STEPHEN R. HENRY

Webster County Judge Executive

P.O. Box 155
Courthouse
Dixon, Kentucky 42409

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Date: March 17, 2020

Auditor of Public Accounts
209 St. Clair Street
Frankfort, KY 40601

This representation letter is provided in connection with your audit of the financial statement of Webster County Fiscal Court, which comprise the statement of financial position as of June 30, 2019, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement are presented fairly, in all material respects, 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, which is a special purpose framework other than United States (U.S.) generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than $10,932 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 17, 2020:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 31, 2019, for the preparation and fair presentation of the financial statement of the various opinion units referred to above 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, which is a special purpose framework other than U.S. generally accepted accounting principles.
- The financial statement referred to above have been fairly 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 and include all properly classified funds, supplementary information, and notes to the basic financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statement and related notes.

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- Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statement.
- All events subsequent to the date of the financial statement that would require adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the budgetary comparison schedules accompanying the financial statement:

a. We acknowledge our responsibility for the presentation of the budgetary comparison schedules 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.
b. We believe the budgetary comparison schedules, including their form and content, are fairly 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.
c. The methods of measurement or presentation have not changed from those used in the prior period.
d. When the budgetary comparison schedules is not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the budgetary comparison schedules no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
e. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
f. We acknowledge our responsibility to present the supplementary information with the audited financial statement or, if the supplementary information will not be presented with the audited financial statement, to make the audited financial statement readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statement.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial

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statement or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.

- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statement or other financial data significant to the audit objectives.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statement and we have consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Webster County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Webster County is contingently liable.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statement or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Webster County Fiscal Court has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

- Stephen R. Henrogy

(Name of County Judge/Executive)

- Tonia Duncan

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(Name of County Treasurer)

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Webster County
Exit Conference
June 30, 2019

Date: March 17, 2020

Auditors Present: Terra McCann, Kaitlyn Boyd and Jeremy Miller

Officials:

County Judge/Executive: Stephen Henry

County Treasurer: Tonia Duncan

Location: Webster County Courthouse

We appreciate the courtesy extended to our audit staff. The audit will be issued as soon as the internal review is completed. The audit report will be emailed to the email addresses entered below on the release date. The Auditor of Public Accounts uses the following email address to distribute audits:

APACorrespondence@ky.gov and Tim.Gutman@ky.gov

- Please add this email address to your contacts list or check your spam folder frequently to make sure you don't miss this important email.

  County Judge/Executive's Name (Printed) – Stephen Henry
  County Judge/Executive's Email – steve.henry@websterco.org
  Treasurer's Name (Printed) – Tonia Duncan
  Treasurer's Email – tonia.duncan@websterco.org
  County's Mailing Address – P.O. Box 155 Dixon, KY 42409

- Does the County Judge/Executive or Treasurer want us to mail a paper copy of the audit report to the address listed above?

  ☐ Yes ☑ No

  Beginning July 1, 2018, paper copies will cost ten cents per page plus postage. This charge will be added to the audit bill for audits released after the effective date.

- Does the County Judge/Executive or Treasurer have any knowledge of any events occurring subsequent to the fiscal year ended June 30, 2019 through the present day which may have a material effect on the financial statement, schedules, or note disclosures?

  ☐ Yes ☑ No

  If yes, please explain. _____

Reminders:

1. KRS 91A.040 requires county officials to publish portions of the audit reports and the accompanying statements within 30 days of the release of the audit report:
   - The auditor's opinion letter (This letter is published by APA when audit is released);
   - The "Budgetary Comparison Schedules" as included in the audit report.
   - A statement that a copy of the complete audit report, including financial statements and supplemental information, is on file at the County Judge/Executive's office and is available for public inspection during normal business hours;

Webster County
Exit Conference (Continued)
June 30, 2019

County Judge/Executive: _____

County Treasurer: _____

Others Present:

Auditor: _____

Auditor: _____

Auditor: _____

Not For Release

VIEWS OF RESPONSIBLE OFFICIALS
AND PLANNED CORRECTIVE ACTION
Calendar Year 2019
Draft Document - Not Intended For Release

I acknowledge responsibility for the following views and responses for planned corrective actions. I understand these responses will be attributed to me in the audit report.

