

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

**For The Year Ended
June 30, 2019**

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To the People of Kentucky

The Honorable Matthew G. Bevin, Governor

William M. Landrum III, 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, 2019, 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.

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

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, 2019, 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, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Oldham County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, 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) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.


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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2019 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,

A handwritten signature in cursive script that reads "Roy W. Hunter". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Roy W. Hunter, CPA, PLLC
Lexington, Kentucky
September 27, 2019

OLDHAM COUNTY OFFICIALS**For The Year Ended June 30, 2019****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, 2019

OLDHAM COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2019

	<u>Budgeted Funds</u>		
	<u>General</u>	<u>Road</u>	<u>Jail</u>
RECEIPTS			
Taxes	\$ 13,639,413	\$ 600,000	\$
In Lieu Tax Payments	463,515		
Excess Fees	379,160		
Licenses and Permits	866,021		
Intergovernmental	4,118,168	1,638,464	3,792,851
Charges for Services	689,966		181,215
Miscellaneous	1,420,224	92,021	189,525
Interest	328,239	35,176	
Total Receipts	<u>21,904,706</u>	<u>2,365,661</u>	<u>4,163,591</u>
DISBURSEMENTS			
General Government	6,488,599		
Protection to Persons and Property	7,175,710		4,472,925
General Health and Sanitation	1,080,486		
Social Services	75,000		
Recreation and Culture	1,177,620		
Roads		3,000,422	
Bus Services			
Other Transportation Facilities and Services			
Debt Service	1,659,508		
Capital Projects	837,842		
Administration	288,035		
Total Disbursements	<u>18,782,800</u>	<u>3,000,422</u>	<u>4,472,925</u>
Excess (Deficiency) of Receipts Over			
Disbursements Before Other			
Adjustments to Cash (Uses)	<u>3,121,906</u>	<u>(634,761)</u>	<u>(309,334)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	1,283,684	1,552,227	613,850
Transfers To Other Funds	<u>(2,619,827)</u>	<u>(882,290)</u>	<u>(304,516)</u>
Total Other Adjustments to Cash (Uses)	<u>(1,336,143)</u>	<u>669,937</u>	<u>309,334</u>
Net Change in Fund Balance	1,785,763	35,176	
Fund Balance - Beginning	19,944,374	1,996,476	
Fund Balance - Ending	<u>\$ 21,730,137</u>	<u>\$ 2,031,652</u>	<u>\$ 0</u>
Composition of Fund Balance			
Bank Balance	\$ 22,234,017	\$ 2,031,652	\$
Plus: Deposits In Transit	16,820		
Less: Outstanding Checks	(520,700)		
Certificates of Deposit			
Fund Balance - Ending	<u>\$ 21,730,137</u>	<u>\$ 2,031,652</u>	<u>\$ 0</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, 2019
(Continued)

Budgeted Funds		
Local Government Economic Assistance	Central Dispatch	County Police Accounts
\$ 143,326	\$ 678,429	\$
1,340,885	49,937	
2,513		1,889
<u>1,486,724</u>	<u>728,366</u>	<u>505</u>
		<u>2,394</u>
10,000	1,120,349	
628,659		
405,114		
139,053		
41,731		
474,083		
142,618		
<u>1,841,258</u>	<u>1,120,349</u>	
<u>(354,534)</u>	<u>(391,983)</u>	<u>2,394</u>
	453,750	
	(96,878)	
	<u>356,872</u>	
(354,534)	(35,111)	2,394
621,224	145,041	89,235
<u>\$ 266,690</u>	<u>\$ 109,930</u>	<u>\$ 91,629</u>
\$ 327,224	\$ 113,425	\$ 91,599
		30
(60,534)	(3,495)	
<u>\$ 266,690</u>	<u>\$ 109,930</u>	<u>\$ 91,629</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, 2019
(Continued)

