

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

**For The Year Ended
June 30, 2020**



**MIKE HARMON
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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

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 the Oldham County Fiscal Court, for the year ended June 30, 2020, and the related notes to the financial statement which collectively comprise the Oldham County Fiscal Court's financial statement as listed in the table of contents.

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 Oldham County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Oldham County Fiscal Court as of June 30, 2020, 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 Oldham County Fiscal Court as of June 30, 2020, 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Oldham County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards (supplemental information), as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Schedule of Capital Assets (other information) 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.

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Other Matters (Continued)

Supplementary and Other Information (Continued)

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

The Schedule of Capital Assets has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2021, on our consideration of the Oldham County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Oldham County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

July 21, 2021

OLDHAM COUNTY OFFICIALS**For The Year Ended June 30, 2020****Fiscal Court Members:**

David Voegele	County Judge/Executive
Brent Likins	Magistrate
Wayne Theiss	Magistrate
Albert Harrison	Magistrate
Stephen Greenwell, Sr.	Magistrate
Chris Haunz	Magistrate
Stephanie Hawkins	Magistrate
Bob Dye	Magistrate
Michael Logsdon	Magistrate

Other Elected Officials:

John Carter	County Attorney
Mike Simpson	Jailer
Julie Barr	County Clerk
Steve Kaelin	Circuit Court Clerk
Steve Sparrow	Sheriff
Barbara A. Winters	Property Valuation Administrator
David Pendleton	Coroner

Appointed Personnel:

Melissa Horn	County Treasurer
J. Stanley Clark	Chief Financial Officer

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

For The Year Ended June 30, 2020

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

For The Year Ended June 30, 2020

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 15,366,049	\$ 600,000	\$	\$ 134,514
In Lieu Tax Payments	459,504			
Excess Fees	422,178			
Licenses and Permits	925,206			
Intergovernmental	4,232,337	1,555,305	4,727,961	3,369,358
Charges for Services	691,815	16,669	116,838	
Miscellaneous	481,633		233,275	
Interest	431,476	37,203		2,099
Total Receipts	<u>23,010,198</u>	<u>2,209,177</u>	<u>5,078,074</u>	<u>3,505,971</u>
DISBURSEMENTS				
General Government	6,254,235			
Protection to Persons and Property	4,670,300		4,696,523	149,738
General Health and Sanitation	1,055,262			780,045
Social Services	110,000			
Recreation and Culture	1,623,662			134,600
Roads		2,973,999		
Bus Services				43,278
Other Transportation Facilities and Services				2,044,427
Debt Service	1,656,083			
Capital Projects				186,293
Administration	819,199			
Total Disbursements	<u>16,188,741</u>	<u>2,973,999</u>	<u>4,696,523</u>	<u>3,338,381</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>6,821,457</u>	<u>(764,822)</u>	<u>381,551</u>	<u>167,590</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,831,043	2,018,472	167,528	
Transfers To Other Funds	<u>(2,621,324)</u>	<u>(1,216,447)</u>	<u>(549,079)</u>	
Total Other Adjustments to Cash (Uses)	<u>(790,281)</u>	<u>802,025</u>	<u>(381,551)</u>	
Net Change in Fund Balance	6,031,176	37,203		167,590
Fund Balance - Beginning	21,730,137	2,031,652		266,690
Fund Balance - Ending	<u>\$ 27,761,313</u>	<u>\$ 2,068,855</u>	<u>\$ 0</u>	<u>\$ 434,280</u>
Composition of Fund Balance				
Bank Balance	\$ 21,203,676	\$ 2,068,855	\$ 4	\$ 539,081
Plus: Deposits in Transit	975			
Less: Outstanding Checks	(956,525)		(4)	(104,801)
Investments	7,513,187			
Certificates of Deposit				
Fund Balance - Ending	<u>\$ 27,761,313</u>	<u>\$ 2,068,855</u>	<u>\$ 0</u>	<u>\$ 434,280</u>

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

OLDHAM COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2020
(Continued)