_____ County Judge/Executive

Views of Responsible Official and Planned Corrective Action For Exit Finding #1:
Prepared by: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Date Prepared: April 17, 2020
Person Responsible for Corrective Action Plan: Stephen R. Henry, Judge, Tonia Duncan, Treasurer, Sara Buckman, A/P Clerk
Anticipated Completion Date: April 17, 2020
Official's Response:

1. The Fiscal Court will work with vendors to ensure itemized invoices.

2. Even though it is beyond our control whether the payee endorses the check before they deposit it in their bank, we hope that they will.

3. Because the court does not pay claims until the approval of the Fiscal Court all bills are paid then and paid within the due date unless those court dates cause the due dates to pass. The court will work with vendors to ensure payments are made within the due date based upon on Fiscal Court meeting dates.

4. Instances noted were approved purchases that services provided by internet services that were recurring monthly services. No instances referenced were un-allowed purchases. The Fiscal Court will continue to work with vendors to ensure detailed invoices for purchases.

5. The court will continue to work to ensure signatures are on disbursement checks.

6. The court will work to ensure that checks are not dispersed before being voted upon. Each instance noted, were paid to the contractor on the Senior Center. Those funds are sent through DLG and have a 5 day window to be paid.

7. This instance was removed from the audit by the auditor.

8. Budget Transfers will be done in a timely matter to prevent the appropriation line item to not exceed to budget amount.

Views of Responsible Official and Planned Corrective Action For Exit Finding #2:
Prepared by:
Date Prepared: Person Responsible for Corrective Action Plan:
Anticipated Completion Date:
Official's Response:

Views of Responsible Official and Planned Corrective Action For Exit Finding #3:
Prepared by:
Date Prepared:
Person Responsible for Corrective Action Plan:
Anticipated Completion Date:
Official's Response:

Views of Responsible Official and Planned Corrective Action For Exit Finding #4:
Prepared by: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Date Prepared: April 17, 2020
Person Responsible for Corrective Action Plan: Stephen R. Henry, Judge, Tonia Duncan, Treasurer
Anticipated Completion Date: April 17, 2020
Official's Response: I, Tonia Duncan, Treasurer will strengthen the internal controls and will compare the payments made with BJ White at KACO in June.

Views of Responsible Official and Planned Corrective Action For Exit Finding #5:
Prepared by: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Date Prepared: April 17, 2020
Person Responsible for Corrective Action Plan: Steve Henry, Judge Exex. and Tonia Duncan, Treasurer
Anticipated Completion Date: April 17, 2020
Official's Response:
We have communicated with each department head and elected officials that all purchase require a purchase order before a purchase can be made. Even though instances were noted, at no time were there insufficient funds to pay for the purchase, and all purchases were deemed to be legitimate needs.

Views of Responsible Official and Planned Corrective Action For Exit Finding #6:
Prepared by: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Date Prepared: April 17, 2020
Person Responsible for Corrective Action Plan: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Anticipated Completion Date: April 17, 2020
Official's Response:
As mentioned, the court has implemented compensating controls to effectively offset the risk associated with a lack of segregation of duties. The Judge Executive will work with the sheriff to ensure within the limitation of the budget to work towards enhancing the compensating controls that are currently in place.

Views of Responsible Official and Planned Corrective Action For Exit Finding #7:
Prepared by: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Date Prepared: April 17, 2020
Person Responsible for Corrective Action Plan: Steve Henry, Judge Executive and Tonia Duncan, Treasurer
Anticipated Completion Date: April 17, 2020
Official's Response:

1. In order to improve internal controls, a receipts ledger will be maintained at the Road Department, Animal Shelter, and Senior Citizens Center

2. Within allowance of budget constraints, a review of money collected at the Road Dept., Animal Shelter and Senior Center will be made before being turned over to the County Treasurer.

3. The Animal Shelter Director/Animal Control Officer and the Senior Citizens Center Director and Assistant Director have been instructed to adhere to KRS 68.210.

