

CITY OF CORBIN
Corbin, Kentucky

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022
with
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Mayor and Commissioners
City of Corbin
Corbin, Kentucky

Report on the Financial Statements

Opinions

We have audited the accompanying the opinion units comprising the financial statements financial statements of the City of Corbin, Kentucky of the governmental activities, the business-type activities, as applicable, each major fund, and the aggregate remaining fund information of City of Corbin, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary and Basis for Opinions

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 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); and the audit requirements prescribed by the Kentucky State Committee for School City Audits in *Appendix I to the Auditor's Contract-General Audit Requirements and Appendix II to the Independent Auditor's Contract-State Audit Requirements*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Corbin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit program. The table below presents a summary of the Opinions.

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund with blended component unit	Unmodified
Arena Fund	Unmodified
ABC Fund	Unmodified
Aggregate Discretely Presented Component Units	Qualified
Business-Type Activities	None

Unmodified Opinions

In our opinion, the financial statements referred to Governmental Activities, the General Fund with a blended component unit, the Arena Funds and the Alcohol Beverage Fund present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information, if applicable, for the City of Corbin, Kentucky, as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, except the financial position of the aggregate discretely presented component units of the City of Corbin, KY, as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Corbin, Kentucky, 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Corbin Public Library (a component unit of the City of Corbin, Kentucky) have not been audited, and we were not engaged to audit the component unit financial statements as part of our audit of the City of Corbin, Kentucky's basic financial statements. The Library's financial activities are not included in the Corbin, Kentucky's basic financial statements as a part of the aggregate discretely presented component unit and represent due to state regulations requiring presentation only every four years. After six months they cannot be presented as part of the basic financial statements. Based on the 2022 financial statement the Library represents approximately 1.9 percent, and, net position, .03 percent of revenues, respectively, of the City of Corbin, Kentucky's aggregate discretely presented component units.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Corbin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the pension and other postemployment benefits liability and contributions information per the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the Government adopted GASB Statement 87 in the current year. The standard establishes a single model for lease accounting based on the foundational principle that leases are financing of a right to use an underlying asset., thus requiring lessees to recognize a lease liability and lessors to recognize a lease receivable and deferred inflow of resources. Because all operating leases are reviewable annually the statement does not apply to the City in the current year.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Corbin's basic financial statements. The combining and individual nonmajor fund financial statements, if applicable, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 9, 2023, on our consideration of City of Corbin'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 internal control over financial reporting or on compliance.

The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Corbin's internal control over financial reporting and compliance. directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2023, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Government's internal control over financial reporting and compliance.

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
January 9, 2023

CITY OF CORBIN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year ended June 30, 2022

As management of the City of Corbin (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the financial statements and notes. The following information is related to the City's primary government and blended component unit only and does not include information concerning aggregately discretely presented component.

FINANCIAL HIGHLIGHTS

- The City's ending cash balance was \$6,037,702, exclusive of pension trust funds, included \$1,942,480 in restricted cash with the balance unrestricted. The City also had \$49,127 of restricted accounts receivable in the Alcohol Beverage Fund.
- The City's government wide combined net position decreased by \$1,286,072, in FY 2022 compared to the prior year. The governmental combined fund balance increased by \$1,283,475 compared to the prior year.
- The general fund had approximately \$9.6 million in revenue, which primarily consisted of tax revenue, fees for services, regulatory fees, and intergovernmental revenue. There was an overall increase in the general fund balance of approximately \$10,639,972 which represents approximately an increase of 15% relative to the prior year. The Corbin Arena fund indicated overall revenue increase of \$4,153,916, which represents approximately a 179% increase in revenue partially due a grant of \$780,000. The total overall increase of governmental funds was \$5,215,052 or approximately 141% increase in the fund revenues between 2021 and 2022. The increase appears to be due to increases in revenue due to the pandemic funding.
- The City's total long-term liabilities decreased approximately \$4 million relative to 2021 primarily due fluctuation of current year pension and OPEB expense and some nominal additional borrowing. The ending long-term debt balance was \$27,276,562 including the net pension and OPEB liabilities and accrued absences. There was no short-term debt balance at the end of the year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF CORBIN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year ended June 30, 2022

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the City that are primarily supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, police department, fire protection, public works, recycling, building inspection, parks and recreation, main street, and special projects. Fixed asset acquisitions and related debt are also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found as indicated in the table of contents.

Fund financial statement. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds. Fiduciary funds are trust funds established by benefactors to provide benefits for employees, and the City has one which is the Police and Firemen's Pension Fund. The City has no proprietary funds, but the City Utilities is a proprietary component unit. All other activities of the City are included in the governmental funds.

The basic governmental fund financial statements can be found as indicated in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found as indicated in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, governmental assets exceeded liabilities by approximately \$13.9 million. The largest portion of the City's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

CITY OF CORBIN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year ended June 30, 2022

The City as a Whole

The following is a summary of the City's net assets:

	Governmental Activities		Total	
	2021	2022	2021	2022
Current and other assets	\$ 7,012,325	\$ 7,375,117	\$ 7,012,325	\$ 7,375,117
Capital assets, net of depreciation	35,807,353	35,427,953	35,807,353	35,427,953
Total Assets	42,819,678	42,803,070	42,819,678	42,803,070
Deferred outflows of resources	5,636,605	4,376,604	5,636,605	4,376,604
Current liabilities	2,260,315	3,932,419	2,260,315	3,932,419
Other liabilities	31,155,141	26,588,357	31,155,141	26,588,357
Total Liabilities	33,415,456	30,520,776	33,415,456	30,520,776
Deferred inflows of resources	1,116,787	3,715,762	1,116,787	3,715,762
Net assets				
Net investment in capital assets	35,427,219	26,868,786	35,427,219	26,868,786
Non-spendable	638		638	-
Restricted	88,761	1,942,870	88,761	1,942,870
Unrestricted	(21,592,578)	(15,868,520)	(21,592,578)	(15,868,520)
Total Net Position	\$ 13,924,040	\$ 12,943,136	\$ 13,924,040	\$ 12,943,136

The following is a summary of the City's changes in net assets:

	Governmental Activities		Total	
	2021	2022	2021	2022
Revenues				
Program revenues				
Charges for services	\$ -	\$ 6,662,962	\$ -	\$ 6,662,962
Operating Grants & contributions	-	3,509,274	-	3,509,274
General revenues				
Local taxes	6,631,246	6,631,831	6,631,246	6,631,831
Regulatory fees	616,300	652,313	616,300	652,313
Licenses and permits	321,289	258,209	321,289	258,209
Earnings on investments	14,886	403	14,886	403
Other	343,266	48,255	343,266	48,255
Total revenues	7,926,987	17,763,247	7,926,987	17,763,247
Expenses				
General government	758,636	2,497,000	758,636	2,497,000
Police department	2,018,458	2,349,239	2,018,458	2,349,239
Fire department	1,479,557	1,617,066	1,479,557	1,617,066
Public works	120,697	3,024,136	120,697	3,024,136
Recycling center	494,532	522,900	494,532	522,900
Building inspector	139,914	114,608	139,914	114,608
Parks and recreation	1,149,178	1,216,652	1,149,178	1,216,652
Special projects	553,257	1,377,914	553,257	1,377,914
Arena	1,527,122	5,853,427	1,527,122	5,853,427
Downtown main street	162,902	140,488	162,902	140,488
Interest on debt service	102,179	335,889	102,179	335,889
Total expenses	\$ 8,506,432	\$ 19,049,319	\$ 8,506,432	\$ 19,049,319

There has been some decrease in the overall financial position of the City since the prior year.

CITY OF CORBIN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year ended June 30, 2022

The following table presents a fund accounting comparison and summary of revenue and expense for Government Funds only for fiscal years 2021 and 2022:

	<u>2021</u>	<u>2022</u>
Revenues and other financing sources		
Tax and related revenue	\$ 6,631,246	\$ 6,631,831
Licenses and permits	937,589	910,523
Fees for services	3,244,801	5,990,941
Rent	68,929	48,529
Investments	14,886	403
Intergovernmental	1,581,680	3,509,274
Other	69,339	672,900
Debt premium	<u>11,502</u>	<u>-</u>
Total Revenue and other financing sources	<u>12,559,972</u>	<u>17,764,401</u>
Expenditures and other financing uses		
General government	1,180,278	1,190,660
Police department	2,219,302	2,436,868
Fire department	1,552,561	1,662,256
Public works	1,937,931	3,103,772
Recycling center	487,419	519,832
Building inspection	126,787	113,936
Parks and recreation	2,569,495	1,209,514
Special projects	483,886	2,028,414
Downtown main street	130,666	139,664
Arena	1,979,004	5,819,087
Debt service	552,778	793,883
Cost of debt issuance	<u>61,502</u>	<u>-</u>
Total expenditures and other financing uses	<u>13,281,609</u>	<u>19,017,886</u>
Net change in fund balance	<u>\$ (721,637)</u>	<u>\$ (1,253,485) *</u>

*Refund of bond nets to zero; not included.

The majority of revenue, net of debt, was derived from tax revenue 44% in 2021 and 38% in 2022). Fees for services made up 21% of revenue in 2021 and 35% in 2022. Intergovernmental income made up 12% of total revenues in 2021 and 21% in 2022. Interest income made up 0.1445% of total revenues in 2021 and 0.02% in 2022. The remainder was made up of rent and miscellaneous revenue.

CITY OF CORBIN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year ended June 30, 2022

BUDGETARY IMPLICATION

The City's fiscal year is July 1 - June 30; other programs, i.e., some federal programs operate on a different fiscal calendar, but are reflected in the City's overall budget. Significant events that may impact the finances include expected state budget deficits that may impact grant or other revenue. The City routinely attempts to keep expenditures to a minimum because of the anticipated revenue problems. The City's budget was not exceeded in the current year.

Questions regarding this report and any separately issued component unit reports should be directed to the Corbin City Clerk, Corbin, Kentucky, 40701.

