

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

**For The Year Ended
June 30, 2017**



**MIKE HARMON
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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

The enclosed report prepared by RFH, PLLC presents the financial statement of Knott County, Kentucky, for the year ended June 30, 2017.

We engaged RFH, PLLC to perform the audit of this financial statement. We worked closely with the firm during our report review process; RFH, PLLC evaluated the Knott County Fiscal Court's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

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Mike Harmon
Auditor of Public Accounts

Enclosure



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To the People of Kentucky
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Independent Auditors' Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Knott County Fiscal Court, for the year ended June 30, 2017, and the related notes to the financial statement which collectively comprise the Knott County Fiscal Court's financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Knott County Fiscal Court as of June 30, 2017, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund balances of the Knott County Fiscal Court as of June 30, 2017, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Knott County Fiscal Court. The Budgetary Comparison Schedules, Capital Asset Schedule, and the Schedule of Expenditure of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017, on our consideration of the Knott County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Knott County Fiscal Court's internal control over financial reporting and compliance.

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

- 2017-001 The Knott County Fiscal Court Did Not Pay Invoices Presented To The Fiscal Court Within 30 Days Of Receipt
- 2017-002 The Sportsplex Lacks Internal Controls Over Cash Receipts

RFH

RFH, PLLC
Lexington, Kentucky
December 12, 2017

KNOTT COUNTY OFFICIALS

For The Year Ended June 30, 2017

Fiscal Court Members:

Zachary Weinberg	County Judge/Executive
Jeff Dobson	Magistrate
Jamie Mosley	Magistrate
Calvin Waddles	Magistrate
Avery Shurm	Magistrate

Other Elected Officials:

Timothy Bates	County Attorney
Ricky Prater	Jailer
Kennith Gayheart	County Clerk
Judy Collins	Circuit Court Clerk
Dale Richardson	Sheriff
Edward Slone	Property Valuation Administrator
William J Blair	Coroner

Appointed Personnel:

Kevin Jacobs	County Treasurer
Debra Moore	Chief Financial Officer

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

For The Year Ended June 30, 2017

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

For The Year Ended June 30, 2017

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 1,413,455	\$	\$	\$
Excess Fees	114,824			
Intergovernmental	265,316	1,856,250	120,883	859,446
Charges for Services	134,428			24,710
Miscellaneous	258,955	23,835	6,889	33,037
Interest	1,299	2,218	141	349
Total Receipts	<u>2,188,277</u>	<u>1,882,303</u>	<u>127,913</u>	<u>917,542</u>
DISBURSEMENTS				
General Government	1,021,786			43,506
Protection to Persons and Property	2,043		420,963	160,255
General Health and Sanitation				178,158
Social Services	3,085			216,631
Recreation and Culture				377,888
Roads		1,515,023		70,711
Debt Service	3,294	345,622		
Capital Projects		79,093		
Administration	1,047,583	184,808	55,062	252,442
Total Disbursements	<u>2,077,791</u>	<u>2,124,546</u>	<u>476,025</u>	<u>1,299,591</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>110,486</u>	<u>(242,243)</u>	<u>(348,112)</u>	<u>(382,049)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,013,977	506,062	351,500	613,800
Transfers To Other Funds	(1,188,030)	(378,977)		(227,862)
Total Other Adjustments to Cash (Uses)	<u>(174,053)</u>	<u>127,085</u>	<u>351,500</u>	<u>385,938</u>
Net Change in Fund Balances	(63,567)	(115,158)	3,388	3,889
Fund Balances - Beginning	217,160	242,280	404	2,775
Fund Balances - Ending	<u>\$ 153,593</u>	<u>\$ 127,122</u>	<u>\$ 3,792</u>	<u>\$ 6,664</u>
Composition of Fund Balance				
Bank Balances	\$ 200,733	\$ 347,129	\$ 11,443	\$ 17,237
Add: Deposits in Transit	43,862			689
Less: Outstanding Checks	(91,002)	(220,007)	(7,651)	(11,262)
Fund Balances - Ending	<u>\$ 153,593</u>	<u>\$ 127,122</u>	<u>\$ 3,792</u>	<u>\$ 6,664</u>

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

KNOTT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2017
(Continued)