4. The Road Department Supervisor, Maintenance Director and Administrative Secretary will ensure that Road materials are part of the daily checkout sheet.

5. The Senior Citizens Director and Assistant Director will ensure that the supporting receipt remains in the receipt book that is triplicate.

6. The Road Department Supervisor, Maintenance Director and Administrative Assistant Secretary will ensure that supporting receipts remains within the receipt book that is triplicate.

Views of Responsible Official and Planned Corrective Action For Exit Finding #8:
Prepared by:
Date Prepared:
Person Responsible for Corrective Action Plan:
Anticipated Completion Date:
Official's Response:

Views of Responsible Official and Planned Corrective Action For Exit Finding #9:
Prepared by:
Date Prepared:
Person Responsible for Corrective Action Plan:
Anticipated Completion Date:
Official's Response:

Views of Responsible Official and Planned Corrective Action For Exit Finding #10:

Prepared by:
Date Prepared:
Person Responsible for Corrective Action Plan:
Anticipated Completion Date:
Official's Response:

Views of Responsible Official and Planned Corrective Action For Exit Finding #11:

Prepared by:
Date Prepared:
Person Responsible for Corrective Action Plan:
Anticipated Completion Date:
Official's Response:

Section I Adj Entry

APA (8/16)

PROPOSED AUDIT ADJUSTMENTS

MISSTATEMENTS CORRECTED BY MANAGEMENT

Agreed to by:

CLIENT NAME: Webster County

DATE OF FINANCIAL STATEMENT: June 30, 2019

OPINION UNIT: ***Basic Financial Statement***

Treasurer — Date 4-29-2020

County Judge/Executive — Date

Note: Jail Commissary Fund adjustment form should be signed by the Jailer (and jail bookkeeper, if applicable). Adapt signature lines as needed.

No.	*Workpaper Reference*	*Description*	*Fund*	*Account*	*Debit*	*Credit*	*Communicated to Management (indicate to whom, date, and by whom)*
1			LGEA	04-4527 Coal Production	44,592.00		Communicated to Judge/Executive and Treasurer at Exit Conference
	Z-12A	To reclass Mineral Tax receipts	LGEA	04-4529 Mineral Tax		44,592.00	
2							

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EVALUATING AND COMMUNICATING INTERNAL CONTROL DEFICIENCIES AND NONCOMPLIANCE

CLIENT NAME: Webster County Fiscal Court
DATE OF FINANCIAL STATEMENTS: Period Ended 6/30/19

USE THIS SECTION FOR VERBAL COMMENTS DISCUSSED WITH MANAGEMENT DURING THE AUDIT

Guidance: Make sure the comment does not rise to the level of significance that would require a written finding. Document your determination below. Communicate verbal issues to officials as they arise during fieldwork.

Workpaper Reference	*Description*	*Reason for determining that this comment is only needed verbally*	*Communicated to Management, Those Charged with Governance, or Others (indicate to whom, date, and by whom)*
J-15	The Jail paid sales tax on four disbursements from the Canteen Fund.	The sales tax paid on four disbursements totaled $29.88, which is below trivial.	Communicated to Judge/Executive and Jailer at Exit Conference
J-13	The Jail failed to refund balances to two inmates in fiscal year 2019. According to KRS 441.137, all inmate balances should be refunded.	The Jail did not refund these balances to inmates because the balances were amounts that were below $1.00.	Communicated to Judge/Executive and Jailer at Exit Conference
H-05, H-10	The Webster County Fiscal Court did not properly update their capital asset schedule for additions in fiscal year 2019.	Presentation and procedures on capital assets have changed, and the capital asset schedule is now presented as "Other Information" on the audit report. Accordingly, the auditor's office issues no opinion on the capital asset schedule and so no written comment is necessary.	Communicated to Judge/Executive and Treasurer at Exit Conference
A-16	The Webster County Fiscal Court maintained a separate bank account for the animal shelter fund; however, it was not included on the original budget or any amendments to the budget. The only activity noted during fiscal year 2019 was interest in the amount of $85, as well as a prior year carry over amount of $34,009. All of these receipts should have been budgeted.	The Animal Shelter Fund is no longer used by the Fiscal Court, and no activity was noted during fiscal year 2019 aside from the accrual of $85 in interest.	Communicated to Judge/Executive and Treasurer at Exit Conference
D-16	Auditors will verbally recommend the county to file annual audited Financial Statements in compliance with loan agreements and to continue in the practice of documenting the notice of failure to file if audited financial statements are unavailable	A notice was sent in to EMMA.org in regards to the 2018 Audited Financial Statements, stating the statements were unavailable at the time due, but would send them in when available. The audited financial statements were sent in to EMMA.org in June 2019 after the 2018 audit was released. Auditor spoke with Treasurer and County Judge/Executive on 1/10/20 regarding the Continuing Disclosure Requirements.	Communicated to Judge/Executive and Treasurer
J-15	Circumstances that result in bids not being required should be documented.	A bid was not required and circumstances are rare.	Communicated to Judge/Executive and Treasurer at Exit Conference