Budgeted Funds		Unbudgeted Funds		Private Purpose Trust	
Central Dispatch Fund	County Police Accounts Fund	General Obligation Bond Fund	Jail Commissary Fund	Oldham County Geographical Information Consortium Fund	Total Funds
\$ 680,523	\$	\$	\$	\$	\$ 16,781,086
					459,504
					422,178
					925,206
51,535		1,444,550			15,381,046
	12,070		695,168		825,322
	536	15,102		7,749	1,422,146
<u>732,058</u>	<u>12,606</u>	<u>1,459,652</u>	<u>695,168</u>	<u>7,749</u>	<u>494,165</u>
					36,710,653
					6,254,235
1,129,956	25,808				10,672,325
					1,835,307
					110,000
			661,894		2,420,156
					2,973,999
					43,278
					2,044,427
		1,444,550			3,100,633
		1,747,457			1,933,750
					819,199
<u>1,129,956</u>	<u>25,808</u>	<u>3,192,007</u>	<u>661,894</u>		<u>32,207,309</u>
(397,898)	(13,202)	(1,732,355)	33,274	7,749	4,503,344
435,324					4,452,367
(65,517)					(4,452,367)
<u>369,807</u>					
(28,091)	(13,202)	(1,732,355)	33,274	7,749	4,503,344
109,930	91,629	1,733,290	82,077	62,182	26,107,587
<u>\$ 81,839</u>	<u>\$ 78,427</u>	<u>\$ 935</u>	<u>\$ 115,351</u>	<u>\$ 69,931</u>	<u>\$ 30,610,931</u>
\$ 85,436	\$ 78,427	\$ 935	\$ 130,235	\$ 21,846	\$ 24,128,495
					975
(3,597)			(14,884)		(1,079,811)
					7,513,187
				48,085	48,085
<u>\$ 81,839</u>	<u>\$ 78,427</u>	<u>\$ 935</u>	<u>\$ 115,351</u>	<u>\$ 69,931</u>	<u>\$ 30,610,931</u>

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

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**OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2020

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Oldham County includes all budgeted and unbudgeted funds under the control of the Oldham County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act 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.

The Oldham County Environmental Authority and the Oldham County Ambulance Taxing District would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, they are no longer are required components of the reporting entity. Audits of the following entities can be obtained from the Oldham County Fiscal Court by contacting Chief Finance Officer Stan Clark, 100 West Jefferson Street, La Grange, KY 40031. As of the end of fieldwork the following audits were completed: Oldham County Environmental Authority and the Oldham County Ambulance Tax District.

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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

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

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

Unbudgeted Funds

General Obligation Bond Fund - The purpose of this fund is to account for debt service requirements of the lease agreement and the general obligation bonds, series 2009, 2014, and 2017 for project related to the Oldham County Environmental Authority. The Department for Local Government does not require the fiscal court to budget this fund.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund.

Private Purpose Trust Funds

Private purpose trust funds are used to report all trust arrangements with principal and income benefit to individuals, private organizations, or other governments. The fiscal court has the following private purpose trust fund:

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(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 Governmental 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.

E. Oldham County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Oldham County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of the Oldham County Fiscal Court.

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

F. Deposits and Investments

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

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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

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

G. Long-term Obligations

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

Note 2. Deposits and Investments

A. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were 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, 2020, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments

As of June 30, 2020, the fiscal court had the following investments and maturities:

Type	Cost Basis	Maturities (In Years)	
			Less Than 1
Cash Equivalents:			
U.S. Government Securities	\$ 544,726	\$	
Investments:			
Mortgage Backed Securities	6,968,461		6,968,461
Total Investments	<u>7,513,187</u>		<u>6,968,461</u>
Total Fund Balance	<u>\$ 7,513,187</u>	\$	<u>6,968,461</u>

Custodial Credit Risk is the risk that, in the event of failure of the counterparty, the fiscal court will not be able to recover the value of its certificates of deposit, investments, or collateral securities that are in the possession of an outside party. The fiscal court's investment policy requires counterparties to provide sufficient collateral or other insurance if any investments or deposits exceed the insurance provided by Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). All investments must be held by the counterparty in the fiscal court's name. The fiscal court has \$48,085 of certificates of deposit and \$7,513,187 of investments in securities held by the counterparties' trust departments in the fiscal court's name. The counterparty maintains the \$48,085 of certificates of deposit at depository institutions insured by the FDIC and limits certificates of deposit at each depository institution to the \$250,000 FDIC coverage limit. In addition, the SIPC provides up to \$500,000 coverage for securities and cash (limit of \$250,000 for cash) per client and the counterparties maintain additional insurance coverage for loss of securities and cash above the coverage provided by FDIC and SIPC.

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

- 1) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;
- 2) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
 - a. United States Treasury;
 - b. Export-Import Bank of the United States;
 - c. Farmers Home Administration;
 - d. Government National Mortgage Corporation; and
 - e. Merchant Marine bonds;

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

- 3) Obligations of any corporation of the United States government, including but not limited to:
 - a. Federal Home Loan Mortgage Corporation;
 - b. Federal Farm Credit Banks;
 - c. Bank for Cooperatives;
 - d. Federal Intermediate Credit Banks;
 - e. Federal Land Banks;
 - f. Federal Home Loan Banks;
 - g. Federal National Mortgage Association; and
 - h. Tennessee Valley Authority;
- 4) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- 5) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;
- 6) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;
- 7) Commercial paper rated in the highest category by a competent rating agency;
- 8) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- 9) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;
- 10) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:
 - a. The mutual funds shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended.
 - b. The management company of the investment company shall have been in operation for at least five years; and
 - c. All of the securities in the mutual fund shall be eligible investments pursuant to this section;
- 11) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and
- 12) Individual high-quality corporate bonds that are managed by a professional investment manager that:
 - a. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
 - b. Have a standard maturity of no more than ten years; and
 - c. Are rated in the three highest rating categories by at least two competent credit rating agencies.

