

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

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

**Roy W Hunter, CPA, PLLC
1890 Star Shoot Parkway
Suite 170-147
Lexington, KY 40509**

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

Independent Auditor's Report

Opinions

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, 2022, 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.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

To the People of Kentucky
 The Honorable Andy Beshear, Governor
 Holly M. Johnson, Secretary
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 The Honorable David Voegelé, 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 and pervasive.

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Oldham County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by 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 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statement as a whole.

Other Information

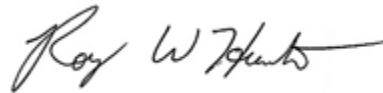
Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information,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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oldham County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Roy W. Hunter", with a stylized flourish at the end.

Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

November 29, 2022

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

David Voegele	County Judge/Executive
Brent Likins	Magistrate
Wayne Theiss	Magistrate
Kevin Woosley	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, 2022

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

For The Year Ended June 30, 2022

	Budgeted Funds			Local Government Economic Assistance Fund
	General Fund	Road Fund	Jail Fund	
RECEIPTS				
Taxes	\$ 16,198,695	\$ 600,000	\$	\$ 244,946
In Lieu Tax Payments	450,626			
Excess Fees	1,142,270			
Licenses and Permits	1,192,001			
Intergovernmental	4,592,729	1,755,665	4,459,495	1,474,154
Charges for Services	582,031	6,868	119,442	
Miscellaneous	317,937	2,092	394,872	
Interest	194,981	10,459		1,108
Total Receipts	<u>24,671,270</u>	<u>2,375,084</u>	<u>4,973,809</u>	<u>1,720,208</u>
DISBURSEMENTS				
General Government	10,456,167			
Protection to Persons and Property	5,416,146		4,842,066	10,000
General Health and Sanitation	1,577,742			572,448
Social Services	178,720			10,815
Recreation and Culture	1,228,436			252,374
Roads		3,744,723		
Bus Services				48,803
Other Transportation Facilities and Services				658,300
Debt Service	1,658,396			
Capital Projects				193,643
Administration	903,051			
Total Disbursements	<u>21,418,658</u>	<u>3,744,723</u>	<u>4,842,066</u>	<u>1,746,383</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>3,252,612</u>	<u>(1,369,639)</u>	<u>131,743</u>	<u>(26,175)</u>
Other Adjustments to Cash (Uses)				
Deposits Received for Construction Projects				
Investments Purchased				
Change in Cash Held for Performance				
Transfers From Other Funds	1,720,969	2,712,412	171,228	
Transfers To Other Funds	(3,509,465)	(1,332,314)	(302,971)	
Total Other Adjustments to Cash (Uses)	<u>(1,788,496)</u>	<u>1,380,098</u>	<u>(131,743)</u>	
Net Change in Fund Balance	1,464,116	10,459		(26,175)
Fund Balance - Beginning	34,298,459	2,086,914		333,851
Fund Balance - Ending	<u>\$ 35,762,575</u>	<u>\$ 2,097,373</u>	<u>\$ 0</u>	<u>\$ 307,676</u>
Composition of Fund Balance				
Bank Balance	\$ 37,469,306	\$ 2,097,373	\$	\$ 424,465
Less: Outstanding Checks	(1,706,731)			(116,789)
Cash Held for Performance				
Certificates of Deposit				
Fund Balance - Ending	<u>\$ 35,762,575</u>	<u>\$ 2,097,373</u>	<u>\$ 0</u>	<u>\$ 307,676</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, 2022 (Continued)