Comments and Other Matters:	

Tonia K Duncan, Treasurer

Stephen R Henry

SOI: Referenced Audit Documentation

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

For The Year Ended June 30, 2019

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	$ 1,476,808	$	$
In Lieu Tax Payments	13,065		
Excess Fees	5,885		
Licenses and Permits	11,704		
Intergovernmental	1,276,813	1,568,998	2,852,406
Charges for Services	12,247		54,958
Miscellaneous	92,186	216,354	208,508
Interest	4,763	3,663	2,004
Total Receipts	2,893,471	1,789,015	3,117,876
DISBURSEMENTS			
General Government	1,940,720		
Protection to Persons and Property	440,857		2,250,098
General Health and Sanitation	118,055		
Social Services	7,425		
Recreation and Culture			
Roads		1,109,465	
Debt Service			343,577
Administration	276,486	232,607	506,760
Total Disbursements	2,783,543	1,342,072	3,100,435
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	109,928	446,943	17,441
Net Change in Fund Balance	109,928	446,943	17,441
Fund Balance - Beginning Restated	839,058	209,079	330,085
Fund Balance - Ending	$ 948,986	$ 656,022	$ 347,526
Composition of Fund Balance			
Bank Balance	$ 1,129,383	$ 803,679	$ 537,442
Less: Outstanding Checks	(180,397)	(147,657)	(189,916)
Fund Balance - Ending	$ 948,986	$ 656,022	$ 347,526

Sonia R Duncan, Treasurer

Judge Ex

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

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

Budgeted Funds					Unbudgeted Funds		
Local Government Economic Assistance Fund	State Grant Fund	Federal Grant Fund	Sanitation Fund	Animal Shleter Fund	Public Properties Corporation Fund	Jail Commissary Fund	Total Funds
$	$	$	$	$	$	$	$ 1,476,808
							13,065
							5,885
2,600							14,304
736,970	457,090	485,000			201,660		7,578,937
11,805			206,585				285,595
56,038	1,969					359,039	934,094
596	96		120	85	252		11,579
808,009	459,155	485,000	206,705	85	201,912	359,039	10,320,267
126,637	66,086						2,133,443
46,098							2,737,053
605,518	87,215		200,928				1,011,716
151,512	267,684	484,980					911,601
6,921	10,220					297,291	314,432
323							1,109,788
					200,660		544,237
			14,559		1,000		1,031,412
937,009	431,205	484,980	215,487		201,660	297,291	9,793,682
(129,000)	27,950	20	(8,782)	85	252	61,748	526,585
(129,000)	27,950	20	(8,782)	85	252	61,748	526,585
317,394	8,967		23,208	34,009	20	42,747	1,804,567
$ 188,394	$ 36,917	$ 20	$ 14,426	$ 34,094	$ 272	$ 104,495	$ 2,331,152
$ 279,601	$ 36,917	$ 20	$ 26,560	$ 34,094	$ 272	$ 105,838	$ 2,953,806
(91,207)			(12,134)			(1,343)	(622,654)
$ 188,394	$ 36,917	$ 20	$ 14,426	$ 34,094	$ 272	$ 104,495	$ 2,331,152

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

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WEBSTER COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2019

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Webster County includes all budgeted and unbudgeted funds under the control of the Webster County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act as the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

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 sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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 various grants received from the state government.