Budgeted Funds							
State Grants Fund	Federal Grants Fund	Emergency Management Fund	Forestry Fund	Sportsplex Fund	E-911 Fund	Debt Service Fund	Total Funds
\$	\$	\$	\$ 3,257	\$	\$ 87,953	\$	\$ 1,504,665
							114,824
816,891	951,963	181,238				475,750	5,527,737
				328,437			487,575
				9,417			332,133
798	4	393	95	134	174	572	6,177
<u>817,689</u>	<u>951,967</u>	<u>181,631</u>	<u>3,352</u>	<u>337,988</u>	<u>88,127</u>	<u>476,322</u>	<u>7,973,111</u>
							1,065,292
			11,118		101,595		695,974
20,833	559,393						758,384
14,980							234,696
131,611				419,744			929,243
							1,585,734
						1,122,446	1,471,362
8,000	300,000						387,093
		60		48,612			1,588,567
<u>175,424</u>	<u>859,393</u>	<u>60</u>	<u>11,118</u>	<u>468,356</u>	<u>101,595</u>	<u>1,122,446</u>	<u>8,716,345</u>
<u>642,265</u>	<u>92,574</u>	<u>181,571</u>	<u>(7,766)</u>	<u>(130,368)</u>	<u>(13,468)</u>	<u>(646,124)</u>	<u>(743,234)</u>
40,000	30			135,500		600,000	3,260,869
(692,000)		(190,000)	(9,000)			(575,000)	(3,260,869)
<u>(652,000)</u>	<u>30</u>	<u>(190,000)</u>	<u>(9,000)</u>	<u>135,500</u>		<u>25,000</u>	
(9,735)	92,604	(8,429)	(16,766)	5,132	(13,468)	(621,124)	(743,234)
67,754	297	13,958	17,954	3,940	27,607	625,226	1,219,355
<u>\$ 58,019</u>	<u>\$ 92,901</u>	<u>\$ 5,529</u>	<u>\$ 1,188</u>	<u>\$ 9,072</u>	<u>\$ 14,139</u>	<u>\$ 4,102</u>	<u>\$ 476,121</u>
\$ 139,769	\$ 92,901	\$ 5,529	\$ 1,188	\$ 10,364	\$ 22,344	\$ 50,252	\$ 898,889
				2,319		41,750	88,620
(81,750)	-	-	-	(3,611)	(8,205)	(87,900)	(511,388)
<u>\$ 58,019</u>	<u>\$ 92,901</u>	<u>\$ 5,529</u>	<u>\$ 1,188</u>	<u>\$ 9,072</u>	<u>\$ 14,139</u>	<u>\$ 4,102</u>	<u>\$ 476,121</u>

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

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TO THE FINANCIAL STATEMENT**

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KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2017

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Knott County includes all budgeted and unbudgeted funds under the control of the Knott 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. The Knott County Fiscal Court does not maintain any unbudgeted funds.

The Knott County Justice Center Corporation would have been included in the reporting entity under accounting principles generally accepted in the United State 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.

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

Road Fund - This fund is for road and bridge construction and repair. The primary source of receipts for this fund is 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.

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(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 governments, and transfers from the general fund. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

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

State Grants Fund - The primary purpose of this fund is to account for the grants that are received from various state agencies earmarked for specific projects. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

Federal Grants Fund - The primary purpose of this fund is to account for the grants that are received from the federal government earmarked for specific projects. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

Emergency Management Fund - The primary purpose of this fund is to account for the grants that are received from various state and federal agencies earmarked for disaster related projects. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

Forestry Fund - The primary purpose of this fund is to account for the taxes received and the related disbursements to prevent forest fires.

Sportsplex Fund - The primary purpose of this fund is to account for the receipts and disbursements of the Sportsplex. It is primarily funded through charges for services and transfers from other funds.

E-911 Fund - The primary purpose of this fund is to account for the tax receipts and disbursements related to maintaining the local E-911 service.

Debt Service Fund - The purpose of this fund contains the Youth Center general obligation bond issue and the Justice Center Corporation bond issue. Debt service funds are to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

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.

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Knott County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Knott 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 Knott County, Kentucky.

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

F. Deposits and Investments

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

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

G. Long-term Obligations

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

H. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based upon these criteria, the Kentucky River Regional Jail is considered a joint venture of the Knott County Fiscal Court and the Perry County Fiscal Court.

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

H. Joint Ventures (Continued)

Kentucky River Regional Jail

On June 29, 2005, Knott and Perry Counties (the participating counties) entered into an Interlocal Cooperation Agreement in order to provide for joint and cooperative action in the maintenance and financing of the Kentucky River Regional Jail. Pursuant to this interlocal agreement, Perry County financed the acquisition and construction of the Kentucky River Regional Jail. On November 1, 2007, the Perry County Fiscal Court issued \$4,975,000 of General Obligation Bonds to refund the Perry County Detention Center Bond from December 2001.

Pursuant to the lease and sublease, each participating county covenants to meet its proportionate share of the debt service requirements on the bond as follows (the “proportionate share” or “use allowance”): 75 percent for Perry County and 25 percent for Knott County.