Budgeted Funds				Unbudgeted Funds			
Central Dispatch Fund	County Police Accounts Fund	Planning and Zoning Escrow Fund	ARPA Fund	General Obligation Bond Fund	Jail Commissary Fund	Private Purpose Trust	Total
						Oldham County Geographical Information Consortium Fund	
\$ 644,246	\$	\$	\$	\$	\$	\$	\$ 17,687,887
							450,626
							1,142,270
							1,192,001
	1,379		6,487,462	1,441,781			20,212,665
							708,341
	20,796				765,599		1,501,296
	634					4,830	212,012
644,246	22,809		6,487,462	1,441,781	765,599	4,830	43,107,098
							10,456,167
1,219,238							11,487,450
							2,150,190
							189,535
					703,776		2,184,586
							3,744,723
							48,803
							658,300
				1,441,781			3,100,177
							193,643
							903,051
1,219,238				1,441,781	703,776		35,116,625
(574,992)	22,809		6,487,462		61,823	4,830	7,990,473
		398,954					398,954
		(289,624)					(289,624)
		(109,330)					(109,330)
625,825							5,230,434
(85,684)							(5,230,434)
540,141							
(34,851)	22,809		6,487,462		61,823	4,830	7,990,473
34,851	89,046			938	178,849	74,921	37,097,829
\$ 0	\$ 111,855	\$ 0	\$ 6,487,462	\$ 938	\$ 240,672	\$ 79,751	\$ 45,088,302
\$	\$ 111,855	\$ 2,149,754	\$ 6,487,462	\$ 938	\$ 258,135	\$ 31,110	\$ 49,030,398
		(2,149,754)			(17,463)		(1,840,983)
							(2,149,754)
						48,641	48,641
\$ 0	\$ 111,855	\$ 0	\$ 6,487,462	\$ 938	\$ 240,672	\$ 79,751	\$ 45,088,302

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

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TO THE FINANCIAL STATEMENT**

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**OLDHAM COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2022

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 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, it is no longer a required component of the reporting entity. At the end of fieldwork, the audit of the Oldham County Ambulance Taxing District was completed and can be obtained from the Oldham County Fiscal Court by contacting the Chief Financial Officer Stan Clark, 100 W Jefferson Street, Suite 4, LaGrange, KY 40031.

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) late September to early October, due at discount November 1, 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, 2022
(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.

Planning and Zoning Escrow Fund – The primary purpose of this fund is to account for restricted construction deposits and the refunding of those deposits once the bond is released. The only sources of receipts for this fund are interest income and forfeiture of any deposit, which is rare.

ARPA Fund - The primary purpose of this fund is to account for the expenses approved under the American Rescue Plan Act. The primary source of receipts for this fund is the monies from the federal government related to the American Rescue Plan Act.

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 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, 2022
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (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 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.

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. 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

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

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits

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

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

G. Long-term Obligations

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

H. Governmental Accounting Standard Board (GASB) 84

GASB 84 was implemented during fiscal year 2021. Under GASB 84, the trust and agency fund were eliminated, and a new Custodial Fund was created. As a result of the implementation of this standard, Planning and Zoning Escrow was reported as a budgeted fund, and the amount of the inmate funds were removed from the jail commissary fund balance.

Note 2. Deposits

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

Custodial Credit Risk - Deposits

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

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

Note 3. Transfers

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

	General Fund	Road Fund	Jail Fund	Central Dispatch Fund	Total Transfers In
General Fund	\$	\$ 1,332,314	\$ 302,971	\$ 85,684	\$ 1,720,969
Road Fund	2,712,412				2,712,412
Jail Fund	171,228				171,228
Central Dispatch	625,825				625,825
Total Transfers Out	<u>\$ 3,509,465</u>	<u>\$ 1,332,314</u>	<u>\$ 302,971</u>	<u>\$ 85,684</u>	<u>\$ 5,230,434</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. 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:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2022, was \$60,976.

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, 2022, was \$14,740.

Note 5. Leases

1. Lessor

During the current fiscal year, the first court leased office space, cell tower space, and recreational fields. The leases have lease terms from 1 – 25 years, and the fiscal court receives monthly and annually payment for these leases. The fiscal court recognized \$52,498 in lease revenue during the current fiscal year related to these leases. As of June 30, 2022, the fiscal court's receivable for lease payments was \$87,369.

2. Lessee

During the current fiscal year, the fiscal court had leases for the acquisition and use of office equipment, land, and cell tower space. During the current fiscal year, the fiscal court paid \$74,990 in lease payments. As of June 30, 2022, the value of the lease liability was \$299,049. The fiscal court is required to make monthly and quarterly payments. The leases have lease terms from 5 – 25 years.

