

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

**For The Fiscal Year Ended
June 30, 2016**



**MIKE HARMON
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EXECUTIVE SUMMARY
AUDIT OF THE
HART COUNTY FISCAL COURT

June 30, 2016

The Auditor of Public Accounts has completed the audit of the Hart County Fiscal Court for the fiscal year ended June 30, 2016.

We have issued an unmodified opinion, based on our audit, of the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of Hart County Fiscal Court.

Financial Condition:

The Hart County Fiscal Court had total receipts of \$9,872,294 and disbursements of \$10,457,996 in fiscal year 2016. This resulted in a total ending fund balance of \$3,846,068, which is an increase of \$206,279 from the prior year.

Findings:

- 2016-001 The Hart County Jail Commissary Lacks Adequate Segregation Of Duties Over Accounting Functions
- 2016-002 The Hart County Jail Commissary Did Not Have Strong Internal Controls Over Disbursements
- 2016-003 The Hart County Jail Commissary Did Not Properly Account For Receipts, Daily Checkout Sheets, And Did Not Deposit Receipts Intact Daily
- 2016-004 The Hart County Jail Commissary Did Not Remit Sales Tax To The Kentucky Department Of Revenue
- 2016-005 The Hart County Fiscal Court Did Not Properly Disclose Debt On The Quarterly Report And Budget Accordingly

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities.

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT.....	1
HART COUNTY OFFICIALS	4
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS	6
NOTES TO FINANCIAL STATEMENT	10
BUDGETARY COMPARISON SCHEDULES	25
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES	34
SCHEDULE OF CAPITAL ASSETS	37
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - SCHEDULE OF CAPITAL ASSETS	38
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 <i>GOVERNMENT AUDITING STANDARDS</i>	41
SCHEDULE OF FINDINGS AND RESPONSES	45
APPENDIX A: CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Matthew G. Bevin, Governor
William M. Landrum III, Secretary
Finance and Administration Cabinet
Honorable Terry Martin, Hart County Judge/Executive
Members of the Hart County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of Hart County Fiscal Court, for the year ended June 30, 2016, and the related notes to the financial statement which collectively comprise the Hart County Fiscal Court's financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this 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 Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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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 Hart 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.

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 paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Hart County Fiscal Court as of June 30, 2016, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund balances of the Hart County Fiscal Court as of June 30, 2016, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

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 Hart County Fiscal Court. The Budgetary Comparison Schedules and Capital Asset Schedule are presented for purposes of additional analysis and are not a required part of the financial statement, however they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

The accompanying Budgetary Comparison Schedules and Capital Asset Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules and Capital Asset Schedule are fairly stated in all material respects in relation to the financial statement as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2017 on our consideration of the Hart 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 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 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 Hart County Fiscal Court's internal control over financial reporting and compliance.

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

- 2016-001 The Hart County Jail Commissary Lacks Adequate Segregation Of Duties Over Accounting Functions
- 2016-002 The Hart County Jail Commissary Did Not Have Strong Internal Controls Over Disbursements
- 2016-003 The Hart County Jail Commissary Did Not Properly Account For Receipts, Daily Checkout Sheets, And Did Not Deposit Receipts Intact Daily
- 2016-004 The Hart County Jail Commissary Did Not Remit Sales Tax To The Kentucky Department Of Revenue
- 2016-005 The Hart County Fiscal Court Did Not Properly Disclose Debt On The Quarterly Report And Budget Accordingly

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

February 16, 2017

HART COUNTY OFFICIALS

For The Year Ended June 30, 2016

Fiscal Court Members:

Terry Martin	County Judge/Executive
Gary Gardner	Magistrate
Ricky Alvey	Magistrate
Ronald Riordan	Magistrate
Doug Wells	Magistrate
Lee Miles	Magistrate

Other Elected Officials:

Mike Nichols	County Attorney
Israel Bergenson	Jailer
Lisa Hensley Sanders	County Clerk
Rita Doyle	Circuit Court Clerk
Boston Hensley	Sheriff
Cindy Atwell	Property Valuation Administrator
Reggie Pettit	Coroner

Appointed Personnel:

Sue Gardner	County Treasurer
Tresia Weber	Financial Officer
Tammie Branstetter	Occupational Tax Collector
Debbie Mosher-Davis	Jailer's Bookkeeper

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

For The Year Ended June 30, 2016

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

For The Year Ended June 30, 2016

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	\$ 2,969,394	\$	\$
In Lieu Tax Payments	53,323		
Excess Fees	2,097		
Licenses and Permits	20,718		
Intergovernmental	596,721	2,140,280	1,727,366
Charges for Services	1,055		112,660
Miscellaneous	247,339	51,962	41,346
Interest	2,059	1,248	385
Total Receipts	<u>3,892,706</u>	<u>2,193,490</u>	<u>1,881,757</u>
DISBURSEMENTS			
General Government	1,591,594		
Protection to Persons and Property	84,495		1,640,842
General Health and Sanitation	533,084		
Social Services	19,864		
Recreation and Culture	642,834		
Roads		1,929,352	
Debt Service	196,998		250,250
Capital Projects			
Administration	451,238	211,159	337,025
Total Disbursements	<u>3,520,107</u>	<u>2,140,511</u>	<u>2,228,117</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>372,599</u>	<u>52,979</u>	<u>(346,360)</u>
Other Adjustments to Cash (Uses)			
Governmental Leasing Account Receipts	791,981		
Transfers From Other Funds	257,614	28,000	600,000
Transfers To Other Funds	(1,329,498)	(207,569)	(28,000)
Total Other Adjustments to Cash (Uses)	<u>(279,903)</u>	<u>(179,569)</u>	<u>572,000</u>
Net Change in Fund Balance	92,696	(126,590)	225,640
Fund Balance - Beginning (Restated)	1,442,699	1,008,703	431,065
Fund Balance - Ending	<u>\$ 1,535,395</u>	<u>\$ 882,113</u>	<u>\$ 656,705</u>
Composition of Fund Balance			
Bank Balance	\$ 1,550,995	\$ 890,147	\$ 635,814
Plus: Deposits In Transit	8,091	3,866	34,558
Less: Outstanding Checks	(23,691)	(11,900)	(13,667)
Fund Balance - Ending	<u>\$ 1,535,395</u>	<u>\$ 882,113</u>	<u>\$ 656,705</u>