CITY OF CORBIN, KENTUCKY
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government	Component Units	
	Governmental Activities	Corbin Tourism and Convention Commission	City Utility Commission
ASSETS			
Cash and cash equivalents - unrestricted	\$ 4,095,222	\$ 882,083	\$ 2,836,245
Restricted cash and cash equivalents	1,942,480	-	388,988
Investments	-	-	1,326,826
Restricted investments	-	-	871,791
Accounts receivable, net	-	-	977,113
Unbilled accounts receivable estimated	-	-	571,223
Other receivables	-	-	18,837
Materials and supply inventory	-	-	550,960
Prepaid insurance	390	-	57,405
Taxes receivable:			
Restaurant and hotel tax	137,659	323,518	-
Insurance tax	440,146	-	-
Occupational tax	113,658	-	-
Other receivables (net of allowance for uncollectible accounts)	-	-	-
Unbilled accounts receivable - estimated	175,338	-	-
Due from other funds	-	-	-
Due from component units	470,224	-	-
Prepaid expense	-	26,801	-
Security deposits	-	120	-
Investment in fixed assets, net	-	-	-
Non-depreciable	2,670,027	281,780	-
Depreciable	32,757,926	470,701	42,458,254
Total assets	42,803,070	1,985,003	50,055,842
Deferred outflows of resources			
Deferred outflows of resources - OPEB CERS Non-Hazardous	758,823	-	-
Deferred outflows of resources - OPEB CERS Hazardous	1,068,210	-	-
Deferred outflows of resources - Pension CERS Non Hazardous	766,047	-	-
Deferred outflows of resources - Pension CERS-Hazardous	1,223,654	-	-
Deferred outflows of resources - Police and Fire Pension	559,870	-	-
Total Deferred outflows of resources	4,376,604		
LIABILITIES			
Accounts payable	807,479	332,374	1,137,212
Accrued expenses	278,256	1,589	-
Unearned revenue	1,466,476	-	-
Accrued compensated absences - current	19,990	-	90,585
Notes payable - Kentucky Infrastructure Authority	-	-	475,230
Mortgage payable - Hometown Bank	-	-	758,263
Sales Tax Payable	84,462	-	-
Customer deposits/water leak protection	-	-	1,151,536
Due to other funds	294,622	-	-
Due to component units	273,890	-	-
Accrued interest	55,224	-	-
Current portion of recreation bond due	60,000	-	-
Current portion of bond series 2020 due	355,000	-	-
Current portion of 2021- F due	170,000	-	-
Current portion of capital leases due	67,020	-	-
Net OPEB Liability County Employees Retirement System- Non-Hazardous	1,310,632	-	-
Net OPEB Liability County Employees Retirement System- Hazardous	2,500,138	-	-
Net Pension Liability County Employees Retirement System- Non-Hazardous	4,365,882	-	-
Net Pension Liability County Employees Retirement System- Hazardous	8,231,663	-	-
Net Pension Liability Police and Firefighters' Pension Fund	2,163,617	-	-
Note payable - Kentucky Infrastructure Authority non-current	-	-	7,983,895
Long term portion of recreation bond	2,355,000	-	-
Long term portion of bond series 2020	2,325,000	-	-
Long term portion of bond series 2021F	3,010,000	-	-
Long-term portion of capital leases	217,147	-	-
Long-term portion of accrued absences	109,278	-	-
Total liabilities	30,520,776	333,963	11,598,721
Deferred inflows of resources			
Deferred inflows of resources - OPEB CERS Non-Hazardous	690,516	-	-
Deferred inflows of resources - OPEB CERS Hazardous	965,440	-	-
Deferred inflows of resources - Pension CERS Non Hazardous	809,456	-	-
Deferred inflows of resources - Pension CERS Hazardous	1,250,350	-	-
	3,715,762		
NET POSITION			
Net investment in capital assets	26,868,786	752,481	33,240,866
Non-spendable			
Restricted for:			
Operations	1,942,870	26,921	-
Customer deposits	-	-	163,954
Debt Service	-	-	90,000
Unrestricted	(15,868,520)	871,638	4,964,101
Total net position	\$ 12,943,136	\$ 1,851,040	\$ 38,458,921

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY

STATEMENT OF ACTIVITIES

Year ended June 30, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	
Governmental activities						
General Government	\$ 2,497,000	\$ 275	\$ 118,140	\$ -	2,378,585	
Police Department	2,349,239	121,980	299,091	-	1,928,168	
Fire Department	1,617,066	31,812	100,548	-	1,484,706	
Public Works	3,024,136	1,718,990	293,844	-	1,011,302	
Recycling Center	522,900	156,647	-	-	366,253	
Building Inspection	114,608	27,811	-	-	86,797	
Parks and Recreation	1,216,652	124,760	367,912	-	723,980	
Special Projects	1,377,914	-	-	-	1,377,914	
Arena expenditures	5,853,427	4,480,687	2,634,907	-	(1,262,167)	
Downtown Main Street	140,488	-	-	-	140,488	
Interest on Long-Term Debt	335,889	-	-	-	335,889	
Total primary government	\$ 19,049,319	\$ 6,662,962	\$ 3,814,442	\$ -	8,571,915	
Corbin Tourism and Convention Commission	\$ 1,617,954	-	96,627	-	-	\$ (1,521,327)
City Utilities Commission	\$ 11,076,083	11,998,128	-	-	-	\$ 922,045
General revenues						
Taxes:						
Property				1,451,263	-	-
Motor vehicle				-	-	-
Occupational				2,402,233	-	-
Municipal insurance				1,572,496	-	-
Restaurant and hotel tax				-	1,741,964	-
Other				1,205,839	-	-
Alcohol regulatory fees				652,313	-	-
Municipal fees in lieu of taxes				-	-	(3,487)
Licenses and permits				258,209	-	-
Rent				48,529	-	-
Earnings on investments				403	1,120	-
Net gain on refunded bond				(38,356)	-	-
Interest				-	-	25,632
Debt premium				58,301	-	-
assets				63,356	-	-
Debt cost				(63,300)	39,515	-
Other				(275)	-	(89,781)
Gain loss on sale of inventory/property				-	-	8,729
Total general revenues				7,591,011	1,782,599	(58,907)
Transfer to City				-	-	(739,492)
Net position, July 1, 2021				13,924,040	1,389,768	38,335,275
Change in net position				(980,904)	261,272	123,646
Net position as of June 30, 2022				\$ 12,943,136	\$ 1,651,040	\$ 38,458,921

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Corbin Arena Fund	ABC FUND	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	\$ 2,281,637	\$ 1,753,990	\$ 59,595	\$ 4,095,222
Restricted cash and cash equivalents	1,942,480	-	-	1,942,480
Taxes receivable				
Restaurant tax	137,659	-	-	137,659
Insurance tax	440,146	-	-	440,146
Occupational tax	113,658	-	-	113,658
Other receivables (net of allowance for uncollectible accounts)	126,211	-	49,127	175,338
Prepaid expenses	390	-	-	390
Due (to)/from component units	155,458	314,766	-	470,224
Due from Arena Fund	2,968,681	-	-	2,968,681
Total assets	\$ 8,166,320	\$ 2,068,756	\$ 108,722	\$ 10,343,798
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 266,620	\$ 483,747	\$ 57,112	\$ 807,479
Accrued expenses	267,412	10,844	-	278,256
Unearned revenue	1,298,633	167,843	-	1,466,476
Unearned ARP Funds	-	-	-	-
Current portion of accrued compensated absences	19,990	-	-	19,990
Sales tax payable	-	84,462	-	84,462
Due to Other funds	31,808	262,535	279	294,622
Due to General Fund	-	2,968,681	-	2,968,681
Due to Component Units	273,890	-	-	273,890
Total liabilities	2,158,353	3,978,112	57,391	6,193,856
Fund balances				
Nonspendable	390	-	-	390
Restricted	-	-	51,331	51,331
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	6,007,577	(1,909,356)	-	4,098,221
Total fund balances	6,007,967	(1,909,356)	51,331	4,149,942
Total liabilities and fund balances	\$ 8,166,320	\$ 2,068,756	\$ 108,722	\$ 10,343,798

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2022**

Total fund balances - governmental funds	\$ 4,149,942
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The capital assets net of depreciation are:	35,427,953
Deferred outflows of resources are not presented in the governmental fund financial statements but are presented on the statement of net position.	4,376,604
Deferred inflows of resources are not presented in the governmental fund financial statements but are presented on the statement of net position.	(3,715,762)
Bonds payable, notes payable and leases payable are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net assets.	(8,559,167)
The net pension obligation is not expected to be paid from current economic resources and is not reported in the governmental funds balance sheet but is presented in the statement of net assets.	(14,761,162)
The net OPEB obligation is not expected to be paid from current economic resources and is not reported in the governmental funds balance sheet but is presented in the statement of net assets.	(3,810,770)
Long-term portion of accrued compensated absences is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net assets.	(109,278)
Interest payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net assets.	<u>(55,224)</u>
Total net position - governmental activities	<u>\$ 12,943,136</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year ended June 30, 2022

