

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

**For The Fiscal Year Ended  
June 30, 2013**



**MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS  
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**EXECUTIVE SUMMARY**  
**AUDIT OF THE**  
**PIKE COUNTY FISCAL COURT**

**June 30, 2013**

The Auditor of Public Accounts has completed the audit of the Pike County Fiscal Court for fiscal year ended June 30, 2013.

We have issued an unmodified opinion, based on our audit, on the Statement of Receipts, Disbursements, and Changes in Cash Balances and Cash Equivalents - Regulatory Basis of Pike County, Kentucky.

We have issued an unmodified opinion, based on our audit on the Statement of Receipts, Disbursements, and Changes in Cash Balances and Cash Equivalents - Regulatory Basis of Pike County, Kentucky. In accordance with OMB Circular A-133, we have issued an unmodified opinion on the compliance requirements that are applicable to Pike County's major federal programs: Emergency Watershed Protection Program (CFDA #10.923) and Hazard Mitigation Grant Program (CFDA #97.039)

**Financial Condition:**

The Pike County Fiscal Court had total receipts of \$36,667,277 and disbursements of \$43,533,922 in fiscal year 2013. This resulted in total ending cash balances and cash equivalents of \$11,686,476, which is a decrease of \$4,317,757 from the prior year.

**Deposits:**

The Fiscal Court deposits were insured and collateralized by bank securities or bonds.



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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky

Honorable Mathew G. Bevin, Governor  
William M. Landrum III, Secretary  
Finance and Administration Cabinet  
Honorable William M. Deskins, Pike County Judge/Executive  
Honorable Wayne T. Rutherford, Former Pike County Judge/Executive  
Members of the Pike County Fiscal Court

Independent Auditor's Report

**Report on the Financial Statement**

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances and Cash Equivalents - Regulatory Basis of Pike County, Kentucky, for the year ended June 30, 2013, and the related notes to the financial statement.

**Management's Responsibility for the Financial Statement**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described more fully in Note 1, the financial statement is prepared by Pike County, Kentucky on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pike County, Kentucky as of June 30, 2013, or changes in financial position or cash flows thereof for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances and cash equivalents of Pike County, Kentucky as of June 30, 2013, and its cash receipts and disbursements, for the year then ended, in accordance with the accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

### **Emphasis of Matters**

As discussed in Note 13 to the financial statement, in fiscal year 2013, the Pike County Fiscal Court adopted new accounting guidance on a regulatory basis. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statement, the Pike County Fiscal Court would have included some component entities under accounting principles generally accepted in the United State of America (GAAP) as established by the Government Accounting Standards Board. However, under the regulatory basis they are no longer are required components of the reporting entity. Our opinion is not modified with respect to this matter.

To the People of Kentucky  
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### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of Pike County, Kentucky. The budgetary comparison schedules and capital asset schedule are presented for purposes of additional analysis and are not a required part of the financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The budgetary comparison schedules and schedule of expenditures of federal awards have 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 basic financial statement. The capital asset schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2015 on our consideration of Pike County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,



Mike Harmon  
Auditor of Public Accounts

October 28, 2015

PIKE COUNTY OFFICIALS

For The Year Ended June 30, 2013

**Fiscal Court Members:**

Wayne T. Rutherford	Former County Judge/Executive
Jeff Anderson	Magistrate
Vernon Johnson	Magistrate
Leo Murphy	Magistrate
Kenneth Robinson	Magistrate
Lloyd Hilman Dotson	Magistrate
Christian Harris	Magistrate

**Other Elected Officials:**

Howard Keith Hall	County Attorney
Rodney Scott	Jailer
Lillian P. Elliott	County Clerk
Anna G. Pinson	Circuit Court Clerk
Charles "Fuzzy" Keesee	Sheriff
Lonnie Osbourne	Property Valuation Administrator
Russell Roberts	Coroner