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

HART COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2016
(Continued)

Budgeted Funds					
Local Government Economic Assistance Fund	State Grants Fund	Federal Grants Fund	911 Dispatch Fund	Sheriff Department Fund	Tourism Fund
\$	\$	\$	\$ 133,336	\$	\$ 101,683
77,790		25,660	15,000	522,968	
			2,829	9,048	
62			25	163	10
<u>77,852</u>		<u>25,660</u>	<u>151,190</u>	<u>532,179</u>	<u>101,693</u>
29,000				654,075	
61,190		25,070	153,254		
		485			
211,019					98,599
		72,975			
		43,165			
			3,200	203,820	
<u>301,209</u>		<u>141,695</u>	<u>156,454</u>	<u>857,895</u>	<u>98,599</u>
(223,357)		(116,035)	(5,264)	(325,716)	3,094
214,711		118,475	20,000	378,167	
		(51,900)			
<u>214,711</u>		<u>66,575</u>	<u>20,000</u>	<u>378,167</u>	
(8,646)		(49,460)	14,736	52,451	3,094
8,646	2,250	51,900	39,246	62,987	26,395
<u>\$ 0</u>	<u>\$ 2,250</u>	<u>\$ 2,440</u>	<u>\$ 53,982</u>	<u>\$ 115,438</u>	<u>\$ 29,489</u>
\$	\$ 2,250	\$ 2,440	\$ 53,982	\$ 119,780	\$ 29,489
				(4,342)	
<u>\$ 0</u>	<u>\$ 2,250</u>	<u>\$ 2,440</u>	<u>\$ 53,982</u>	<u>\$ 115,438</u>	<u>\$ 29,489</u>

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

HART COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2016
(Continued)

	<u>Unbudgeted Funds</u>		
	<u>Justice Center Public Properties Corporation Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>
RECEIPTS			
Taxes	\$	\$	\$ 3,204,413
In Lieu Tax Payments			53,323
Excess Fees			2,097
Licenses and Permits			20,718
Intergovernmental	827,740		5,918,525
Charges for Services			128,715
Miscellaneous		188,008	540,532
Interest	6	13	3,971
Total Receipts	<u>827,746</u>	<u>188,021</u>	<u>9,872,294</u>
DISBURSEMENTS			
General Government			2,274,669
Protection to Persons and Property			1,903,661
General Health and Sanitation			594,759
Social Services			19,864
Recreation and Culture		185,669	1,138,121
Roads			2,002,327
Debt Service	825,540		1,272,788
Capital Projects			43,165
Administration	2,200		1,208,642
Total Disbursements	<u>827,740</u>	<u>185,669</u>	<u>10,457,996</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>6</u>	<u>2,352</u>	<u>(585,702)</u>
Other Adjustments to Cash (Uses)			
Governmental Leasing Account Receipts			791,981
Transfers From Other Funds			1,616,967
Transfers To Other Funds			(1,616,967)
Total Other Adjustments to Cash (Uses)			<u>791,981</u>
Net Change in Fund Balance	6	2,352	206,279
Fund Balance - Beginning (Restated)	554,198	11,700	3,639,789
Fund Balance - Ending	<u>\$ 554,204</u>	<u>\$ 14,052</u>	<u>\$ 3,846,068</u>
Composition of Fund Balance			
Bank Balance	\$ 554,204	\$ 16,205	\$ 3,855,306
Plus: Deposits In Transit			46,515
Less: Outstanding Checks		(2,153)	(55,753)
Ending Fund Balance	<u>\$ 554,204</u>	<u>\$ 14,052</u>	<u>\$ 3,846,068</u>

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

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	10
NOTE 2. DEPOSITS	13
NOTE 3. TRANSFERS	14
NOTE 4. AGENCY TRUST FUNDS	14
NOTE 5. SHORT-TERM DEBT.....	14
NOTE 6. LONG-TERM DEBT	15
NOTE 7. EMPLOYEE RETIREMENT SYSTEM	18
NOTE 8. DEFERRED COMPENSATION	20
NOTE 9. INSURANCE	20
NOTE 10. PRIOR PERIOD ADJUSTMENTS.....	21

HART COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2016

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

Hart County Industrial Authority, Inc., Hart County Solid Waste Management District, and Hart County Tourism Commission would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. However, under the regulatory basis they are no longer required components of the reporting entity. To obtain a copy of these audit reports, contact the Hart County Fiscal Court at (270) 524-5219.

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 Government 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 90 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.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of receipts for this fund are reimbursements from the state and federal government, 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 grants from the state government and related disbursements.

Federal Grants 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 federal government.

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

Sheriff Department Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the operation of the sheriff's department.

Tourism Fund - The primary purpose of this fund is to account for tourism taxes collected and then passed through to the Tourism Commission.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Justice Center Public Properties Corporation Fund - The primary purpose of this fund is to account for the debt service requirements of the revenue bond issued for the Hart County Justice Center. The Department for Local Government does not require the fiscal court to budget these funds.