	General Fund	Corbin Arena Fund	ABC Fund	Total Governmental Funds
Revenues				
Taxes:				
Property	\$ 1,317,069	\$ -	\$ -	\$ 1,317,069
Motor vehicle	134,194	-	-	134,194
Occupational	2,402,233	-	-	2,402,233
Municipal insurance	1,572,496	-	-	1,572,496
Other	-	1,205,839	-	1,205,839
Alcohol regulatory fees and licenses	-	-	652,313	652,313
Licenses and permits	258,210	-	-	258,210
Intergovernmental revenues	2,729,274	780,000	-	3,509,274
Fees for services	2,181,967	3,808,974	-	5,990,941
Rent	44,529	4,000	-	48,529
Interest	-	340	63	403
Other	-	672,021	-	672,021
Total revenues	<u>10,639,972</u>	<u>6,471,174</u>	<u>652,376</u>	<u>17,763,522</u>
Expenditures				
General government	1,190,591	-	69	1,190,660
Police department	2,436,858	-	-	2,436,858
Fire department	1,662,256	-	-	1,662,256
Public works	3,103,772	-	-	3,103,772
Recycling center	519,832	-	-	519,832
Building inspection	113,936	-	-	113,936
Parks and Recreation	1,209,514	-	-	1,209,514
Special projects	2,028,414	-	-	2,028,414
Downtown Main street	139,664	-	-	139,664
Arena expenditures	-	5,819,087	-	5,819,087
Debt Service	217,999	575,884	-	793,883
Total expenditures	<u>12,622,836</u>	<u>6,394,971</u>	<u>69</u>	<u>19,017,876</u>
Excess (deficit) of revenues over (under) expenditures	(1,982,864)	76,203	652,307	(1,254,354)
Other financing sources (uses)				
Proceeds from debt	-	(3,180,000)	-	(3,180,000)
Premium on debt	-	(58,301)	-	(58,301)
Transfer from other debt service	-	(63,356)	-	(63,356)
Deposit with escrow agents	-	3,218,356	-	3,218,356
Bond cost	-	83,301	-	83,301
Transfer in/out	649,825	-	-	649,825
Transfer in/out	(43,142)	44,021	(649,825)	(648,946)
Total other financing sources (uses)	<u>606,683</u>	<u>44,021</u>	<u>(649,825)</u>	<u>879</u>
Net change in fund balance	(1,376,181)	120,224	2,482	(1,253,475)
Fund balances, July 1, 2021	<u>7,384,148</u>	<u>(2,029,580)</u>	<u>48,849</u>	<u>5,403,417</u>
Fund balances, June 30, 2022	<u>\$ 6,007,967</u>	<u>\$ (1,909,356)</u>	<u>\$ 51,331</u>	<u>\$ 4,149,942</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year ended June 30, 2022

Net change in total fund balances - governmental funds	\$ (1,253,475)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in the governmental fund financial statements because they use current financial resources, but they are treated as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlay exceeds depreciation expense for the year.	(381,892)
Bond and capital lease payments are recognized as expenditures of current financial resources in the governmental fund financial statements but are reductions of liabilities in the statement of net position.	538,270
Amortization of deferred outflow of resources from refunding bonds is not recognized on the governmental fund financial statements but is amortized on the government wide financial statements.	(78,045)
Accrued interest is recognized as an decrease in the net position in the governmental wide financial statements but is not recognized in the governmental fund financial statements	(2,231)
Changes in pension and OPEB expense are not recognized on the governmental fund statements because it is not expected to be satisfied with current economic resources, but it is recognized in the statement of activities.	197,623
Refunding bond issues are recognized as other sources and used in the governmental fund financial statements but are an increase in liabilities in the statement to net position	3,180,000
Bond refunding payments are recognized as other sources and used in the governmental fund financial statement but are a decrease in the liabilities in the statement of position.	<u>(3,181,154)</u>
Change in net position - governmental activities	<u>\$ (980,904)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Agency Funds	Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 779,357
Investments	-	1,591,916
Receivables		
Interest	-	927
Total Assets	-	2,372,200
LIABILITIES		
Due to agencies	-	-
Due to general fund	-	-
Total Liabilities	-	-
NET POSITION		
Held in trust for pension benefits	\$ -	\$ 2,372,200

The accompanying notes are an integral part of these financial statements.

CITY OF CORBIN, KENTUCKY

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITON
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

ADDITIONS

Tax revenue	\$ 529,896
Interest	29,975
Other	-
Total revenues	<u>559,871</u>

DEDUCTIONS

Benefits	295,385
Plan administration	<u>5,700</u>
Total expenditures	<u>301,085</u>

Increase/(Decrease) in net assets 258,786

Net Assets, July 1, 2021 2,113,414

Net Position , June 30, 2022 \$ 2,372,200

The accompanying notes are an integral part of these financial statements.

The complete audit report, including financial statements and supplemental information, is on file at Corbin City Hall in the City Clerk's Office and is available for public inspection during normal business hours (Monday-Friday; 8AM-4PM). Any citizen may obtain a copy of the complete audit report from city hall, including financial statements and supplemental information, for his or her personal use; however, citizens requesting a personal copy of the city audit report will be charged for duplication costs at a rate that shall not exceed twenty-five cents (\$0.25) per page.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The financial reporting entity

The City of Corbin (the City), Kentucky is a home rule city under the laws of the Commonwealth of Kentucky and operates under a City Manager/Commission form of government. The City's major operations include public safety, fire protection, public works, recreation and parks, and general administrative services. As defined by accounting principles generally accepted in United States of America (GAAP) that are established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. To be complete, the financial statements of the reporting entity should include the primary government and its component units. With the exception of the City of Corbin Public Library, the City has included a summary of the opinions of the most recent audits of its component units in these primary government financial statements for the year ended June 30, 2022. Under Kentucky law the library requires an audit only every four year and is should not to be presented in this report.

Based on the above criteria, the component units of the City are the Corbin Public Library City, Corbin City Hall Public Corporation, the City of Corbin Tourist and Convention Commission and the Corbin City Utilities Commission. Component units of the City, except the Corbin City Hall Public Corporation, issue separately audited Component Unit Financial Statements (CUFS). Copies of the CUFS may be obtained from the City Clerk at Corbin City Hall.

The Corbin City Hall Public Corporation is governed by a board that is substantially the same as the City Commission, the Corbin City Hall Public Corporation and the City have a financial benefit and burden relationship and management of the City has operational responsibility for the activities of the Corbin City Hall Public Corporation. Although it is legally separate from the City, it is reported as if it were part of the primary government. The activity of the Corbin City Hall Public Corporation is blended with the City's financial statements, specifically the General Fund.

Related organizations not determined to be component units include the Corbin Industrial Commission, Corbin City School City, and the Corbin Housing Authority. Neither organization meets the criteria to be considered a component unit.

All component units except for City Hall Public Corporation issue separate audited financial statements which can be obtained for the City Clerk at City of Corbin City Hall

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic financial statements

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the City and its component units as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities, if any, are shown in the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the City (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) Net investment in capital assets, 2) restricted, and 3) unrestricted, as appropriate. Net investment in capital assets is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings or related assets and liabilities that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or function. The City does not charge indirect expense to programs or functions. Interest on general long-term bonded debt is not allocated to the various functions, and interest on capital leases may be allocated to various functions. Program revenues include: 1) charges paid by the recipients of the goods, services, or privileges offered by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Part of the basic financial statements are fund financial statements for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The City does not have any proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category) and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds.

The City reports the following governmental funds:

General Fund – The general fund is a major fund and the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. City Hall Public Corporation is blended with the general fund.

Corbin Arena Fund – The Arena fund accounts for all the activity of the Arena including debt service. The Arena fund is considered a special revenue fund and major fund by the City.

ABC Fund – The ABC Fund accounts for alcohol regulatory fees and licenses revenue. All revenue is transferred to the City's general fund as management determines the revenue has been properly expensed. The City has mandated this to be a major fund.

Additionally, the City reports the following fund types:

Police and Firefighters' Pension Fund – The pension funds account for assets held on behalf of former City employees the Pension Fund is a fiduciary type of fund.

Agency Funds – The agency funds account for tax revenue held or transferred by the City that is used to support the Corbin City School and the Corbin Library. The agency funds should net to zero and are not discretely presented.

C. Measurement focus and basis of accounting

The governmental fund financial statements are prepared on a current financial resource's measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes property taxes, licenses, fees and permits, intergovernmental revenues charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have accumulated for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Debt proceeds and cost are reported as other financing sources and uses.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to; 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activity's column of the government-wide financial statements.

D. Cash and cash equivalents and investments

For purposes of the basic financial statements, the City considers cash and cash equivalents to be all demand deposits, all certificates of deposit, and highly liquid, short-term security investments that are readily convertible to known amounts of cash and mature within three months of the date they are acquired. Deposits (cash and investments) are carried at cost which approximates market value. The carrying amount of all deposits is separately displayed on the balance sheet depending on the terms of the deposit. Restricted cash and investments are separately displayed on the balance sheet.

The City of Corbin, Kentucky is authorized by state statute to invest in:

1. Obligations of the United States and of its agencies and instrumentalities.
 2. Bonds or certificates of indebtedness of this state, its agencies, and Instrumentalities.
 3. Shares of any savings and loan association insured by an agency of the government of the United States up to the amount so insured.
 4. Interest bearing deposits in nationally chartered, or state banks chartered in Kentucky and insured by an agency of the government of the United States up to the amount so insured, and in large amounts provided such bank shall pledge as security obligations of the United States government, its agencies, and instrumentalities.
- Investments are stated as cost or amortized cost, which approximates market.

Receivables

All trade receivables are shown net of an allowance for uncollectible accounts. As of June 30, 2022, receivables net of the allowance for uncollectible accounts, not including property tax, for governmental activities was \$691,463, \$215,344, and \$49,127 for the General, Arena and ABC funds, respectively. Grants are fully recognized as revenues when earned because the City expects to collect the amount in full within 60 days of earning the revenue.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Prepaid expenses

Certain prepayments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements.

G. Restricted assets

Certain grant proceeds, as well as funds set aside for the repayment of bonds or restricted by enabling legislation may be classified as restricted on the balance sheet and statement of net position, because they are maintained in separate bank accounts, or their use is limited by applicable grant agreements or debt covenants.

H. Capital assets

Under Governmental Accounting Standards Board Statement No. 34 (GASB-34), all capital assets, whether owned by governmental activities or business-type activities, as applicable, are recorded and depreciated in the government-wide financial statements. No capital assets or depreciation are shown in the governmental fund financial statements. The City generally considers assets with a cost of \$5,000 and useful lives in excess of one year or more to be a depreciable capital asset. Those presented as not depreciable include land and construction in progress.