**Appointed Personnel:**

Johnda Billiter	County Treasurer
Rhonda James	Chief Financial Officer

**PIKE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN CASH BALANCES AND CASH EQUIVALENTS - REGULATORY BASIS**

**For The Year Ended June 30, 2013**

**PIKE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN CASH BALANCES AND CASH EQUIVALENTS- REGULATORY BASIS**

**For The Year Ended June 30, 2013**

	<b>Budgeted Funds</b>				
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>	<b>Forestry Fund</b>
<b>RECEIPTS</b>					
Taxes	\$ 5,292,096	\$	\$	\$	\$ 8,444
In Lieu Tax Payments	45,320	157			
Excess Fees	710,947				
Licenses and Permits	287,845				
Intergovernmental	1,365,792	4,373,872	3,214,990	8,756,733	
Charges for Services	35,692		269,276	14,469	
Miscellaneous	2,627,424	707,041	64,703	39,024	
Interest	3,216	9			
Total Receipts	<u>10,368,332</u>	<u>5,081,079</u>	<u>3,548,969</u>	<u>8,810,226</u>	<u>8,444</u>
<b>DISBURSEMENTS</b>					
General Government	3,450,546			450,566	
Protection to Persons and Property	769,457		3,360,769	805,033	5,719
General Health and Sanitation	252,881			439,369	
Social Services	101,509			817,572	
Recreation and Culture	217,301			1,814,750	
Roads	111,526	5,581,332			
Airports				105,297	
Other Transportation Facilities and Services				35,280	
Debt Service		773,364	396,760	5,660	
Capital Projects		77,362		79,440	
Administration	1,765,081	1,493,020	1,040,271	405,881	
Total Disbursements	<u>6,668,301</u>	<u>7,925,078</u>	<u>4,797,800</u>	<u>4,958,848</u>	<u>5,719</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>3,700,031</u>	<u>(2,843,999)</u>	<u>(1,248,831)</u>	<u>3,851,378</u>	<u>2,725</u>
<b>Other Adjustments to Cash (Uses)</b>					
Bond Proceeds					
Premium on Bond Issuance					
Discount on Bond Issuance					
Payment to Bond Escrow Agent					
Payoff of General Obligation Bond					
Payoff of Financing Obligations					
Financing Obligation Proceeds		742,518			
Transfers From Other Funds		2,933,140	1,091,552		
Transfers To Other Funds	(1,591,552)	(744,320)		(3,897,537)	
Total Other Adjustments to Cash (Uses)	<u>(1,591,552)</u>	<u>2,931,338</u>	<u>1,091,552</u>	<u>(3,897,537)</u>	
Net Change in Cash Balances and Cash Equivalents	2,108,479	87,339	(157,279)	(46,159)	2,725
Cash Balances and Cash Equivalents - Beginning (Restated)	1,686,944	127,836	257,279	172,455	18,163
Cash Balances and Cash Equivalents - Ending	<u>\$ 3,795,423</u>	<u>\$ 215,175</u>	<u>\$ 100,000</u>	<u>\$ 126,296</u>	<u>\$ 20,888</u>

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

**PIKE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN CASH BALANCES AND CASH EQUIVALENTS- REGULATORY BASIS**  
**For The Year Ended June 30, 2013**  
**(Continued)**

Budgeted Funds			Unbudgeted Funds			Total Funds
Solid Waste Fund	Local Government Development Fund	Maintenance Garage Fund	General Obligation Bond Fund	Public Properties Corporation Fund	Jail Commissary Fund	
\$	\$	\$	\$	\$	\$	\$ 5,300,540
						45,477
						710,947
1,400						289,245
133,056			215,122	2,146,587		20,206,152
4,758,751						5,078,188
399,436	991,602	41,074		5,000	120,499	4,995,803
6,714	685		15	30,286		40,925
<u>5,299,357</u>	<u>992,287</u>	<u>41,074</u>	<u>215,137</u>	<u>2,181,873</u>	<u>120,499</u>	<u>36,667,277</u>
						3,901,112
						4,940,978
3,251,604						3,943,854
						919,081
					108,488	2,140,539
						5,692,858
						105,297
		1,153,763				1,189,043
286,038			1,472,347	2,145,188		5,079,357
			1,289,263	7,146,071		8,592,136
1,915,303		344,345	59,060	6,706		7,029,667
<u>5,452,945</u>	<u></u>	<u>1,498,108</u>	<u>2,820,670</u>	<u>9,297,965</u>	<u>108,488</u>	<u>43,533,922</u>
(153,588)	992,287	(1,457,034)	(2,605,533)	(7,116,092)	12,011	(6,866,645)
			14,685,000			14,685,000
			201,655			201,655
			(101,504)			(101,504)
			(5,802,787)			(5,802,787)
			(2,068,898)			(2,068,898)
			(5,381,726)			(5,381,726)
274,630						1,017,148
675,000		1,449,320	1,128,005			7,277,017
<u>(1,043,608)</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>(7,277,017)</u>
<u>(93,978)</u>	<u></u>	<u>1,449,320</u>	<u>2,659,745</u>	<u></u>	<u></u>	<u>2,548,888</u>
(247,566)	992,287	(7,714)	54,212	(7,116,092)	12,011	(4,317,757)
3,594,214	251,321	48,207	59	9,753,391	94,364	16,004,233
<u>\$ 3,346,648</u>	<u>\$ 1,243,608</u>	<u>\$ 40,493</u>	<u>\$ 54,271</u>	<u>\$ 2,637,299</u>	<u>\$ 106,375</u>	<u>\$ 11,686,476</u>

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

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TO THE FINANCIAL STATEMENT**

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**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**

**June 30, 2013**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The financial statement of Pike County includes all budgeted and unbudgeted funds under the control of the Pike 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 following entities: Pike County Interlocal 911 Board and Pike County Golf Management Corporation would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. However under the regulatory basis they are no longer are required components of the reporting entity.

**B. Basis of Accounting**

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

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

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

**C. Basis of Presentation**

**Budgeted Funds**

The Fiscal Court reports the following budgeted funds:

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

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

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation (Continued)**

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

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

Forestry Fund - The primary purpose of this fund is to account for collections and disbursements of taxes relating to fire protection.

Solid Waste Fund - The primary purpose of this fund is to account for the activities of the solid waste collection services in Pike County and account for the operation of the Ford's Branch landfill. The primary sources of receipts for this fund are solid waste collection services and landfill disposal fees.

Local Government Economic Development 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.

Maintenance Garage Fund - The purpose of this fund is to account for expenses for the Maintenance Garage.