Federal Grants Fund - The primary purpose of this fund is to account for various grants received from the federal government.

Sanitation Fund - The primary purpose of this fund is to account for sanitation revenues and related expenditures. The primary source of receipts for this fund is charges for services

Animal Shelter Fund - The primary purpose of this fund is to account for funds received to pay for animal shelter expenses. The primary sources of receipts for this fund is interest and donations.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Facilities Construction Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings. The Department for Local Government does not require the fiscal court to budget these funds.

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

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.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

The state local finance officer does not require the jail commissary fund to be budgeted because the fiscal court does not approve the expenses of this fund.

The state local finance officer does not require the public facilities construction corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Webster County Elected Officials

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

- 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).

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

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

Note 2. Deposits

A. Deposits

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

Custodial Credit Risk - Deposits

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

Note 3. Agency Trust Funds

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

The fiscal court has the following agency trust funds:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2019, was $62,299.

Health Reimbursement Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2019, was $93,127.

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

Note 4. Long-term Debt

A. Other Debt

1. First Mortgage Refunding Revenue Bonds (Judicial Center Project), Series 2011

On May 5, 2011, the Webster County, Kentucky, Public Properties Corporation (Corporation) issued First Mortgage Refunding Revenue Bonds, Series 2011 to refund First Mortgage Revenue Bonds (Judicial Center Project), Series 2002. The total bond issue was $1,515,000, with interest rates from 4.00 percent to 4.5 percent. Interest is payable on February 1 and August 1 of each year. As of June 2019, bonds outstanding were $1,215,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	$ 155,000	$ 46,310
2021	165,000	41,405
2022	165,000	36,060
2023	175,000	29,873
2024	175,000	23,310
2025-2026	380,000	24,150
Totals	$ 1,215,000	$ 201,108

2. Webster County Detention Center Expansion Series 2010A

On December 16, 2010, the Webster County Fiscal Court entered into a lease-purchase agreement with Kentucky Association of Counties Leasing Trust (KaCOLT) in the amount of $5,335,000. Monthly principal and interest payments are due beginning January 1, 2011. On September 19 2017, a portion of the lease was refinanced leaving a balance of $440,000 on this series. The final installment is due on January 1, 2020. The effective interest rate is 2.94%. The purpose of the agreement was to refund a portion of the outstanding lease agreement by and between the Kentucky Association of Counties Finance Corporation and the County of Webster, Kentucky, dated December 16, 2010, the proceeds of which were used to refinance a lease dated February 14, 2008, that was used to finance the construction, acquisition, and equipping of an expansion to the current Webster County detention facility. In order to secure all obligations noted in the lease, Webster County granted the Kentucky Association of Counties Finance Corporation a first and prior security interest in any and all right, title, and interest of Webster County in the portions of the project that constitute personal property and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom. Webster County shall immediately surrender possession of the project to the Kentucky Association of Counties Finance Corporation upon the occurrence of an event of default. Principal outstanding as of June 30, 2019, totaled $90,417. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	$ 90,417	$ 4,506
Totals	$ 90,417	$ 4,506

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

Note 4. Long-term Debt (Continued)