At the implementation of GASB-34, the City was a Phase 3 government (governments with total annual revenues of less than \$10 million). Consequently, the City was not required by the provisions of GASB-34 to report major infrastructure assets retroactively. The City chose not to record infrastructure assets retroactively; however, after July 1, 2003, all infrastructure asset additions and disposals are reported by the City in their related categories.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major additions that are substantially a new asset are capitalized over the useful lives of that asset category as determined by the City's management.

Major outlays for capital assets and improvements are capitalized as the projects are constructed and put into use. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures, and improvements	5 to 50 years
Improvements other than buildings	10 to 50 years
Machinery and equipment	3 to 20 years

Capital assets transferred between funds or functions are transferred at their net book value (cost less accumulated depreciation), as of the date of transfer.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Lease obligations

The City may have various assets under lease agreements. The lease standard has changed for the current year. In the government-wide financial statements, which will be under the primary lease note. Capital leases are now called financing leases, and the related lease obligations are reported as liabilities in the governmental activities of the statement of net assets.

J. Deferred outflows related to bond refunding

Due to the adoption of GASB 63 and GASB 65 debt costs are no longer capitalized and amortized over the period of a loan. However, the difference of the reacquisition price and the carrying value of the old debt is capitalized and amortized over the shorter of the new or old debt remaining life. The amount is shown as a deferred outflow and amounted to \$78.045 at June 30, 2022.

K. Unearned revenues

Unearned revenues arise in governmental funds when revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue may also arise, in both governmental and proprietary funds, when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The City assumes all delinquent taxes to be uncollectible at the end of the year and does not present accounts receivable or deferred revenue in connection with taxes receivable. However, the City does attempt to collect all delinquent taxes.

L. Compensated absences

Compensated absences, vacation, and sick pay, for all City employees are paid by the City's general fund. It is the policy of the City to pay all accumulated vacation pay when an employee retires or terminates. The current portion of accrued and compensated absences is determined by the City based on historical averages. Vested vacation and sick pay benefits are accrued when incurred.

III. Pension plans

Full-time City employees are members of the State of Kentucky County Employees' Retirement System (CERS). The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of June 30 of the prior fiscal year by the System's actuary. Former employees are also members of the Police and Firefighters' Pension Fund. The City funds the Police and Firefighters' Pension Fund through allocation of tax collections.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous and Hazardous duty employees (CERS) and additions to/deductions from the net position has been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

O. Fund balances:

The Board has elected to adopt GASB Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement substantially changed the terminology used to describe different component of the fund balance. Under this statement, the fund balance is separated into five categories as follows:

Nonspendable:	Funds permanently nonspendable by decree of donor, such as an endowment or items which may not be used for another purpose, such as amounts used to prepay future expenses or already purchased inventory on hand.
Restricted:	Funds legally restricted under federal and state law, bond authority or grantor contract.
Committed:	Commitments passed by the Board for specific expenditures.
Assigned:	Funds assigned to management priority including issued encumbrances.
Unassigned:	Funds available for future operations.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, Board, or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

The City does not use encumbrance accounting.

P. Budgets and Budgetary accounting

The City follows procedures pursuant to KRS 91A.030 in establishing the budgetary data reflected in the financial statements as follows:

1. Prior to May 1 of each year, the Mayor submits to the Corbin City Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Budgets and Budgetary accounting (continued)

3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between categories within each department; however, any revisions that alter the total expenditures of any fund must be approved by the Corbin City Commission.
5. Formal budgetary integration is employed as a management control device during the year for the general fund. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Operating transfers required for debt service are accounted for in the budget of the City's general fund.
6. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Actual expenditures may not exceed the legally adopted budget for any given fund.
7. The budget for the fiscal year ending June 30, 2022 was amended during the year as in accordance with the law. The amendment was approved in the same manner as the original budget was adopted.

Q. Property taxes

Delinquent property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable in full by December 31. The City bills and collects its own property taxes. City property tax revenues are recorded as receivables and deferred revenue at the time the tax levy is billed. Current year revenues recognized are those collected within the current period, or soon enough thereafter to pay current liabilities, within sixty days after the year-end. The City does not realize prior year delinquencies in the following year soon enough to make them available to meet current year expenditures, and fully reserves the uncollected balance at year's end as uncollectible. Since the net is zero, they are not presented on the financial statements

R. Special projects

The City uses its General Fund, Arena Fund, and Alcohol beverage Fund to account for all governmental activity. In lieu of establishing a special revenue fund for capital projects, the City reflects acquisition and significant construction activities financed by governmental grants or general governmental funds as "special projects" within the general fund. These may also include "flow through" projects for other organizations. These projects may or may not be depreciated.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

T. Inventory

Inventory, if any, is reported at cost. The City reported no inventory at June 30, 2022.

NOTE 2 – CASH AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2022, the carrying amount of the City's cash and cash equivalents was \$6,037,702 which includes cash held by City Hall Public Corporation but does not include other component units. The bank balance including certificates of deposit was \$6,030,040. The City also held \$2,371,273 for the Corbin Police and Firefighters' Pension Fund in cash and certificates of deposit. Of the total cash balance, excluding petty cash of \$1,040 and \$1,232 in the General Fund and Arena Fund respectively, the entire amount was covered by federal depository insurance and/or collateral agreements and collateral held by the pledging bank's trust department in the City's name. By state statute, and City policy, the City may deposit funds in state and nationally chartered banks which provide FDIC insurance and sufficient collateral to secure deposits in excess of FDIC coverage. Cash equivalents are considered to be demand deposits, certificates of deposit and highly liquid, short-term security investments that are readily convertible to known amounts of cash and mature within three months of the date they are acquired. Of the total cash balance exclusive of the Police & Firefighters' Pension Fund restricted cash consists of, \$86,883 in police forfeiture fund cash, \$1,769,377 in American Rescue Plan and Cares Act cash is restricted, \$19,825 in LGEA funds, \$6,800 in Municipal Road Aid and \$59,598 in Alcohol Beverage Control cash. The fund balance reflects all these restrictions and some non-cash restrictions (see note 15). All Pension Fund cash is considered restricted. Committed cash consists of \$14,479 set aside in the Tourism Lighting Account, and \$5,636 set aside in the Police and Fire Special operations account. Restricted and committed cash is restricted by grant agreements, enabling legislation, or Commission action.

NOTE 3 - INVESTMENTS

City funds are considered to be public funds; therefore, their investment is limited by statute to certain obligations of the United States or similar government agencies, cash instruments, and certain pooled investment funds as provided by KRS 66.480. At June 30, 2022, the City holds one long term certificate of deposit in agency for the City of Corbin Police and Firefighters' Pension Fund that does not bear material interest rate risk. The City also holds one long-term certificate of deposit in the General Fund subject to interest rate risk; however, the City does not bear material investment related credit risk or interest rate risk. The City has not adopted a formal investment policy.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 4 – CONTINGENCIES

A. Pending and Threatened Litigation

A number of claims and suits are pending against the City for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a city such as Corbin. In the opinion of City management, the City has strong defenses against such claims, and thus the ultimate loss, if any, relating to these claims and suits not covered by insurance, will not materially affect the financial position of the City.

B. Short-term Line of Credit/ Short Term Loan

The City maintains a short-term line of credit totaling \$300,000. The purpose of the loan is to meet short-term commitments as needed. The total short-term borrowings during the year ended June 30, 2022, are outlined below:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

C. Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Dispositions	Balance June 30, 2022
Governmental activities				
Land	\$ 2,665,515	\$ 35,000	\$ -	\$ 2,700,515
Buildings and improvements	47,705,550	144,447	-	47,849,997
Improvements other than buildings	5,086,522	2,297,753	-	7,384,275
Equipment	6,238,536	257,952	88,944	6,407,544
Other	1,014,956	-	-	1,014,956
Construction in progress	1,780,268	-	-	-
	<u>64,491,347</u>	<u>2,735,152</u>	<u>88,944</u>	<u>65,357,287</u>
 Less: Accumulated depreciation				
Buildings and improvements	19,329,975	902,757	-	20,232,732
Improvements other than buildings	2,074,792	176,928	-	2,251,720
Equipment	7,129,454	232,087	88,944	7,272,597
Other	149,773	22,542	-	172,315
Total accumulated depreciation	<u>28,683,994</u>	<u>1,334,314</u>	<u>88,944</u>	<u>29,929,364</u>
 Governmental activities, net capital assets	<u>\$ 35,807,353</u>	<u>\$ 1,400,838</u>	<u>\$ -</u>	<u>\$ 35,427,923</u>

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 326,654
Police department	106,402
Fire department	27,638
Public works	91,234
Corbin recycling center	12,722
Building Inspector	2,655
Parks and recreation	161,805
Downtown main street	39,283
Arena	565,921
	<u>\$ 1,334,314</u>

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 6 LEASES

The City is obligated to several operating leases used to provide vehicles to various departments. The leases are cancelable prior to the end of any full year they have been in effect. Therefore GASB 87 does not apply to these leases. The Current monthly rental payment including fees is \$17,959. Upon termination of the leases the City can purchase the vehicles, enter into a new lease, continue the lease on a month-to-month basis. The current remaining payments at June 30, 2022, are as follows:

FY	Rental Payments
2023	\$ 167,072
2024	\$ 101,629
2025	\$ 90,149
2026	\$ 55,617
	<u>\$ 414,467</u>

NOTE 7 – LONG-TERM LIABILITIES

A General Obligation Leases- David L. Williams Southeastern Kentucky Agriculture-Exposition Complex (ARENA)

Refinancing Bonds 2020D- Arena General Obligation Bonds

In August 2020, the City issued a General Obligation Capital Lease to refinance the City's 2010 General Obligation Bond. The total refinancing amount was \$3,225,000, which refinanced \$3,480,000 principal of the Series 2010 General Obligation Bond. In addition, there was \$90,297 in cost of issuance. The lease bears variable interest in range from 2.0% to 4.0%.