**Unbudgeted Funds**

The Fiscal Court reports the following unbudgeted funds:

General Obligation Bond Fund - The purpose of this fund is to account for debt service requirements of the General Obligation Refunding Bonds. The Department for Local Government does not require the Fiscal Court to report or budget this fund.

Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit and to enhance the well-being of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Commissary Fund.

**D. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Information (Continued)**

The County Judge/Executive is required to submit estimated receipts and proposed disbursement to the Fiscal Court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the Fiscal Court by July 1.

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

The State Local Finance Officer does not require the Jail Commissary Fund to be budgeted because the Fiscal Court does not approve the expenses of this fund.

The State Local Finance Officer does not require the Public Facilities Construction Corporation Fund or the General Obligation Bond Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from these funds annually.

**E. Pike County Elected Officials**

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

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

**F. Deposits and Investments**

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

KRS 66.480 authorizes the county to invest in the following, including but not limited to, 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).

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**G. Long-term Obligations**

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

**Note 2. Deposits**

The Fiscal Court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 41.240(4). As of June 30, 2013, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2013.

	General Fund	Rail Fund	LGEA Fund	Solid Waste	Total Transfers In
Road Fund	\$ 500,000	\$	\$2,433,140	\$	\$ 2,933,140
Jail Fund	1,091,552				1,091,552
Solid Waste			675,000		675,000
General Obligation Bond Fund			789,397	338,608	1,128,005
Maintenance Garage Fund		744,320		705,000	1,449,320
Total Transfers Out	<u>\$ 1,591,552</u>	<u>\$ 744,320</u>	<u>\$3,897,537</u>	<u>\$ 1,043,608</u>	<u>\$ 7,277,017</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.

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 4. Agency Trust Funds**

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

The Fiscal Court has the following agency trust fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the Jail Inmate Fund as of June 30, 2013 was \$38,087.

**Note 5. Long-term Debt**

**A. Courthouse #4**

On June 17, 1991, Pike County entered into a lease agreement with Kentucky Association of Counties Leasing Trust Program for courthouse renovations. The principal amount of the lease was \$5,000,000. The agreement required variable monthly payments for 25 years to be paid in full July 1, 2016. On August 30, 2012, the county issued a general obligation refunding bond that paid this lease in full.

**B. Courthouse Extra #5**

On June 29, 1993, Pike County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Leasing Trust Program for an additional courthouse renovation and furniture. The principal amount of the lease was \$600,000. The agreement required variable monthly payments for 25 years to be paid in full March 1, 2018, with a variable interest rate. On August 30, 2012, the county issued a general obligation refunding bond that paid this lease in full.

**C. Revenue Refunding, Series 2004**

In September 2004, the Pike County Fiscal Court, issued \$4,320,000 in general obligation-refunding bonds to refinance the 1997 bond issue for the Hall of Justice. The bonds required semiannual interest payments due March 1 and September 1 and one principal payment each year due September 1. On August 30, 2012, the county issued a general obligation refunding bond that paid this bond in full.

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 5. Long-term Debt (Continued)**

**D. Improvement Bonds, Series 2005**

On March 24, 2006, the Pike County Fiscal Court, issued \$6,400,000 in general obligation improvement bonds for improvements to the Hall of Justice. The bonds require semiannual interest payments due March 1 and September 1 and one principal payment each year due March 1. On April 17, 2013, the county issued a General Obligation Refunding Bond Series 2013 to eliminate this debt; however, the Series 2005 bond is not callable until September 1, 2015. Per the Series 2013 Bond agreement, an escrow account was established and \$5,802,787 was deposited into that account to refund the bond to meet the principal and interest requirements. The county will not recognize this debt. Also, the county is responsible for two payments in the succeeding fiscal years as follows:

Fiscal Year Ended June 30	Principal	Interest
2014	\$ 145,000	\$ 13,275
2015	150,000	6,750
Totals	<u>\$ 295,000</u>	<u>\$ 20,025</u>

**E. Public Properties Corporation First Mortgage Revenue Bonds, Series 2010**

On August 5, 2010, the Pike County Fiscal Court, issued \$30,925,000 in revenue bonds for the building of the new Judicial Center. The bonds require semiannual interest payments due March 1 and September 1 and one principal payment each year due March 1. The bonds will mature August 1, 2029. As of June 30, 2013, the principal amount outstanding was \$26,985,000. Bond payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest
2014	\$ 1,200,000	\$ 944,713
2015	1,240,000	908,113
2016	1,275,000	870,388
2017	1,315,000	831,536
2018	1,355,000	791,488
2019-2023	7,485,000	3,246,767
2024-2028	8,990,000	1,748,250
2029-2030	4,125,000	166,700
Totals	<u>\$ 26,985,000</u>	<u>\$ 9,507,955</u>

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 5. Long-term Debt (Continued)**

**F. John Deere Lease-Purchase**

On May 20, 2010, Pike County Fiscal Court entered into a lease-purchase agreement with John Deere Credit to purchase a John Deere Dozer. The principal amount of the lease-purchase agreement was \$260,124. The agreement requires monthly payments due on the 20<sup>th</sup> of each month with an interest rate of 3.95% to be paid in full June 20, 2015. As of June 30, 2013 the principal amount outstanding was \$105,818. Lease payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest
2014	\$ 54,211	\$ 3,205
2015	51,607	1,025
Totals	<u>\$ 105,818</u>	<u>\$ 4,230</u>

**G. KACO-Landfill Phase V #26**

On May 4, 2010, Pike County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Leasing Trust Program for acquisition and construction of the Landfill Phase V. The principal amount of the lease was \$4,700,000. The agreement required monthly interest payments due on the 20<sup>th</sup> of each month with an interest rate of 3.699% with principal payments due on May 20 of each year. On August 30, 2012, the county issued a general obligation refunding bond that paid this lease in full.