Note 2. Deposits

The fiscal court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the 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.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government’s deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. As of June 30, 2017, 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 2017:

	General Fund	Road Fund	LGEA Fund	State Grants Fund	Emergency Management Fund	Forestry Fund	Debt Service Fund	Total Transfers In
General Fund	\$	\$378,977	\$ 20,000	\$ 40,000			\$ 575,000	\$ 1,013,977
Road Fund	150,000		126,362	\$ 52,000	\$ 168,700	\$ 9,000		506,062
Jail Fund	335,500		16,000					351,500
LGEA Fund	592,500				21,300			613,800
State Grants Fund	40,000							40,000
Federal Grants Fund	30							30
Sportsplex Fund	70,000		65,500					135,500
Debt Service Fund				600,000				600,000
Total Transfers Out	\$ 1,188,030	\$378,977	\$ 227,862	\$ 692,000	\$ 190,000	\$ 9,000	\$ 575,000	\$ 3,260,869

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 3. Transfers (Continued)

The purpose for transfers is to move resources from and to the general fund and other funds, for budgetary purposes, to the funds that will expend them.

Note 4. Long-term Debt

A. First Mortgage Refunding Revenue Bonds, Series 2011

The Knott County, Kentucky Justice Center Corporation issued \$4,085,000 First Mortgage Refunding Revenue bonds dated October 19, 2011. The bonds are payable in annual installments with the interest payable in semi-annual installments, beginning April 1, 2012. Interest accrues at rates of 1.0 percent to 3.25 percent. As of June 30, 2017, the principle balance outstanding was \$2,595,000. Payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest And Other Fees
2018	\$ 405,000	\$ 65,700
2019	415,000	57,500
2020	425,000	47,506
2021	435,000	35,138
2022	450,000	21,863
2023	465,000	7,556
Totals	<u>\$ 2,595,000</u>	<u>\$ 235,263</u>

B. Financing Obligation - Long Term Lease

The Knott County Fiscal Court received lease proceeds in the amount of \$6,620,000 to pay off two general obligation bonds and one financing obligation. Lease principal payments are due in annual installments with the interest payable in semi-annual installments, beginning December 20, 2015. Interest accrues at rates of 2 percent to 3 percent. As of June 30, 2017, the remaining principle balance outstanding was \$5,975,000. Payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest
2018	\$ 570,000	\$ 186,087
2019	465,000	169,138
2020	480,000	153,800
2021	500,000	137,900
2022	515,000	121,425
2023-2028	<u>3,445,000</u>	<u>352,925</u>
Totals	<u>\$ 5,975,000</u>	<u>\$ 1,121,275</u>

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 4. Long-term Debt (Continued)

C. General Obligation Improvement Bonds, Series 2006

The Knott County Fiscal Court issued \$8,450,000 in General Obligation Improvement Bonds to build the Youth and Recreation Center during fiscal year 2006. The bonds are payable in annual installments with the interest payable in semi-annual installments, beginning March 1, 2007. On February 24, 2015, the county issued a General Obligation Lease to eliminate this debt; however, the Series 2006 bond is not callable until September 1, 2016. Per the Series 2015 Bond agreement, an escrow account was established and \$5,802,787 was deposited into the account to refund the bond to meet the principal and interest requirements. The county will not recognize this debt. Also, the county was required to make an escrow payment in fiscal year ending June 30, 2017, totaling \$384,375.

D. Equipment Leases

The Knott County Fiscal Court leases various equipment from time to time. The county maintained two leases with CAT Financial during the year ended June 30, 2017, one of which was paid off during the fiscal year. Payments for the remaining years are as follows:

Fiscal Year Ended June 30	Principal	Interest
2018	\$ 30,465	\$ 3,359
2019	31,357	2,467
2020	32,275	1,549
2021	33,220	604
2022	2,819	7
Totals	<u>\$ 130,136</u>	<u>\$ 7,986</u>

E. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2017, was as follows:

	Beginning Balance (* Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 2,995,000	\$	\$ 400,000	\$ 2,595,000	\$ 405,000
Financing Obligations	6,300,000		325,000	5,975,000	570,000
Equipment Leases*	52,692	157,300	79,856	130,136	30,465
Total Long-term Debt	<u>\$ 9,347,692</u>	<u>\$ 157,300</u>	<u>\$ 804,856</u>	<u>\$ 8,700,136</u>	<u>\$ 1,005,465</u>

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 5. Employee Retirement System

Plan Description

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost-sharing, multiple-employer defined benefit pension plan, which covers all eligible regular 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 2015 was \$451,021, FY 2016 was \$430,250, and FY 2017 was \$485,185.