A. Other Debt (Continued)

3. Webster County Detention Center Expansion Series 2017C

On September 19, 2017, the Webster County Fiscal Court entered into a lease-purchase agreement with Kentucky Association of Counties Leasing Trust (KaCOLT) in the amount of $4,370,000. Monthly principal and interest payments are due beginning October 1, 2017. The final installment is due on January 1, 2037. The effective interest rate is 2.94%. The purpose of the agreement is to refund a portion of the outstanding lease agreement by and between the Kentucky Association of Counties Finance Corporation and the County of Webster, Kentucky, dated December 16, 2010, the proceeds of which were used to refinance a lease dated February 14, 2008, that was used to finance the construction, acquisition, and equipping of an expansion to the current Webster County detention facility. In order to secure all obligations noted in the lease, Webster County granted the Kentucky Association of Counties Finance Corporation a first and prior security interest in any and all right, title, and interest of Webster County in the portions of the project that constitute personal property and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom. Webster County shall immediately surrender possession of the project to the Kentucky Association of Counties Finance Corporation upon the occurrence of an event of default. Principal outstanding as of June 30, 2019, totaled $4,323,750. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2020	$ 81,667	$ 167,242
2021	179,167	163,042
2022	189,167	153,635
2023	197,083	143,704
2024	206,250	133,357
2025-2029	1,205,833	503,722
2030-2034	1,428,750	286,293
2035-2037	835,833	50,551
Totals	$ 4,323,750	$ 1,601,546

B. Changes In Long-term Debt

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

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Refunding Bonds	$ 1,365,000	$	$ 150,000	$ 1,215,000	$ 155,000
Financing Obligations *	4,578,333		164,167	4,414,166	172,083
Total Long-term Debt	$ 5,943,333	$	$ 314,167	$ 5,629,166	$ 327,083

* Beginning Balance was restated due to Jail Expansion Series 2017C not being included in prior year audit.

Note 5. Industrial Revenue Bonds

The Webster County Fiscal Court has adopted ordinances approving the issuance of Industrial Revenue Bonds. Such bond issues do not constitute a general debt, liability, or moral obligation of Webster County. Accordingly, these financial statements do not include any assets or liabilities related to the issuance of these bond issues.

Note 6. Commitment Debt

A. West Kentucky Regional Industrial Development Authority –Kenergy Loan Guarantee

Webster County, in conjunction with Henderson, Union and McLean Counties issued an ordinance which guarantees a portion of the $450,000, zero-interest rural development loan to Kenergy from the West Kentucky Regional Industrial Development Authority to assist in promoting development of the 4 Star Industrial Park. Webster County authorized a guarantee of $150,000. Henderson County also guaranteed $150,000 and Union and McLean Counties each guaranteed $75,000.

Note 7. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute.

The county's contribution for FY 2017 was $607,200, FY 2018 was $592179, and FY 2019 was $613293.

Nonhazardous

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the KRS insurance fund.

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

Note 7. Employee Retirement System (Continued)

Nonhazardous (Continued)

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

The county's contribution rate for nonhazardous employees was 21.48 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

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

Note 7. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB)

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

Once members reach a minimum vesting period of 15 years, they earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

The monthly insurance benefit has been increased annually as a 1.5 percent cost of living adjustment (COLA) since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

Tier 2 member benefits are covered by KRS 161.714 with exception of COLA and retiree health benefits after July 2003. Tier 3 members are not covered by the same provisions.

C. Cost of Living Adjustments - Tier 1

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

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

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

E. Death Benefit

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

KRS Annual Financial Report and Proportionate Share Audit Report

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

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

Note 8. Deferred Compensation

The Webster County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

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

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

Note 9. Health Reimbursement Account

The Webster County Fiscal Court, established a health reimbursement account on May 1, 2012, to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides a debit card to each eligible employee providing $2,250 each year to pay for qualified medical expenses. The balance of the plan is $93,127.

Note 10. Insurance

For the fiscal year ended June 30, 2019, the Webster County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 11. Tax Abatement

A. Tyson Foods

The property tax was abated under the authority of Webster County Fiscal Court. Tyson Foods is eligible to receive this tax abatement due to the purpose of the business bringing incentives to the citizens of the county, pursuant to KRS 65.7041. The taxes are abated by the county enabling Tyson Foods to start paying taxes from year one, on a pro-rated basis, and further allow Tyson Foods to amend the bond issue from $14 million dollars to $17 million dollars. For fiscal year ended June 30, 2019, the Webster County Fiscal Court abated property taxes totaling $9,862.