The bond maturities and interest as of June 30, 2022, are as follows.

See Table on Following Page

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (continued)

A General Obligation Leases- David L. Williams Southeastern Kentucky Agriculture-Exposition Complex (ARENA) (continued)

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u> <u>Payment</u>	<u>Interest</u> <u>and Fees</u>	<u>Total</u>
2023	355,000	60,750	415,750
2024	365,000	52,762	417,762
2025	375,000	44,550	419,550
2026	385,000	36,112	421,112
2027	390,000	27,450	417,450
2028	400,000	18,675	418,675
2029	410,000	9,675	419,675
	<u>\$ 2,680,000</u>	<u>\$ 249,974</u>	<u>\$ 2,929,974</u>

Refinancing Bond Series 2021F- Arena

During the year ended June 30, 2022, the City entered into an advance refunding of bond series issued previously as a refunding bond by the Kentucky Bond Corporation. Proceeds from the debt were \$3,180,000 to provide escrow funds refund the existing lease and the balance to debt cost. The effective interest rate is 2.0%. Future principal and anticipated interest

See Table on Following Page

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (continued)

A General Obligation Leases- David L. Williams Southeastern Kentucky Agriculture-Exposition Complex (ARENA) (continued)

Year ending June 30,	Principal Payment	Interest and Fees	Total
2023	\$ 170,000	80,943	250,943
2024	190,000	68,175	258,175
2025	190,000	63,900	253,900
2026	195,000	59,625	254,625
2027	195,000	55,238	250,238
2028	205,000	50,850	255,850
2029	205,000	46,238	251,238
2030	210,000	41,625	251,625
2031	215,000	36,900	251,900
2032	220,000	32,062	252,062
2033	225,000	27,113	252,113
2034	235,000	22,050	257,050
2035	235,000	16,763	251,763
2036	240,000	11,475	251,475
2037	250,000	6,075	256,075
	<u>\$ 3,180,000</u>	<u>\$ 619,032</u>	<u>\$ 3,799,032</u>

Bond Series 2021 – Miller Park

In March 2021, the City issued Financing Program Revenue Bonds 2021A to finance the City's Miller Park project. The total financing amount was \$2,450,000. In addition, there was a premium of 11,501 and \$61,501 in cost of issuance. The issue bears variable interest in range from 2.0% to 2.125%. The bond maturities and interest as of June 30, 2022 are as follows:

See Table on Following Page

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (continued)

<u>Year ending June 30,</u>	<u>Principal Payment</u>	<u>Interest and Fees</u>	<u>Total</u>
2023	60,000	56,175	116,175
2024	60,000	54,825	114,825
2025	60,000	53,475	113,475
2026	65,000	52,125	117,125
2027	65,000	50,663	115,663
2028	65,000	49,200	114,200
2029	70,000	47,738	117,738
2030	70,000	46,163	116,163
2031	70,000	44,588	114,588
2032	75,000	43,013	118,013
2033	75,000	41,325	116,325
2034	75,000	39,638	114,638
2035	80,000	37,950	117,950
2036	80,000	36,151	116,151
2037	80,000	34,351	114,351
2038	85,000	32,551	117,551
2039	85,000	30,638	115,638
2040	85,000	28,726	113,726
2041	90,000	26,813	116,813
2042	90,000	24,673	114,673
2043	95,000	22,535	117,535
2044	95,000	20,280	115,280
2045	100,000	18,024	118,024
2046	100,000	15,650	115,650
2047	105,000	13,274	118,274
2048	105,000	10,782	115,782
2049	105,000	8,287	113,287
2050	110,000	5,793	115,793
2051	115,000	3,182	118,182
	<u>\$2,415,000</u>	<u>\$ 948,588</u>	<u>\$ 3,363,588</u>

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Financing Lease Obligations

Peterbilt Roll off-TCF Equipment

The City entered into a long-term non-cancelable lease with TCF Equipment Finance in the principal amount of \$181,937 during the fiscal year ended June 30, 2018 for the purchase of a Peterbilt roll-off truck. The lease qualifies as a capital lease for accounting purposes as defined under the Financial Accounting Standards Board Topic ASC 840, *Leases* and therefore has been recorded at the present value of future minimum lease payments at the inception of the leases. The City will pay annual payments including an amount representing interest of 4.30% to TCF Equipment Finance with the final payment due on July 7, 2022 (FY 2023). The payments will be made through the City's general fund. The present value of lease payments at June 30, 2021 was \$76,292 Minimum required rental payments under this capital lease, together with the net present value of the minimum lease payments as of June 30, 2022 are:

Fiscal Year Ended June 30,	Amount
2023	39,860
	39,860
Less amount representing interest	1,714
Present value of minimum lease payments	<u>\$ 38,146</u>

The City entered into a long-term financing lease with Musco Finance, LLC in the principal amount of \$330,000 during the fiscal year ended June 30, 2020 for the purchase of lighting upgrades to Rotary Park. The lease qualifies as a financing lease for accounting purposes as defined under the Financial Accounting Standards Board Topic ASC 840, *Leases* and therefore has been recorded at the present value of future minimum lease payments at the inception of the leases. The City will pay annual payments including an amount representing interest of 4.95% to Musco Finance, LLC with the final payment due on July 29, 2029. The payments will be made through the City's general fund. The present value of lease payments at June 30, 2021 was \$303,842 Minimum required rental payments under this capital lease, together with the net present value of the minimum lease payments as of June 30, 2022 are:

See Table on Following Page

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Financing Lease Obligations

Fiscal Year Ended June 30,	Amount
2023	42,869
2024	42,869
2025	42,869
2026	42,869
2027	42,889
Thereafter	128,589
	342,954
Less amount representing interest	81,981
Present value of minimum lease payments	<u>\$ 260,973</u>

Changes in long-term liabilities for the fiscal year ended June 30, 2022 were as follows.

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
KLC Refinancing Lease Series 2012	\$ 3,242,502	\$ -	\$ 3,242,502	\$ -
KLC Financing Lease Series 2021-F	-	3,180,000	-	3,180,000
KLC Refinancing Lease Series 2020	3,025,000	-	345,000	2,680,000
KLC Financing Lease Series 2021	2,450,000	-	35,000	2,415,000
TCF Equipment Finance	76,292	-	33,624	42,668
Musco Finance, LLC - Rotary Park	303,842	-	26,158	277,684
Net pension liability County Employer Retirement	14,604,690	-	2,007,145	12,597,545
Net OPEB liability CERS	4,518,146	-	707,376	3,810,770
Net pension liability Police and FireFighters' Fund	3,419,339	-	1,255,722	2,163,617
Accrued absences	109,278	-	-	109,278
	<u>\$ 31,749,089</u>	<u>\$ 3,180,000</u>	<u>\$ 7,652,527</u>	<u>\$ 27,276,562</u>

Capital assets under financing leases included in the depreciation schedule at June 30, 2022 consist of a roll back and Rotary Park Lighting improvements. The City's management believes that all debt covenants are being complied with.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS

A. General Government Employees

The City has two pension plans. The City contributes to the Kentucky County Employees Retirement System (CERS), which is a cost-sharing multiple-employer public employee retirement system (PERS) administered by the Kentucky retirement system. All full-time employees are eligible and must participate in the State PERS. The City participates in both the hazardous and non-hazardous portion of the plan. The City also maintains the Police and Firefighters' Pension Fund, which is closed to new participants.

The City's contribution to CERS for both hazardous duty and non-hazardous duty employees for the years ended June 30, 2022, 2021, and 2020 was 1,227,217, 1,150,882, and \$1,150,882, and \$1,137,621, respectively. The City's contribution to the Police and Firefighters' Pension Plan for the years ended June 30, 2022, 2021, and 2020 was \$532,895, \$559,870 and \$,527,587,

General information about the County Employees Retirement System Non-Hazardous and Hazardous duty employees ("CERS")

Plan description—Employees covered by CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov>.

Funding Policy: Funding for the Plan is provided through payroll withholdings and matching City contributions. For 2021 the City contributed 26.95% of non-hazardous duty employee total compensation of which 21.17% was for pension and 5.78% was for medical insurance. The City contributed 44.33% for hazardous duty employees of which 33.86% was for pensions and 10.47% was for insurance.

Benefits provided: CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS (continued)

A. General Government Employees (continued)

Non-hazardous

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available
<u>Required contribution</u>		
Tier 1	5%	
Tier 2	5% + 1% for insurance	
Tier 3	5% + 1% for insurance	

Hazardous

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	20 years service credit
	Reduced retirement	At least 15 years service credit and 50 years old
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	25 years service Or age 60 and at least 60 months of service credit
	Reduced retirement	Age 50 or older with at least 180 months of service credit
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	25 years service Or age 60 and at least 60 months of service credit
	Reduced retirement	Not available
<u>Required contribution</u>		
Tier 1	8%	
Tier 2	8% + 1% for insurance	
Tier 3	8% + 1% for insurance	

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reported a liability for its proportionate share of the net pension liability for CERS. The amount recognized by the City as its proportionate share of the net pension liability, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the CERS net pension liability - non hazardous	\$ 4,365,882
City's proportionate share of the CERS net pension liability -hazardous	<u>8,231,663</u>
	<u>\$ 12,597,545</u>

The net pension liability for each plan was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The City's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2021, the City's proportion was 0.068476% of non-hazardous and 0.309210% of hazardous.