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

Note 5. Leases (Continued)

The future principal and interest lease payments as of June 30, 2022, were as follows:

<u>Leases</u>			
Fiscal Year Ended			
June 30	Principal	Interest	Total
2023	\$ 60,463	\$	\$ 60,463
2024	60,463		60,463
2025	60,292		60,292
2026	59,778		59,778
2027	50,403		50,403
2028	7,650		7,650
	<u>\$ 299,049</u>	<u>\$ 0</u>	<u>\$ 299,049</u>

Note 6. 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, 2022, was \$79,751.

Note 7. 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 \$12,593 in fiscal year 2022. As of June 30, 2022, the fiscal court is due \$13,292,318 in proceeds from sale of land held by OLDA.

	Beginning Balance	Additions	Reductions	Ending Balance
OLDA	\$ 11,259,267	12,593	\$ 188,463	\$ 11,083,397
Eden Parkway (restatement)	1,364,454	387,221		1,751,675
Peak Road		613,589	156,343	457,246
Total (restatement)	<u>\$ 12,623,721</u>	<u>\$ 1,013,403</u>	<u>\$ 344,806</u>	<u>\$ 13,292,318</u>

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

Note 8. 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 \$1,870,000 as of June 30, 2022. 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>
2023	\$ 170,000	\$ 102,939
2024	175,000	93,093
2025	185,000	82,842
2026	195,000	72,019
2027	205,000	60,624
2028-2031	<u>940,000</u>	<u>115,764</u>
Totals	<u>\$ 1,870,000</u>	<u>\$ 527,281</u>

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

Note 8. 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 8.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 were \$400,000 as of June 30, 2022. Principal payment requirements and scheduled interest for the remaining term of the agreement are as follows:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2023	\$ 400,000	\$ 7,400
Totals	\$ 400,000	\$ 7,400

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, 2022, was \$1,205,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

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

Note 8. Long-term Debt (Continued)

B. Other Debt (Continued)

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

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 125,000	\$ 25,000
2024	125,000	22,500
2025	125,000	20,000
2026	130,000	17,450
2027	135,000	14,800
2028-2031	<u>565,000</u>	<u>28,350</u>
Totals	<u>\$ 1,205,000</u>	<u>\$ 128,100</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, 2022, was \$7,010,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 445,000	\$ 209,685
2024	460,000	196,110
2025	475,000	182,085
2026	490,000	167,610
2027	505,000	152,685
2028-2032	2,760,000	521,205
2033-2035	<u>1,875,000</u>	<u>91,280</u>
Totals	<u>\$ 7,010,000</u>	<u>\$ 1,520,660</u>

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

Note 8. 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, 2022, 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
2023	\$	\$ 247,469
2024		247,468
2025		247,469
2026		247,469
2027		247,469
2028-2032	2,305,000	1,126,693
2033-2037	5,315,000	429,190
Totals	<u>\$ 7,620,000</u>	<u>\$ 2,793,227</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, 2022, was \$3,364,113. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

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

Note 8. Long-term Debt (Continued)

B. Other Debt (Continued)

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

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 35,421	\$ 69,605
2024	447,140	64,587
2025	454,618	55,208
2026	466,599	45,628
2027	478,023	35,804
2028-2030	<u>1,482,312</u>	<u>46,667</u>
Totals	<u>\$ 3,364,113</u>	<u>\$ 317,498</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, 2022, was \$5,540,000. Principal payment requirements and scheduled interest for the retirement of the bonds are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2023	\$ 675,000	\$ 144,059
2024	690,000	127,840
2025	710,000	109,453
2026	730,000	89,653
2027	750,000	69,303
2028-2030	<u>1,985,000</u>	<u>78,966</u>
Totals	<u>\$ 5,540,000</u>	<u>\$ 619,272</u>

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

Note 8. Long-term Debt (Continued)