	<u>Unbudgeted Funds</u>		<u>Private Purpose Trust</u>	
	<u>General Obligation Bond Fund</u>	<u>Jail Commissary</u>	<u>Information Consortium Trust</u>	<u>Total</u>
RECEIPTS				
Taxes	\$	\$	\$	\$ 15,061,168
In Lieu Tax Payments				463,515
Excess Fees				379,160
Licenses and Permits				866,021
Intergovernmental	655,235		6,426	11,601,966
Charges for Services				871,181
Miscellaneous		525,728		2,229,387
Interest	31,561		617	398,611
Total Receipts	<u>686,796</u>	<u>525,728</u>	<u>7,043</u>	<u>31,871,009</u>
DISBURSEMENTS				
General Government				6,488,599
Protection to Persons and Property			22,203	12,801,187
General Health and Sanitation				1,709,145
Social Services				480,114
Recreation and Culture		506,511		1,823,184
Roads				3,000,422
Bus Services				41,731
Other Transportation Facilities and Services				474,083
Debt Service	655,235			2,314,743
Capital Projects				980,460
Administration				288,035
Total Disbursements	<u>655,235</u>	<u>506,511</u>	<u>22,203</u>	<u>30,401,703</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>31,561</u>	<u>19,217</u>	<u>(15,160)</u>	<u>1,469,306</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds				3,903,511
Transfers To Other Funds				(3,903,511)
Total Other Adjustments to Cash (Uses)				
Net Change in Fund Balance	31,561	19,217	(15,160)	1,469,306
Fund Balance - Beginning	1,701,729	62,860	77,342	24,638,281
Fund Balance - Ending	<u>\$ 1,733,290</u>	<u>\$ 82,077</u>	<u>\$ 62,182</u>	<u>\$ 26,107,587</u>
Composition of Fund Balance				
Bank Balance	\$ 1,733,290	\$ 105,451	\$ 14,814	\$ 26,651,472
Deposits In Transit		1,323		18,173
Less Outstanding Checks		(24,697)		(609,426)
Certificates of Deposit			47,368	47,368
Ending Fund Balance	<u>\$ 1,733,290</u>	<u>\$ 82,077</u>	<u>\$ 62,182</u>	<u>\$ 26,107,587</u>

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

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**OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2019

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 Government 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 Financial Officer Stan Clark, 100 West Jefferson Street, LaGrange, KY 40031. As of the end of field work the following audits were completed: Oldham County Environmental Authority and the Oldham County Ambulance Taxing 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, 2019
(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 Account 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

The fiscal court reports the following unbudgeted funds:

General Obligation Bond Fund - The purpose of this fund is to account for debt service requirements of the general obligation bond, Series 2014 Oldham County Environmental Authority Project. The Department for Local Government does not require the fiscal court to report or budget this fund.

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

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Unbudgeted Funds (Continued)

Private Purpose Trust Funds

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 governmental 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.

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.

The state local finance officer does not require the general obligation bond fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Oldham County Elected Officials (Continued)

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

F. Deposits and Investments

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

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

G. Long-term Obligations

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

Note 2. Deposits

A. Deposits

The fiscal court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. As of June 30, 2019, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2019.

	General Fund	Road Fund	Jail Fund	Central Dispatch Fund	Total Transfers In
General Fund	\$	\$ 882,290	\$ 304,516	\$ 96,878	\$ 1,283,684
Road Fund	1,552,227				1,552,227
Jail Fund	613,850				613,850
Central Dispatch	453,750				453,750
Total Transfers Out	<u>\$ 2,619,827</u>	<u>\$ 882,290</u>	<u>\$ 304,516</u>	<u>\$ 96,878</u>	<u>\$ 3,903,511</u>

Reason for transfers:

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

Note 4. Agency Trust Funds

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

The fiscal court has the following agency trust 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, 2019 was \$1,486,646.

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, 2019 was \$19,796.

Note 5. Private Purpose Trust Funds

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 funds:

Oldham County Geographical Information Consortium (OGIC) Fund - This fund accounts for funds received through an interlocal agreement with various governmental 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, 2019 was \$62,182.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

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 \$26,417 in fiscal year 2019. As of June 30, 2019, the fiscal court is due \$1,220,067 in proceeds from sale of land held by OLDA.