**H. Dump Trucks #32**

On August 12, 2011 Pike County Fiscal Court entered into an eighteen month lease agreement with the Kentucky Association of Counties Leasing Trust Program for eight Mack trucks. The principal amount of the lease was \$1,017,148. The interest rate was 3.75%. The lease agreement was paid in full in June 2013.

**I. Revenue Refunding Bond, Series 2012**

In August 2012, the Pike County Fiscal Court, issued \$7,345,000 in general obligation-refunding bonds to refinance four outstanding debt issues. The bonds require semiannual interest payments due March 1 and September 1 and one principal payment each year due September 1. The bonds will mature September 1, 2019. As of June 30, 2013, the principal amount outstanding was \$6,465,000. Bond payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest
2014	\$ 1,235,000	\$ 116,950
2015	1,260,000	92,000
2016	1,330,000	66,100
2017	730,000	45,500
2018	745,000	30,750
2019-2020	1,165,000	19,750
Totals	<u>\$ 6,465,000</u>	<u>\$ 371,050</u>

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 5. Long-term Debt (Continued)**

**J. Revenue Refunding Bond, Series 2013**

In April 2013, the Pike County Fiscal Court, issued \$7,340,000 in general obligation-refunding bonds to refinance the 2005 Improvement Bonds and for Courthouse Energy Savings improvements. The bonds require semiannual interest payments due March 1 and September 1 and one principal payment each year due September 1. The bonds will mature on March 1, 2036. As of June 30, 2013, the principal amount outstanding was \$7,340,000. Bond payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest
2014	\$ 190,000	\$ 157,625
2015	120,000	179,956
2016	290,000	178,756
2017	290,000	175,856
2018	295,000	172,956
2019-2023	1,595,000	773,281
2024-2028	1,840,000	589,688
2029-2033	1,660,000	339,100
2034-2036	1,060,000	75,075
Totals	<u>\$ 7,340,000</u>	<u>\$ 2,642,293</u>

**K. Changes In Long-term Debt**

Long-term Debt activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 8,050,000	\$14,685,000	\$ 8,930,000	\$ 13,805,000	\$ 1,425,000
Revenue Bonds	28,150,000		1,165,000	26,985,000	1,200,000
Financing Obligations	5,488,762		5,382,944	105,818	54,211
Total Long-term Debt	<u>\$41,688,762</u>	<u>\$ 14,685,000</u>	<u>\$ 15,477,944</u>	<u>\$40,895,818</u>	<u>\$ 2,679,211</u>

**Note 6. Short-term Debt**

**A. Dump Trucks #34**

On August 1, 2012, Pike County Fiscal Court entered into an eighteen month lease agreement with the Kentucky Association of Counties Leasing Trust Program for eight Mack trucks. The principal amount of the lease was \$1,017,148. The county pays 73% from the Road Fund and 27% from the Solid Waste fund. This is based on the usage by each department. The interest rate was 3.751%. The lease agreement was paid in full in June 2013.

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 6. Shot-term Debt (Continued)**

**B. Changes In Short-term Debt**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Financing Obligation	\$	\$ 1,017,147	\$ 1,017,147	\$	\$
Total Short-term Debt	<u>\$ 0</u>	<u>\$ 1,017,147</u>	<u>\$ 1,017,147</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Note 7. Employee Retirement System**

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

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute six percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 19.55 percent.

Hazardous covered employees are required to contribute eight percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute nine percent of their salary to be allocated as follows: eight percent will go to the member's account and one percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 37.60 percent.

The county's contribution for FY 2011 was \$1,535,415, FY 2012 was \$1,575,335, and FY 2013 was \$1,643,412.

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

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

CERS also provides post retirement health care coverage as follows:

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

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 7. Employee Retirement System (Continued)**

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

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount.

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

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

**Note 8. Deferred Compensation**

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

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

**Note 9. Flexible Spending Account**

The Pike Fiscal Court established a flexible spending account on June 5, 2012 to provide employees an additional health benefit. The County has contracted with Febco. Inc., a third-party administrator, to administer the plan. The plan provides a debit card to each eligible employee providing \$1,000 each year to pay for qualified medical expenses. The balance of the plan is \$59,390.

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 10. Insurance**

For the fiscal year ended June 30, 2013, Pike County 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 a 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 11. Landfill Closure and Post-Closure Costs**

401 KAR 48:310 Section 2 and 3 requires the owner or operator of a landfill to have a detailed written estimate, in current dollars, of the cost of hiring a third party to close the solid waste disposal site and to conduct each phase of closure care monitoring and maintenance in accordance with the closure plan. The Ford's Branch Landfill closure plan currently calls for six phases. As of June 30, 2013, 98% of phase four of the landfill capacity had been used and 16% of phase five of the landfill capacity had been used.