C. Changes In Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Other Debt	\$ 27,213,805		\$ 2,074,692	\$ 25,139,113	\$ 1,680,421
Direct Borrowings and Direct Placements	2,030,000		160,000	1,870,000	170,000
Total Long-term Debt	<u>\$ 29,243,805</u>	<u>\$ 0</u>	<u>\$ 2,234,692</u>	<u>\$ 27,009,113</u>	<u>\$ 1,850,421</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
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	1,816,599	567,809	195,000	72,019
2027	1,868,023	520,060	205,000	60,624
2028-2032	9,097,312	1,801,880	940,000	115,764
2033-2037	7,190,000	520,470		
	<u>25,139,113</u>	<u>5,386,157</u>	<u>1,870,000</u>	<u>527,281</u>

E. On-Behalf Payments

On July 1, 2020 The Louisville Metropolitan Sewer District (MSD) completed their acquisition of the Oldham County Environmental Authority (OCEA). As part of this agreement, they assumed all of the obligations of OCEA. For the Fiscal year ended June 30, 2022, all debt payments related to OCEA were timely paid by MSD. Funds to make these payments are from service charges paid by the sewer customers in Oldham County. The debt was issued by Oldham County Fiscal Court for the benefit of OCEA, with OCEA agreeing to make all payments and charging service charges at rates to make the payments. The payments made by MSD 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 \$1,441,781.

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

Note 9. 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 Public Pension Authority (KPPA). 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 2020 was \$2,501,531, FY 2021 was \$2,543,357, and FY 2022 was \$3,051,321.

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 KPPA 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 KPPA Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

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

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

Hazardous

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

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

Note 9. Employee Retirement System (Continued)

Hazardous (Continued)

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

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

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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, 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.

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

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

D. Cost of Living Adjustments - Tier 1

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

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

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

F. Death Benefit

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

KPPA Annual Financial Report and Proportionate Share Audit Report

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

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

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

Note 10. 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 11. 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 2022 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.

Note 12. Insurance

For the fiscal year ended June 30, 2022, 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 13. Related Party Transactions

An assistant county attorney received \$1,960 in land closing fees from the Oldham County Fiscal Court.

The brother of a magistrate was paid \$14,300 related to building inspections from the Oldham County Fiscal Court.

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

Note 14. 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, 2022, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 15. Contingencies

Litigations

The county is involved in multiple lawsuits that arose from the normal course of doing business. While individually they may not be significant, in the aggregate they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2022

OLDHAM COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2022

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 14,461,042	\$ 14,461,042	\$ 16,198,695	\$ 1,737,653
In Lieu Tax Payments	460,000	460,000	450,626	(9,374)
Excess Fees	888,000	888,000	1,142,270	254,270
Licenses and Permits	1,069,779	1,069,779	1,192,001	122,222
Intergovernmental	4,715,847	4,715,847	4,592,729	(123,118)
Charges for Services	678,623	678,623	582,031	(96,592)
Miscellaneous	3,121,094	3,121,094	317,937	(2,803,157)
Interest	175,200	175,200	194,981	19,781
Total Receipts	<u>25,569,585</u>	<u>25,569,585</u>	<u>24,671,270</u>	<u>(898,315)</u>
DISBURSEMENTS				
General Government	10,660,587	11,784,891	10,456,167	1,328,724
Protection to Persons and Property	5,883,196	5,957,491	5,416,146	541,345
General Health and Sanitation	4,999,494	4,939,632	1,577,742	3,361,890
Social Services	100,000	178,720	178,720	
Recreation and Culture	3,596,363	2,521,905	1,228,436	1,293,469
Debt Service	1,658,396	1,658,396	1,658,396	
Administration	899,973	903,180	903,051	129
Total Disbursements	<u>27,798,009</u>	<u>27,944,215</u>	<u>21,418,658</u>	<u>6,525,557</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,228,424)</u>	<u>(2,374,630)</u>	<u>3,252,612</u>	<u>5,627,242</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			1,720,969	1,720,969
Transfers To Other Funds	<u>(4,646,959)</u>	<u>(5,043,061)</u>	<u>(3,509,465)</u>	<u>1,533,596</u>
Total Other Adjustments to Cash (Uses)	<u>(4,646,959)</u>	<u>(5,043,061)</u>	<u>(1,788,496)</u>	<u>3,254,565</u>
Net Change in Fund Balance	(6,875,383)	(7,417,691)	1,464,116	8,881,807
Fund Balance Beginning	<u>6,875,383</u>	<u>7,422,932</u>	<u>34,298,459</u>	<u>26,875,527</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 5,241</u>	<u>\$ 35,762,575</u>	<u>\$ 35,757,334</u>