	Beginning Balance	Additions	Reductions	Ending Balance
OLDA	\$ 11,193,650	\$ 26,417	\$	\$ 11,220,067
Total	<u>\$ 11,193,650</u>	<u>\$ 26,417</u>	<u>\$ 0</u>	<u>\$ 11,220,067</u>

Note 7. Long-term Debt

A. Oldham County Environmental Authority-Financing Obligations and Note Receivable

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. 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 \$2,325,000 as of June 30, 2019. Principal payment requirements and scheduled interest for the remaining term of the agreement are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2020	\$ 145,000	\$ 129,568
2021	150,000	121,152
2022	160,000	112,332
2023	170,000	102,939
2024	175,000	93,093
2025-2029	1,030,000	300,138
2030-2031	<u>495,000</u>	<u>31,111</u>
Totals	<u>\$ 2,325,000</u>	<u>\$ 890,333</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 7. Long-term Debt (Continued)

B. 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 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. F). Interest payments are due on April 1 and interest and principal on October 1. The Oldham County Sewer District makes the principal and interest payments to the trustee. The principal and note receivable balance on the bonds was \$1,515,000 as of June 30, 2019. Principal payment requirements and scheduled interest for the remaining term of the agreement are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2020	\$ 360,000	\$ 46,795
2021	370,000	34,565
2022	385,000	21,538
2023	400,000	7,400
Totals	<u>\$ 1,515,000</u>	<u>\$ 110,298</u>

C. 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. Principal balance on June 30, 2019 is \$2,850,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 7. Long-term Debt (Continued)

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

Fiscal Year Ended June 30	Principal	Scheduled Interest
2020	\$ 535,000	\$ 53,800
2021	550,000	42,950
2022	560,000	31,850
2023	125,000	25,000
2024	125,000	22,500
2025-2029	665,000	73,350
2030-2031	290,000	7,250
Totals	<u>\$ 2,850,000</u>	<u>\$ 256,700</u>

**D. 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 the fiscal court. Interest payments are due on June 1 and interest and principal on December 1. Principal balance on June 30, 2019 is \$8,275,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2020	\$ 410,000	\$ 248,160
2021	420,000	235,710
2022	435,000	222,885
2023	445,000	209,685
2024	460,000	196,110
2025-2029	2,525,000	761,175
2030-2034	2,935,000	343,370
2035	645,000	10,320
Totals	<u>\$ 8,275,000</u>	<u>\$ 2,227,415</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 7. Long-term Debt (Continued)

E. 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. Principal balance on June 30, 2019 is \$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
2020	\$	\$ 247,469
2021		247,469
2022		247,469
2023		247,469
2024		247,468
2025-2029		1,237,344
2030-2034	4,335,000	901,244
2034-2037	<u>3,285,000</u>	<u>159,702</u>
Totals	<u>\$ 7,620,000</u>	<u>\$ 3,535,634</u>

F. 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 8.B.). The amount held in escrow as of June 30, 2019 was \$3,313,830. 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. Principal balance on June 30, 2019 is \$3,466,062. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 7. Long-term Debt (Continued)

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

Fiscal Year Ended June 30	Principal	Scheduled Interest
2020	\$ 33,279	\$ 71,748
2021	33,978	71,049
2022	34,692	70,334
2023	35,421	69,605
2024	447,140	64,587
2025-2029	2,377,468	178,064
2030	504,084	5,242
Totals	<u>\$ 3,466,062</u>	<u>\$ 530,629</u>

G. 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. Principal balance on June 30, 2019 is \$7,480,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2020	\$ 635,000	\$ 185,753
2021	645,000	172,953
2022	660,000	159,078
2023	675,000	144,059
2024	690,000	127,840
2025-2029	3,755,000	340,968
2030	420,000	6,405
Totals	<u>\$ 7,480,000</u>	<u>\$ 1,137,054</u>

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 7. Long-term Debt (Continued)

H. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 33,133,656	\$	\$ 1,927,594	\$ 31,206,062	\$ 1,973,279
Financing Obligations	2,465,000		140,000	2,325,000	145,000
Total Long-term Debt	<u>\$ 35,598,656</u>	<u>\$ 0</u>	<u>\$ 2,067,594</u>	<u>\$ 33,531,062</u>	<u>\$ 2,118,279</u>

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 2017 was \$1,835,370, FY 2018 was \$1,862,713, and FY 2019 was \$2,189,903.