For the year ended June 30, 2021, the City recognized pension expense of \$1,277,076 related to CERS hazardous and non-hazardous. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to CERS pensions from the following sources:

See table on next page.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 277,136	\$ 42,374
Changes of assumptions	161,407	-
Net difference between projected and actual earnings on pension plan investments	432,224	1,897,809
Changes in proportion and differences between District contributions and proportionate share of contributions	86,885	119,633
City contributions subsequent to the measurement date	<u>1,032,049</u>	<u>-</u>
Total	<u>\$ 1,989,701</u>	<u>\$ 2,059,816</u>

The \$1,032,049 is classified as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022(presented in FY 2023. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (99,913)
2023	(242,662)
2024	(301,139)
2025	<u>(458,450)</u>
	<u>\$ (1,102,164)</u>

Actuarial assumptions—The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>
Inflation	2.30%
Projected salary increases	3.3%-11.55%
Investment rate of return, net of investment expense & inflation	6.25%

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

For CERS, mortality rates for the period after service retirement are according to the Group Annuity Mortality Table for all retired employees and beneficiaries as of The most recent study. The Group Annuity Mortality Table set forward five years is used for the period after disability retirement.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Discount rate—For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of CERS proportionate share of net pension liability to changes in the discount rate—The following table presents the net pension liability of the City, calculated using the discount rates selected by each pension system, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS Non-hazardous	5.25%	6.25%	7.25%
City's proportionate share of net pension liability	\$ 5,599,451	\$ 4,365,882	\$ 3,345,133
CERS Hazardous	5.25%	6.25%	7.25%
City's proportionate share of net pension liability	\$ 8,231,663	\$ 10,492,396	\$ 6,389,174

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Pension plan fiduciary net position—Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of both CERS.

B. Police and Firefighters' Pension Fund

The City contributes to a defined benefit plan, the Corbin Police and Firefighters' Fund, which is a single-employer pension employee retirement system (PERS). It is the responsibility of the Corbin PERS to function as an investment and administrative agent for the City of Corbin with respect to the pension plan. The plan is included in the financial statements as a fiduciary fund.

General Information about the Police and Firemen' Pension Plan

Plan Description - Based on state statutes, all full-time employees must participate in city or municipality pension plans. Under the provisions of the City's pension plan, pension benefits vest after twenty years of full-time employment. An employees may retire after twenty years of service and receive annual pension benefits equal to half of the employee's salary, including incentive pay, earned during the last year of employment. Also, the pension plan provides for death and disability benefits. All pension, death, and disability benefits are determined by state statutes. The Fund is closed to new participants, and there are no active employees in the plan.

The Plan uses the accrual basis of accounting. Investment income is recognized when incurred and contributions are recognized when due. Benefits and refunds are recognized when due and payable under the terms of the Plan. The Plan does not issue stand-alone financial statements; however, it is presented in the City's financial statements as the Pension Fund. One investment represented more than 5% of the net assets available for benefit, a long-term certificate of deposit in the amounts of \$1,591,916 represented 100% of total investment holdings.

The remaining assets are held in an interest-bearing checking account and interest receivable. The checking account represents 32.90% of total holdings with interest receivable representing the balance. The cost of administering the plan is financed by the Pension Fund. There are no related party transactions. According to KRS 95.629, if there are insufficient funds, the City will be held responsible for the monthly payment of the pensions after the entire proceeds of the pension fund have been transferred to the general fund of the City. Required contributions are determined by actuarial valuation report but must be approved by the City Commission.

Funding Policy - City contributions are determined by City ordinance and for the year ended June 30, 2022 are 28% of all property taxes collected by the City. Historically the funding policy has been less than the actuarially determined contribution requirement, resulting in a net pension obligation; however, in recent years, contributions have exceeded benefits paid. Membership in the plan as of the actuarial valuation date is 14 participants. The population is made up of retired or terminated participants, (or the spouse if the primary beneficiary is deceased) with deferred vested accounts. There are no employee contributions.

Benefits provided – The Police and Firefighters' Pension Fund provides retirement, and death and disability benefits to Plan participants and beneficiaries. There are no active employees in the Plan and the Plan is closed to new participants. As of the valuation date of July 1, 2021 there were 9 retired employees and 5 spousal beneficiaries in the Plan. All participants in the plan are fully vested.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

The net pension liability for the Plan was measured as of July 1, 2021. The amount was determined by actuarial valuation as of that date. The City has not updated the liability amount or performed another actuarial study for June 30, 2022.

For the year ended June 30, 2021, the City did not recognize pension expense related to the Police and Firefighter's Pension Plan beyond fiduciary benefits paid. No deferred outflows of resources or deferred inflows of resources were calculated by the actuary based on differences between actual and expected experience, changes of assumption, net difference between projected and actual earnings on pension investments, and there were no changes in proportions. The only deferred outflows are presumed to be contributions after the measurement date, in the amount of \$559,870 over the period of year since the most recent actuarial report, which will be applied to the subsequent year.

Actuarial assumption – There is no assumption for salary increases since there are no longer any active employees in the plan. Mortality rates are based on the RP-2000 Mortality Table projected to 2021 without collar adjustment (separate tables for Male and Female lives).

Sensitivity of the Net Pension Liability to change in the discount rate - The City would calculate the Pension Liability based on a discount rate of 1% over and 1% under that used in order to demonstrate the sensitivity of the contributions. The gross liability used was \$ \$4,265,768 (not inclusive of Fiduciary Net Position). A discount rate 1% lower would make the liability \$4,707,139 (net, 2,605,988), and a rate 1% higher would make the liability \$3,889,528 (net \$1,788,377). The plan net position has been subtracted from these numbers to arrive at net pension liability.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available from the City of Corbin and presented in the fiduciary portion of this report.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS - CERS

Plan Description- The City contributes to the County Employees Retirement System (CERS), which is a cost-sharing multiple-employer defined benefit pension/OPEB plan administered by Kentucky Retirement Systems (KRS) that covers members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS. Kentucky Revised Statute Section 61.645 assigns the authority to establish and amend benefit provisions to the Board of Trustees of Kentucky Retirement Systems (Board). KRS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided- CERS provides for retirement, disability, and death benefits to system members through its Pension Fund, as well as other postemployment benefits (OPEB) for hospital and medical insurance through its Insurance Fund.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS – CERS (CONTINUED)

Retirement benefits may be extended to beneficiaries of members under certain circumstances. Retirement benefits are determined using a formula which considers the member's final compensation; benefit factors set by statute which vary depending upon the type / amount of service, participation date, and retirement date; and years of service. Plan members with a participation date prior to September 1, 2008, are eligible to retire with full benefits at any time with 27 or more years of service credit, or at age 65 with at least 4 years of service credit. Plan members with a participation date on or after September 1, 2008, are eligible to retire with full benefits at age 57 if the member's age and years of service equal 87, or at age 65 with at least 5 years of service credit.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the CERS OPEB from the following sources:

	OPEB-CERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 284,222	\$ 660,285
Changes of assumptions	974,452	2,153
Net difference between projected and actual earning on plan investments	223,744	899,357
Changes in proportion and differences between contributions and proportionate share of contributions	39,447	94,161
District contribution subsequent to the measurement date	305,168	-
Total	<u>\$ 1,827,033</u>	<u>\$ 1,655,956</u>

Of the total amount reported as deferred outflows of resources related to the MIP OPEB, resulting from City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net MIP OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to MIP OPEB will be recognized in the City's MIP OPEB expense as follows:

Year ended June 30,	
2022	\$ (28,987)
2023	\$ (6,930)
2024	\$ (8,903)
2025	\$ (135,105)
2026	\$ 45,834
	<u>\$ (134,091)</u>

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS – CERS (continued)

Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions and OPEB- The net pension and OPEB liabilities reported as of June 30, 2022, were measured as of June 30, 2021, and the total pension and OPEB liabilities used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The City's proportion of the liabilities was based on a projection of the City's long-term share of contributions to the plan relative to the projected contributions of all participating entities, actuarially determined.

The discount rate of 6.25% used to measure the total pension liability was based on the expected rate of return on pension plan investments. The discount rate of 5.20% and 5.05% (non-hazardous and hazardous respectively) used to measure the total OPEB liability was based on the expected rate of return on OPEB plan investments of 5.20% and a municipal bond rate of 2.19%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021.

The following table presents the City's proportionate share of the collective net MIP OPEB liability for both nonhazardous and hazardous duty employees, calculated using the discount rate of 5.20% and 5.05% respectively, as well as what the City's proportionate share of the collective net MIP OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.34% NHZ and 4.05% HZ) or 1-percentage-point higher (6.20% NHZ and 6.05% HZ) than the current rate.

	1% decrease	Current	1% increase
		discount rate	
District's Net OPEB liability	<u>4.20%</u>	<u>5.20%</u>	<u>6.20%</u>
Non-Hazardous duty	\$ 1,799,488	\$ 1,310,632	\$ 909,445
	1% decrease	discount rate	1% increase
	<u>4.05%</u>	<u>5.05%</u>	<u>6.05%</u>
Hazardous duty	\$ 3,624,726	\$ 2,500,138	\$ 1,596,597

The Projection of cash flows used to determine the discount rates assumes that each participating employer in CERS will contribute the actuarially determined contribution rates, which are determined using a closed funding period (25 years as of June 30, 2021), as well as the actuarial assumptions and methods adopted by the KRS Board of Trustees. Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the system.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the City's proportionate share of the net OPEB liability, as well as what the City's proportionate share of the net OPB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

See table on next page.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS – CERS (continued)

	Share of Net OPEB Liability Non-Hazardous	Share of Net OPEB Liability Hazardous
1% decrease	\$ 943,500	\$ 1,638,227
Current healthcare cost trend rate	\$ 1,310,632	\$ 2,500,138
1% increase	\$ 1,758,768	\$ 3,555,774

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS – CERS (continued)

Plan Fiduciary Net Position- Detailed information about the CERS fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report.

Payables to the Pension / OPEB Plans- The City reported the following payables for the outstanding amount of pension/OPEB contributions due to CERS for the year ended June 30, 2021.

Pension	OPEB
\$ -	\$ -

NOTE – 10 LEASES (CITY AS LESSOR)

The City receives rental income principally for real property from various agencies. Future minimum rental commitments under these leases are insignificant. Rental income from these sources totaled approximately \$48,529 for the year ended June 30, 2022. The rentals are short-term agreements renewed from year to year and are therefore not included in deferred inflow.