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 the plan to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the KRS insurance fund. The county's contribution rate for nonhazardous employees was 18.68 percent.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Nonhazardous covered employees contribute 5 percent of their creditable compensation. Nonhazardous members also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KRS Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (members 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.

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 31.06 percent.

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

Members in the plan contribute a set percentage of their salary each month to their own 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

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 5. Employee Retirement System (Continued)

contribution rate is set annually by the KRS Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5 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.

Health Insurance Coverage

CERS also provides post-retirement health care coverage as follows:

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

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

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

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, 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.

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

KRS also issues a proportionate share audit report that includes the total pension liability for CERS determined by actuarial valuation as well as each participating county's proportionate share. The Schedules of Employer Allocations and Pension Amounts by Employer report and the related actuarial tables are available online at <https://kyret.ky.gov/Employers/Resources/Pages/GASB.aspx>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

KNOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2017
(Continued)

Note 6. Deferred Compensation

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

Note 7. Health Reimbursement Account

The Knott County Fiscal Court established a health reimbursement account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The county contributes \$2,000 to each employee. The employees' accounts are credited each month throughout the fiscal year.

Note 8. Insurance

For the fiscal year ended June 30, 2017, Knott 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 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 9. Subsequent Events

The county has evaluated and considered the need to recognize or disclose subsequent events through December 12, 2017, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended June 30, 2017, have not been evaluated by the county.

In November 2017, the Knott County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Finance Corporation for \$1,145,000 to be used for the recreation center and building a new road department building.

Note 10. Restatement

The beginning balance in equipment leases, changes in long-term debt (Note 4. E.) has been restated. During the current year, it was discovered that the county had an equipment lease from prior years. This restatement has no effect on the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis.

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KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2017

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KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2017