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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 8. Employee Retirement System (Continued)

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 21.48 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.

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 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 35.34 percent.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 8. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage – Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

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

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

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

Once members reach a minimum vesting period of 15 years, 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%. 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% 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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 8. Employee Retirement System (Continued)

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

Once members reach a minimum vesting period of 15 years, 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%. 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% 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%. 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.

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.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

Note 9. Deferred Compensation

On February 4, 2000, 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 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

Note 10. Flexible Spending Account

The Oldham County Fiscal Court, in a fiscal court order established a flexible spending account to provide employees an additional health and dependent care benefit. The county has contracted with a third-party administrator to administer the plan. No employees are currently participating in the plan, therefore there is no year end balance.

Note 11. Insurance

For the fiscal year ended June 30, 2019, 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 Transactions

An assistant county attorney received \$1,805 in land closing fees from the fiscal court.

OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2019
(Continued)

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, 2019, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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

For The Year Ended June 30, 2019

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2019

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 13,167,000	\$ 13,167,000	\$ 13,639,413	\$ 472,413
In Lieu Tax Payments	451,000	451,000	463,515	12,515
Excess Fees	265,400	265,400	379,160	113,760
Licenses and Permits	759,400	759,400	866,021	106,621
Intergovernmental	3,355,809	3,899,143	4,118,168	219,025
Charges for Services	518,656	737,536	689,966	(47,570)
Miscellaneous	773,900	1,402,639	1,420,224	17,585
Interest	50,000	50,000	328,239	278,239
Total Receipts	<u>19,341,165</u>	<u>20,732,118</u>	<u>21,904,706</u>	<u>1,172,588</u>
DISBURSEMENTS				
General Government	7,707,725	7,733,279	6,488,599	1,244,680
Protection to Persons and Property	4,819,125	7,518,712	7,175,710	343,002
General Health and Sanitation	1,248,434	1,259,331	1,080,486	178,845
Social Services	75,000	75,000	75,000	
Recreation and Culture	1,332,751	1,338,653	1,177,620	161,033
Debt Service	1,660,221	1,660,221	1,659,508	713
Capital Projects	1,035,000	913,494	837,842	75,652
Administration	1,011,755	888,516	288,035	600,481
Total Disbursements	<u>18,890,011</u>	<u>21,387,206</u>	<u>18,782,800</u>	<u>2,604,406</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>451,154</u>	<u>(655,088)</u>	<u>3,121,906</u>	<u>3,776,994</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	473,215	473,215	1,283,684	810,469
Transfers To Other Funds	(2,823,390)	(2,823,390)	(2,619,827)	203,563