Pike County must comply with established state and federal closure procedures and must perform maintenance and monitoring procedures at the site for 30 years after closure. Estimated closure costs total \$3,267,652, and estimated post closure care costs total \$50,705 per year for 30 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Since the financial statements are prepared on a regulatory basis of accounting in accordance with the laws of Kentucky, no liability has been recognized for closure or post closure costs.

The Fiscal Court is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The Fiscal Court annually deposits \$130,000 of solid waste receipts into an account reserved for the landfill closing. At June 30, 2013, the Ford's Branch Landfill Closing Fund had a cash balance of \$3,183,378.

The Ford's Branch Landfill phase four was completed in 2011 and phase five is scheduled to close in 2021. It is anticipated that sufficient funds will be available in the Ford's Branch Landfill Closing Account to pay estimated closure and post-closure costs.

**Note 12. Related Party Transactions**

The County entered into the following related party transactions, which were approved by the Fiscal Court.

The County expended \$135,878 with a business for cleaning supplies. The Treasurer's spouse is employed by the business which provides cleaning supplies.

The County expended \$605 with a business for towing services. A magistrate's son owns the business which provided the towing services.

**Note 13. Change in Basis of Accounting**

Pike County, Kentucky, has changed its basis of accounting from presenting its financial statements in accordance with the modified cash basis of accounting and relevant Government Accounting Standards Board (GASB) pronouncements to the regulatory basis of accounting as prescribed or permitted by the Department for Local Government and the laws of the Commonwealth of Kentucky. The net effect was a decrease to the beginning balance of the General Fund by \$48,207 and an increase to the balance of the Maintenance Garage Fund by \$48,207, on the Statement of Receipts, Disbursements, and Changes in Cash Balances and Cash Equivalents - Regulatory Basis.

**PIKE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2013**  
**(Continued)**

**Note 14. Prior Period Adjustments**

**General Fund Beginning Balance**

General Fund Balance as of June 30, 2012	\$ 1,902,535
Remove 911 Board Receivable Due to Change in Basis of Accounting	(167,384)
Remove Maintenance Garage Fund Cash Balance Due to Change in Basis of Accounting	<u>(48,207)</u>
Beginning Balance (Restated)	<u>\$ 1,686,944</u>

**LGEA Fund Beginning Balance**

General Fund Balance as of June 30, 2012	\$ 1,134,203
Remove Golf Management Board Receivable Due to Change in Basis of Accounting	(791,975)
Remove Airport Board Receivable Due to Change in Basis of Accounting	<u>(169,773)</u>
Beginning Balance (Restated)	<u>\$ 172,455</u>

**Solid Waste Fund Beginning Balance**

General Fund Balance as of June 30, 2012	\$ 3,634,446
Remove Cash Balance for a Lease Payment Fund that County Transferred Funds to for payment of Solid Waste Landfill Debt	<u>(40,232)</u>
Beginning Balance (Restated)	<u>\$ 3,594,214</u>