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. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information

Annual budgets are adopted 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 Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

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

E. Hart County Elected Officials

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

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

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments

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

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

G. Long-term Obligations

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

Note 2. Deposits

The fiscal court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC 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 KRS 66.480(1)(d) and KRS 41.240. As of June 30, 2016, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2016.

	General Fund	Road Fund	Jail Fund	Federal Grants Fund	Total Transfers In
General Fund	\$	\$ 205,714	\$	\$ 51,900	\$ 257,614
Road Fund			28,000		28,000
Jail Fund	600,000				600,000
LGEA Fund	214,711				214,711
Sheriff Dept Fund	378,167				378,167
911 Dispatch Fund	20,000				20,000
Federal Grants Fund	116,620	1,855			118,475
Total Transfers Out	\$ 1,329,498	\$ 207,569	\$ 28,000	\$ 51,900	\$ 1,616,967

Reason for transfers:

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

Note 4. Agency Trust Funds

Agency trust funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments.

The fiscal court has the following agency trust fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates and other commissary funds not accounted for in the commissary bank account. The reconciled balance in the jail inmate fund as of June 30, 2016 was \$29,257; however, of this amount, \$3,320 was actual inmate funds.

Note 5. Short-term Debt

A. Solid Waste Truck - Hart County #7

Hart County Fiscal Court entered into a lease agreement on January 23, 2015 with the Kentucky Association of Counties Leasing Trust in the amount of \$153,589 to purchase a 2015 Mack roll off truck for solid waste. The truck was purchased with the intention of reselling it prior to the debt maturing. The Hart County Solid Waste Management District is to make the payments on the lease. Terms of the agreement stipulate a repayment schedule in which the final payment is due on July 20, 2016, with variable monthly interest payments due on the 20th of each month. In fiscal year 2016, the Hart County Fiscal Court sold this truck for \$143,890. These funds were given to the Hart County Solid Waste Management District.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 5. Short-term Debt (Continued)

B. Solid Waste Truck - Hart County #9

Hart County Fiscal Court entered into a lease agreement on April 18, 2016 with the Kentucky Association of Counties Leasing Trust in the amount of \$156,981 to purchase a 2016 Mack truck for solid waste. The truck was purchased with the intention of reselling it prior to the debt maturing. The Hart County Solid Waste Management District is to make the payments on the lease. Terms of the agreement stipulate a repayment schedule in which the final payment is due on October 20, 2017, with variable monthly interest payments due on the 20th of each month. As of June 30, 2016, the principal balance was \$156,981. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2017	\$	\$ 5,102
2018	156,981	1,701
Totals	\$ 156,981	\$ 6,803

C. Changes In Short-term Debt

Short-term Debt activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Financing Obligations	\$ 153,589	\$ 156,981	\$ 153,589	\$ 156,981	\$
Total Short-term Debt	\$ 153,589	\$ 156,981	\$ 153,589	\$ 156,981	\$ 0

Note 6. Long-term Debt

A. General Obligation Refunding Bonds, Series 2013

Hart County Fiscal Court issued General Obligation Refunding Bonds, Series 2013 dated December 10, 2013 for the purpose of refunding Series 2004 that refunded Series 1998 Mortgage Revenue bonds. On December 10, 2013, \$3,050,000 of General Obligation Refunding Bonds were issued. Interest is payable semi-annually on September 1 and March 1 of each year with interest rates ranging from 2% to 4%. Principal is payable annually on March 1 of each year. The maturity date is March 1, 2029. As of June 30, 2016, bonds outstanding were \$2,560,000.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 6. Long-term Debt (Continued)

A. General Obligation Refunding Bonds, Series 2013 (Continued)

Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2017	\$ 165,000	\$ 81,950
2018	170,000	78,650
2019	175,000	75,250
2020	180,000	71,750
2021	180,000	67,700
2022-2026	1,000,000	250,550
2027-2029	690,000	56,000
Totals	<u>\$ 2,560,000</u>	<u>\$ 681,850</u>

B. First Mortgage Revenue Bonds, Series 2007 (Judicial Center Project) (Non-Refunded Portion)

Hart County Public Properties Corporation, an agency and instrumentality of the Hart County Fiscal Court, issued First Mortgage Revenue Bonds, Series 2007, dated April 1, 2007, for the purpose of acquisition, construction, installation, and equipping of the Hart County Judicial Center. On April 10, 2007, \$11,315,000 of First Mortgage Revenue Bonds were issued. Interest is payable semi-annually on October 1 and April 1 of each year at rates ranging from 4.00% to 4.25%. Principal is payable annually on April 1 of each year. The maturity date is April 1, 2027. The Corporation entered into an annually renewable Memorandum of Understanding with the Administrative Office of The Courts (AOC), Commonwealth of Kentucky, for rental payments sufficient to pay 100% of the debt service on the bonds. The bond issue was advanced refunded and partially defeased by the First Mortgage Refunding Revenue Bonds, Series 2015 (Judicial Center Project). As of June 30, 2016, bonds outstanding were \$555,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2017	\$ 555,000	\$ 23,588
Totals	<u>\$ 555,000</u>	<u>\$ 23,588</u>

C. First Mortgage Revenue Bonds, Series 2007 (Judicial Center Project) (Refunded Portion)

On February 19, 2015, the Hart County Public Properties Corporation, an agency and instrumentality of the Hart County Fiscal Court, advanced refunded and partially defeased the General Obligation Refunding Bonds, Series 2007 with proceeds from the First Mortgage Refunding Revenue Bonds Series 2015. The bonds will be called on April 1, 2017. Total bonds outstanding as of June 30, 2016 totaled \$7,010,000. As of June 30, 2016, the escrow account had a balance of \$7,269,852.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 6. Long-term Debt (Continued)

