500 to be made to the county one time each fiscal year. The payment each fiscal year shall be made from the donation the Bracken County Fiscal Court gives to the City of Augusta each year for recreation.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 2. Deposits

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2023, 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 2023.

Reason for transfers:

	General Fund	Total Transfers In
Road Fund	\$ 255,000	\$ 255,000
Jail Fund	155,000	155,000
Senior Citizens Fund	8,000	8,000
Dispatch/911 Fund	255,848	255,848
Total Transfers Out	<u>\$ 673,848</u>	<u>\$ 673,848</u>

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

Note 4. Leases

During the fiscal year ended June 30, 2020, the Bracken County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of office equipment. An initial lease liability was recorded in the amount of \$20,888 during that fiscal year. As of June 30, 2023, this agreement has been replaced by another agreement.

During the fiscal year ended June 30, 2023, the Bracken 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 \$36,837 during that fiscal year. As of June 30, 2023, the value of the lease liability was \$36,837. The Bracken County Fiscal Court is required to make monthly principal payments of \$585.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 5. Long-term Debt

A. Other Debt

1. First Mortgage Revenue Bonds, Series 2011 – Judicial Center

On August 2, 2011, the Public Properties Corporation issued first mortgage revenue bonds in the amount of \$15,960,000 to finance the construction of the Bracken County Judicial Center and to retire the 2009 bond anticipation notes. The bonds have interest rates from 2 percent to 5 percent with a retirement date of February 1, 2031. Semi-annual interest payments are due on August 1 and February 1 of each year. Funding of the debt service is provided by a lease agreement with the Kentucky Administrative Office of the Courts. On December 21, 2017, these bonds were partially defeased with first mortgage revenue refunding bonds, series 2017.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than 50 percent in principal amount of the outstanding bonds, by annulling such declaration and its consequences. In the event that all bonds are declared due and payable, by selling investment obligations of the corporation and enforcing all choices in action of the corporation to the fullest legal extent in the name of the corporation for the use and benefit of the owners of the bonds. These bonds were paid in full as of June 30, 2023.

2. First Mortgage Revenue Refunding Bonds, Series 2017 – Judicial Center

On December 22, 2017, the Public Properties Corporation issued first mortgage revenue refunding bonds, series 2017, in the amount of \$8,410,000. The proceeds of this issue were used to partially defease the first mortgage revenue bonds, series 2011, which was for the construction of the judicial center. The bonds have interest rates ranging from two percent to three percent with a retirement date of August 1, 2030. They require interest payments to be made in February and August of each year beginning on February 1, 2018. Annual principal amounts begin August 1, 2019.

In case of default, bondholders may proceed to protect and enforce their rights by declaring all bonds due and payable, and if all default shall be made good, then, with the written consent of the owners of not less than 50 percent in principal amount of the outstanding bonds, by annulling such declaration and its consequences. In the event of default, each defaulted bond shall continue to bear interest after maturity at the interest rate applicable to such respective bonds until the necessary funds are made available for the payment thereof. The outstanding principal balance as of June 30, 2023 was \$8,095,000. Future principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2014	\$ 910,000	\$ 225,787
2025	935,000	201,525
2026	965,000	173,025
2027	995,000	143,625
2028	1,025,000	113,325
2029-2031	<u>3,265,000</u>	<u>148,875</u>
Totals	<u>\$ 8,095,000</u>	<u>\$ 1,006,162</u>

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 5. Long-term Debt (Continued)

B. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 8,980,000	\$	\$ 885,000	\$ 8,095,000	\$ 910,000
Total Long-term Debt	<u>\$ 8,980,000</u>	<u>\$ 0</u>	<u>\$ 885,000</u>	<u>\$ 8,095,000</u>	<u>\$ 910,000</u>

C. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations at June 30, 2023, were as follows:

Fiscal Year Ended June 30	Other Debt	
	Principal	Interest
2024	\$ 910,000	\$ 225,787
2025	935,000	201,525
2026	965,000	173,025
2027	995,000	143,625
2028	1,025,000	113,325
2029-2031	<u>3,265,000</u>	<u>148,875</u>
Totals	<u>\$ 8,095,000</u>	<u>\$ 1,006,162</u>

Note 6. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky 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 2021 was \$374,616, FY 2022 was \$462,621, and FY 2023 was \$496,315.

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.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

Nonhazardous (Continued)

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 26.79 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.

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 49.59 percent.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

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.

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.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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.

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.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 7. Deferred Compensation

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

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

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

Note 8. Health Reimbursement Account/Flexible Spending Account

The Bracken County Fiscal Court established a health reimbursement account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides a debit card to each employee providing \$2,000 each (for a single plan) or \$2,500 (with a dependent) to pay for qualified medical expenses. Employees may also contribute additional pre-tax funds through payroll deduction.

Note 9. Insurance

For the fiscal year ended June 30, 2023, the Bracken 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 10. Related Party Transactions

A magistrate is employed by a local company that conducts business with the county. During fiscal year ended June 30, 2023, the Bracken County Fiscal Court purchased \$20,330 in supplies from this company.