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

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 600,000	\$ 600,000	\$ 600,000	\$
Intergovernmental	1,513,977	1,513,977	1,755,665	241,688
Charges for services			6,868	
Miscellaneous			2,092	2,092
Interest	10,456	10,456	10,459	3
Total Receipts	2,124,433	2,124,433	2,375,084	243,783
DISBURSEMENTS				
Roads	5,167,780	5,567,846	3,744,723	1,823,123
Total Disbursements	5,167,780	5,567,846	3,744,723	1,823,123
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,043,347)	(3,443,413)	(1,369,639)	2,066,906
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	2,343,347	2,739,449	2,712,412	(27,037)
Transfers To Other Funds			(1,332,314)	(1,332,314)
Total Other Adjustments to Cash (Uses)	2,343,347	2,739,449	1,380,098	(27,037)
Net Change in Fund Balance	(700,000)	(703,964)	10,459	714,423
Fund Balance Beginning	700,000	700,000	2,086,914	1,386,914
Fund Balance - Ending	\$ 0	\$ (3,964)	\$ 2,097,373	\$ 2,101,337

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

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 4,340,132	\$ 4,340,132	\$ 4,459,495	\$ 119,363
Charges for Services	114,782	114,782	119,442	4,660
Miscellaneous	295,285	295,285	394,872	99,587
Total Receipts	<u>4,750,199</u>	<u>4,750,199</u>	<u>4,973,809</u>	<u>223,610</u>
DISBURSEMENTS				
Protection to Persons and Property	5,308,926	5,308,926	4,842,066	466,860
Total Disbursements	<u>5,308,926</u>	<u>5,308,926</u>	<u>4,842,066</u>	<u>466,860</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(558,727)</u>	<u>(558,727)</u>	<u>131,743</u>	<u>690,470</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	558,727	558,727	171,228	(387,499)
Transfers To Other Funds			(302,971)	(302,971)
Total Other Adjustments to Cash (Uses)	<u>558,727</u>	<u>558,727</u>	<u>(131,743)</u>	<u>(690,470)</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, 2022
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 131,300	\$ 131,300	\$ 244,946	\$ 113,646
Intergovernmental	8,010,459	8,010,459	1,474,154	(6,536,305)
Interest	500	500	1,108	608
Total Receipts	8,142,259	8,142,259	1,720,208	(6,422,051)
DISBURSEMENTS				
Protection to Persons and Property	10,000	10,000	10,000	
General Health and Sanitation	2,005,790	1,889,016	572,448	1,316,568
Social Services	316,831	316,831	10,815	306,016
Recreation and Culture	203,000	294,510	252,374	42,136
Bus Services	45,000	48,803	48,803	
Other Transportation Facilities and Services	6,427,550	6,423,747	658,300	5,765,447
Capital Projects	187,370	212,634	193,643	18,991
Total Disbursements	9,195,541	9,195,541	1,746,383	7,449,158
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,053,282)	(1,053,282)	(26,175)	1,027,107
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,053,282	1,053,282		(1,053,282)
Total Other Adjustments to Cash (Uses)	1,053,282	1,053,282		(1,053,282)
Net Change in Fund Balance			(26,175)	(26,175)
Fund Balance Beginning			333,851	333,851
Fund Balance - Ending	\$ 0	\$ 0	\$ 307,676	\$ 307,676