D. First Mortgage Refunding Revenue Bonds, Series 2015 (Judicial Center Project)

Hart County Public Properties Corporation, an agency and instrumentality of the Hart County Fiscal Court, issued First Mortgage Refunding Revenue Bonds, Series 2015, dated February 19, 2015, for the purpose of refinancing the First Mortgage Revenue Bonds, Series 2007 issue. On February 19, 2015, \$7,290,000 of first mortgage revenue bonds were issued. Interest is payable semi-annually on October 1 and April 1 of each year at rate of 3.00%. Principal is payable annually on April 1 of each year. The maturity date is April 1, 2027. The Corporation entered into an annually renewable Memorandum of Understanding with the Administrative Office of The Courts (AOC), Commonwealth of Kentucky, for rental payments sufficient to pay 100% of the debt service on the bonds. As of June 30, 2016, bonds outstanding were \$7,290,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2017	\$ 55,000	\$ 218,700
2018	445,000	217,050
2019	665,000	203,700
2020	685,000	183,750
2021	710,000	163,200
2022-2026	3,875,000	483,900
2027	855,000	25,650
Totals	<u>\$ 7,290,000</u>	<u>\$ 1,495,950</u>

E. Library Lease

Hart County Fiscal Court entered into a lease agreement on October 20, 2015 with the Kentucky Association of Counties Finance Corporation through Financing Program Revenue Bonds Series 2015C in the amount of \$635,000 on behalf of the Hart County Library District to fund the construction of the library. A sublease agreement was signed on April 9, 2015 between the Hart County Fiscal Court and the Hart County Library District which requires the Hart County Library District to make the payments on the lease. Interest is payable semi-annually on December 20 and June 20 of each year. Principal is payable annually on December 20 of each year. The termination date of the lease is December 20, 2034. As of June 30, 2016, the principal balance was \$615,000. Future principal and interest requirements are:

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 6. Long-term Debt (Continued)

E. Library Lease (Continued)

Fiscal Year Ending June 30	Principal	Scheduled Interest
2017	\$ 25,000	\$ 19,250
2018	25,000	18,500
2019	25,000	17,750
2020	25,000	17,000
2021	25,000	16,250
2022-2026	150,000	68,125
2027-2031	175,000	43,050
2032-2035	165,000	11,813
Totals	<u>\$ 615,000</u>	<u>\$ 211,738</u>

F. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 2,725,000	\$	\$ 165,000	\$ 2,560,000	\$ 165,000
Revenue Bonds	8,380,000		535,000	7,845,000	610,000
Financing Obligations		635,000	20,000	615,000	25,000
Total Long-term Debt	<u>\$ 11,105,000</u>	<u>\$ 635,000</u>	<u>\$ 720,000</u>	<u>\$ 11,020,000</u>	<u>\$ 800,000</u>

Note 7. Employee Retirement System

The fiscal court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost sharing, multiple employer defined benefit pension plan that covers all eligible regular full-time members employed in non-hazardous and hazardous duty positions in the county. The Plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of the plan members under certain circumstances. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute six percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 17.06 percent.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 7. Employee Retirement System (Continued)

Hazardous covered employees are required to contribute eight percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute nine percent of their salary to be allocated as follows: eight percent will go to the member's account and one percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 32.95 percent.

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 account. Members contribute five percent (nonhazardous) and eight percent (hazardous) of their annual creditable compensation and one 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 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 four percent (nonhazardous) and seven and one-half percent (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

The county's contribution for FY 2014 was \$392,019, FY 2015 was \$364,524, and FY 2016 was \$361,852.

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.

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.

CERS also 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.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 7. Employee Retirement System (Continued)

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, such 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.

KRS 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 Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KRS also issues a proportionate share audit report that includes the total pension liability for CERS determined by actuarial valuation as well as each participating county's proportionate share. The Schedules of Employer Allocations and Pension Amounts by Employer report and the related actuarial tables are available online at <https://kyret.ky.gov/employers/GASB/Pages/GASB-Library.aspx>. 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 8. Deferred Compensation

In February 2004, the Hart 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 Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

Note 9. Insurance

For the fiscal year ended June 30, 2016, the Hart 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.

HART COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2016
(Continued)

Note 10. Prior Period Adjustments

The beginning balances reported on the Statement of Receipts, Disbursements, and Changes in Fund Balances-Regulatory Basis for the general and road funds have been restated by an increase of \$245 and \$27, respectively. The restatements are due to prior year voided checks.

The beginning balance reported on the Statement of Receipts, Disbursements, and Changes in Fund Balances-Regulatory Basis for the jail fund has been restated by an increase of \$125 due to a prior year voided check and a decrease of \$20,991 due to jail fees turned over to fiscal court in July 2015 included in the prior year in error.

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HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2016