The fiscal court is limited to investing no more than 20 percent in categories 5, 6, 7, 9, and 10 above per state statute and the fiscal court's investment policy. As of June 30, 2020, the fiscal court has no investments in these categories.

The fiscal court's rated investments, as of June 30, 2020, and the ratings are presented in the table below. All issuers of the securities are located in the Commonwealth of Kentucky.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

Type	AAA/Aaa	AA/Aa	Cost Basis
Cash Equivalents			
U.S. Government Securities	\$ 544,726		\$ 544,726
Investments:			
Mortgage Backed Securities		6,968,461	6,968,461
Total Investments		6,968,461	6,968,461
Total Fund Balance	\$ 544,726	6,968,461	\$ 7,513,187

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the fiscal court's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk, which are 7 percent of the fiscal court's investments. The other 93 percent of the fiscal court's total investments, are comprised of mortgage-backed securities. All of these investments are reported in the fiscal court's general fund as cash and cash equivalents.

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

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

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2020.

	General Fund	Road Fund	Jail Fund	Central Dispatch Fund	Total Transfers In
General Fund	\$	\$ 1,216,447	\$ 549,079	\$ 65,517	\$ 1,831,043
Road Fund	2,018,472				2,018,472
Jail Fund	167,528				167,528
Central Dispatch Fund	435,324				435,324
Total Transfers Out	\$ 2,621,324	\$ 1,216,447	\$ 549,079	\$ 65,517	\$ 4,452,367

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 3. Transfers (Continued)

Reason for transfers:

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

Note 4. Custodial Funds

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

The fiscal court has the following custodial funds:

Planning and Zoning Bond Escrow Fund - This fund accounts for funds received from contractors and held until a project is finished. The balance in the planning and zoning bond escrow fund as of June 30, 2020 was \$1,660,433.

County Police Seized Funds Fund - This fund accounts for funds seized by the Oldham County Police and held until the court system issues orders on what to do with the funds. The balance in the county police seized funds fund as of June 30, 2020 was \$23,958.

Note 5. Private Purpose Trust Fund

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

The fiscal court has the following private purpose trust fund:

Oldham County Geographical Information Consortium (OGIC) Fund - This fund accounts for funds received through an interlocal agreement with various government agencies in Oldham County. The purpose of this agreement is to conserve public resources and prevent unnecessary duplication of services, by utilization of certain technological improvements at Oldham County Planning and Development described as Geographic Information System (GIS) Technology. The balance in the OGIC Fund as of June 30, 2020 was \$69,931.

Note 6. Land Held For Resale

The Oldham County Fiscal Court issued general obligation notes of \$5,438,377, series 2008, dated November 25, 2008, for the purpose of refunding some of the Oldham-LaGrange Development Authority's (OLDA), a joint venture of the Oldham County Fiscal Court and the City of LaGrange; general obligation lease revenue notes, series A, 2005 and series B, 2005 dated July 1, 2005. The fiscal court is to be paid from land sales by OLDA. In January 2012, the fiscal court paid off series C of general obligation lease revenue notes of \$2,275,000 for OLDA. In addition to debt principal, the fiscal court paid interest on behalf of OLDA of \$21,900 in fiscal year 2020. As of June 30, 2020, the fiscal court is due \$11,241,967 in proceeds from sale of land held by OLDA.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 6. Land Held For Resale (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
OLDA	\$ 11,220,067	\$ 21,900	\$	\$ 11,241,967
Total	<u>\$ 11,220,067</u>	<u>\$ 21,900</u>	<u>\$ 0</u>	<u>\$ 11,241,967</u>

Note 7. Long-term Debt

A. Direct Borrowings and Direct Placements

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

On June 14, 2001, the fiscal court, on behalf of the Oldham County Environmental Authority (formerly the sewer district) entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the amount of \$4,000,000 at an interest rate of 4.94% for acquisition of various local wastewater treatment facilities, renovation thereto, and the professional and administrative fees incurred in this acquisition. The lease term is for 30 years with the balance to be paid in full on January 20, 2031. In the event the lease is terminated by both parties performing their agreed to conditions, the title of the property named in the lease will be conveyed to the county. The Oldham County Environmental Authority makes the principal and interest payments to U.S. Bank (the trustee). The principal and note receivable, balance on the lease was \$2,180,000 as of June 30, 2020. Principal payment requirements and scheduled interest for the remaining term of the agreement are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2021	\$ 150,000	\$ 121,152
2022	160,000	112,332
2023	170,000	102,939
2024	175,000	93,093
2025	185,000	82,842
2026-2030	1,085,000	239,896
2031	<u>255,000</u>	<u>8,511</u>
Totals	<u>\$ 2,180,000</u>	<u>\$ 760,765</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Long-term Debt (Continued)