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

CENTRAL DISPATCH FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 663,600	\$ 663,600	\$ 644,246	\$ (19,354)
Total Receipts	663,600	663,600	644,246	(19,354)
DISBURSEMENTS				
Protection to Persons and Property	1,355,202	1,356,479	1,219,238	137,241
Total Disbursements	1,355,202	1,356,479	1,219,238	137,241
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(691,602)	(692,879)	(574,992)	117,887
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	691,602	691,602	625,825	(65,777)
Transfers To Other Funds			(85,684)	(85,684)
Total Other Adjustments to Cash (Uses)	691,602	691,602	540,141	(151,461)
Net Change in Fund Balance		(1,277)	(34,851)	(33,574)
Fund Balance Beginning			34,851	34,851
Fund Balance - Ending	\$ 0	\$ (1,277)	\$ 0	\$ 1,277

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

COUNTY POLICE ACCOUNTS FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$	\$ 1,379	\$ 1,379
Miscellaneous	3,600	3,600	20,796	17,196
Interest			634	634
Total Receipts	3,600	3,600	22,809	19,209
DISBURSEMENTS				
Protection to Persons and Property	47,500	47,500		47,500
Total Disbursements	47,500	47,500		47,500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(43,900)	(43,900)	22,809	66,709
Net Change in Fund Balance	(43,900)	(43,900)	22,809	66,709
Fund Balance Beginning	43,900	43,900	89,046	45,146
Fund Balance - Ending	\$ 0	\$ 0	\$ 111,855	\$ 111,855

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

PLANNING AND ZONING ESCROW FUND

	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Adjustments to Cash (Uses)				
Deposits received for construction	\$	\$	\$ 398,954	\$ 398,954
Refund of deposits			(289,624)	(289,624)
Change in Cash Held for Performance			(109,330)	(109,330)
Total Other Adjustments to Cash (Uses)				
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, 2022
(Continued)

ARPA FUND			
	Budgeted Amounts		Actual
	Original	Final	Amounts, (Budgetary Basis)
			Variance with Final Budget Positive (Negative)
RECEIPTS			
Intergovernmental	\$	\$ 6,487,462	\$ 6,487,462
Total Receipts		6,487,462	6,487,462
DISBURSEMENTS			
Administration		6,487,462	6,487,462
Total Disbursements		6,487,462	6,487,462
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			6,487,462
Net Change in Fund Balance			6,487,462
Fund Balance Beginning			
Fund Balance - Ending	\$ 0	\$ 0	\$ 6,487,462

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

June 30, 2022

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting 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 EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2022

OLDHAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of Transportation</u>				
<i>Passed-Through State Transportation Cabinet</i>				
Highway Planning & Construction - Old Floyd'sburg Road Safety	20.205	05-494.00	\$	\$ 321,959
Highway Planning & Construction - Buckner Connector	20.205	05-754.00		24,326
Highway Planning & Construction - Springhill Trace Sidewalks	20.205	05-757.00		3,137
Highway Planning & Construction - Old LaGrange Road Bike & Ped Trail	20.205	05-410.01		60,871
Highway Planning & Construction - KY22 Planning Study	20.205	05-00203.00		114,570
Sub-Total Highway Planning & Construction				<u>524,863</u>
<i>Passed-Through State Transportation Cabinet</i>				
<i>Highway Safety Cluster</i>				
State & Community Highway Safety - Police Traffic	20.600	PT-2021-CG-42		1,206
National Priority Safety Programs - Occupant Protection	20.616	OP-2022-07		24,956
National Priority Safety Programs - Occupant Protection	20.616	M2HVE-2021-06		7,951
Sub-Total Highway Safety Cluster				<u>34,113</u>
Total U.S. Department of Transportation				<u><u>558,976</u></u>
<u>U. S. Department of the Treasury</u>				
<i>Passed-Through State Department for Local Government</i>				
Coronavirus Relief Fund	21.019	PON2-112-2200001442-1		<u>230,000</u>
Total U.S. Department of the Treasury				<u><u>230,000</u></u>
<u>U. S. Environmental Protection Agency</u>				
<i>Passed-Through State Division of Water</i>				
Performance Partnership Grants	66.605	PON2-129-2000002514-1		80,603
Performance Partnership Grants	66.605	PON2-129-2100000552-1		112,238
Sub-Total Performance Partnerships				<u>192,841</u>
Total U.S. Environmental Protection Agency				<u><u>192,841</u></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, 2022
(Continued)