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2016

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 2,357,000	\$ 2,357,000	\$ 2,969,394	\$ 612,394
In Lieu Tax Payments	42,000	42,000	53,323	11,323
Excess Fees	20,000	20,000	2,097	(17,903)
Licenses and Permits	20,000	20,000	20,718	718
Intergovernmental	325,400	325,400	596,721	271,321
Charges for Services			1,055	1,055
Miscellaneous	77,500	77,500	247,339	169,839
Interest	3,000	3,000	2,059	(941)
Total Receipts	<u>2,844,900</u>	<u>2,844,900</u>	<u>3,892,706</u>	<u>1,047,806</u>
DISBURSEMENTS				
General Government	1,150,903	1,220,019	1,591,594	(371,575)
Protection to Persons and Property	75,250	90,702	84,495	6,207
General Health and Sanitation	234,713	378,603	533,084	(154,481)
Social Services	30,557	31,972	19,864	12,108
Recreation and Culture	7,850	7,850	642,834	(634,984)
Debt Service			196,998	(196,998)
Capital Projects	500,000	540,000		540,000
Administration	841,039	546,582	451,238	95,344
Total Disbursements	<u>2,840,312</u>	<u>2,815,728</u>	<u>3,520,107</u>	<u>(704,379)</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>4,588</u>	<u>29,172</u>	<u>372,599</u>	<u>343,427</u>
Other Adjustments to Cash (Uses)				
Governmental Leasing Account Receipts			791,981	791,981
Transfers From Other Funds	205,714	205,714	257,614	51,900
Transfers To Other Funds	(1,209,376)	(1,209,376)	(1,329,498)	(120,122)
Total Other Adjustments to Cash (Uses)	<u>(1,003,662)</u>	<u>(1,003,662)</u>	<u>(279,903)</u>	<u>723,759</u>
Net Change in Fund Balance	(999,074)	(974,490)	92,696	1,067,186
Fund Balance - Beginning (Restated)	<u>999,074</u>	<u>999,074</u>	<u>1,442,699</u>	<u>443,625</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 24,584</u>	<u>\$ 1,535,395</u>	<u>\$ 1,510,811</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,788,727	\$ 1,788,727	\$ 2,140,280	\$ 351,553
Charges For Services	500	500		(500)
Miscellaneous	32,500	32,500	51,962	19,462
Interest	1,000	1,000	1,248	248
Total Receipts	<u>1,822,727</u>	<u>1,822,727</u>	<u>2,193,490</u>	<u>370,763</u>
DISBURSEMENTS				
Roads	1,824,321	2,034,599	1,929,352	105,247
Administration	358,190	247,912	211,159	36,753
Total Disbursements	<u>2,182,511</u>	<u>2,282,511</u>	<u>2,140,511</u>	<u>142,000</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(359,784)</u>	<u>(459,784)</u>	<u>52,979</u>	<u>512,763</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			28,000	28,000
Transfers To Other Funds	(205,714)	(205,714)	(207,569)	(1,855)
Total Other Adjustments to Cash (Uses)	<u>(205,714)</u>	<u>(205,714)</u>	<u>(179,569)</u>	<u>26,145</u>
Net Change in Fund Balance	(565,498)	(665,498)	(126,590)	538,908
Fund Balance - Beginning (Restated)	<u>565,498</u>	<u>665,498</u>	<u>1,008,703</u>	<u>343,205</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 882,113</u>	<u>\$ 882,113</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,171,000	\$ 1,171,000	\$ 1,727,366	\$ 556,366
Charges for Services	150,000	150,000	112,660	(37,340)
Miscellaneous	500	500	41,346	40,846
Interest	250	250	385	135
Total Receipts	<u>1,321,750</u>	<u>1,321,750</u>	<u>1,881,757</u>	<u>560,007</u>
DISBURSEMENTS				
Protection to Persons and Property	1,409,153	1,729,854	1,640,842	89,012
Debt Service	250,250	250,250	250,250	
Administration	437,540	372,586	337,025	35,561
Total Disbursements	<u>2,096,943</u>	<u>2,352,690</u>	<u>2,228,117</u>	<u>124,573</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(775,193)</u>	<u>(1,030,940)</u>	<u>(346,360)</u>	<u>684,580</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	600,000	600,000	600,000	
Transfer To Other Funds			(28,000)	28,000
Total Other Adjustments to Cash (Uses)	<u>600,000</u>	<u>600,000</u>	<u>572,000</u>	<u>28,000</u>
Net Change in Fund Balance	(175,193)	(430,940)	225,640	656,580
Fund Balance - Beginning (Restated)	<u>175,193</u>	<u>430,940</u>	<u>431,065</u>	<u>125</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 656,705</u>	<u>\$ 656,705</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 77,790	\$ 7,790
Interest			62	62
Total Receipts	<u>70,000</u>	<u>70,000</u>	<u>77,852</u>	<u>7,852</u>
DISBURSEMENTS				
General Government	29,000	29,000	29,000	
General Health and Sanitation	61,190	61,190	61,190	
Recreation and Culture	211,019	211,019	211,019	
Total Disbursements	<u>301,209</u>	<u>301,209</u>	<u>301,209</u>	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(231,209)</u>	<u>(231,209)</u>	<u>(223,357)</u>	<u>7,852</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>211,209</u>	<u>211,209</u>	<u>214,711</u>	<u>3,502</u>
Total Other Adjustments to Cash (Uses)	<u>211,209</u>	<u>211,209</u>	<u>214,711</u>	<u>3,502</u>
Net Change in Fund Balance	(20,000)	(20,000)	(8,646)	11,354
Fund Balance - Beginning	<u>20,000</u>	<u>20,000</u>	<u>8,646</u>	<u>(11,354)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

	STATE GRANTS FUND			
	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Total Receipts	\$	\$	\$	\$
DISBURSEMENTS				
Total Disbursements				
Fund Balance - Beginning			2,250	2,250
Fund Balance - Ending	\$ 0	\$ 0	\$ 2,250	\$ 2,250

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 25,660	\$ (974,340)
Total Receipts	<u>1,000,000</u>	<u>1,000,000</u>	<u>25,660</u>	<u>(974,340)</u>
DISBURSEMENTS				
Protection to Persons and Property		10,000	25,070	(15,070)
General Health and Sanitation		485	485	
Roads		72,975	72,975	
Capital Projects		43,165	43,165	
Administration	1,000,000	873,375		873,375
Total Disbursements	<u>1,000,000</u>	<u>1,000,000</u>	<u>141,695</u>	<u>858,305</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>(116,035)</u>	<u>(116,035)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			118,475	118,475
Transfers To Other Funds			(51,900)	(51,900)
Total Other Adjustments to Cash (Uses)			<u>66,575</u>	<u>66,575</u>
Net Change in Fund Balance			(49,460)	(49,460)
Fund Balance - Beginning			<u>51,900</u>	<u>51,900</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,440</u>	<u>\$ 2,440</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