B. Other Debt

1. General Obligation Bonds, Refunding Series 2009 and Note Receivable - Oldham County Sewer District Project

The Oldham County Fiscal Court issued general obligation notes of \$7,335,000, series 2009, dated October 22, 2009, for the purpose of refunding the 2005 lease project of the Oldham County Environmental Authority (formerly the sewer district) lease purchase agreement dated December 13, 2005. The 2009 series bonds were issued at varying interest rates ranging from 2.0% to 4.0% and will be retired by October 1, 2029. On September 5, 2017, bonds maturing after October 1, 2023 in the amount of \$3,280,000 were refinanced in a legal defeasance (see Note 7.B.5). Interest payments are due on April 1 and interest and principal on October 1. The Oldham County Environmental Authority makes the principal and interest payments to the trustee. In the event of default, the county can compel the Oldham County Environmental Authority to perform all duties related to the agreement, and if a suit is filed by the county, a court may appoint a receiver to administer the system on behalf of the district to charge rates sufficient to provide the principal and interest payments and to operate the system. The principal and note receivable balance on the bonds was \$1,155,000 as of June 30, 2020. Principal payment requirements and scheduled interest for the remaining term of the agreement are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2021	\$ 370,000	\$ 34,565
2022	385,000	21,538
2023	400,000	7,400
Totals	<u>\$ 1,155,000</u>	<u>\$ 63,503</u>

2. General Obligation Bonds, Refunding Series 2012

The Oldham County Fiscal Court issued general obligation bonds of \$4,055,000, Series 2012, dated December 19, 2012, for the purpose of refunding all or a portion of its outstanding County of Oldham, Kentucky General Obligation Bonds (Courthouse Annex Project), Series 2002, dated June 1, 2002, in the original principal amount of \$3,170,000 and General Obligation Lease Agreement (the "2005D Lease") with the Oldham-LaGrange Development Authority, in connection with the issuance of the Oldham-LaGrange Development Authority General Obligation Lease Revenue Bonds (County of Oldham) 2005 Series D, dated July 1, 2005, in the original principal amount of \$2,720,000. The 2012 series bonds were issued at varying interest rates ranging from 2.0% to 2.5% and will be retired by December 1, 2030. Interest payments are due on June 1 and interest and principal on December 1. In the event of default the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2020, was \$2,315,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Long-term Debt (Continued)

B. Other Debt (Continued)

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

Fiscal Year Ended June 30	Principal	Scheduled Interest
2021	\$ 550,000	\$ 42,950
2022	560,000	31,850
2023	125,000	25,000
2024	125,000	22,500
2025	125,000	20,000
2026-2030	685,000	58,787
2031	145,000	1,813
Totals	<u>\$ 2,315,000</u>	<u>\$ 202,900</u>

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

The Oldham County Fiscal Court on behalf of the Oldham County Environmental Authority (formerly the sewer district) issued general obligation bonds of \$9,790,000 Series 2014, dated November 1, 2014, for construction of certain extensions, additions, and improvements to various local wastewater treatment facilities. The 2014 series bonds were issued at varying interest rates ranging from 3.0% to 3.2% and will be retired by December 1, 2034. The Oldham County Environmental Authority makes the principal and interest payments to U.S. Bank (the trustee). Interest payments are due on June 1 and interest and principal on December 1. In the event of default the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2020, was \$7,865,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2021	\$ 420,000	\$ 235,710
2022	435,000	222,885
2023	445,000	209,685
2024	460,000	196,110
2025	475,000	182,085
2026-2030	2,600,000	684,300
2031-2035	3,030,000	248,480
Totals	<u>\$ 7,865,000</u>	<u>\$ 1,979,255</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Long-term Debt (Continued)

B. Other Debt (Continued)

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

The Oldham County Fiscal Court issued general obligation bonds of \$7,620,000, Series 2016, dated December 6, 2016, for the purpose of financing some of the construction costs of the detention center project. The 2016 series bonds were issued at an interest rate which varies from 3.00 to 4.00% and with a 20 year term will be retired by June 30, 2037. Annual interest payments are due on June 30 until June 30, 2030, when annual interest and principal payments become due each June 30. In the event of default the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2020, was \$7,620,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2021	\$	\$ 247,469
2022		247,469
2023		247,469
2024		247,468
2025		247,469
2026-2030	400,000	1,229,344
2031-2035	4,995,000	748,831
2036-2037	<u>2,225,000</u>	<u>72,196</u>
Totals	<u>\$ 7,620,000</u>	<u>\$ 3,287,715</u>

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

The Oldham County Fiscal Court issued general obligation refunding bonds of \$3,561,946, series 2017, dated September 5, 2017, for the purpose of refinancing the callable portion of the general obligation bonds, refunding series 2009 (see Note 7.B.1). The 2017 series bonds were issued at an interest rate 2.080% and with a 12 year term and will be retired by October 1, 2029. Interest payments are due on April 1: principal and interest are due on October 1. In the event of default the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2020, was \$3,432,783. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Long-term Debt (Continued)

