

# LEGAL NOTICE

To the People of Kentucky  
 The Honorable Andy Beshear,  
 Governor  
 Holly M. Johnson, Secretary  
 Finance and Administration Cabinet  
 The Honorable Harry L. Barry, Former Hardin County Judge/Executive  
 The Honorable Keith Taul,  
 Hardin County Judge/Executive  
 Members of the Hardin County Fiscal Court

Independent Auditor's Report

## Report on the Audit of the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Hardin County Fiscal Court, for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the Hardin County Fiscal Court's financial statement as listed in the table of contents.

### Unmodified Opinion on Regulatory Basis of Accounting

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

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

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

### Basis for Opinions

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

### 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 Hardin 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 are in substantial compliance with 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 stated to the material and pervasive.

### Responsibilities of Management for the Financial Statement

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

### Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

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

### Other Matters

#### Supplementary Information

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

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

### Other Information

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

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2022 on our consideration of the Hardin County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in connection with the Hardin County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,  
 Tammy R. Patrick, CPA  
 Patrick & Associates, LLC  
 December 28, 2022

/s/ Lisa Peearman  
 Hardin County Treasurer

## HARDIN COUNTY BUDGETARY COMPARISON SCHEDULES - MAJOR FUNDS

### Supplementary Information - Regulatory Basis

#### For the Year Ended June 30, 2022

GENERAL FUND		Actual Amounts	Variance with Final Budget
Original Budget	Final Budget	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Taxes	\$ 10,498,600	\$ 10,968,852	\$ 470,252
In Lieu Tax Payments	400	4,533	4,133
Excess Fee	1,254,856	1,348,946	94,090
Licenses and Permits	218,500	218,500	128
Intergovernmental	345,303	345,025	(278)
Charges for Services	9,481,589	9,771,550	(2,311)
Miscellaneous	3,096,315	3,191,315	(94,000)
Interest	800	800	0
Total Receipts	24,975,520	25,362,123	(3,867,429)
<b>DISBURSEMENTS</b>			
General Government	6,730,534	6,983,288	501,684
Protection to Persons and Property	6,637,424	7,392,074	6,753,445
General Health and Sanitation	932,018	1,102,389	1,002,274
Social Services	123,000	118,000	87,731
Recreation and Culture	1,461,000	1,459,240	1,452,070
Other Transportation	3,864,650	4,089,388	1,426,738
Facilities and Service	100,000	636,294	536,294
Capital Projects	3,247,336	10,369,698	7,122,362
Administration	23,096,161	32,150,369	18,671,429
Total Disbursements	23,096,161	32,150,369	18,671,429
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	1,879,359	(6,788,246)	5,290,993
Transfers From Other Funds	82,507	9,886,176	9,803,669
Transfers To Other Funds (2,561,866)	(2,691,391)	(4,956,791)	(2,265,400)
Total Other Adjustments to Cash (Uses)	(2,479,359)	4,929,385	7,538,269
Net Change in Fund Balance	(600,000)	(9,397,130)	19,617,508
Fund Balance - Beginning	600,000	2,423,122	22,296,730
Fund Balance - Ending	\$ -	\$ (6,974,008)	\$ 41,916,238

### ROAD FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Licenses and Permits	\$ 18,000	\$ 18,000	\$ (3,355)
Intergovernmental	2,800,742	2,987,598	(89,838)
Miscellaneous	114,100	107,841	2,267
Interest	5,000	5,411	411
Total Receipts	2,937,842	3,181,439	(24,336)

## ROAD FUND (cont.)

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>DISBURSEMENTS</b>			
General Government	8,000	8,000	6,194
Roads	3,615,877	6,805,177	6,134,082
Administration	542,215	1,503,861	1,479,277
Total Disbursements	4,166,092	8,317,038	7,619,556
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,225,000)	(5,135,599)	(4,462,453)
Transfers From Other Funds	1,005,000	1,134,525	3,853,657
Total Other Adjustments to Cash (Uses)	1,005,000	1,134,525	3,853,657
Net Change in Fund Balance	(220,000)	(4,001,074)	(608,796)
Fund Balance - Beginning	220,000	1,166,628	1,526,359
Fund Balance - Ending	\$ -	\$ (3,834,446)	\$ 3,172,000

### JAIL FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Intergovernmental	\$ 5,345,340	\$ 5,682,300	\$ 5,728,898
Charges for Services	613,000	613,000	685,408
Miscellaneous	387,000	387,000	415,895
Interest	3,000	3,000	1,510
Total Receipts	6,348,400	6,686,000	6,829,411
<b>DISBURSEMENTS</b>			
Protection to Persons and Property	5,852,279	5,947,235	5,729,987
Debt Service	252,813	252,813	1
Administration	2,805,814	3,059,561	2,768,518
Total Disbursements	9,910,906	9,259,609	9,751,911
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,562,506)	(2,573,609)	(1,921,906)
Transfers From Other Funds	2,561,866	2,561,866	2,105,000
Total Other Adjustments to Cash (Uses)	2,561,866	2,561,866	2,105,000
Net Change in Fund Balance	(11,743)	(11,743)	(183,094)
Fund Balance - Beginning	-	-	282,608
Fund Balance - Ending	\$ (11,743)	\$ -	\$ 465,702

## LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Intergovernmental	\$ 175,900	\$ 192,390	\$ 192,390
Interest	500	500	688
Total Receipts	176,400	192,890	193,078
<b>DISBURSEMENTS</b>			
Roads	176,408	242,864	84,348
Total Disbursements	176,408	242,864	84,348
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	-	(49,974)	108,730
Adjustments to Cash (Uses)	-	(49,974)	108,730
Net Change in Fund Balance	-	49,974	(1)
Fund Balance - Beginning	-	-	158,703
Fund Balance - Ending	\$ -	\$ -	\$ 158,703

### STATE GRANT FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Intergovernmental	\$ 715,300	\$ 715,300	\$ 124,908
Interest	-	-	4
Total Receipts	715,300	715,300	124,912
<b>DISBURSEMENTS</b>			
Capital Projects	715,300	715,300	124,908
Total Disbursements	715,300	715,300	124,908
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	-	-	4
Transfers From Other Funds	-	-	(4)
Total Other Adjustments to Cash (Uses)	-	-	(4)
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	0
Fund Balance - Ending	\$ -	\$ -	\$ -

### FEDERAL GRANT FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Intergovernmental	\$ -	\$ 10,776,146	\$ 10,776,146
Interest	-	-	2,145
Total Receipts	-	10,776,146	10,778,291
<b>DISBURSEMENTS</b>			
Administration	926,146	926,146	150,000
Over Disbursements Before Other Adjustments to Cash (Uses)	-	26,146	150,000
Other Adjustments to Cash (Uses)	9,850,000	1	6,282,291
Transfers From Other Funds	-	-	(9,850,000)
Total Other Adjustments to Cash (Uses)	-	0	(9,850,000)
Net Change in Fund Balance	-	9,850,000	778,291
Fund Balance - Beginning	-	-	0
Fund Balance - Ending	\$ -	\$ 9,850,000	\$ (9,071,709)

### SOLID WASTE FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Permits	300,000	300,000	330,028
Intergovernmental	148,000	148,000	130,351
Charges for Services	6,222,300	6,222,300	5,820,577
Miscellaneous	68,500	69,500	71,109
Interest	8,000	8,000	4,491
Total Receipts	6,747,000	7,056,977	6,365,957
<b>DISBURSEMENTS</b>			
General Health and Sanitation	5,551,343	5,920,913	5,654,110
Administration	148,150	114,857	19,460
Total Disbursements	5,699,493	6,035,770	5,753,570
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	1,047,507	1,020,307	612,387
Other Adjustments to Cash (Uses)	(1,047,507)	(1,047,507)	(1,000,000)
Transfers To Other Funds (1,047,507)	(1,047,507)	(1,047,507)	(47,507)
Total Other Adjustments to Cash (Uses)	(1,047,507)	(1,047,507)	(1,000,000)
Net Change in Fund Balance	-	(27,200)	(397,613)
Fund Balance - Beginning	-	-	4,608,709
Fund Balance - Ending	\$ -	\$ (27,200)	\$ 4,241,096

### PERMANENT TRUST FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Miscellaneous	40,000	40,000	4,959
Total Receipts	40,000	40,000	4,959
<b>DISBURSEMENTS</b>			
Total Disbursements	-	-	-
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	40,000	40,000	4,959
Other Adjustments to Cash (Uses)	(40,000)	(40,000)	(38,038)
Transfers To Other Funds (40,000)	(40,000)	(40,000)	1,962
Total Other Adjustments to Cash (Uses)	(40,000)	(40,000)	(36,076)
Net Change in Fund Balance	-	-	1,883,834
Fund Balance - Beginning	-	-	\$ 1,150,755
Fund Balance - Ending	\$ -	\$ -	\$ 1,150,755

### ALCOHOL BEVERAGE COMMISSION FUND

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
(Budgetary Basis)	(Budgetary Basis)	(Budgetary Basis)	(Positive/Negative)
<b>RECEIPTS</b>			
Licenses and Permits	\$ 2,700	\$ 2,700	\$ 4,424
Interest	100	100	18
Total Receipts	2,800	2,800	4,442
<b>DISBURSEMENTS</b>			
General Government	2,800	5,806	5,806
Total Disbursements	2,800	5,806	5,806
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	-	(3,006)	(1,364)
Adjustments to Cash (Uses)	-	(3,006)	(1,364)
Net Change in Fund Balance	-	-	2,515
Fund Balance - Beginning	-	-	4,608,709
Fund Balance - Ending			