Total Other Adjustments to Cash (Uses)	<u>(2,350,175)</u>	<u>(2,350,175)</u>	<u>(1,336,143)</u>	<u>1,014,032</u>
Net Change in Fund Balance	(1,899,021)	(3,005,263)	1,785,763	4,791,026
Fund Balance Beginning	<u>1,899,021</u>	<u>2,076,635</u>	<u>19,944,374</u>	<u>17,867,739</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (928,628)</u>	<u>\$ 21,730,137</u>	<u>\$ 22,658,765</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2019
(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	1,742,134	1,742,134	1,638,464	(103,670)
Miscellaneous			92,021	92,021
Charges for services				
Interest			35,176	35,176
Total Receipts	<u>2,342,134</u>	<u>2,342,134</u>	<u>2,365,661</u>	<u>23,527</u>
DISBURSEMENTS				
Roads	3,485,063	3,487,348	3,000,422	486,926
Total Disbursements	<u>3,485,063</u>	<u>3,487,348</u>	<u>3,000,422</u>	<u>486,926</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,142,929)</u>	<u>(1,145,214)</u>	<u>(634,761)</u>	<u>510,453</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,142,929	1,142,929	1,552,227	409,298
Transfers To Other Funds			(882,290)	(882,290)
Total Other Adjustments to Cash (Uses)	<u>1,142,929</u>	<u>1,142,929</u>	<u>669,937</u>	<u>409,298</u>
Net Change in Fund Balance		(2,285)	35,176	37,461
Fund Balance Beginning			1,996,476	1,996,476
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (2,285)</u>	<u>\$ 2,031,652</u>	<u>\$ 2,033,937</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2019
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 4,945,200	\$ 4,945,200	\$ 3,792,851	\$ (1,152,349)
Charges for Services	114,000	114,000	181,215	67,215
Miscellaneous	217,960	217,960	189,525	(28,435)
Total Receipts	<u>5,277,160</u>	<u>5,277,160</u>	<u>4,163,591</u>	<u>(1,113,569)</u>
DISBURSEMENTS				
Protection to Persons and Property	4,803,945	4,818,032	4,472,925	345,107
Total Disbursements	<u>4,803,945</u>	<u>4,818,032</u>	<u>4,472,925</u>	<u>345,107</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>473,215</u>	<u>459,128</u>	<u>(309,334)</u>	<u>(768,462)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			613,850	613,850
Transfers To Other Funds	<u>(473,215)</u>	<u>(473,215)</u>	<u>(304,516)</u>	<u>168,699</u>
Total Other Adjustments to Cash (Uses)	<u>(473,215)</u>	<u>(473,215)</u>	<u>309,334</u>	<u>782,549</u>
Net Change in Fund Balance		(14,087)		14,087
Fund Balance Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (14,087)</u>	<u>\$ 0</u>	<u>\$ 14,087</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2019
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 132,000	\$ 132,000	\$ 143,326	\$ 11,326
Intergovernmental	6,103,222	6,103,222	1,340,885	(4,762,337)
Charges for Services				
Miscellaneous				
Interest	1,200	1,200	2,513	1,313
Total Receipts	<u>6,236,422</u>	<u>6,236,422</u>	<u>1,486,724</u>	<u>(4,749,698)</u>
DISBURSEMENTS				
General Government				
Protection to Persons and Property	265,000	265,000	10,000	255,000
General Health and Sanitation	2,345,213	2,253,213	628,659	1,624,554
Social Services	450,000	450,000	405,114	44,886
Recreation and Culture	286,720	293,320	139,053	154,267
Bus Services	50,000	43,400	41,731	1,669
Other Transportation Facilities and Services	2,904,443	2,996,443	474,083	2,522,360
Capital Projects	328,767	328,767	142,618	186,149
Administration				
Total Disbursements	<u>6,630,143</u>	<u>6,630,143</u>	<u>1,841,258</u>	<u>4,788,885</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(393,721)</u>	<u>(393,721)</u>	<u>(354,534)</u>	<u>39,187</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	324,321	324,321		(324,321)
Transfers To Other Funds				
Total Other Adjustments to Cash (Uses)	<u>324,321</u>	<u>324,321</u>		<u>(324,321)</u>
Net Change in Fund Balance	(69,400)	(69,400)	(354,534)	(285,134)
Fund Balance Beginning	<u>69,400</u>	<u>69,400</u>	<u>621,224</u>	<u>551,824</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 266,690</u>	<u>\$ 266,690</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2019
(Continued)

