

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

**For The Year Ended
June 30, 2019**



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

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Donnie Watson, County Judge/Executive
The Honorable Kevin Williams, Former County Judge/Executive
Members of the Estill County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We were engaged to audit the financial activity contained in the Fourth Quarter Financial Statement of the Estill County Fiscal Court, for the year ended June 30, 2019.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement. Because of the issues described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Audit evidence indicated intentional override of internal controls by management and employees that had a potentially material effect on the financial statement. The Estill County Fiscal Court had serious weaknesses in the operation of its internal control procedures and failed to implement effective oversight and review procedures to prevent and detect errors, misstatements, and fraud in the county's financial activities. The absence of effective internal controls, oversight, and review procedures created an environment in which funds were misappropriated and financial records were manipulated. Based on these conditions, we determined the fraud risk to be too high and were unable to apply other procedures to mitigate this risk. The significant of these issues, in the aggregate, prevents us from placing reliance on the financial activities contained in the Estill County Fiscal Court's Fourth Quarter Financial Statement and from expressing an opinion on the financial statement of the Estill County Fiscal Court.



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Disclaimer of Opinion

Because of the significance of the issues described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statement.

Other Matters

We were engaged for the purpose of forming an opinion on the financial activity contained in the Fourth Quarter Financial Report of the Estill County Fiscal Court. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for the purpose of additional analysis and is not a required part of the financial statement; however, it is required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Because of the significance of matters described in the Basis for Disclaimer of Opinion paragraph and our inability to rely on underlying financial records, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2021, on our consideration of the Estill County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Estill County Fiscal Court's internal control over financial reporting and compliance.

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

- 2019-001 The Estill County Fiscal Court's Internal Control Environment Is Ineffective
- 2019-002 The Estill County Fiscal Court Does Not Have Adequate Controls Over Financial Accounting Software Program
- 2019-003 The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements
- 2019-004 The Estill County Fiscal Court Did Not Adhere To Fourth Year Disbursement Restrictions
- 2019-005 Internal Controls Over Occupational Tax Collections Are Not Adequate
- 2019-006 Cash Collected Offsite Was Missing From Deposits
- 2019-007 Interfund Transfers Were Not Approved By The Fiscal Court
- 2019-008 The Estill County Fiscal Court Did Not Properly Record And Classify All Debt Related Disbursements
- 2019-009 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate

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Other Reporting Required by *Government Auditing Standards* (Continued)

- 2019-010 Amounts Paid To County Employees Retirement System (CERS) For Retirement Deductions And Matching Contributions Were Not Accurate
- 2019-011 The Revolving Payroll Account Reconciliation Was Not Complete And Accurate
- 2019-012 The Estill County Fiscal Court Did Not Provide The Same Level Of Health Insurance Coverage To All County Employees
- 2019-013 The Estill County Fiscal Court Did Not Have Adequate Internal Controls Over Federal Programs

Respectfully submitted,

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

Mike Harmon
Auditor of Public Accounts

June 8, 2021

ESTILL COUNTY OFFICIALS
For The Year Ended June 30, 2019

Fiscal Court Members:

Donnie Watson	County Judge/Executive (1/7/19 through 6/30/19)
Kevin Williams	County Judge/Executive (7/1/18 through 1/6/19)
Mike Abney	Magistrate (1/7/19 through 6/30/19)
Marty Snowden	Magistrate (7/1/18 through 1/6/19)
Paul Tipton	Magistrate (1/7/19 through 6/30/19)
Bill Eldridge	Magistrate (7/1/18 through 1/6/19)
Gerry Flannery	Magistrate (1/7/19 through 6/30/19)
Darrell Johnson	Magistrate (7/1/18 through 1/6/19)

Other Elected Officials:

Jason Riley	County Attorney (1/7/19 through 6/30/19)
Rodney Davis	County Attorney (7/1/18 through 1/6/19)
Beverly "Bo" Morris	Jailer
Brian Crowe	County Clerk (1/7/19 through 6/30/19)
Sherry Fox	County Clerk (7/1/18 through 12/31/18)
Stephanie Brinegar-Cassidy	Circuit Court Clerk
Chris Flynn	Sheriff (1/7/19 through 6/30/19)
Gary Freeman	Sheriff (7/1/18 through 12/31/18)
Jeff Hix	Property Valuation Administrator
Tony Murphy	Coroner

Appointed Personnel:

Kim Dawes	Deputy County Judge/Executive (7/1/18 through 6/24/19)
Freida Lancaster	County Treasurer (3/22/19 through 6/30/19)
Laura Ann Rogers	County Treasurer (7/1/18 through 3/21/19)

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT**

For The Year Ended June 30, 2019

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT**

For The Year Ended June 30, 2019

Financial Statement
ESTILL COUNTY FISCAL COURT
 Fund Type: Governmental
 From: 07/01/2018 To: 06/30/2019

SUMMARY

	GENERAL	Road	Jail	L.G.E.A.	St. Grants	EM Tower	Search/Rescue	CSEPP	911 FEES	PLANNING	EmerMgmt	CERT	Totals
Total Receipts	3,313,415.80	901,092.92	1,374,288.20	33,328.95	104,490.62	120,837.57		1,006,796.50	227,819.72	2,500.00	11,620.86	3,821.46	7,100,012.69
Total Claims	3,141,702.67	812,586.48	1,372,776.48	23,067.27	24,782.50	5,830.35		937,131.99	73,088.97		3,584.35		6,394,581.06
Cash Balance	171,713.22	88,506.44	1,511.72	10,231.68	79,708.12	115,007.22		69,664.51	154,730.75	2,500.00	8,036.51	3,821.46	705,431.63
Encumbrances													
Unencumbered Cash Balance	171,713.22	88,506.44	1,511.72	10,231.68	79,708.12	115,007.22		69,664.51	154,730.75	2,500.00	8,036.51	3,821.46	705,431.63

RECONCILIATION

Bank Balance	225,055.50	93,727.26	4,484.06	18,132.89	79,708.12	115,007.22		75,214.63	154,730.75	2,500.00	8,036.51	3,821.46	781,418.49
Outstanding Deposits	1,084.69		526.67										1,611.36
Outstanding Checks	54,427.06	5,220.82	3,499.01	8,901.21				5,550.12					77,598.22
Other Investments													
Cash Balance	171,713.22	88,506.44	1,511.72	10,231.68	79,708.12	115,007.22		69,664.51	154,730.75	2,500.00	8,036.51	3,821.46	705,431.63

TO THE BEST OF MY KNOWLEDGE, THE INFORMATION CONTAINED HEREIN IS ACCURATE AND COMPLETE

Freida Lancaster
 FREIDA LANCASTER, COUNTY TREASURER

7-29-19
 Date

Donnie Watson
 DONNIE WATSON, COUNTY JUDGE/EXECUTIVE

7-29-19
 Date

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report
ESTILL COUNTY FISCAL COURT
Fiscal Year: 2018-2019 Fund Type: Governmental
From: July 1, 2018 To: June 30, 2019

Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
GENERAL FUND									
01-5001-101-	COUNTY JUDGE/EXEC. - SALARY	79,014.00		4,027.00	83,041.00	83,040.23	83,040.23	100.00%	0.77
01-5001-103-	COUNTY JUDGE/EXEC. - DEPUTY JUDGE	41,600.00		(4,302.00)	37,298.00	37,297.64	37,297.64	100.00%	0.36
01-5001-104-	PURCHASE- FINANCE ADMINISTRATOR	20,000.00		(1,170.00)	18,830.00	18,829.36	18,829.36	100.00%	0.64
01-5001-186-	LONGEVITY PAY	800.00		20.00	820.00	820.00	820.00	100.00%	
01-5001-445-	CO. JUDGE/EXEC., OFFICE SUPPLIES	5,000.00		9,366.00	14,366.00	14,365.45	14,365.45	100.00%	0.55
01-5005-101-	COUNTY ATTORNEY - SALARY	13,500.00			13,500.00	13,499.95	13,499.95	100.00%	0.05
01-5005-105-	ASSISTANT COUNTY ATTORNEY	25,000.00		(9,333.00)	15,667.00	15,666.14	15,666.14	99.99%	0.86
01-5005-445-	COUNTY ATTORNEY EXPENSES	13,000.00		13,000.00	26,000.00	26,000.00	26,000.00	100.00%	
01-5010-364-	COPIER LEASE PAYMENT	10,500.00		3,094.00	13,594.00	13,593.03	13,593.03	99.99%	0.97
01-5010-539-	CO. CLERK ADMINISTRATIVE COSTS	500.00		(49.00)	451.00	451.00	451.00	100.00%	
01-5010-723-	CO CLERK KRS 133.240 TAX BILL	3,000.00			3,000.00	2,828.40	2,828.40	94.28%	171.60
01-5015-101-	SHERIFF SALARY	85,086.00		(566.00)	84,520.00	84,518.76	84,518.76	100.00%	1.24
01-5015-103-	DEPUTY SHERIFF'S SALARY	80,000.00		14,167.00	94,167.00	94,166.22	94,166.22	100.00%	0.78
01-5015-167-	SHERIFF'S CLERK SALARY	44,000.00		2,578.00	46,578.00	46,521.68	46,521.68	99.88%	56.32
01-5015-181-	DEPUTY SHERIFF'S INCENTIVE PAY	7,200.00		790.00	7,990.00	7,655.82	7,655.82	95.82%	334.18
01-5015-186-	LONGEVITY PAY-DEPUTY	1,600.00		(110.00)	1,490.00	1,490.00	1,490.00	100.00%	
01-5015-455-	SHERIFF'S FUEL	2,000.00		(646.00)	1,354.00	1,027.87	1,027.87	75.91%	326.13
01-5015-531-	SHERIFF SURETY BOND	1,000.00		(1,000.00)					
01-5015-563-	TAX ENVELOPES & POSTAGE	6,000.00			6,000.00	5,992.05	5,992.05	99.87%	7.95
01-5015-599-	SHERIFF'S OFFICE MISC. EXPENSE	100.00		2,297.00	2,397.00	2,396.17	2,396.17	99.97%	0.83
01-5020-101-	CORONER SALARY	8,500.00		(752.00)	7,748.00	7,747.20	7,747.20	99.99%	0.80
01-5020-103-	DEPUTY CORONER SALARY	7,000.00		(1,390.00)	5,610.00	5,608.80	5,608.80	99.98%	1.20
01-5020-210-	CORONER'S EXPENSE ALLOWANCE	1,200.00		8,578.00	9,778.00	9,777.12	9,777.12	99.99%	0.88
01-5020-445-	CORONER'S MATERIALS & SUPPLIES	1,000.00		143.00	1,143.00	1,142.34	1,142.34	99.94%	0.66
01-5020-569-	CORONER CONFERENCE AND TRAINING	1,000.00		(47.00)	953.00	889.43	889.43	93.33%	63.57
01-5025-101-	MAGISTRATE SALARIES	26,980.00		573.00	27,553.00	27,552.00	27,552.00	100.00%	1.00
01-5025-167-	FISCAL COURT CLERK SALARY	2,400.00		(1,600.00)	800.00	800.00	800.00	100.00%	
01-5025-210-	MAGISTRATE EXPENSE ALLOWANCE	9,000.00		(1,500.00)	7,500.00	7,500.00	7,500.00	100.00%	
01-5025-212-	FRINGE BENEFIT	4,500.00		(4,500.00)					
01-5025-537-	JUDGEMENT AWARD - SMITH			7,389.00	7,389.00	7,388.98	7,388.98	100.00%	0.02
01-5025-569-	TRAINING CONFERENCE	1,000.00		173.00	1,173.00	1,172.97	1,172.97	100.00%	0.03