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,850,300	\$ 1,893,970	\$ 1,413,455	\$ (480,515)
In Lieu Tax Payments	12,500	12,500		(12,500)
Excess Fees	40,000	114,870	114,824	(46)
Intergovernmental Revenue	377,100	391,610	265,316	(126,294)
Charges for Services	141,000	141,000	134,428	(6,572)
Miscellaneous	217,500	278,000	258,955	(19,045)
Interest	2,300	2,300	1,299	(1,001)
Total Receipts	<u>2,640,700</u>	<u>2,834,250</u>	<u>2,188,277</u>	<u>(645,973)</u>
DISBURSEMENTS				
General Government	1,033,992	1,123,948	1,021,786	102,162
Protection to Persons and Property	2,300	2,300	2,043	257
Social Services	4,000	4,085	3,085	1,000
Debt Service	3,172	3,294	3,294	
Administration	1,318,457	1,678,974	1,047,583	631,391
Total Disbursements	<u>2,361,921</u>	<u>2,812,601</u>	<u>2,077,791</u>	<u>734,810</u>
Excess (Deficiency) of Receipts Over				
Disbursements Before Other				
Adjustments to Cash (Uses)	<u>278,779</u>	<u>21,649</u>	<u>110,486</u>	<u>88,837</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	201,071	974,071	1,013,977	39,906
Transfers To Other Funds	<u>(604,850)</u>	<u>(1,212,880)</u>	<u>(1,188,030)</u>	<u>24,850</u>
Total Other Adjustments to Cash (Uses)	<u>(403,779)</u>	<u>(238,809)</u>	<u>(174,053)</u>	<u>64,756</u>
Net Change in Fund Balances	(125,000)	(217,160)	(63,567)	153,593
Fund Balances - Beginning	125,000	217,160	217,160	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 153,593</u>	<u>\$ 153,593</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 2,472,871	\$ 2,502,677	\$ 1,856,250	\$ (646,427)
Miscellaneous	11,000	31,000	23,835	(7,165)
Interest	3,500	3,500	2,218	(1,282)
Total Receipts	<u>2,487,371</u>	<u>2,537,177</u>	<u>1,882,303</u>	<u>(654,874)</u>
DISBURSEMENTS				
Roads	1,787,070	2,008,303	1,515,023	493,280
Debt Service	322,125	350,125	345,622	4,503
Capital Projects	125,000	125,000	79,093	45,907
Administration	529,605	401,958	184,808	217,150
Total Disbursements	<u>2,763,800</u>	<u>2,885,386</u>	<u>2,124,546</u>	<u>760,840</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(276,429)</u>	<u>(348,209)</u>	<u>(242,243)</u>	<u>105,966</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	302,500	507,000	506,062	(938)
Transfers To Other Funds	<u>(201,071)</u>	<u>(401,071)</u>	<u>(378,977)</u>	<u>22,094</u>
Total Other Adjustments to Cash (Uses)	<u>101,429</u>	<u>105,929</u>	<u>127,085</u>	<u>21,156</u>
Net Change in Fund Balances	(175,000)	(242,280)	(115,158)	127,122
Fund Balances - Beginning	175,000	242,280	242,280	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 127,122</u>	<u>\$ 127,122</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 117,200	\$ 121,492	\$ 120,883	\$ (609)
Miscellaneous	8,000	8,000	6,889	(1,111)
Interest	250	250	141	(109)
Total Receipts	<u>125,450</u>	<u>129,742</u>	<u>127,913</u>	<u>(1,829)</u>
DISBURSEMENTS				
Protection to Persons and Property	618,350	610,139	420,963	189,176
Administration	107,100	110,007	55,062	54,945
Total Disbursements	<u>725,450</u>	<u>720,146</u>	<u>476,025</u>	<u>244,121</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(600,000)</u>	<u>(590,404)</u>	<u>(348,112)</u>	<u>242,292</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	590,000	590,000	351,500	(238,500)
Total Other Adjustments to Cash (Uses)	<u>590,000</u>	<u>590,000</u>	<u>351,500</u>	<u>(238,500)</u>
Net Change in Fund Balances	(10,000)	(404)	3,388	3,792
Fund Balances - Beginning	10,000	404	404	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 3,792</u>	<u>\$ 3,792</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 1,617,000	\$ 1,637,866	\$ 859,446	\$ (778,420)
Charges for Services	32,000	32,000	24,710	(7,290)
Miscellaneous	42,000	54,500	33,037	(21,463)
Interest	800	800	349	(451)
Total Receipts	<u>1,691,800</u>	<u>1,725,166</u>	<u>917,542</u>	<u>(807,624)</u>
DISBURSEMENTS				
General Government	29,750	46,152	43,506	2,646
Protection to Persons and Property	254,876	187,071	160,255	26,816
General Health and Sanitation	207,750	234,237	178,158	56,079
Social Services	212,800	218,699	216,631	2,068
Recreation and Culture	424,350	429,343	377,888	51,455
Roads	73,500	71,420	70,711	709
Administration	296,274	678,019	252,442	425,577
Total Disbursements	<u>1,499,300</u>	<u>1,864,941</u>	<u>1,299,591</u>	<u>565,350</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>192,500</u>	<u>(139,775)</u>	<u>(382,049)</u>	<u>(242,274)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	30,000	494,500	613,800	(119,300)
Transfers To Other Funds	<u>(357,500)</u>	<u>(357,500)</u>	<u>(227,862)</u>	<u>(129,638)</u>
Total Other Adjustments to Cash (Uses)	<u>(327,500)</u>	<u>137,000</u>	<u>385,938</u>	<u>(248,938)</u>
Net Change in Fund Balances	(135,000)	(2,775)	3,889	6,664
Fund Balances - Beginning	135,000	2,775	2,775	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 6,664</u>	<u>\$ 6,664</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

	STATE GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 920,000	\$ 920,000	\$ 816,891	\$ (103,109)
Miscellaneous	5,000	5,000		(5,000)
Interest	1,500	1,500	798	(702)
Total Receipts	<u>926,500</u>	<u>926,500</u>	<u>817,689</u>	<u>(108,811)</u>
DISBURSEMENTS				
General Government	1,000	1,000		1,000
Protection to Persons and Property	66,000	66,000		66,000
General Health and Sanitation	56,500	20,878	20,833	45
Social Services	55,000	39,451	14,980	24,471
Recreation and Culture	11,000	131,770	131,611	159
Capital Projects	5,000	34,750	8,000	26,750
Administration	11,625	30		30
Total Disbursements	<u>206,125</u>	<u>293,879</u>	<u>175,424</u>	<u>118,455</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>720,375</u>	<u>632,621</u>	<u>642,265</u>	<u>9,644</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		40,000	40,000	
Transfers To Other Funds	(740,375)	(740,375)	(692,000)	(48,375)
Total Other Adjustments to Cash (Uses)	<u>(740,375)</u>	<u>(700,375)</u>	<u>(652,000)</u>	<u>(48,375)</u>
Net Change in Fund Balances	(20,000)	(67,754)	(9,735)	58,019
Fund Balances - Beginning	20,000	67,754	67,754	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 58,019</u>	<u>\$ 58,019</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 330,000	\$ 871,000	\$ 951,963	\$ 80,963
Interest	3	3	4	1
Total Receipts	<u>330,003</u>	<u>871,003</u>	<u>951,967</u>	<u>80,964</u>
DISBURSEMENTS				
General Health and Sanitation	30,000	559,530	559,393	137
Capital Projects	300,000	300,000	300,000	
Administration	299	11,802		11,802
Total Disbursements	<u>330,299</u>	<u>871,332</u>	<u>859,393</u>	<u>11,939</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(296)</u>	<u>(329)</u>	<u>92,574</u>	<u>92,903</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		30	30	
Total Other Adjustments to Cash (Uses)		<u>30</u>	<u>30</u>	
Net Change in Fund Balances	(296)	(299)	92,604	92,903
Fund Balances - Beginning	296	299	297	(2)
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 92,901</u>	<u>\$ 92,901</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