	CENTRAL DISPATCH FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 690,000	\$ 690,000	\$ 678,429	\$ (11,571)
Intergovernmental	49,507	49,507	49,937	430
Total Receipts	<u>739,507</u>	<u>739,507</u>	<u>728,366</u>	<u>(11,141)</u>
DISBURSEMENTS				
Protection to Persons and Property	<u>2,095,647</u>	<u>1,150,647</u>	<u>1,120,349</u>	<u>30,298</u>
Total Disbursements	<u>2,095,647</u>	<u>1,150,647</u>	<u>1,120,349</u>	<u>30,298</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,356,140)</u>	<u>(411,140)</u>	<u>(391,983)</u>	<u>19,157</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,356,140	1,356,140	453,750	(902,390)
Transfers To Other Funds			<u>(96,878)</u>	<u>(96,878)</u>
Total Other Adjustments to Cash (Uses)	<u>1,356,140</u>	<u>1,356,140</u>	<u>356,872</u>	<u>(999,268)</u>
Net Change in Fund Balance		945,000	(35,111)	(980,111)
Fund Balance Beginning			<u>145,041</u>	<u>145,041</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 945,000</u>	<u>\$ 109,930</u>	<u>\$ (835,070)</u>

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2019
(Continued)

COUNTY POLICE ACCOUNTS FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$	\$ -	\$ -
Miscellaneous	11,500	11,500	1,889	(9,611)
Interest	700	700	505	(195)
Total Receipts	<u>12,200</u>	<u>12,200</u>	<u>2,394</u>	<u>(9,806)</u>
DISBURSEMENTS				
Protection to Persons and Property	<u>12,200</u>	<u>12,200</u>		<u>12,200</u>
Total Disbursements	<u>12,200</u>	<u>12,200</u>		<u>12,200</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>2,394</u>	<u>2,394</u>
Net Change in Fund Balance			2,394	2,394
Fund Balance Beginning			<u>89,235</u>	<u>89,235</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 91,629</u>	<u>\$ 91,629</u>

**OLDHAM COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES**

June 30, 2019

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.

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

For The Year Ended June 30, 2019

OLDHAM COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2019

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 3,345,265	\$ 260,000	\$	\$ 3,605,265
Construction In Progress	2,957,491	815,514	134,000	3,639,005
Buildings	16,295,425	361,259	37,914	16,618,770
Land and Building Improvements	27,232,842	32,085	104,877	27,160,050
Vehicles	4,688,903	504,320	142,731	5,050,492
Equipment	3,871,826	1,824,256	198,074	5,498,008
Infrastructure	29,442,548	1,469,349		30,911,897
 Total Capital Assets	 <u>\$ 87,834,300</u>	 <u>\$ 5,266,783</u>	 <u>\$ 617,596</u>	 <u>\$ 92,483,487</u>

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

June 30, 2019

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

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

For The Year Ended June 30, 2019

OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Federal Expenditures
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through State Department For Local Government</i>				
Community Development Block Grant - Apple Patch Day Center	14.228	16-026	\$ 405,000	\$ 405,000
Total U.S. Department of Housing and Urban Development			<u>405,000</u>	<u>405,000</u>
<u>U. S. Department of the Interior/National Park Service</u>				
<i>Passed-Through State Department for Local Government</i>				
Recreational Trails Program - Conservation Park	15.916	RTP509-15		125
Total U.S. Department of the Interior/National Park Service				<u>125</u>
<u>U. S. Department of Transportation</u>				
<i>Passed-Through State Transportation Cabinet</i>				
Highway Planning & Construction - 1793 Sidewalk	20.205	05-440.10		4,458
Highway Planning & Construction - Old Floydburg Road Safety	20.205	PO2-625-1400005581		73,890
Highway Planning & Construction - Spring Hill Trace Sidewalk	20.205	05-00757.00		24,772
Highway Planning & Construction - KY329 Realignment	20.205	PO2-625-1700001188		104,584
Highway Planning & Construction - Park and Ride Apple Patch	20.205	PO2-628-1100002900		3,240
Highway Planning & Construction - Rail Underpass	20.205	05-434		30,192
Highway Planning & Construction - Buckner Connector	20.205	05-754.00		3,392
Sub-total Highway Planning and Construction				<u>244,528</u>
<i>Passed-Through State Transportation Cabinet</i>				
State & Community Highway Safety - Police Traffic	20.600	PT-2019-HY-46		1,899
State & Community Highway Safety - Police Traffic	20.600	PT-2018-HY-34		3,561
Sub-total Police Traffic				<u>5,460</u>
<i>Passed-Through State Transportation Cabinet</i>				
State & Community Highway Safety - Occupant Protection	20.616	M2HVE-19-10		23,388
State & Community Highway Safety - Occupant Protection	20.616	M2HVE-18-10		18,135
Sub-total Occupant Protection				<u>41,523</u>
Total U.S. Department of Transportation				<u>291,511</u>
<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		64,667
Total U.S. Environmental Protection Agency			<u>\$ -</u>	<u>\$ 64,667</u>