B. Other Debt (Continued)

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

Fiscal Year Ended June 30	Principal	Scheduled Interest
2021	\$ 33,978	\$ 71,049
2022	34,692	70,334
2023	35,421	69,605
2024	447,140	64,587
2025	454,618	55,208
2026-2030	<u>2,426,934</u>	<u>128,098</u>
Totals	<u>\$ 3,432,783</u>	<u>\$ 458,881</u>

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

The Oldham County Fiscal Court issued general obligation bonds of \$8,100,000, series 2017, dated September 7, 2017, for the purpose of financing some of the construction costs of the detention center project. The 2017 series bonds were issued at an interest rate which varies from 2.00 to 3.05% and with a 12 year term will be retired by December 1, 2029. Interest payments are due on June 1 and interest and principal on December 1. In the event of default the bonds may be declared due and payable by the purchaser. The principal balance on June 30, 2020, was \$6,845,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2021	\$ 645,000	\$ 172,953
2022	660,000	159,078
2023	675,000	144,059
2024	690,000	127,840
2025	710,000	109,453
2026-2030	<u>3,465,000</u>	<u>237,920</u>
Totals	<u>\$ 6,845,000</u>	<u>\$ 951,303</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Long-term Debt (Continued)

C. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 2,325,000	\$	\$ 145,000	\$ 2,180,000	\$ 150,000
General Obligation Bonds	31,206,062		1,973,279	29,232,783	2,018,978
Total Long-term Debt	<u>\$ 33,531,062</u>	<u>\$ 0</u>	<u>\$ 2,118,279</u>	<u>\$31,412,783</u>	<u>\$ 2,168,978</u>

D. Aggregate Debt Schedule

Aggregate debt schedule is as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 2,018,978	\$ 804,696	\$ 150,000	\$ 121,152
2022	2,074,692	753,154	160,000	112,332
2023	1,680,421	703,218	170,000	102,939
2024	1,722,140	658,505	175,000	93,093
2025	1,764,618	614,215	185,000	82,842
2026-2030	9,576,934	2,338,449	1,085,000	239,896
2031-2035	8,170,000	999,124	255,000	8,511
2036-2037	2,225,000	72,196		
Total Long-term Debt	<u>\$ 29,232,783</u>	<u>\$ 6,943,557</u>	<u>\$ 2,180,000</u>	<u>\$ 760,765</u>

E. On-Behalf Payments

For fiscal year ended June 30, 2020, all debt payments related to the Oldham County Environmental Authority were timely paid by the Authority. Funds to make these payments are from service charges paid by the sewer customers. The debt was issued by the Oldham County Fiscal Court for the benefit of the Oldham County Environmental Authority, with the Authority agreeing to make all payments and charging service charges at rates to make the payments. The payments made by the Authority are shown on the Statement of Receipts, Disbursements, and Changes in Fund Balance under the general obligation bond fund as intergovernmental receipts and debt service disbursements in the amount of \$1,444,550.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 8. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). 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.

The county's contribution for FY 2018 was \$1,862,713, FY 2019 was \$2,189,903, and FY 2020 was \$2,501,531.

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 KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute 5 percent of their annual creditable compensation. Nonhazardous members also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KRS 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 24.06 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 KRS 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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 8. Employee Retirement System (Continued)

Hazardous (Continued)

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

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

The county's contribution rate for hazardous employees was 39.58 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

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

Benefits are covered under KRS 161.714 with exception of COLA and retiree health benefits after July 2003.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 8. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

Tier 2 member benefits are covered by KRS 161.714 with exception of COLA and retiree health benefits after July 2003. Tier 3 members are not covered by the same provisions.

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

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

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

D. Cost of Living Adjustments - Tier 1

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 8. Employee Retirement System (Continued)

KRS Annual Financial Report and Proportionate Share Audit Report

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

Note 9. Deferred Compensation

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

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

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

Note 10. Health Reimbursement Account

The Oldham County Fiscal Court provides a Health Reimbursement Arrangement (HRA) to assist employees and dependents to cover the cost of the deductible and out of pocket costs in relation to the 2020 health insurance plan. For single coverage, the plan has an upfront deductible of \$4,000, 20% coinsurance (\$1,000) after the deductible, and total maximum out of pocket of \$5,000. The HRA will reimburse the employee after the employee reaches \$1,800 in total cost. The remaining \$3,200 is covered through reimbursements of the HRA. The insurance plan will pay at 100% thereafter for normal covered claims. For family coverage, the plan has an upfront deductible of \$8,000, 20% coinsurance (\$2,000) after the deductible, and total maximum out of pocket of \$10,000. The HRA will reimburse the first family member of the employee who incurs claims after \$2,800 in total cost. If a second family member of the employee incurs claims, he/she will be responsible for \$1,200 in total cost. Once a family reaches a total of \$4,000 in total cost, those costs will be covered at 100%. The HRA covers the remaining \$6,000. The insurance plan will pay at 100% thereafter for normal covered claims.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 11. Insurance

For the fiscal year ended June 30, 2020, the Oldham County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 12. Related Party Transaction

An assistant county attorney received \$1,335 in land closing fees from the Oldham County Fiscal Court.