	911 DISPATCH FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 120,108	\$ 120,108	\$ 133,336	\$ 13,228
Charges for Services	25,000	25,000	15,000	(10,000)
Miscellaneous			2,829	2,829
Interest			25	25
Total Receipts	<u>145,108</u>	<u>145,108</u>	<u>151,190</u>	<u>6,082</u>
DISBURSEMENTS				
Protection to Persons and Property	174,765	169,350	153,254	16,096
Administration	14,235	6,462	3,200	3,262
Total Disbursements	<u>189,000</u>	<u>175,812</u>	<u>156,454</u>	<u>19,358</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(43,892)</u>	<u>(30,704)</u>	<u>(5,264)</u>	<u>25,440</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	20,000	20,000	20,000	
Total Other Adjustments to Cash (Uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Net Change in Fund Balance	(23,892)	(10,704)	14,736	25,440
Fund Balance - Beginning	<u>23,892</u>	<u>23,892</u>	<u>39,246</u>	<u>15,354</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 13,188</u>	<u>\$ 53,982</u>	<u>\$ 40,794</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

SHERIFF DEPARTMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 499,000	\$ 499,000	\$ 522,968	\$ 23,968
Miscellaneous			9,048	9,048
Interest			163	163
Total Receipts	<u>499,000</u>	<u>499,000</u>	<u>532,179</u>	<u>33,179</u>
DISBURSEMENTS				
General Government	634,766	700,581	654,075	46,506
Administration	242,401	247,346	203,820	43,526
Total Disbursements	<u>877,167</u>	<u>947,927</u>	<u>857,895</u>	<u>90,032</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(378,167)</u>	<u>(448,927)</u>	<u>(325,716)</u>	<u>123,211</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>378,167</u>	<u>378,167</u>	<u>378,167</u>	
Total Other Adjustments to Cash (Uses)	<u>378,167</u>	<u>378,167</u>	<u>378,167</u>	
Net Change in Fund Balance		(70,760)	52,451	123,211
Fund Balance - Beginning		<u>62,987</u>	<u>62,987</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (7,773)</u>	<u>\$ 115,438</u>	<u>\$ 123,211</u>

HART COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2016
(Continued)

	TOURISM FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 74,000	\$ 74,000	\$ 101,683	\$ 27,683
Interest			10	10
Total Receipts	<u>74,000</u>	<u>74,000</u>	<u>101,693</u>	<u>27,693</u>
DISBURSEMENTS				
Recreation and Culture	80,000	110,000	98,599	11,401
Total Disbursements	<u>80,000</u>	<u>110,000</u>	<u>98,599</u>	<u>11,401</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(6,000)</u>	<u>(36,000)</u>	<u>3,094</u>	<u>39,094</u>
Net Change in Fund Balance	(6,000)	(36,000)	3,094	39,094
Fund Balance - Beginning	<u>6,000</u>	<u>6,000</u>	<u>26,395</u>	<u>20,395</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 29,489</u>	<u>\$ 59,489</u>

HART COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2016

Note 1. Budgetary Information

Annual budgets are adopted 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 Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

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

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Disbursements may not exceed budgeted appropriations at the activity level.

Note 2. Excess of Disbursements Over Appropriations

General fund total disbursements exceeded budgeted appropriations by \$704,379 due to general government, general health and sanitation, recreation and culture, and debt service disbursements exceeding budgeted appropriations.

Federal grants fund protection to persons and property disbursements exceeded budgeted appropriations by \$15,070.

HART COUNTY
SCHEDULE OF CAPITAL ASSETS
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2016

HART COUNTY
SCHEDULE OF CAPITAL ASSETS
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2016

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 587,652	\$	\$	\$ 587,652
Buildings and Improvements	16,431,560		293,080	16,138,480
Other Equipment	758,332	71,523		829,855
Vehicles and Equipment (Restated)	1,556,444	453,558	346,648	1,663,354
Infrastructure	7,928,827	945,086		8,873,913
 Total Capital Assets	 <u>\$ 27,262,815</u>	 <u>\$ 1,470,167</u>	 <u>\$ 639,728</u>	 <u>\$ 28,093,254</u>

HART COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - SCHEDULE OF CAPITAL ASSETS

June 30, 2016

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 and Land Improvements	\$ 12,500	10-60
Buildings and Improvements	\$ 25,000	10-75
Other Equipment	\$ 5,000	3-25
Vehicles and Equipment	\$ 5,000	3-25
Infrastructure	\$ 10,000	10-50

Note 2. Prior Period Adjustment

The beginning balance for vehicles and equipment was restated by (\$4,982) due to errors.

**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***



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Terry Martin, Hart County Judge/Executive
Members of the Hart County Fiscal Court

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

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 Hart County Fiscal Court for the fiscal year ended June 30, 2016, and the related notes to the financial statement which collectively comprise the Hart County Fiscal Court's financial statement and have issued our report thereon dated February 16, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Hart County Fiscal Court's internal control over financial reporting (internal control) to determine the 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 Hart County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hart County Fiscal Court's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2016-001 to be a material weakness.



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

Internal Control Over Financial Reporting (Continued)

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2016-002 and 2016-003 to be significant deficiencies.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Hart 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2016-002, 2016-003, 2016-004, and 2016-005.