NOTE – 11 MUNICIPAL AID FUNDS

The City receives municipal aid funding from the State of Kentucky. These funds are restricted for the specific purposes and may be shown in a separate fund; however, the City chooses to account for Municipal Aid through its general fund. Municipal Aid funds received for the year amounted to \$145,557.

NOTE – 12 LOCAL GOVERNMENT ECONOMIC ASSISTANCE

The City receives LGEA funding from the State of Kentucky. The funds are restricted for specific purposes, and the City chooses to account for LGEA revenues and expenditures through its general fund. Local Government Economic Assistance funds received for the year amounted to \$24,356.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE – 13 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions, and general liability coverage, the City participates in the Kentucky League of Cities Insurance Services. The City pays an annual premium to each fund for coverage. Workers' Compensation premiums are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications.

In accordance with KRS 65.067, the City bonds officials or employees who handle public funds in an amount covering the maximum amount they may have under their control at any given time. This statute applies to all officers, officials, and employees of all local governments who handle public funds in an execution of their duties. In order to comply with the regulation, the City purchases insurance bonds through various agencies.

There was no reduction in insurance coverage from the previous year in any of the City's policies. In addition, there have been no settlements in excess of the City's coverage in the past three years.

NOTE – 14 NONSPENDABLE FUND BALANCE

At June 30, 2022, the City of Corbin had \$390 in nonspendable fund balances representing prepaid insurance in the same amount.

NOTE – 15 RESTRICTED FUND BALANCE

Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), or 2) imposed by law through constitutional provisions or enabling legislation. All fund balances not otherwise classified as non-spendable, restricted, committed, or assigned are shown as unrestricted. Restricted assets included \$86,883 in police forfeiture accounts cash, \$1,769,377 in American Rescue Plan and Cares Act Cash, \$19,825 in LGEA Cash, \$6,800 in Municipal Road Aid Cash and \$108,722, in ABC cash and accounts receivable, at June 30, 2022.

NOTE – 16 COMMITTED FUND BALANCE

Committed net assets are those with constraints placed on their use by the governing body of the City. Committed net assets included \$14,479 set aside in the Tourism Lighting Account, and \$5,636 in the Police and Fire Special Operations Account at June 30, 2022.

NOTE – 17 ALCOHOL REGULATORY FEES

The City recognized approximately \$652,377 in alcohol regulatory, license fee revenue, and interest during the year ended June 30, 2022. According to KRS 243.075 the license fee must be estimated to fully reimburse the City for the estimated costs of any additional policing, regulatory, or administrative expenses related to the sale of alcohol in the City. The City management believes that all revenue has been expended in accordance with Kentucky law.

CITY OF CORBIN, KENTUCKY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
Year ended June 30, 2022

NOTE -18 FEDERAL FUNDING

The City received Cares Act funding and American Rescue Plan funding for a total of \$1,298,633 which was unearned, The City also received \$780,000 through the Small Business Administration of \$780,000 in federal funding, which was fully expended. This is above the \$750,000 floor for a single audit under the uniform guidance, a single audit applies only to expenditures in the year expended which was \$780,000 through the Arena, The expenditures were over the threshold with the balance classified as unearned. . Accordingly, a single audit was indicated or 2022.

NOTE – 19 SUBSEQUENT EVENTS

Management of the City has evaluated subsequent events through January 9,2023, which was the date the report was available for release. No events have occurred subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements. However, in March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic.

COVID-19 continues to spread across the globe and is impacting worldwide economic activity and financial markets. The continued spread of the disease represents a significant risk that operations could continue to be disrupted in the near future. The extent to which COVID-19 may impact the City will depend on future developments and governmental regulations, which are highly uncertain and cannot be predicted. As a result, the City has not yet determined the impact this disruption may have on its financial statements for the year ending June 30, 2022.

The exact amount of additional expense the pandemic created for the City is not known; however, it has been and continues to be significant. The City received CARES ACT and ARP funding of \$1.7 million during the year ended June 30, 2022. Those revenues are not reflected generally as unearned statements in accordance with Generally Accepted Auditing Standards and Generally Accepted Accounting Principles in the United States of America. since there has been insignificant expenditures as of the year end.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORBIN, KENTUCKY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended June 30, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES	\$ 11,704,113	11,704,113	\$ 10,639,972	\$ (1,064,141)
EXPENDITURES				
General government	2,030,750	2,030,750	1,190,591	(840,159)
Police department	3,022,640	3,022,640	2,436,858	(585,782)
Fire department	1,681,325	1,681,325	1,662,256	(19,069)
Public works	2,292,310	2,292,310	3,103,772	811,462
Recycling center	439,450	439,450	519,832	80,382
Building inspection	121,800	121,800	113,936	(7,864)
Parks and recreation	956,036	956,036	1,209,514	253,478
Special projects	929,900	929,900	2,028,414	1,098,514
Downtown main street	220,500	220,500	139,664	(80,836)
Arena	3,032,626	3,032,626	6,394,971	3,362,345
Total expenditures	14,727,337	14,727,337	18,799,808	4,072,471
OTHER FINANCING SOURCES				
Proceeds from debt	-	-	-	-
Total other financing sources	-	-	-	-
OTHER FINANCING USES				
Proceeds from debt	-	-	(3,180,000)	(3,180,000)
Premium on debt			(58,301)	(58,301)
Transfer from other debt service			(63,356)	(63,356)
Deposit with escrow agents			3,218,356	3,218,356
Bond cost			83,301	83,301
Transfer in/(out)	-	-	879	879
Total other financing sources	-	-	879	879
Net Change in Fund Balance	(3,023,224)	(3,023,224)	(8,158,957)	(5,137,491)
Fund balance, July 1, 2020	2,451,076	2,451,076	5,354,568	-
Fund balance June 30, 2021	\$ (572,148)	\$ (572,148)	\$ (2,804,389)	\$ (5,137,491)

The budget was exceeded in the current year.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
County Employees Retirement System (Non Hazardous)
June 30, 2022

	City's proportion of net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered-employee payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.35%	\$4,365,882	\$ 1,751,308	249.29%	57.33%
2021	0.07%	\$5,148,355	\$ 1,866,207	275.87%	47.81%
2020	0.07%	\$4,783,877	\$ 1,716,438	278.71%	50.45%
2019	0.07%	\$4,025,448	\$ 1,721,863	233.78%	53.54%
2018	0.07%	\$3,981,829	\$ 1,540,402	258.49%	53.30%
2017	0.07%	\$3,386,273	\$ 1,658,635	204.16%	55.50%
2016	0.07%	\$2,992,950	\$ 1,633,089	183.27%	59.97%
2015	0.07%	\$2,355,000	\$ 1,657,600	142.07%	66.80%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
County Employees Retirement System (Hazardous)
June 30, 2022

	<u>City's proportion of net pension liability (asset)</u>	<u>City's proportionate share of the net pension liability (asset)</u>	<u>City's covered-employee payroll</u>	<u>City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2022	0.31%	\$8,231,663	\$ 1,843,143	446.61%	52.26%
2021	0.31%	\$9,456,335	\$ 1,751,308	539.96%	47.81%
2020	0.32%	\$8,719,241	\$ 1,830,837	476.24%	46.63%
2019	0.31%	\$7,787,722	\$ 1,796,188	433.57%	49.26%
2018	0.31%	\$6,886,612	\$ 1,894,922	363.42%	53.30%
2017	0.33%	\$5,744,189	\$ 1,719,485	334.06%	55.50%
2016	0.29%	\$4,387,259	\$ 1,689,510	259.68%	59.97%
2015	0.33%	\$3,986,000	\$ 1,743,520	228.62%	66.80%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF CONTRIBUTIONS

County Employees Retirement System (Non Hazardous)

Year ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll**</u>
2022	\$370,752	\$370,752	\$ -	\$ 1,751,308	21.17%
2021	\$360,177	\$360,177	\$ -	\$ 1,866,206	19.30%
2020	\$331,273	\$331,273	\$ -	\$ 1,716,438	19.30%
2019	\$279,286	\$279,286	\$ -	\$ 1,721,863	16.22%
2018	\$222,998	\$222,998	\$ -	\$ 1,540,042	14.48%
2017	\$231,379	\$231,379	\$ -	\$ 1,658,635	13.95%
2016	\$202,825	\$202,825	\$ -	\$ 1,633,089	12.42%
2015	\$211,344	\$211,344	\$ -	\$ 1,657,600	12.75%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF CONTRIBUTIONS
 County Employees Retirement System (Hazardous)
 Year ended June 30, 2022

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll**	Contributions as a percentage of covered-employee payroll
2022	\$624,087	\$ 624,087	\$ -	\$1,843,142	33.86%
2021	\$616,874	\$ 616,874	\$ -	\$2,052,144	30.06%
2020	\$550,350	\$ 550,350	\$ -	\$1,830,837	30.06%
2019	\$446,712	\$ 446,712	\$ -	\$1,796,188	24.87%
2018	\$416,883	\$ 416,883	\$ -	\$1,894,922	22.20%
2017	\$373,300	\$ 373,300	\$ -	\$1,719,485	21.71%
2016	\$342,311	\$ 342,311	\$ -	\$1,689,510	20.26%
2015	\$561,522	\$ 361,432	\$ -	\$1,743,520	20.73%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
County Employees Retirement System (Non Hazardous)
June 30, 2022

	City's proportion of net OPEB liability (asset)	City's proportionate share of the net OPEB liability (asset)	City's covered-employee payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.07%	\$1,310,632	\$ 1,751,308	74.84%	62.91%
2021	0.07%	\$1,620,696	\$ 1,866,206	86.84%	51.67%
2020	0.07%	\$1,144,066	\$ 1,716,438	66.65%	60.44%
2019	0.07%	\$1,173,592	\$ 1,721,863	68.16%	57.62%
2018	0.07%	\$1,367,575	\$ 1,540,402	88.78%	52.39%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
County Employees Retirement System (Hazardous)
June 30, 2022