Note 13. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to a local company for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Oldham County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2020, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2020

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OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2020

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 13,368,300	\$ 13,368,300	\$ 15,366,049	\$ 1,997,749
In Lieu Tax Payments	455,000	455,000	459,504	4,504
Excess Fees	402,900	402,900	422,178	19,278
Licenses and Permits	952,626	952,626	925,206	(27,420)
Intergovernmental	3,874,107	3,874,107	4,232,337	358,230
Charges for Services	794,401	794,401	691,815	(102,586)
Miscellaneous	256,365	256,365	481,633	225,268
Interest	306,000	306,000	431,476	125,476
Total Receipts	<u>20,409,699</u>	<u>20,409,699</u>	<u>23,010,198</u>	<u>2,600,499</u>
DISBURSEMENTS				
General Government	8,273,940	8,280,659	6,254,235	2,026,424
Protection to Persons and Property	5,329,453	5,324,339	4,670,300	654,039
General Health and Sanitation	1,335,236	1,335,236	1,055,262	279,974
Social Services	75,000	110,000	110,000	
Recreation and Culture	2,061,577	2,061,577	1,623,662	437,915
Debt Service	1,657,021	1,657,021	1,656,083	938
Administration	951,996	915,391	819,199	96,192
Total Disbursements	<u>19,684,223</u>	<u>19,684,223</u>	<u>16,188,741</u>	<u>3,495,482</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>725,476</u>	<u>725,476</u>	<u>6,821,457</u>	<u>6,095,981</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			1,831,043	1,831,043
Transfers To Other Funds	(2,831,062)	(2,831,062)	(2,621,324)	209,738
Total Other Adjustments to Cash (Uses)	<u>(2,831,062)</u>	<u>(2,831,062)</u>	<u>(790,281)</u>	<u>2,040,781</u>
Net Change in Fund Balance	(2,105,586)	(2,105,586)	6,031,176	8,136,762
Fund Balance Beginning	<u>2,105,586</u>	<u>2,105,586</u>	<u>21,730,137</u>	<u>19,624,551</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,761,313</u>	<u>\$ 27,761,313</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 600,000	\$ 600,000	\$ 600,000	\$
Intergovernmental	1,552,640	1,552,640	1,555,305	2,665
Charges for services			16,669	16,669
Interest	10,000	10,000	37,203	27,203
Total Receipts	<u>2,162,640</u>	<u>2,162,640</u>	<u>2,209,177</u>	<u>46,537</u>
DISBURSEMENTS				
Roads	3,630,745	3,630,745	2,973,999	656,746
Total Disbursements	<u>3,630,745</u>	<u>3,630,745</u>	<u>2,973,999</u>	<u>656,746</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,468,105)</u>	<u>(1,468,105)</u>	<u>(764,822)</u>	<u>703,283</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,468,105	1,468,105	2,018,472	550,367
Transfers To Other Funds			(1,216,447)	(1,216,447)
Total Other Adjustments to Cash (Uses)	<u>1,468,105</u>	<u>1,468,105</u>	<u>802,025</u>	<u>550,367</u>
Net Change in Fund Balance			37,203	37,203
Fund Balance Beginning			<u>2,031,652</u>	<u>2,031,652</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,068,855</u>	<u>\$ 2,068,855</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 4,037,486	\$ 4,037,486	\$ 4,727,961	\$ 690,475
Charges for Services	136,339	136,339	116,838	(19,501)
Miscellaneous	182,798	182,798	233,275	50,477
Total Receipts	<u>4,356,623</u>	<u>4,356,623</u>	<u>5,078,074</u>	<u>721,451</u>
DISBURSEMENTS				
Protection to Persons and Property	4,767,457	4,767,457	4,696,523	70,934
Total Disbursements	<u>4,767,457</u>	<u>4,767,457</u>	<u>4,696,523</u>	<u>70,934</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(410,834)</u>	<u>(410,834)</u>	381,551	<u>792,385</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	410,834	410,834	167,528	(243,306)
Transfers To Other Funds			(549,079)	(549,079)
Total Other Adjustments to Cash (Uses)	<u>410,834</u>	<u>410,834</u>	<u>(381,551)</u>	<u>(792,385)</u>
Net Change in Fund Balance				
Fund Balance Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 134,600	\$ 134,600	\$ 134,514	\$ (86)
Intergovernmental	10,777,699	10,777,699	3,369,358	(7,408,341)
Interest	2,500	2,500	2,099	(401)
Total Receipts	10,914,799	10,914,799	3,505,971	(7,408,828)
DISBURSEMENTS				
General Government				
Protection to Persons and Property	257,995	257,995	149,738	108,257
General Health and Sanitation	2,887,325	2,907,325	780,045	2,127,280
Recreation and Culture	289,320	289,320	134,600	154,720
Bus Services	45,000	45,000	43,278	1,722
Other Transportation Facilities and Services	7,547,814	7,527,814	2,044,427	5,483,387
Capital Projects	213,333	213,333	186,293	27,040
Total Disbursements	11,240,787	11,240,787	3,338,381	7,902,406
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(325,988)	(325,988)	167,590	493,578
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	325,988	325,988		(325,988)
Total Other Adjustments to Cash (Uses)	325,988	325,988		(325,988)
Net Change in Fund Balance			167,590	167,590
Fund Balance Beginning			266,690	266,690
Fund Balance - Ending	\$ 0	\$ 0	\$ 434,280	\$ 434,280