Note 11. Prior Period Adjustment

The beginning balance of the road fund was increased by \$1,179 to account for prior year voided checks.

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BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2023

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BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 1,820,000	\$ 1,820,000	\$ 2,200,276	\$ 380,276
In Lieu Tax Payments	100	100	296	196
Excess Fees			101,240	101,240
Licenses and Permits	5,400	5,400	2,400	(3,000)
Intergovernmental	763,600	763,600	389,356	(374,244)
Charges for Services	2,000	2,000	1,944	(56)
Miscellaneous	26,400	26,400	188,816	162,416
Interest	5,120	5,120	5,842	722
Total Receipts	<u>2,622,620</u>	<u>2,622,620</u>	<u>2,890,170</u>	<u>267,550</u>
DISBURSEMENTS				
General Government	1,313,153	1,436,594	1,039,052	397,542
Protection to Persons and Property	203,834	208,573	124,982	83,591
General Health and Sanitation	206,982	228,934	171,856	57,078
Social Services	6,000	6,000		6,000
Recreation and Culture	284,645	284,645	34,487	250,158
Roads	465,000	465,000	208,331	256,669
Administration	3,663,027	3,488,895	896,478	2,592,417
Total Disbursements	<u>6,142,641</u>	<u>6,118,641</u>	<u>2,475,186</u>	<u>3,643,455</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,520,021)</u>	<u>(3,496,021)</u>	<u>414,984</u>	<u>3,911,005</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(1,152,800)</u>	<u>(1,152,800)</u>	<u>(673,848)</u>	<u>478,952</u>
Total Other Adjustments to Cash (Uses)	<u>(1,152,800)</u>	<u>(1,152,800)</u>	<u>(673,848)</u>	<u>478,952</u>
Net Change in Fund Balance	(4,672,821)	(4,648,821)	(258,864)	4,389,957
Fund Balance - Beginning	<u>4,672,821</u>	<u>4,672,821</u>	<u>4,737,098</u>	<u>64,277</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 24,000</u>	<u>\$ 4,478,234</u>	<u>\$ 4,454,234</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 2,106,673	\$ 2,106,673	\$ 1,193,465	\$ (913,208)
Miscellaneous	51,000	51,000	74,312	23,312
Interest	250	250	452	202
Total Receipts	<u>2,157,923</u>	<u>2,157,923</u>	<u>1,268,229</u>	<u>(889,694)</u>
DISBURSEMENTS				
Roads	2,297,259	2,298,563	1,402,183	896,380
Capital Projects	12,000	12,000	10,038	1,962
Administration	281,564	280,260	251,039	29,221
Total Disbursements	<u>2,590,823</u>	<u>2,590,823</u>	<u>1,663,260</u>	<u>927,563</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(432,900)</u>	<u>(432,900)</u>	<u>(395,031)</u>	<u>37,869</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	430,400	430,400	255,000	(175,400)
Total Other Adjustments to Cash (Uses)	<u>430,400</u>	<u>430,400</u>	<u>255,000</u>	<u>(175,400)</u>
Net Change in Fund Balance	(2,500)	(2,500)	(140,031)	(137,531)
Fund Balance - Beginning (Restated)	<u>2,500</u>	<u>2,500</u>	<u>180,172</u>	<u>177,672</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,141</u>	<u>\$ 40,141</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 81,665	\$ 81,665	\$ 73,089	\$ (8,576)
Charges for Services	10,000	10,000	14,006	4,006
Miscellaneous	1,000	1,000	671	(329)
Interest	15	15	27	12
Total Receipts	<u>92,680</u>	<u>92,680</u>	<u>87,793</u>	<u>(4,887)</u>
DISBURSEMENTS				
Protection to Persons and Property	310,669	311,310	216,377	94,933
Administration	51,711	51,070	20,113	30,957
Total Disbursements	<u>362,380</u>	<u>362,380</u>	<u>236,490</u>	<u>125,890</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(269,700)</u>	<u>(269,700)</u>	<u>(148,697)</u>	<u>121,003</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	266,700	266,700	155,000	(111,700)
Total Other Adjustments to Cash (Uses)	<u>266,700</u>	<u>266,700</u>	<u>155,000</u>	<u>(111,700)</u>
Net Change in Fund Balance	(3,000)	(3,000)	6,303	9,303
Fund Balance - Beginning	<u>3,000</u>	<u>3,000</u>	<u>10,194</u>	<u>7,194</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,497</u>	<u>\$ 16,497</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	C.D.B.G. FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,335,000	\$ 1,489,000	\$ 38,545	\$ (1,450,455)
Total Receipts	<u>1,335,000</u>	<u>1,489,000</u>	<u>38,545</u>	<u>(1,450,455)</u>
DISBURSEMENTS				
General Government	500,000	450,455		450,455
Protection to Persons and Property	800,000	1,000,000		1,000,000
Administration	38,482	42,027	42,027	
Total Disbursements	<u>1,338,482</u>	<u>1,492,482</u>	<u>42,027</u>	<u>1,450,455</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,482)</u>	<u>(3,482)</u>	<u>(3,482)</u>	
Net Change in Fund Balance	(3,482)	(3,482)	(3,482)	
Fund Balance - Beginning	<u>3,482</u>	<u>3,482</u>	<u>3,482</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	SENIOR CITIZENS FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Miscellaneous	\$ 3,600	\$ 3,600	\$ 3,600	\$
Total Receipts	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u></u>
DISBURSEMENTS				
General Government	19,300	20,607	12,494	8,113
Social Services		24,000		24,000
Administration	2,509	1,202		1,202
Total Disbursements	<u>21,809</u>	<u>45,809</u>	<u>12,494</u>	<u>33,315</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(18,209)</u>	<u>(42,209)</u>	<u>(8,894)</u>	<u>33,315</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	16,700	16,700	8,000	(8,700)
Total Other Adjustments to Cash (Uses)	<u>16,700</u>	<u>16,700</u>	<u>8,000</u>	<u>(8,700)</u>
Net Change in Fund Balance	(1,509)	(25,509)	(894)	24,615
Fund Balance - Beginning	<u>1,509</u>	<u>1,509</u>	<u>2,955</u>	<u>1,446</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (24,000)</u>	<u>\$ 2,061</u>	<u>\$ 26,061</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	DISPATCH/911 FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 56,000	\$ 56,000	\$ 49,663	\$ (6,337)
Intergovernmental	235,000	235,000	218,355	(16,645)
Miscellaneous	500	500		(500)
Interest	10	10	41	31
Total Receipts	<u>291,510</u>	<u>291,510</u>	<u>268,059</u>	<u>(23,451)</u>
DISBURSEMENTS				
Protection to Persons and Property	538,464	563,462	424,029	139,433
Administration	194,046	169,048	112,745	56,303
Total Disbursements	<u>732,510</u>	<u>732,510</u>	<u>536,774</u>	<u>195,736</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(441,000)</u>	<u>(441,000)</u>	<u>(268,715)</u>	<u>172,285</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	439,000	439,000	255,848	(183,152)
Total Other Adjustments to Cash (Uses)	<u>439,000</u>	<u>439,000</u>	<u>255,848</u>	<u>(183,152)</u>
Net Change in Fund Balance	(2,000)	(2,000)	(12,867)	(10,867)
Fund Balance - Beginning	<u>2,000</u>	<u>2,000</u>	<u>33,855</u>	<u>31,855</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,988</u>	<u>\$ 20,988</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	COUNTY CLERK FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 16,000	\$ 16,000	\$ 11,970	\$ (4,030)
Interest			6	6
Total Receipts	<u>16,000</u>	<u>16,000</u>	<u>11,976</u>	<u>(4,024)</u>
DISBURSEMENTS				
General Government	16,000	16,000	426	15,574
Total Disbursements	<u>16,000</u>	<u>16,000</u>	<u>426</u>	<u>15,574</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>11,550</u>	<u>11,550</u>
Net Change in Fund Balance			11,550	11,550
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,550</u>	<u>\$ 11,550</u>

BRACKEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	<u>AMERICAN RESCUE PLAN ACT FUND</u>			
	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 806,380	\$ 806,380	\$ 50,000	\$ (756,380)
Interest	138	138	1,661	1,523
Total Receipts	<u>806,518</u>	<u>806,518</u>	<u>51,661</u>	<u>(754,857)</u>
DISBURSEMENTS				
Administration	<u>1,613,043</u>	<u>1,613,043</u>		<u>1,613,043</u>
Total Disbursements	<u>1,613,043</u>	<u>1,613,043</u>		<u>1,613,043</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(806,525)</u>	<u>(806,525)</u>	<u>51,661</u>	<u>858,186</u>
Net Change in Fund Balance	(806,525)	(806,525)	51,661	858,186
Fund Balance - Beginning	<u>806,525</u>	<u>806,525</u>	<u>1,613,216</u>	<u>806,691</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,664,877</u>	<u>\$ 1,664,877</u>

BRACKEN COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2023

Note 1. Budgetary Information

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

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

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

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BRACKEN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2023

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BRACKEN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2023

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 924,573	\$	\$	\$ 924,573
Buildings	16,641,551	18,000		16,659,551
Vehicles	1,149,745	93,554		1,243,299
Equipment	2,029,959	89,660		2,119,619
Infrastructure	9,923,269	664,770		10,588,039
 Total Capital Assets	 <u>\$ 30,669,097</u>	 <u>\$ 865,984</u>	 <u>\$ 0</u>	 <u>\$ 31,535,081</u>

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

June 30, 2023

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 12,500	10 - 60
Buildings and Building Improvements	\$ 25,000	10 - 75
Equipment	\$ 2,500	3 - 25
Vehicles	\$ 2,500	6 - 10
Infrastructure	\$ 20,000	10 - 50
Intangibles	\$ 2,500	2 - 40

**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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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 Tina Teegarden, Bracken County Judge/Executive
Members of the Bracken 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 Bracken County Fiscal Court for the fiscal year ended June 30, 2023 and the related notes to the financial statement which collectively comprise the Bracken County Fiscal Court's financial statement and have issued our report thereon dated December 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Bracken 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 Bracken County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bracken 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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)


Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Bracken 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,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

December 11, 2023