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**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)**

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
Fiscal Year: 2018-2019 Fund Type: Governmental									
From: July 1, 2018 To: June 30, 2019									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
GENERAL FUND									
01-5030-367-	P.V.A. STATUTORY CONTRIBUTION	20,164.00			20,164.00	20,092.99	20,092.99	99.65%	71.01
01-5035-199-	BOARD OF ASSESSMENT APPEALS	450.00		(50.00)	400.00	400.00	400.00	100.00%	
01-5040-102-	COUNTY TREASURER - SALARY	40,000.00		(320.00)	39,680.00	39,614.49	39,614.49	99.83%	65.51
01-5040-186-	ANNUAL LONGEVITY PAY	700.00		(120.00)	580.00	580.00	580.00	100.00%	
01-5040-445-	CO. TREASURER, OFFICE SUPPLIES	500.00		(500.00)					
01-5040-531-	CO. TREASURER SURETY BOND	750.00		17.00	767.00	766.55	766.55	99.94%	0.45
01-5047-179-	OCCUPATIONAL TAX ASSISTANT			19,387.00	19,387.00	19,387.00	19,387.00	100.00%	
01-5047-445-	OCCUPATIONAL TAX ADMIN. OFFICE SUPPLIES	1,700.00		(654.00)	1,046.00	1,045.43	1,045.43	99.95%	0.57
01-5047-567-	OCCUPATIONAL TAX OVERPAYMENT REFUND			2,857.00	2,857.00	2,856.11	2,856.11	99.97%	0.89
01-5060-101-	COUNTY LAW LIBRARIAN	600.00			600.00				600.00
01-5065-192-	ELECTION OFFICERS	16,000.00		(2,990.00)	13,010.00	13,010.00	13,010.00	100.00%	
01-5065-193-	ELECTION COMMISSIONERS	5,000.00		(530.00)	4,470.00	4,470.00	4,470.00	100.00%	
01-5065-445-	ELECTION SUPPLIES	20,000.00		13,154.00	33,154.00	33,153.93	33,153.93	100.00%	0.07
01-5080-175-	CUSTODIAL SALARIES	20,000.00		507.00	20,507.00	20,506.19	20,506.19	100.00%	0.81
01-5080-177-	PROPERTIES GROUND MAINTENANCE PERSONEL	25,000.00		(2,850.00)	22,150.00	22,149.26	22,149.26	100.00%	0.74
01-5080-411-	CUSTODIAL SUPPLIES	5,000.00		1,717.00	6,717.00	6,716.28	6,716.28	99.99%	0.72
01-5080-570-	COURTHOUSE GENERATOR	20,000.00		(20,000.00)					
01-5080-578-	COURTHOUSE UTILITIES	30,000.00		5,453.00	35,453.00	35,452.55	35,452.55	100.00%	0.45
01-5080-586-	COURTHOUSE MAINTENANCE AND REPAIR	20,000.00		112,377.00	132,377.00	132,376.68	132,376.68	100.00%	0.32
01-5085-571-	ENRICHMENT CENTER RENEWAL & REPAIR	500.00		(500.00)					
01-5086-331-	COMMONWEALTH ATTY LEASE	30,000.00			30,000.00	28,715.52	28,715.52	95.72%	1,284.48
01-5102-314-	JUVENILE, CONTRACT WITH OTHER COUNTIES	5,000.00		1,795.00	6,795.00	6,794.35	6,794.35	99.99%	0.65
01-5120-105-	FIRE CHIEF	32,000.00		1,842.00	33,842.00	33,706.39	33,706.39	99.60%	135.61
01-5120-107-	FIRE ASSISTANT CHIEF	25,000.00		9,554.00	34,554.00	33,926.25	33,926.25	98.18%	627.75
01-5120-113-	COBHILL ALL EXPENSES	2,500.00		(844.00)	1,656.00	1,655.98	1,655.98	100.00%	0.02
01-5120-114-	HARGETT ALL EXPENSES	10,000.00		4,502.00	14,502.00	14,501.60	14,501.60	100.00%	0.40
01-5120-121-	FIRE RUNS	500.00		(500.00)					
01-5120-179-	PART TIME FIRE PERSONNEL	10,000.00		2,751.00	12,751.00	12,665.54	12,665.54	99.33%	85.46
01-5120-183-	FIREFIGHTER INCENTIVE PAY	7,000.00		1,000.00	8,000.00	7,999.92	7,999.92	100.00%	0.08
01-5120-186-	ANNUAL LONGEVITY PAY	600.00		170.00	770.00	770.00	770.00	100.00%	
01-5120-348-	FIRE DEPARTMENT PROGRAM SUPPORT	5,000.00		1,445.00	6,445.00	6,444.32	6,444.32	99.99%	0.68