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	CENTRAL DISPATCH FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 636,460	\$ 636,460	\$ 680,523	\$ 44,063
Intergovernmental	51,458	51,458	51,535	77
Total Receipts	<u>687,918</u>	<u>687,918</u>	<u>732,058</u>	<u>44,140</u>
DISBURSEMENTS				
Protection to Persons and Property	1,314,053	1,314,053	1,129,956	184,097
Total Disbursements	<u>1,314,053</u>	<u>1,314,053</u>	<u>1,129,956</u>	<u>184,097</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(626,135)</u>	<u>(626,135)</u>	<u>(397,898)</u>	<u>228,237</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	626,135	626,135	435,324	(190,811)
Transfers To Other Funds			(65,517)	(65,517)
Total Other Adjustments to Cash (Uses)	<u>626,135</u>	<u>626,135</u>	<u>369,807</u>	<u>(256,328)</u>
Net Change in Fund Balance			(28,091)	(28,091)
Fund Balance Beginning			<u>109,930</u>	<u>109,930</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 81,839</u>	<u>\$ 81,839</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

COUNTY POLICE ACCOUNTS FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 11,500	\$ 11,500	\$ 12,070	\$ 570
Interest	700	700	536	(164)
Total Receipts	<u>12,200</u>	<u>12,200</u>	<u>12,606</u>	<u>406</u>
DISBURSEMENTS				
Protection to Persons and Property	12,200	31,739	25,808	5,931
Total Disbursements	<u>12,200</u>	<u>31,739</u>	<u>25,808</u>	<u>5,931</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		<u>(19,539)</u>	<u>(13,202)</u>	<u>6,337</u>
Net Change in Fund Balance		(19,539)	(13,202)	6,337
Fund Balance Beginning		<u>19,539</u>	<u>91,629</u>	<u>72,090</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 78,427</u>	<u>\$ 78,427</u>

OLDHAM COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2020

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 Governmental 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.

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

For The Year Ended June 30, 2020

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OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of Justice</u>				
<i>Direct Program</i>				
Equitable Sharing Program	16.922	KY0930400	\$ _____	\$ 25,932
Total U.S. Department of Justice			_____	25,932
<u>U. S. Department of Transportation</u>				
<i>Passed-Through State Transportation Cabinet</i>				
Highway Planning & Construction - KY1793 Sidewalk	20.205	05-440.10		154,431
Highway Planning & Construction - Old Floyd'sburg Road Safety	20.205	05-494.00		23,495
Highway Planning & Construction - Springhill Trace Sidewalk	20.205	05-757.00		37,067
Highway Planning & Construction - Park & Ride Apple Patch	20.205	05-468.00		1,396,935
Highway Planning & Construction - KY329 Realignment	20.205	05-542.00		2,252
Highway Planning & Construction - Rail Underpass	20.205	05-434.00		5,600
Highway Planning & Construction - Buckner Connector	20.205	05-754.00	_____	15,611
Sub-Total Highway Planning & Construction			_____	1,635,391
<i>Passed-Through State Transportation Cabinet</i>				
State & Community Highway Safety - Police Traffic	20.600	PT-2019-HY-46		3,101
National Priority Safety Programs - Occupant Protection	20.616	M2HVE-19-10		25,687
National Priority Safety Programs - Occupant Protection	20.616	M2HVE-20-07	_____	26,923
Sub-Total			_____	55,711
Total U.S. Department of Transportation			_____	1,691,102
<u>U. S. Department of the Treasury</u>				
<i>Passed-Through State Department for Local Government</i>				
Coronavirus Relief Fund for States - Oldham County C144	21.019	PON2-112-2100000171-1	_____	1,085,962
Total U.S. Department of the Treasury			_____	1,085,962
<u>U. S. Environmental Protection Agency</u>				
<i>Passed-Through State Division of Water</i>				
Non-Point Source - Curry's Fork Implementation	66.460	PON2-129-1500001111-1	_____	111,776
Total U.S. Environmental Protection Agency			_____	111,776

The accompanying notes are an integral part of this schedule

OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2020
(Continued)