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

Note 12. Commitment and Contingencies

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

Note 13. Prior Period Adjustments

	General Fund	Jail Fund	State Grant Fund	Public Propertie Corporation Fund
Ending Cash Balance Prior Year	$ 838,698	$ 297,485	$ 8,966	$ 1,094
Adjustments:				
Prior Year Voided Checks	360	32,600		
Prior Year Adjustment				(1,074)
Rounding			1	
Beginning Fund Balance - Restated	$ 839,058	$ 330,085	$ 8,967	$ 20

Note 14. Subsequent Event

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2019

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WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2019

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 1,342,700	$ 1,342,700	$ 1,476,808	$ 134,108
In Lieu Tax Payments	11,477	11,477	13,065	1,588
Excess Fees			5,885	5,885
Licenses and Permits	10,557	10,557	11,704	1,147
Intergovernmental	1,190,797	1,190,797	1,276,813	86,016
Charges for Services	12,264	12,264	12,247	(17)
Miscellaneous	94,554	94,554	92,186	(2,368)
Interest	3,223	3,223	4,763	1,540
Total Receipts	2,665,572	2,665,572	2,893,471	227,899
DISBURSEMENTS				
General Government	2,098,947	2,119,598	1,940,720	178,878
Protection to Persons and Property	493,028	498,956	440,857	58,099
General Health and Sanitation	150,319	166,919	118,055	48,864
Social Services	8,600	8,705	7,425	1,280
Recreation and Culture	1,200	1,200		1,200
Capital Projects	40,000	31,400		31,400
Administration	272,849	358,826	276,486	82,340
Total Disbursements	3,064,943	3,185,604	2,783,543	402,061
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(399,371)	(520,032)	109,928	629,960
Net Change in Fund Balance	(399,371)	(520,032)	109,928	629,960
Fund Balance - Beginning	399,371	520,032	839,058	319,026
Fund Balance - Ending	$ 0	$ 0	$ 948,986	$ 948,986

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 1,433,906	$ 1,433,906	$ 1,568,998	$ 135,092
Miscellaneous	105,050	105,050	216,354	111,304
Interest	3,517	3,517	3,663	146
Total Receipts	1,542,473	1,542,473	1,789,015	246,542
DISBURSEMENTS				
Roads	1,344,593	1,346,793	1,109,465	237,328
Administration	309,356	307,156	232,607	74,549
Total Disbursements	1,653,949	1,653,949	1,342,072	311,877
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(111,476)	(111,476)	446,943	558,419
Net Change in Fund Balance	(111,476)	(111,476)	446,943	558,419
Fund Balance - Beginning	111,476	111,476	209,079	97,603
Fund Balance - Ending	$ 0	$ 0	$ 656,022	$ 656,022

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 2,705,597	$ 2,705,597	$ 2,852,406	$ 146,809
Charges for Services	45,486	45,486	54,958	9,472
Miscellaneous	183,064	183,064	208,508	25,444
Interest	1,574	1,574	2,004	430
Total Receipts	2,935,721	2,935,721	3,117,876	182,155
DISBURSEMENTS				
Protection to Persons and Property	2,171,502	2,269,102	2,250,098	19,004
Debt Service	331,578	343,578	343,577	1
Administration	592,948	523,348	506,760	16,588
Total Disbursements	3,096,028	3,136,028	3,100,435	35,593
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(160,307)	(200,307)	17,441	217,748
Net Change in Fund Balance	(160,307)	(200,307)	17,441	217,748
Fund Balance - Beginning	160,307	160,307	330,085	169,778
Fund Balance - Ending	$ 0	$ (40,000)	$ 347,526	$ 387,526