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)**

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
Fiscal Year: 2018-2019 Fund Type: Governmental									
From: July 1, 2018 To: June 30, 2019									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
GENERAL FUND									
01-5120-406-	CLEARCREEK BUILDING & MAINTENANCE	1,000.00		(375.00)	625.00	624.77	624.77	99.96%	0.23
01-5120-418-	FIRE HAZARDDUS CLEAN UP--BERT	950.00		(950.00)					
01-5120-443-	FIRE DEPT. MOTOR VEHICLE PARTS	7,500.00		(2,255.00)	5,245.00	2,362.72	2,362.72	45.05%	2,882.28
01-5120-455-	FUEL	4,000.00		30.00	4,030.00	4,029.91	4,029.91	100.00%	0.09
01-5120-578-	FIRE DEPARTMENT UTILITIES	8,000.00		82.00	8,082.00	8,081.22	8,081.22	99.99%	0.78
01-5120-595-	FIRE DEPT. EDUCATION PROGRAM	200.00		(200.00)					
01-5130-455-	RESCUE DEPARTMENT FUEL MAINTANCE	1,000.00		827.00	1,827.00	1,822.60	1,822.60	99.76%	4.40
01-5135-107-	EMA DIRECTOR SALARY	25,000.00		7,760.00	32,760.00	32,759.35	32,759.35	100.00%	0.65
01-5135-186-	LONGEVITY PAY-EM	1,400.00		270.00	1,670.00	1,670.00	1,670.00	100.00%	
01-5135-445-	EMA OFFICE EXPENSE	100.00		70.00	170.00	169.35	169.35	99.62%	0.65
01-5135-573-	EMA TELEPHONE	100.00		(87.00)	13.00	12.25	12.25	94.23%	0.75
01-5135-576-	EM TRAVEL EXPENSE	100.00		661.00	761.00	760.10	760.10	99.88%	0.90
01-5135-592-	EMA VEHICLE MAINTENANCE	100.00		(100.00)					
01-5145-159-	DISPATCHING SALARIES	175,000.00		16,877.00	191,877.00	191,876.84	191,876.84	100.00%	0.16
01-5145-179-	DISPATCHING SALARIES- PART TIME	60,000.00		9,420.00	69,420.00	69,419.57	69,419.57	100.00%	0.43
01-5145-186-	ANNUAL LONGEVITY PAY	900.00		315.00	1,215.00	1,215.00	1,215.00	100.00%	
01-5145-445-	OFFICE EXPENSE	1,500.00		710.00	2,210.00	2,209.63	2,209.63	99.98%	0.37
01-5145-455-	DISPATCH FUEL	500.00		1,323.00	1,823.00	948.43	948.43	52.03%	874.57
01-5145-573-	DISPATCHING TELEPHONES	60,000.00		(4,120.00)	55,880.00	55,864.52	55,864.52	99.97%	15.48
01-5145-578-	DISPATCHING UTILITIES	10,000.00		2,306.00	12,306.00	12,305.45	12,305.45	100.00%	0.55
01-5145-586-	DISPATCHING MAINTENANCE	1,000.00		(790.00)	210.00	175.00	175.00	83.33%	35.00
01-5145-599-	DISPATCHING MISCELLANEOUS	1,000.00		48.00	1,048.00	1,047.98	1,047.98	100.00%	0.02
01-5145-741-	CAPITAL OUTLAY	12,000.00		(12,000.00)					
01-5150-513-	FOREST FIRE PROTECTION	2,500.00		2,224.00	4,724.00	4,724.00	4,724.00	100.00%	
01-5170-348-	ROCKET DOCKET PROGRAM SUPPORT	27,000.00		25,215.00	52,215.00	52,214.90	52,214.90	100.00%	0.10
01-5175-903-	PUBLIC DEFENSE MANDATE	1,800.00		(1,800.00)					
01-5205-102-	ANIMAL SHELTER WARDEN SALARY / SOLID WASTE	27,560.00		10,444.00	38,004.00	37,681.30	37,681.30	99.15%	322.70
01-5205-171-	ANIMAL SHELTER ASSISTANT	3,500.00		11,407.00	14,907.00	14,893.52	14,893.52	99.91%	13.48
01-5205-186-	ANIMAL CONTROL OFFICER LONGEVITY PAY			455.00	455.00	455.00	455.00	100.00%	
01-5205-399-	CONTRACT DOG CONTROL	1,500.00		(1,452.00)	48.00	48.00	48.00	100.00%	
01-5205-402-	KENNEL SUPPLIES	7,000.00		5,046.00	12,046.00	12,045.55	12,045.55	100.00%	0.45