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

**For The Year Ended June 30, 2013**



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

**For The Year Ended June 30, 2013**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 4,796,087	\$ 5,281,561	\$ 5,292,096	\$ 10,535
In Lieu Tax Payments	46,922	45,513	45,320	(193)
Excess Fees	660,000	710,947	710,947	
Licenses and Permits	242,140	287,344	287,845	501
Intergovernmental	1,549,085	4,974,268	1,365,792	(3,608,476)
Charges for Services	36,625	39,183	35,692	(3,491)
Miscellaneous	70,846	210,589	2,627,424	2,416,835
Interest	2,250	2,829	3,216	387
Total Receipts	<u>7,403,955</u>	<u>11,552,234</u>	<u>10,368,332</u>	<u>(1,183,902)</u>
<b>DISBURSEMENTS</b>				
General Government	3,663,237	4,613,621	3,450,546	1,163,075
Protection to Persons and Property	754,232	942,254	769,457	172,797
General Health and Sanitation	299,500	3,762,300	252,881	3,509,419
Social Services	126,867	113,235	101,509	11,726
Recreation and Culture	302,074	302,075	217,301	84,774
Roads	125,944	126,557	111,526	15,031
Administration	1,865,921	1,930,796	1,765,081	165,715
Total Disbursements	<u>7,137,775</u>	<u>11,790,838</u>	<u>6,668,301</u>	<u>5,122,537</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>266,180</u>	<u>(238,604)</u>	<u>3,700,031</u>	<u>3,938,635</u>
<b>Other Adjustments to Cash (Uses)</b>				
Lease Proceeds		450,000		(450,000)
Transfers To Other Funds	(1,398,340)	(1,898,340)	(1,591,552)	306,788
Total Other Adjustments to Cash (Uses)	<u>(1,398,340)</u>	<u>(1,448,340)</u>	<u>(1,591,552)</u>	<u>(143,212)</u>
Net Change in Cash Balances and Cash Equivalents	(1,132,160)	(1,686,944)	2,108,479	3,795,423
Cash Balances and Cash Equivalents - Beginning	<u>1,132,160</u>	<u>1,686,944</u>	<u>1,686,944</u>	
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,795,423</u>	<u>\$ 3,795,423</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
In Lieu Tax	\$ 998	\$ 998	\$ 157	(841)
Intergovernmental	6,551,217	6,836,725	4,373,872	(2,462,853)
Miscellaneous	678,079	720,271	707,041	(13,230)
Interest		8	9	1
Total Receipts	<u>7,230,294</u>	<u>7,558,002</u>	<u>5,081,079</u>	<u>(2,476,923)</u>
<b>DISBURSEMENTS</b>				
Roads	6,224,484	6,489,793	5,581,332	908,461
Debt Service			773,364	(773,364)
Capital Projects	1,859,618	1,859,618	77,362	1,782,256
Administration	1,516,543	1,525,247	1,493,020	32,227
Total Disbursements	<u>9,600,645</u>	<u>9,874,658</u>	<u>7,925,078</u>	<u>1,949,580</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,370,351)</u>	<u>(2,316,656)</u>	<u>(2,843,999)</u>	<u>(527,343)</u>
<b>Other Adjustments to Cash (Uses)</b>				
Finance Obligation Proceeds			742,518	742,518
Transfers From Other Funds	2,933,140	2,933,140	2,933,140	
Transfers To Other Funds	(744,320)	(744,320)	(744,320)	
Total Other Adjustments to Cash (Uses)	<u>2,188,820</u>	<u>2,188,820</u>	<u>2,931,338</u>	<u>742,518</u>
Net Change in Cash Balances and Cash Equivalents	(181,531)	(127,836)	87,339	215,175
Cash Balances and Cash Equivalents - Beginning	<u>181,531</u>	<u>127,836</u>	<u>127,836</u>	
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 215,175</u>	<u>\$ 215,175</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,547,418	\$ 3,161,248	\$ 3,214,990	\$ 53,742
Charges for Services	230,700	279,181	269,276	(9,905)
Miscellaneous	22,238	62,455	64,703	2,248
Total Receipts	<u>2,800,356</u>	<u>3,502,884</u>	<u>3,548,969</u>	<u>46,085</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	3,363,253	4,018,010	3,360,769	657,241
Debt Service	396,760	396,760	396,760	
Administration	1,089,950	1,046,780	1,040,271	6,509
Total Disbursements	<u>4,849,963</u>	<u>5,461,550</u>	<u>4,797,800</u>	<u>663,750</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,049,607)</u>	<u>(1,958,666)</u>	<u>(1,248,831)</u>	<u>709,835</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	2,023,118	1,701,387	1,091,552	(609,835)
Total Other Adjustments to Cash (Uses)	<u>2,023,118</u>	<u>1,701,387</u>	<u>1,091,552</u>	<u>(609,835)</u>
Net Change in Cash Balances and Cash Equivalents	(26,489)	(257,279)	(157,279)	100,000
Cash Balances and Cash Equivalents - Beginning	<u>26,489</u>	<u>257,279</u>	<u>257,279</u>	
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 11,227,084	\$ 10,534,951	\$ 8,756,733	\$ (1,778,218)
Services	1,000	8,093	14,469	6,376
Miscellaneous	4,095	38,974	39,024	50
Total Receipts	<u>11,232,179</u>	<u>10,582,018</u>	<u>8,810,226</u>	<u>(1,771,792)</u>
<b>DISBURSEMENTS</b>				
General Government	475,308	470,749	450,566	20,183
Protection to Persons and Property	1,095,840	1,245,343	805,033	440,310
General Health and Sanitation	464,662	455,091	439,369	15,722
Social Services	904,141	832,577	817,572	15,005
Recreation and Culture	1,492,753	2,330,985	1,814,750	516,235
Roads	19,950	19,950		19,950
Airports	103,319	105,797	105,297	500
Other Transportation Facilities and Services	40,000	40,000	35,280	4,720
Debt Service	591,984	647,198	5,660	641,538
Capital Projects	726,678	227,294	79,440	147,854
Administration	447,259	413,090	405,881	7,209
Total Disbursements	<u>6,361,894</u>	<u>6,788,074</u>	<u>4,958,848</u>	<u>1,829,226</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>4,870,285</u>	<u>3,793,944</u>	<u>3,851,378</u>	<u>57,434</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds	<u>(5,035,066)</u>	<u>(3,966,399)</u>	<u>(3,897,537)</u>	<u>68,862</u>
Total Other Adjustments to Cash (Uses)	<u>(5,035,066)</u>	<u>(3,966,399)</u>	<u>(3,897,537)</u>	<u>68,862</u>
Net Change in Cash Balances and Cash Equivalents	(164,781)	(172,455)	(46,159)	126,296
Cash Balances and Cash Equivalents - Beginning	<u>164,781</u>	<u>172,455</u>	<u>172,455</u>	
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 126,296</u>	<u>\$ 126,296</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

	<b>FORESTRY FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 10,500	\$ 10,500	\$ 8,444	\$ (2,056)
Total Receipts	<u>10,500</u>	<u>10,500</u>	<u>8,444</u>	<u>(2,056)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	28,531	28,663	5,719	22,944
Total Disbursements	<u>28,531</u>	<u>28,663</u>	<u>5,719</u>	<u>22,944</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(18,031)</u>	<u>(18,163)</u>	<u>2,725</u>	<u>20,888</u>
Net Change in Cash Balances and Cash Equivalents	(18,031)	(18,163)	2,725	20,888
Cash Balances and Cash Equivalents - Beginning	<u>18,031</u>	<u>18,163</u>	<u>18,163</u>	<u></u>
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,888</u>	<u>\$ 20,888</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