The accompanying notes are an integral part of this schedule

OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2019
(Continued)

U. S. Department of Health & Human Services

Direct Program

Drug-Free Communities	93.276	1H79SP020554-01	\$ -	\$ 145,074
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Total U.S. Department of Health & Human Services

				<u>145,074</u>
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U. S. Department of Homeland Security

Passed-Through State Division of Emergency Management

Flood Mitigation Assistance (Harmony Village)	97.029	PON2-095-1500001780-1		600
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Flood Mitigation Assistance (Oldham County)	97.029	PON2-095-1700000729-1		117,936
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Flood Mitigation Assistance (Oldham County SRL)	97.029	PON2-095-1800000802-1		313,083
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Flood Mitigation Assistance (Oldham County SRL)	97.029	PON2-095-1900000802-1		38,863
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Sub-total Flood Mitigation Assistance				<u>470,482</u>
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Passed-Through State Division of Emergency Management

Emergency Management Performance	97.042	PON2-095-1700001447-1		5,256
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Emergency Management Performance	97.042	PON2-095-1800001567-1		25,138
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Sub-total Emergency Management Performance				<u>30,394</u>
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Total U.S. Department of Homeland Security

				<u>500,876</u>
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Total Expenditures of Federal Awards

			\$ 405,000	\$ 1,407,253
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OLDHAM COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

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, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Oldham County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Oldham County, Kentucky.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

The Oldham County Fiscal Court has not adopted an indirect cost rate.

**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***

Roy W Hunter, CPA, PLLC
1890 Star Shoot Parkway
Suite 170-147
Lexington, KY 40509
Telephone (859) 806-5342
www.roy.hunter@cpa.com

The Honorable David Voegele, 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, 2019 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 September 27, 2019.

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) to determine 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)

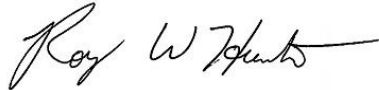
Compliance And Other Matters

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 "Roy W. Hunter". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Roy W. Hunter, CPA, PLLC
Lexington, Kentucky
September 27, 2019

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

Roy W Hunter, CPA, PLLC
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Lexington, KY 40509
Telephone (859) 806-5342
www.roy.hunter@cpa.com

The Honorable David Voegele, 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, 2019. 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, 2019.

Report on Internal Control over Compliance

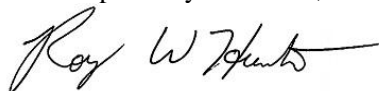
Management of the Oldham County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Oldham County Fiscal Court's internal 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,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky
September 27, 2019

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

For The Year Ended June 30, 2019

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

For The Year Ended June 30, 2019

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: Unmodified		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant
97.029	Flood Mitigation Assistance

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, 2019
(Continued)**

Section II: Financial Statement Findings

State Laws And Regulations

None.

Internal Control - Material Weaknesses

None.

Internal Control - Significant Deficiencies

None.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

None.

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

OLDHAM COUNTY FISCAL COURT

For The Year Ended June 30, 2019

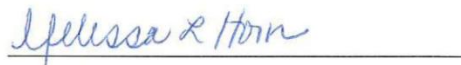
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
OLDHAM COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2019

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, reading "Paul Vagele", is written above a horizontal line.

County Judge/Executive

A handwritten signature in blue ink, reading "Melissa R. Horn", is written above a horizontal line.

County Treasurer