EMERGENCY MANAGEMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 100,000	\$ 196,500	\$ 181,238	\$ (15,262)
Interest	300	500	393	(107)
Total Receipts	<u>100,300</u>	<u>197,000</u>	<u>181,631</u>	<u>(15,369)</u>
DISBURSEMENTS				
Roads				
Administration	15,300	20,957	60	20,897
Total Disbursements	<u>15,300</u>	<u>20,957</u>	<u>60</u>	<u>20,897</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>85,000</u>	<u>176,043</u>	<u>181,571</u>	<u>5,528</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(100,000)</u>	<u>(190,000)</u>	<u>(190,000)</u>	
Total Other Adjustments to Cash (Uses)	<u>(100,000)</u>	<u>(190,000)</u>	<u>(190,000)</u>	
Net Change in Fund Balances	(15,000)	(13,957)	(8,429)	5,528
Fund Balances - Beginning	15,000	13,957	13,958	1
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 5,529</u>	<u>\$ 5,529</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

FORESTRY FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 3,650	\$ 3,890	\$ 3,257	\$ (633)
Interest	200	200	95	(105)
Total Receipts	<u>3,850</u>	<u>4,090</u>	<u>3,352</u>	<u>(738)</u>
DISBURSEMENTS				
Protection to Persons and Property	2,500	11,499	11,118	381
Administration	19,350	1,545		1,545
Total Disbursements	<u>21,850</u>	<u>13,044</u>	<u>11,118</u>	<u>1,926</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(18,000)</u>	<u>(8,954)</u>	<u>(7,766)</u>	<u>1,188</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds		(9,000)	(9,000)	
Total Other Adjustments to Cash (Uses)		<u>(9,000)</u>	<u>(9,000)</u>	
Net Change in Fund Balances	(18,000)	(17,954)	(16,766)	1,188
Fund Balances - Beginning	18,000	17,954	17,954	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 1,188</u>	<u>\$ 1,188</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

SPORTSPLEX FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	\$ 333,000	\$ 333,000	\$ 328,437	\$ (4,563)
Miscellaneous	22,000	23,700	9,417	(14,283)
Interest	200	200	134	(66)
Total Receipts	<u>355,200</u>	<u>356,900</u>	<u>337,988</u>	<u>(18,912)</u>
DISBURSEMENTS				
Recreation and Culture	453,515	445,693	419,744	25,949
Administration	52,535	54,997	48,612	6,385
Total Disbursements	<u>506,050</u>	<u>500,690</u>	<u>468,356</u>	<u>32,334</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(150,850)</u>	<u>(143,790)</u>	<u>(130,368)</u>	<u>13,422</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	139,850	139,850	135,500	(4,350)
Total Other Adjustments to Cash (Uses)	<u>139,850</u>	<u>139,850</u>	<u>135,500</u>	<u>(4,350)</u>
Net Change in Fund Balances	(11,000)	(3,940)	5,132	9,072
Fund Balances - Beginning	11,000	3,940	3,940	
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 9,072</u>	<u>\$ 9,072</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

E-911 FUND				
	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 103,500	\$ 103,500	\$ 87,953	\$ (15,547)
Miscellaneous	100	100		(100)
Interest	180	180	174	(6)
Total Receipts	<u>103,780</u>	<u>103,780</u>	<u>88,127</u>	<u>(15,653)</u>
DISBURSEMENTS				
Protection to Persons and Property	108,271	128,000	101,595	26,405
Administration	14,509	3,388		3,388
Total Disbursements	<u>122,780</u>	<u>131,388</u>	<u>101,595</u>	<u>29,793</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(19,000)</u>	<u>(27,608)</u>	<u>(13,468)</u>	<u>14,140</u>
Net Change in Fund Balances	(19,000)	(27,608)	(13,468)	14,140
Fund Balances - Beginning	19,000	27,608	27,607	(1)
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 14,139</u>	<u>\$ 14,139</u>

KNOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2017
(Continued)

	DEBT SERVICE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental Revenue	\$ 440,000	\$ 514,750	\$ 475,750	\$ (39,000)
Interest	300	700	572	(128)
Total Receipts	<u>440,300</u>	<u>515,450</u>	<u>476,322</u>	<u>(39,128)</u>
DISBURSEMENTS				
Debt Service	1,210,472	1,212,472	1,122,446	90,026
Administration	606,003	55,636		55,636
Total Disbursements	<u>1,816,475</u>	<u>1,268,108</u>	<u>1,122,446</u>	<u>145,662</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,376,175)</u>	<u>(752,658)</u>	<u>(646,124)</u>	<u>106,534</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	740,375	740,375	600,000	(140,375)
Transfers to Other Funds		(575,000)	(575,000)	
Total Other Adjustments to Cash (Uses)	<u>740,375</u>	<u>165,375</u>	<u>25,000</u>	<u>(140,375)</u>
Net Change in Fund Balances	(635,800)	(587,283)	(621,124)	(33,841)
Fund Balances - Beginning	635,800	587,283	625,226	37,943
Fund Balances - Ending	<u>\$</u>	<u>\$</u>	<u>\$ 4,102</u>	<u>\$ 4,102</u>

KNOTT COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2017

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.

KNOTT COUNTY
SCHEDULE OF CAPITAL ASSETS
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2017

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KNOTT COUNTY
SCHEDULE OF CAPITAL ASSETS
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2017

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 1,054,505	\$	\$	\$ 1,054,505
Buildings	24,108,609	697,195	137,028	24,668,776
Vehicles and Equipment	2,236,210	234,319		2,470,529
Infrastructure	9,850,414	602,395		10,452,809
 Total Capital Assets	 <u>\$ 37,249,738</u>	 <u>\$ 1,533,909</u>	 <u>\$ 137,028</u>	 <u>\$ 38,646,619</u>

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

June 30, 2017

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.

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Buildings and Building Improvements	\$ 10,000	10-20
Vehicles and Equipment	\$ 10,000	5
Infrastructure	\$ 10,000	5-10

**KNOTT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2017

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KNOTT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Provided to Subrecipient</u>	<u>Total Federal Expenditures</u>
<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	14.228	8CS 2014	\$ 477,614	\$ 477,614
Community Development Block Grants/State's Program	14.228	15-069	300,000	300,000
Total U.S. Department of Housing and Urban Development			<u>777,614</u>	<u>777,614</u>
<u>Appalachian Regional Commission</u>				
<i>Passed-Through State Department for Local Government:</i>				
Appalachian Regional Development	23.001	8CS 2014	\$ 81,749	\$ 81,749
Total Appalachian Regional Commission			<u>81,749</u>	<u>81,749</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed-Through State Department for Aging and Independent Living-KRADD</i>				
Grants for Supportive Services and Senior Centers Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive				
Services and Senior Centers	93.044	PO 72514000010663	\$	\$ 13,363
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	PO 72514000010663		63,999
Nutrition Services Incentive Program	93.053	PO 72514000010663		24,354
Total U.S. Department of Health and Human Services				<u>101,716</u>
<u>U.S. Department of Agriculture</u>				
<i>Passed-Through State Department of Military Affairs - Emergency Management</i>				
Emergency Watershed Protection Program	10.923	Not Available	\$	\$ 62,898
<i>Passed-Through State Department of Aging and Independent Living-KRADD</i>				
Senior Companion Program	94.016	Not Available		19,149
Total U.S. Department of Agriculture				<u>82,047</u>
<u>U.S. Department of Homeland Security</u>				
<i>Passed-Through State Department of Military Affairs</i>				
Disaster Grants - Public Assistance	97.036	Not Available	\$	\$ 166,059
Emergency Management Performance Grants	97.042	PO2 09516000021481		15,179
Total U.S. Department of Homeland Security				<u>181,238</u>
Total Expenditures of Federal Awards			<u>\$ 859,363</u>	<u>\$ 1,224,364</u>

KNOTT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Knott County, Kentucky under programs of the federal government for the year ended June 30, 2017. 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 Knott County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Knott County, Kentucky.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

Knott County has not adopted an indirect cost rate and did not elect to use the 10 percent *de minimus* cost rate as allowed under the Uniform Guidance.

Note 4. Determination of Major Program

A Type A program for the fiscal year is any program for which total expenditures of federal awards exceed \$750,000 for fiscal year 2017 or were deemed high risk. The major programs tested were:

CFDA #14.228 Community Development Block Grant/State's Program
CFDA #23.001 Appalachian Regional Development

Note 5. Noncash Expenditures

There were no noncash expenditures of federal awards for fiscal year 2017.