	<b>SOLID WASTE FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Licenses and Permits	\$ 1,000	\$ 1,200	\$ 1,400	\$ 200
Intergovernmental	94,183	127,556	133,056	5,500
Charges for Services	4,951,000	4,744,930	4,758,751	13,821
Miscellaneous	324,277	386,112	399,436	13,324
Interest	300	301	6,714	6,413
Total Receipts	<u>5,370,760</u>	<u>5,260,099</u>	<u>5,299,357</u>	<u>39,258</u>
<b>DISBURSEMENTS</b>				
General Health and Sanitation	4,401,223	4,399,766	3,251,604	1,148,162
Debt Service			286,038	(286,038)
Administration	1,948,218	1,981,675	1,915,303	66,372
Total Disbursements	<u>6,349,441</u>	<u>6,381,441</u>	<u>5,452,945</u>	<u>928,496</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(978,681)</u>	<u>(1,121,342)</u>	<u>(153,588)</u>	<u>967,754</u>
<b>Other Adjustments to Cash (Uses)</b>				
Finance Obligation Proceeds			274,630	274,630
Transfers From Other Funds	1,477,148	1,230,212	675,000	(555,212)
Transfers To Other Funds	(786,071)	(786,071)	(1,043,608)	(257,537)
Total Other Adjustments to Cash (Uses)	<u>691,077</u>	<u>444,141</u>	<u>(93,978)</u>	<u>(538,119)</u>
Net Change in Cash Balances and Cash Equivalents	(287,604)	(677,201)	(247,566)	429,635
Cash Balances and Cash Equivalents - Beginning	<u>287,604</u>	<u>677,201</u>	<u>3,594,214</u>	<u>2,917,013</u>
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,346,648</u>	<u>\$ 3,346,648</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

	<b>LGED FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 149,730	\$ 991,602	\$ 991,602	\$
Interest	230	481	685	204
Total Receipts	<u>149,960</u>	<u>992,083</u>	<u>992,287</u>	<u>204</u>
<b>DISBURSEMENTS</b>				
General Government	<u>388,760</u>	<u>1,243,404</u>		<u>1,243,404</u>
Total Disbursements	<u>388,760</u>	<u>1,243,404</u>		<u>1,243,404</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(238,800)</u>	<u>(251,321)</u>	<u>992,287</u>	<u>1,243,608</u>
Net Change in Cash Balances and Cash Equivalents	(238,800)	(251,321)	992,287	1,243,608
Cash Balances and Cash Equivalents - Beginning	<u>238,800</u>	<u>251,321</u>	<u>251,321</u>	
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,243,608</u>	<u>\$ 1,243,608</u>

**PIKE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2013**  
**(Continued)**

**MAINTENANCE GARAGE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 5,461	\$ 41,074	\$ 41,074	\$
Total Receipts	<u>5,461</u>	<u>41,074</u>	<u>41,074</u>	<u>\$</u>
<b>DISBURSEMENTS</b>				
Other Transportation	1,208,580	1,271,233	1,153,763	117,470
Administration	351,085	348,440	344,345	4,095
Total Disbursements	<u>1,559,665</u>	<u>1,619,673</u>	<u>1,498,108</u>	<u>121,565</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,554,204)</u>	<u>(1,578,599)</u>	<u>(1,457,034)</u>	<u>121,565</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,530,391	1,530,391	1,449,320	(81,071)
Total Other Adjustments to Cash (Uses)	<u>1,530,391</u>	<u>1,530,391</u>	<u>1,449,320</u>	<u>(81,071)</u>
Net Change in Cash Balances and Cash Equivalents	(23,813)	(48,208)	(7,714)	40,494
Cash Balances and Cash Equivalents - Beginning	<u>23,813</u>	<u>48,207</u>	<u>48,207</u>	<u>\$</u>
Cash Balances and Cash Equivalents - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,493</u>	<u>\$ 40,493</u>

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

**June 30, 2013**

**Note 1. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed disbursements to the Fiscal Court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the Fiscal Court by July 1.

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

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**PIKE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**



**PIKE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Fiscal Year Ended June 30, 2013**

Federal Grantor Program Title Grant Name (CFDA #)	Pass-Through Grantor's Number	Expenditures
<b><u>U.S. Department of Agriculture</u></b>		
Natural Resources Conservation Service		
Watershed Protection and Flood Prevention Program		
Emergency Watershed Protection Program (CFDA #10.923)	68-5C16-11	\$ 207,322 *
Emergency Watershed Protection Program (CFDA #10.923)	68-5C16-13-011	7,000 *
Emergency Watershed Protection Program- Floodplain Easements (CFDA #10.923)	68-5C16-10-190	<u>126,400 *</u>
Total U.S. Department of Agriculture		<u>340,722</u>
<b><u>U.S. Department of Homeland Security</u></b>		
Passed-Through Commonwealth Department of Military Affairs:		
Public Assistance Grants		
May 2009 Flood (CFDA #97.036)	FEMA-1841-DR-KY	2,880
Public Assistance Grants		
July 2010 Flood (CFDA #97.036)	FEMA-1925-DR-KY	8,246
Assistance to Firefighters Grant Program		
FY 2010 Safety Training Trailer (CFDA #97.044)	EMW-2010-FR-00065	9,267
Congressional Earmark		
South Williamson Floodwall Certification (CFDA #97.047)	PON2-095-1000001460-1	65,781
Passed-Through Commonwealth Department of Emergency Management		
Hazard Mitigation Grant Program		
Courthouse Generator Initiative Program (CFDA #97.039)	HMGP DR1818-0024	195,314 *
May 2009 Flood Buyout (CFDA #97.039)	PON2-095-1100002780-1	40,275 *
Emergency Management Assistance Program		
2013 Emergency Management Performance Grant (CFDA #97.042)	PON2-095-1300000671-1	<u>30,240</u>
Total U.S. Department of Homeland Security		<u>352,003</u>
Total Cash Expenditures of Federal Awards		<u>\$ 692,725</u>