	<u>City's proportion of net OPEB liability (asset)</u>	<u>City's proportionate share of the net OPEB liability (asset)</u>	<u>City's covered-employee payroll</u>	<u>City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2022	0.31%	\$2,500,138	\$ 1,843,142	135.65%	66.81%
2021	0.31%	\$2,897,450	\$ 2,052,144	141.19%	58.84%
2020	0.32%	\$2,335,723	\$ 1,830,837	127.58%	64.44%
2019	0.32%	\$2,295,950	\$ 1,796,188	127.82%	64.24%
2018	0.31%	\$2,544,594	\$ 1,894,922	134.28%	58.99%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF CONTRIBUTIONS OPEB

County Employees Retirement System (Non Hazardous)

Year ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>City's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll*</u>
2022	\$101,226	\$101,226	\$ -	\$ 1,751,308	5.78%
2021	\$ 88,831	\$ 88,831	\$ -	\$ 1,866,206	4.76%
2020	\$ 81,702	\$ 81,702	\$ -	\$ 1,716,438	4.76%
2019	\$ 90,570	\$ 90,570	\$ -	\$ 1,721,863	5.26%
2018	\$ 72,382	\$ 72,382	\$ -	\$ 1,540,042	4.70%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF CONTRIBUTIONS - OPEB
County Employees Retirement System (Hazardous)
Year ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>City's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll**</u>
2022	\$ 192,977	\$ 192,977	\$ -	\$ 1,843,142	10.47%
2021	\$ 195,364	\$ 195,364	\$ -	\$ 2,052,144	9.52%
2020	\$ 174,296	\$ 174,296	\$ -	\$ 1,830,836	9.52%
2019	\$ 188,060	\$ 188,060	\$ -	\$ 1,796,188	10.47%
2018	\$ 177,175	\$ 177,175	\$ -	\$ 1,894,922	9.35%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Police and Firefighters' Pension Fund
June 30, 2022

	City's proportion of net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered-employee payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	100.00%	\$2,163,617	\$ -	N/A	25.91%
2021	100.00%	\$3,419,339	\$ -	N/A.	47.25%
2020	100.00%	\$3,419,339	\$ -	N/A	54.07%
2019	100.00%	\$3,419,339	\$ -	N/A	47.25%
2018	100.00%	\$5,235,262	\$ -	N/A	27.20%
2017	100.00%	\$5,235,262	\$ -	N/A	23.10%
2016	100.00%	\$5,235,262	\$ -	N/A	20.00%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

SCHEDULE OF CONTRIBUTIONS

Police and Firefighters' Pension Fund

Year ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>City's covered-employee payroll**</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2022	\$559,870	\$559,870	\$ -	\$ -	NA
2021	\$537,866	\$537,866	\$ -	\$ -	NA
2020	\$534,436	\$534,436	\$ -	\$ -	NA
2019	\$507,850	\$507,850	\$ -	\$ -	NA
2018	\$525,960	\$525,960	\$ -	\$ -	NA
2017	\$482,850	\$482,850	\$ -	\$ -	NA
2016	\$495,095	\$495,095	\$ -	\$ -	NA

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

See accompanying notes.

CITY OF CORBIN, KENTUCKY

Notes to Required Supplementary Information

County Employees' Retirement System

Police and Firemen's' Pension Fund

June 30, 2022

County Employees' Retirement System -Pension Fund

Changes of Benefit Terms

None

Changes of Assumptions

None

County Employees' Retirement System - OPEB

Changes of Benefit Terms

None

Changes of Assumptions

None

Police and Firemen's' Pension Fund

Changes of Benefit Terms

None.

Changes of Assumptions

None

CITY OF CORBIN, KENTUCKY

SCHEDULE OF EXENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Federal Grantor/Pass Through Grants Program Title	Assistance Listing Number	Pass	Federal Expenditures
		Through Grantor's Number	
Passed through the Small Business Administration Shuttered Venue Operators Program	59.075	SBA	\$ 780,000
Total Federal Awards			\$ 780,000

See accompanying notes.

CITY OF CORBIN, KENTUCKY

NOTES TO THE SCHEDULE OF EXENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of Federal Awards (Schedule) includes federal grant activity of the City of Corbin, Kentucky and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not, present the financial position or cash flows of the City.

2. CLUSTER PROGRAMS

There are no cluster programs presented in the financial statements.

The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

3. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



Cloyd & Associates, PSC
*Certified Public Accountants
and
Business Advisors*

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

Independent Auditor's Report

Mayor and Commissioners
City of Corbin
Corbin, Kentucky

We have audited, in accordance with the 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, the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Corbin, Kentucky, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Corbin, Kentucky's basic financial statements, and have issued our report thereon dated January 9, 2023. We also audited did audit The Corbin Tourism and Convention Center, a discretely presented component unit and City Hall Public Corporation, a blended component unit. The City Utility Commission is presented under the government wide portion of the audit but was audited by other auditors; therefore, we take no responsibility for that audit. The Corbin Library is as a discretely presented component unit but was last performed in 2019 ,making the information impertinent to these financial statements and was not in this audit.

Internal Control over Financial Reporting

Management of City of Corbin, Kentucky is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered City of Corbin, Kentucky'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Corbin, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Corbin, Kentucky'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. We did not note significant deficiencies during our audit that require reporting; however, such deficiencies may exist and not be detected.

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. Given these limitations, during our audit we did identify deficiencies in internal control that we consider to be material weaknesses identified as 2022-001, 2022-002, 2022-003, and 2022-004. By definition material weaknesses also include significant deficiencies listed. Other material weaknesses or deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Corbin, Kentucky's financial statements are 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 one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards as noted below*.

The actuarial study of the Police and Firemen's Pension Plan is required to be conducted at least biennially but the City is using a three-year interval. This is due to a conflict in GAAP standards and Kentucky law. We have no recommendation to change the practice.

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.

Cloyd & Associates, PSC

Cloyd & Associates, PSC

Corbin, Kentucky
January 9, 2023



Cloyd & Associates, PSC

Certified Public Accountants

and

Business Advisors

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Mayor and Commissioners
City of Corbin
Corbin, Kentucky

Report on Compliance for Each Major Federal Program

We have audited City of Corbin, Kentucky'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 City of Corbin, Kentucky's major federal programs for the year ended June 30, 2022. The City of Corbin, Kentucky'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 laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Corbin, Kentucky'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; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the audit requirements prescribed by the Kentucky State Committee for School District Audits in *Appendix I to the Independent Auditor's Contract-General Audit Requirements*, and *Appendix II to the Independent Auditor's Contract-State Audit Requirements*. 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 City of Corbin, Kentucky'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 City of Corbin, Kentucky's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Corbin, Kentucky 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, 2022.

Report on Internal Control over Compliance

Management of City of Corbin, Kentucky 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 City of Corbin, Kentucky's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the 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 City of Corbin, Kentucky'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 material weaknesses or significant deficiencies. We did identify any deficiencies in internal control over compliance that we consider to be material weaknesses in consideration of federal awards. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
January 9, 2023

CITY OF CORBIN, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness identified	<u>✓</u> Yes	<u> </u>	
Significant deficiencies identified that are not considered to be material weaknesses reported	<u> </u> Yes	<u>✓</u>	None Noted
Noncompliance material to financial statement noted	<u> </u> Yes	<u>✓</u>	No

Federal Awards

Internal control over major programs:			
Material weaknesses identified	<u> </u> Yes	<u>✓</u>	No
Significant deficiencies identified that are not considered to be material weaknesses reported	<u> </u> Yes	<u>✓</u>	None

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u>✓</u>	No
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Identification of major programs:

Name of Federal Program or Cluster

CFDA Number

Shuttered Venue Operators Grant - SBA

57.036

Dollar threshold used to distinguish between Type A and Type B program

\$750,000

Auditee qualified as low risk

<u> </u> Yes	<u>✓</u>	No
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CITY OF CORBIN, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2022

Findings Financial Statements'

2022-001

Condition

There is very little control over crucial elements of the account function.

Cause

Those charged with maintaining the City's books and records to not have sufficient training in general or governmental accounting and the City does not have an effective review process.

Criteria

Those charged with maintain the books and records must have knowledge, skills, and experience and someone should be qualified to review their work.

Effect

The effects in which adjustments or entries are made to the books is often across funds and creates out of balance fund balance sheet.

Recommendation

Those charged with maintaining the books and records need training both in general accounting and governmental accounting and someone needs to be capable of reviewing the work. We suggest they attend classes or specific training at least at the elementary level.

2022-002

Condition

A debit or credit whether to an account or fund must have and equal and opposite entry for a proper journal entry.

Cause

This is simply a lack of knowledge of general accounting.

Criteria

After the initial set of books are prepared adjusting entries will almost always be required to correct or reclass certain accounts.

Effect

Journal entries are often made backward or out of balance. Either will create an out of balance situation and in the case of fund accounting will generally create two funds out of balance.

Recommendation

Again, we recommend comprehensive foundational training focusing on fund accounting.

CITY OF CORBIN, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2022

2022-003

Condition

Fund accounts often indicate a mismatch.

Cause

This is generally created by a failure to reconcile the balance sheet at the account level.

Criteria

Compilations of entries should match equally and opposite. For instance if there is an account that says an amount is due to the general fund from another fund then there ought to be an opposite account entry in the other fund.

Effect

Overall, this should not alter the bottom line; however, it does affect the ability to understand the financial statements and may be considered misleading.

Recommendation

Again, we recommend comprehensive foundational training.

2022-004

Condition

There are often incorrect cross funding entries.

Cause

It is often necessary to move accounts or specific amounts from one fund to another. It should be done in the same manner as a journal entry.

Effect

Incorrect entries across funds will create debits and credits that should be present oppositely and may cause out of balance situations.

Recommendation

Again, we recommend comprehensive foundational training.

CITY OF CORBIN, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2022

Federal Findings

None

Status of Prior Year Findings

There were no prior year findings.