County Judge/Executive's Responses to Findings

The Hart County Judge/Executive's and Hart County Jailer's responses to the findings identified in our audit are included in the accompanying Schedule of Findings and Responses. The county judge/executive's and county jailer's responses were not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on them.

Purpose of this Report

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

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

February 16, 2017

**HART COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2016

HART COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

Fiscal Year Ended June 30, 2016

FINANCIAL STATEMENT FINDINGS:

2016-001 The Hart County Jail Commissary Lacks Adequate Segregation Of Duties Over Accounting Functions

The Hart County Jail Commissary lacks adequate segregation of duties over accounting functions. The bookkeeper collects receipts and posts to the receipts ledger. She also prepares and signs checks and posts to the disbursements ledger. In addition, she prepares monthly reports and bank reconciliations. This condition is the result of a limited budget, which restricts the numbers of employees the county can hire or delegate duties to. The lack of segregation of duties increases the risk of errors and inaccurate financial reporting. As a result of this lack of segregation of duties, significant deficiencies were noted during testing (see findings 2016-002 and 2016-003). Adequate segregation of duties would prevent the same person from having a significant role in these incompatible functions. In addition, proper segregation of duties protects employees in the normal course of performing their daily responsibilities. We recommend the jailer segregate accounting duties or implement strong oversight in these areas. The jailer could have an employee independent of those functions or himself review transactions and initial the documentation.

County Judge/Executive's Response: The official did not respond.

County Jailer's Response: Upon the auditor's recommendations regarding the issue of segregation of accounting duties the Jailer and the Major will be reviewing all transactions and we will initial all documentations.

2016-002 The Hart County Jail Commissary Did Not Have Strong Internal Controls Over Disbursements

The Hart County Jail Commissary did not have strong internal controls over disbursements. Supporting documentation was not maintained and appropriate procedures were not followed. As a result of not monitoring internal controls, the deficiencies listed below occurred. These errors resulted from the combination of inadequate segregation of duties and weakly designed and implemented internal controls. These deficiencies could result in inaccurate reporting and misappropriation of assets. The following exceptions were noted:

- The jail commissary paid a duplicate invoice in the amount of \$1,582.
- The jail commissary paid state tax on three of 27 invoices tested, totaling \$43.
- Twelve out of 19 invoices, totaling \$15,835, were not paid within 30 days.
- Three invoices were underpaid by \$1,333.
- Inmate commissary invoices were not detailed nor reconciled with actual inmate commissary purchases.
- Backs of cancelled checks were not obtained from the financial institution.

Proper internal controls over disbursements are important to ensure invoices are paid timely and correctly, and to ensure that state tax is not paid. Without the financial institution providing backs of cancelled checks, the jailer cannot determine proper endorsement by the intended payee to ensure fraud had not occurred. In addition, KRS 65.140 states, "[a]ll bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice[.]" KRS 139.470(7) exempts local governments from paying state sales tax on goods and services.

HART COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
Fiscal Year Ending June 30, 2016
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2016-002 The Hart County Jail Commissary Did Not Have Strong Internal Controls Over Disbursements
 (Continued)

We recommend the jail commissary implement good internal controls over disbursements by comparing and reconciling invoices to inmate commissary purchases, reviewing invoices to ensure the correct invoices are paid and duplicate invoices are not paid, paying invoices within 30 working days of receipt of vendor's invoice, and implementing procedures to prevent state tax being paid. We also recommend the jail commissary request the financial institution to provide the backs of cancelled checks to ensure proper endorsement by the intended payee.

County Judge/Executive's Response: The official did not respond.

County Jailer's Response: Upon the auditor's recommendations regarding the issue of duplicated invoices we will be comparing and reconciling invoices daily. All Deputies have been informed never pay State Tax for purchases regarding the Jail. All invoices will be paid daily and signed by the secretary and approved by the Jailer or the Major, to make sure that all invoices are paid on time and never under paid. Notified [financial institution name redacted] as of 3/1/2017 to provide the back of checks to insure proper endorsement by the intended payee.

2016-003 The Hart County Jail Commissary Did Not Properly Account For Receipts, Daily Checkout
 Sheets, And Did Not Deposit Receipts Intact Daily

The Hart County Jail Commissary did not properly account for receipts and daily checkout sheets. In addition, receipts were not deposited intact daily. These errors resulted from the combination of inadequate segregation of duties and weakly designed and implemented internal controls. As a result, the following deficiencies were noted:

- The deposit for June 13, 2016 included receipts from June 7, 2016 to June 13, 2016.
- The deposit for June 16, 2016 included receipts from June 14, 2016 to June 16, 2016.
- The jailer does not account for numerical sequence of the manual daily receipts.
- The batch of pre-numbered receipts did not foot or agree to the daily checkout sheet. Of the daily checkouts tested for the period of June 13, 2016 to June 17, 2016, 66 receipts were missing and 17 receipts were not signed by inmates.
- Amounts on the deposit tickets were not categorized into cash, check, and money order; therefore, amounts for each category could not be traced to the daily checkout sheet.
- ACH gift card reports are not being printed and reconciled to the daily deposits. Inmate's family and friends can go online and deposit money in inmate's accounts. Amounts are not being reconciled to ensure they are deposited into the correct inmate's account.
- No daily checkouts sheets or daily ledgers were available for the new commissary bank account opened in April 2016.
- Jail commissary money is being used to purchase items to furnish a vending machine for use of jail employees and the public. It was noted a jail employee was allowed to purchase cases of drinks by writing a check and depositing into the commissary account. No receipts were given for these purchases; however, the bookkeeper would write the name of the employee who made the purchase on the deposit slip. In addition, vending machine money is only retrieved every few days by jail employees and given to the bookkeeper to deposit.
- Jail inmate fees of \$50 collected on the week tested were turned over to fiscal court twice in error out of the per diem account and old inmate account.