\* - Tested as a major program.

**PIKE COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Year Ended June 30, 2013**

Note 1 - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pike County, Kentucky and is presented on a modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2 - Noncash Expenditures

There were no noncash expenditures of federal awards for fiscal year 2013.

**PIKE COUNTY**  
**SUPPLEMENTARY SCHEDULE**  
**Other Information - Regulatory Basis**  
  
**For The Year Ended June 30, 2013**



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

**For The Year Ended June 30, 2013**

The Fiscal Court reports the following schedule of capital assets:

	Beginning Balance	Additions	Deletions	Ending Balance
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Land	\$ 769,068	\$	\$	\$ 769,068
Construction In Progress	22,004,478	8,435,334		30,439,812
Land Improvements	2,348,767			2,348,767
Buildings	23,202,520	352,067		23,554,587
Vehicles and Equipment	15,408,502	407,678	49,524	15,766,656
Infrastructure	<u>135,568,633</u>	<u>1,243,189</u>	<u>261,420</u>	<u>136,550,402</u>
 Total Capital Assets	 <u>\$ 199,301,968</u>	 <u>\$10,438,268</u>	 <u>\$ 310,944</u>	 <u>\$ 209,429,292</u>

**PIKE COUNTY**  
**NOTES TO OTHER INFORMATION**

**June 30, 2013**

**Note 1. Capital Assets**

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 25,000	10-60
Buildings and Building Improvements	\$ 25,000	10-70
Machinery and Equipment	\$ 2,500	3-25
Vehicles	\$ 2,500	5-7
Infrastructure	\$ 20,000	2-40

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





**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

Honorable William M. Deskins, Pike County Judge/Executive  
Honorable Wayne T. Rutherford, Former Pike County Judge/Executive  
Members of the Pike County Fiscal Court

**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**

**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 Pike County Fiscal Court for the fiscal year ended June 30, 2013 and the related notes to the financial statement and have issued our report thereon dated October 28, 2015. The Fiscal Court's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Pike County Fiscal Court's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Pike County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pike 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 Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

**Compliance And Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,

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

Mike Harmon  
Auditor of Public Accounts

October 28, 2015

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**





**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable William M. Deskins, Pike County Judge/Executive  
The Honorable Wayne T. Rutherford, Former Pike County Judge/Executive  
Members of the Pike County Fiscal Court

Report On Compliance With Requirements  
That Could Have A Direct And Material Effect On Each Major Program  
And On Internal Control Over Compliance In Accordance With OMB Circular A-133

Independent Auditor's Report

**Compliance**

We have audited the compliance of Pike County, Kentucky, with the types of compliance requirements described in the *U.S. Office of Management and Budget Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Pike County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on Pike County's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. A compliance audit includes examining, on a test basis, evidence about Pike County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on Pike County's compliance with those requirements.

**Opinion**

In our opinion, Pike County 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, 2013.



Report On Compliance With Requirements  
That Could Have A Direct And Material Effect On Each Major Program  
And On Internal Control Over Compliance In Accordance With OMB Circular A-133  
(Continued)

### Internal Control over Compliance

The management of the Pike County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered Pike County's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pike County's internal control over compliance.

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

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

### Restricted Use

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Mike Harmon  
Auditor of Public Accounts

October 28, 2015

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

**For The Year Ended June 30, 2013**



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

**Fiscal Year Ended June 30, 2013**

**Section I: Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is any noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

***Federal Awards***

Type of auditor's report issued on compliance for major programs: unmodified

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any audit findings disclosed that are required to be reported in accordance with <u>U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, Section .510(a)</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

CFDA Number(s) and Name of Federal Program or Cluster

10.923 Emergency Watershed Protection Program
97.039 Hazard Mitigation Grant Program

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Is the auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**PIKE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2013**  
**(Continued)**

**Section II: Findings - Financial Statement Audit**

*State Laws And Regulations*

None.

*Internal Control - Material Weaknesses*

None.

*Internal Control - Significant Deficiencies*

None.

**Section III: Findings And Questioned Costs - Major Federal Awards Program Audit**

None.

**Section IV: Summary Schedule of Prior Audit Findings**

None.

**CERTIFICATION OF COMPLIANCE -  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

**PIKE COUNTY FISCAL COURT**

**For The Fiscal Year Ended  
June 30, 2013**



CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

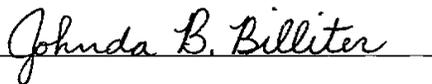
PIKE COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2013

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



Former County Judge/Executive



County Treasurer