Note 6. Subrecipients

Knott County was a pass through agency and distributed \$559,363 of Community Development Block Grant/State's Program funds and Appalachian Regional Development funds to Troublesome Creek Environmental Authority and \$300,000 of Community Development Block Grant/State's Program funds to Kentucky River Community Care.

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*

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The Honorable Zachary Weinberg, Knott County Judge/Executive
Members of the Knott 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 Auditors' 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 Balance - Regulatory Basis of the Knott County Fiscal Court for the fiscal year ended June 30, 2017, and the related notes to the financial statement which collectively comprise the Knott County Fiscal Court's financial statement and have issued our report thereon dated December 12, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Knott County Fiscal Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Knott County's Fiscal Court internal control. Accordingly, we do not express an opinion on the effectiveness of the Knott 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002 that we consider to be a significant deficiency.

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 Knott County Fiscal Court's financial statement is free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

Views of Responsible Officials and Planned Corrective Action

The Knott County Judge/Executive's views and planned corrective action for the findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. The county judge/executive's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

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



RFH, PLLC
Lexington, Kentucky
December 12, 2017

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

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The Honorable Zach Weinberg, Knott County Judge/Executive
Members of the Knott County Fiscal Court

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

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Knott County Fiscal Court's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Knott County Fiscal Court's major federal programs for the year ended June 30, 2017. The Knott County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the Knott County Fiscal Court's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

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

RFH

RFH, PLLC
Lexington, Kentucky
December 12, 2017

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

For The Year Ended June 30, 2017

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

For The Year Ended June 30, 2017

Section I: Summary of Auditor's Results

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

Financial Statement

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

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs [<i>unmodified, qualified, adverse, or disclaimer</i>]: <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 programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant State's Program
23.001	Appalachian Regional Development

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

KNOTT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2017
(Continued)

Section II: Financial Statement Findings

State Laws And Regulations

2017-001 The Knott County Fiscal Court Did Not Pay Invoices Presented To The Fiscal Court Within 30 Days Of Receipt

During the course of our audit we found the following noncompliance issues with disbursements:

- Seventeen invoices totaling \$508,306 were not paid within 30 working days.
- Accrued and paid interest charges totaling \$217 on a credit card.
- Late payment fees totaling \$38 on a credit card.

The fiscal court lacks sufficient oversight and policies and procedures to ensure bills are paid timely. As a result, some vendors were paid outside the 30-day window.

KRS 65.140(2) states “unless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor’s invoice except when payment is delayed because the purchaser has made a written disapproval of improper invoicing by the vendor or by the vendor’s subcontractor.”

We recommend that the fiscal court implement sufficient oversight and policies and procedures to ensure invoices are paid timely.

County Judge/Executive and Treasurer’s Response: The Knott County Fiscal Court continues to strive to pay bills within thirty days. Those bills were paid outside thirty days primarily due to lack of funds.

Internal Control - Significant Deficiency

2017-002 The Sportsplex Lacks Internal Controls Over Cash Receipts

Several daily cash log sheets did not agree to daily deposit sheets and several daily deposit sheets did not agree to amounts actually deposited per the bank statements.

Management did not review daily activity to ensure cash receipts ledgers agreed to amounts actually deposited. As a result, the Sportsplex could not properly account for all cash received.

Good internal controls require sufficient management oversight be put in place to ensure employees of the Sportsplex follow all required policies and procedures when balancing and depositing daily receipts.

We recommend the fiscal court improve the internal control by reconciling all amounts on the daily deposit report to the underlying documentation on a daily basis.

Views of Responsible Officials and Planned Corrective Action:

County Judge/Executive and Treasurer’s Response: The Knott County Fiscal Court has greatly improved internal controls at the Sportsplex. We will continue to make improving internal controls at the Sportsplex a top priority

KNOTT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2017
(Continued)

Section III: Federal Award Findings and Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

None.

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

KNOTT COUNTY FISCAL COURT

For The Year Ended June 30, 2017

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KNOTT COUNTY FISCAL COURT

Judge Executive:
Zach Weinberg
P.O. Box 505
54 West Main Street
Hindman, KY 41822

Deputy Judge Executive:
Larry King
Telephone: (606) 785-5592
FAX: (606) 785-0966

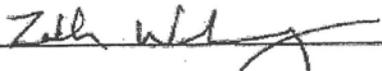
CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

KNOTT COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2017

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



County Judge/Executive



County Treasurer