**HART COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
Fiscal Year Ending June 30, 2016
(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2016-003 The Hart County Jail Commissary Did Not Properly Account For Receipts, Daily Checkout Sheets, And Did Not Deposit Receipts Intact Daily (Continued)

- Court ordered fees of \$65 were collected for drug tests on work release inmates. These fees are put in the safe at the jail instead of deposited daily.

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the State Local Finance Officer has prescribed minimum accounting and reporting standards in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* which is to be used by jailers for jail commissary funds maintained pursuant to KRS 441.135. We recommend the jailer properly account for receipts and daily checkout sheets, and deposit receipts intact daily to comply with the guidelines prescribed by the State Local Finance Officer by maintaining at least the required minimum records.

County Judge/Executive's Response: The official did not respond.

County Jailer's Response: Upon the auditor's recommendations regarding the issue of: Accounts for receipts. All receipts, daily checkout sheets and deposits receipts will be checked daily by the Jailer or the Major. We have also installed [vendor name redacted] commissary software and Kiosk Machine to keep a better record of daily reports. All deposits will be made daily. Court ordered drug test money will be deposited in to a sub account of the inmate commissary account when court ordered.

2016-004 The Hart County Jail Commissary Did Not Remit Sales Tax To The Kentucky Department Of Revenue

The Hart County Jail Commissary did not collect or remit sales tax on all items as required by the Kentucky Department of Revenue. The bookkeeper was unaware she was required to submit sales tax for electronic cigarettes and toilet paper. Failure to submit all sales tax required will understate the amount due on the reports, resulting in penalties and interest being charged. KRS 139.540 and KRS 139.550(1) requires sales tax collected to be reported and paid to the Kentucky Department of Revenue monthly on or before the twentieth day of the next month. We recommend the jailer collect and submit sales tax on all items required by the Kentucky Department of Revenue. In addition, the jail should contact Department of Revenue to see if it is necessary to file any back period returns.

County Judge/Executive's Response: The official did not respond.

County Jailer's Response: Upon the auditor's recommendations regarding the issue of Submitting sales tax for electronic cigarettes and toilet paper. The Jailer will collect and submit all sales on all items required by the Kentucky Department of Revenue. The Jailer will contact the Department of Revenue to see if it is necessary to file any back-period returns.

HART COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
Fiscal Year Ending June 30, 2016
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2016-005 The Hart County Fiscal Court Did Not Properly Disclose Debt On The Quarterly Report And Budget Accordingly

The Hart County Fiscal Court did not report the correct amount of liabilities on the fourth quarter financial report. The fiscal court reported \$8,615,000 for the First Mortgage Revenue Bonds, Series 2007 (Judicial Center Project), while the correct balance should have been \$555,000. The First Mortgage Revenue bonds, Series 2007 were partially defeased by the First Mortgage Refunding Revenue Bonds Series 2015 on February 19, 2015. In addition, the fiscal court reported \$7,065,135 for the First Mortgage Refunding Revenue Bonds Series 2015, while the correct balance should have been \$7,290,000. Furthermore, the fiscal court entered into lease agreements on behalf of the Hart County Solid Waste and the Hart County Library during fiscal year 2016, and the lease proceeds of \$791,981 and total debt payments of \$196,998 were not included in the budget.

The fiscal court was not aware they needed to budget or include these payments since the Hart County Solid Waste and the Hart County Library were making the debt payments directly to the Kentucky Association of Counties. The prior year exit conference was held subsequent to fiscal year 2016; therefore, the fiscal court did not have time to correct this issue. By not correctly reporting or budgeting for outstanding liabilities, the fiscal court cannot make effective management decisions as it relates to debt service outstanding each fiscal year. Total principal debt obligations as of June 30, 2016 were overstated by \$7,835,135 and total interest obligations as of June 30, 2016 were overstated by \$2,443,579 on the liabilities section of the fourth quarter report. In addition, since the fiscal court did not budget or include these debt service payments, the general fund total disbursements exceed budgeted appropriation amounts by \$704,379 after adjustments.

KRS 68.280 states, “[t]he fiscal court may make provision for the expenditure of receipts unanticipated in the original budget by preparing an amendment to the budget, showing the source and amount of the unanticipated receipts and specifying the budget funds that are to be increased thereby.” KRS 68.240(1) states, “[t]he county judge/executive shall annually prepare a proposed budget for the expenditure of all funds, including those from state and federal sources, which are to be expended by the fiscal court in the next fiscal year.” According to the *County Budget Preparation and State Local Finance Officer Policy Manual*, issued by the Department for Local Government (DLG), “[a]ll borrowed money received and repaid must be reflected in the county budget. Any borrowed money that is not reflected in the original budget estimate must be amended into the budget and be properly reflected on the financial report as a receipt as well as an ‘expenditure’ for repayment of borrowed funds.” Furthermore, all funds should be recorded in receipts and appropriation ledgers. DLG’s manual also requires the liabilities section of the fourth quarter financial report to be utilized for reporting all current long-term debt.

We recommend the fiscal court properly disclose all debt on the quarterly financial reports. We also recommend the fiscal court ensure all funds are properly budgeted or prepare budget amendments if necessary, and report the receipt and disbursement of all funds on the quarterly financial reports.

County Judge/Executive’s Response: I did not know this until the closing of 2015/2016 Fiscal Year. The budget as of today has been amended to include this.

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

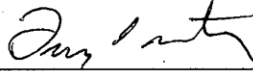
HART COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2016**

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
HART COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2016

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



County Judge/Executive



County Treasurer