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing 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 Support Program Grants	93.276	1H79SP020554-01	\$	\$ 7,263
Total U.S. Department of Health & Human Services				7,263
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through State Division of Emergency Management</i>				
Flood Mitigation Assistance (FY16 Oldham County SRL)	97.029	PON2-095-2100003396-1		59,232
Flood Mitigation Assistance (Oldham County Oldham Acres Elevation)	97.029	PON2-095-1900003232-1		177,636
Flood Mitigation Assistance (Oldham Co-Briar Ridge Road)	97.029	PON2-095-2100002961-1		333,430
Flood Mitigation Assistance (Oldham Co Tartans Landing Elevation)	97.029	PON2-095-2100003233-1		900
Flood Mitigation Assistance (Oldham Co Oldham Acres Elevation)	97.029	PON2-095-2200000268-1		1,250
Sub-Total Flood Mitigation Assistance				572,448
<i>Passed-Through State Division of Emergency Management</i>				
Emergency Management Performance Grants	97.042	SC-095-2100000605-1		2,142
Emergency Management Performance Grants	97.042	SC-095-2200000589-1		28,713
Sub-total Emergency Management Performance				30,855
Total U.S. Department of Homeland Security				603,303
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed-Through State Department for Local Government</i>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20C-105		10,185
Total U.S. Department of the Treasury				10,185
Total Expenditures of Federal Awards			\$ 0	\$ 1,602,568

The accompanying notes are an integral part of this schedule

OLDHAM COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

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, 2022. 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.

OLDHAM COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2022

OLDHAM COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2022

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 3,770,642	\$ 28,650		\$ 3,799,292
Construction In Progress	3,197,627	50,927	217,551	3,031,003
Buildings	12,101,092	376,600		12,477,692
Land and Building Improvements	27,176,660	273,620		27,450,280
Vehicles	6,025,226	246,381	43,483	6,228,124
Equipment	5,667,475	421,884		6,089,359
Infrastructure	37,849,593	2,349,625		40,199,218
	<u>37,849,593</u>	<u>2,349,625</u>	<u></u>	<u>40,199,218</u>
 Total Capital Assets	 <u>\$ 95,788,315</u>	 <u>\$ 3,747,687</u>	 <u>\$ 261,034</u>	 <u>\$ 99,274,968</u>

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

June 30, 2022

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land and Building Improvements	\$ 5,000	20-25
Buildings	\$ 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***

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, 2022, 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 November 29, 2022.

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)

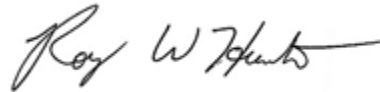
Compliance And Other Matters

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 "Roy W. Hunter", with a stylized flourish at the end.

Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

November 29, 2022

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

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 The Uniform Guidance

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Oldham County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the *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, 2022. 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.

In our opinion, Oldham County Fiscal Court complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Oldham County Fiscal Court and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Oldham County Fiscal Court's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Oldham County Fiscal Court's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oldham County Fiscal Court's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Oldham County Fiscal Court's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Oldham County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oldham County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Oldham County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Report on Internal Control over Compliance

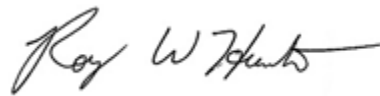
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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,

A handwritten signature in black ink, appearing to read "Roy W. Hunter", with a stylized flourish at the end.

Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

November 29, 2022

OLDHAM COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2022

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

For The Year Ended June 30, 2022

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</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 program:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds For States
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, 2022
(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, 2022

CERTIFICATION OF COMPLIANCE

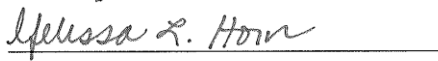
OLDHAM COUNTY FISCAL COURT

For The Year Ended June 30, 2022

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 black ink, appearing to read "David Voegel", is written over a horizontal line.

County Judge/Executive

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

County Treasurer