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

	LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Licenses and Permits	$ 1,051	$ 1,051	$ 2,600	$ 1,549
Intergovernmental	723,128	993,128	736,970	(256,158)
Charges for Services			11,805	11,805
Miscellaneous	58,931	58,931	56,038	(2,893)
Interest	1,797	1,797	596	(1,201)
Total Receipts	784,907	1,054,907	808,009	(246,898)
DISBURSEMENTS				
General Government	123,186	127,086	126,637	449
Protection to Persons and Property	71,136	69,536	46,098	23,438
General Health and Sanitation	477,131	754,381	605,518	148,863
Social Services	154,222	162,772	151,512	11,260
Recreation and Culture	6,800	8,700	6,921	1,779
Roads	1,000	1,000	323	677
Airports	2,400	2,400		2,400
Administration	20,000			
Total Disbursements	855,875	1,125,875	937,009	188,866
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(70,968)	(70,968)	(129,000)	(58,032)
Net Change in Fund Balance	(70,968)	(70,968)	(129,000)	(58,032)
Fund Balance - Beginning	70,968	70,968	317,394	246,426
Fund Balance - Ending	$ 0	$ 0	$ 188,394	$ 188,394

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

	STATE GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 603,355	$ 728,355	$ 457,090	$ (271,265)
Miscellaneous			1,969	1,969
Interest			96	96
Total Receipts	603,355	728,355	459,155	(269,200)
DISBURSEMENTS				
General Government	70,000	149,700	66,086	83,614
Protection to Persons and Property	90,000	10,000		10,000
General Health and Sanitation	50,676	125,676	87,215	38,461
Social Services	392,679	392,679	267,684	124,995
Recreation and Culture		10,300	10,220	80
Total Disbursements	603,355	688,355	431,205	257,150
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		40,000	27,950	(12,050)
Net Change in Fund Balance		40,000	27,950	(12,050)
Fund Balance - Beginning			8,967	8,967
Fund Balance - Ending	$ 0	$ 40,000	$ 36,917	$ (3,083)

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

	FEDERAL GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 500,000	$ 500,000	485,000	(15,000)
Total Receipts	500,000	500,000	485,000	(15,000)
DISBURSEMENTS				
Social Services	500,000	500,000	484,980	15,020
Total Disbursements	500,000	500,000	484,980	15,020
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			20	20
Net Change in Fund Balance			20	20
Fund Balance - Beginning				
Fund Balance - Ending	$ 0	$ 0	$ 20	$ 20

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

	SANITATION FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	$ 206,667	$ 206,667	$ 206,585	$ (82)
Interest	154	154	120	(34)
Total Receipts	206,821	206,821	206,705	(116)
DISBURSEMENTS				
General Health and Sanitation	197,591	202,141	200,928	1,213
Administration	15,555	21,005	14,559	6,446
Total Disbursements	213,146	223,146	215,487	7,659
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(6,325)	(16,325)	(8,782)	7,543
Net Change in Fund Balance	(6,325)	(16,325)	(8,782)	7,543
Fund Balance - Beginning	6,325	16,325	23,208	6,883
Fund Balance - Ending	$ 0	$ 0	$ 14,426	$ 14,426

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

	ANIMAL SHELTER FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$	$ 85	$ 85	$
Total Receipts		85	85	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		85	85	
Net Change in Fund Balance		85	85	
Fund Balance - Beginning		34,009	34,009	
Fund Balance - Ending	$ 0	$ 0	$ 34,094	$ 0

WEBSTER COUNTY
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2019

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and according to the laws of Kentucky as required by the state local finance officer.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

WEBSTER COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2019

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WEBSTER COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2019

The fiscal court reports the following Schedule of Capital Assets:

	* Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Land and Land Improvements	$ 767,992	$	$	$ 767,992
Construction In Progress	42,430	675,570		718,000
Buildings *	13,739,707			13,739,707
Vehicles & Equpment	3,078,660	9,000		3,087,660
Other Equipment	3,596,786	54,865		3,651,651
Infrastructure	18,432,688			18,432,688
Total Capital Assets	$ 39,658,263	$ 739,435	$ 0	$40,397,698

* See Note 2 of the Notes to Other Information – Regulatory Basis Schedule of Capital Assets for restatement of beginning balance

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

June 30, 2019

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	$ 5,000	10-60
Buildings	$ 5,000	10-75
Vehicles and Equipment	$ 5,000	3-25
Other Equipment	$ 5,000	3-25
Infrastructure	$ 5,000	10-50

Note 2. Restatement of Beginning Balance

The beginning balance for buildings was restated by $43,225, to correct errors in prior year building additions.