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of Health & Human Services</u>				
<i>Direct Program</i>				
Drug-Free Communities	93.276	1H79SP020554-01	\$ _____	\$ 56,700
Total U.S. Department of Health & Human Services			_____	56,700
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through State Division of Emergency Management</i>				
Flood Mitigation Assistance (FY15 Oldham County)	97.029	PON2-095-1700000729-1		234,434
Flood Mitigation Assistance (FY16 Oldham County SRL)	97.029	PON2-095-2000002803-1		75,000
Flood Mitigation Assistance (Oldham County Harmony Village Elevation)	97.029	PON2-095-1900003231-1		282,754
Flood Mitigation Assistance (Oldham County Oldham Acres Elevation)	97.029	PON2-095-1900003232-1		112,247
Sub-Total Flood Mitigation Assistance			_____	704,435
<i>Passed-Through State Division of Emergency Management</i>				
Emergency Management Performance (2018)	97.042	SC-095-1900000978-1		4,780
Emergency Management Performance (2019)	97.042	SC-095-2000000513-1		29,065
Sub-total Emergency Management Performance			_____	33,845
Total U.S. Department of Homeland Security			_____	738,280
Total Expenditures of Federal Awards			\$ 0	\$3,709,752

The accompanying notes are an integral part of this schedule

OLDHAM COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Oldham County, Kentucky under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Oldham County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Oldham County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

Note 4. Non-cash Expenditures

Oldham County received 25 no-contact thermometers under CFDA 21.019 for health and safety due to the COVID19 pandemic at a value of \$1,160 (\$46.40 each).

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

For The Year Ended June 30, 2020

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OLDHAM COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2020

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 3,605,265	\$ 220,377	\$ 55,000	\$ 3,770,642
Construction in Progress	3,639,005	1,833,821	3,734,376	1,738,450
Buildings	16,618,770		231,177	16,387,593
Land and Building Improvements	27,160,050	156,605	53,837	27,262,818
Vehicles	5,050,492	721,546	19,137	5,752,901
Equipment	5,498,008	298,145	51,052	5,745,101
Infrastructure	30,911,897	5,404,700	7,158	36,309,439
 Total Capital Assets	 \$ 92,483,487	 \$ 8,635,194	 \$ 4,151,737	 \$ 96,966,944

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

June 30, 2020

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	\$ 5,000	20-25
Buildings and Building Improvements	\$ 5,000	10-60
Equipment	\$ 5,000	3-20
Vehicles	\$ 5,000	3-12
Infrastructure	\$ 5,000	12-25

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

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable David Voegelé, Oldham County Judge/Executive
Members of the Oldham 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 Oldham County Fiscal Court for the fiscal year ended June 30, 2020, and the related notes to the financial statement which collectively comprise the Oldham County Fiscal Court's financial statement and have issued our report thereon dated July 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Oldham County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Oldham County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oldham County Fiscal Court's internal control.

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

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



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

Compliance And Other Matters

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

Purpose of this Report

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

Respectfully submitted,

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

Mike Harmon
Auditor of Public Accounts

July 21, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH UNIFORM GUIDANCE**

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable David Voegelé, Oldham County Judge/Executive
Members of the Oldham County Fiscal Court

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

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Oldham County Fiscal Court's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Oldham County Fiscal Court's major federal programs for the year ended June 30, 2020. The Oldham County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Oldham County Fiscal Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Oldham County Fiscal Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Oldham County Fiscal Court's compliance.



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

Opinion on Each Major Federal Program

In our opinion, the Oldham County Fiscal Court complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Oldham County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Oldham County Fiscal Court's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oldham County Fiscal Court's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

July 21, 2021

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

For The Year Ended June 30, 2020

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

For The Year Ended June 30, 2020

Section I: Summary of Auditor's Results

Financial Statement

Type of report auditor issued: Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
21.019	Coronavirus Relief Funds For States

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

**OLDHAM COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020
(Continued)**

Section II: Financial Statement Findings

None.

Section III: Federal Awards Findings

None.

Section IV: Schedule of Prior Audit Findings

None.

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

OLDHAM COUNTY FISCAL COURT

For The Year Ended June 30, 2020

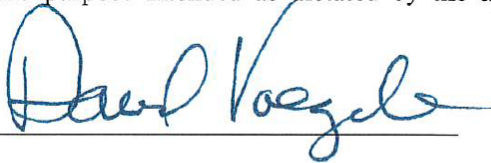
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CERTIFICATION OF COMPLIANCE

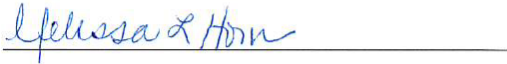
OLDHAM COUNTY FISCAL COURT

For The Year Ended June 30, 2020

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

A handwritten signature in blue ink, appearing to read "Paul Voegelé", written over a horizontal line.

County Judge/Executive

A handwritten signature in blue ink, appearing to read "Melissa R. Horn", written over a horizontal line.

County Treasurer