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
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Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
GENERAL FUND									
01-5205-445-	ANIMAL SHELTER OFFICE SUPPLIES	500.00		455.00	955.00	954.32	954.32	99.93%	0.68
01-5205-446-	ANIMAL SHELTER FUND RAISER EXPENSE	1,500.00		(202.00)	1,298.00	1,297.27	1,297.27	99.94%	0.73
01-5205-578-	ANIMAL SHELTER UTILITIES	7,000.00		(1,131.00)	5,869.00	5,681.29	5,681.29	96.80%	187.71
01-5205-592-	DOG TRUCK	3,000.00		(2,168.00)	832.00	831.45	831.45	99.93%	0.55
01-5215-107-	SOLID WASTE DIVISION	8,000.00		3,936.00	11,936.00	11,935.59	11,935.59	100.00%	0.41
01-5215-366-	SOLID WASTE COLLECTION	500.00		(500.00)					
01-5217-468-	LANDFILL & RECYCLING SUPPLIES	3,500.00		(2,269.00)	1,231.00	1,230.42	1,230.42	99.95%	0.58
01-5305-106-	SENIOR CITIZEN PERSONNEL	100,000.00		(15,389.00)	84,611.00	84,572.95	84,572.95	99.96%	38.05
01-5305-186-	ANNUAL LONGEVITY PAY	720.00		(570.00)	150.00	150.00	150.00	100.00%	
01-5305-316-	SENIOR CITIZENS ADMINISTRATIVE CONTRACTS	500.00		(500.00)					
01-5305-334-	SENIOR CITIZENS MAINTENANCE	1,500.00		(363.00)	1,137.00	1,062.05	1,062.05	93.41%	74.95
01-5305-399-	SENIOR CITIZENS CONTRACT SERVICES- KATHY	7,200.00		(6,600.00)	600.00	600.00	600.00	100.00%	
01-5305-425-	SENIOR CITIZENS FOOD	10,000.00		(8,232.00)	1,768.00	1,767.67	1,767.67	99.98%	0.33
01-5305-445-	SENIOR CITIZEN OFFICE SUPPLIES	2,000.00		(1,230.00)	750.00	749.63	749.63	99.95%	0.37
01-5305-446-	SENIOR CITIZENS MISC PURCHASES	1,000.00		823.00	1,823.00	1,822.40	1,822.40	99.97%	0.60
01-5305-531-	SENIOR CITIZENS BOND INSURANCES	100.00		(100.00)					
01-5305-569-	SENIOR CITIZEN TRAINING	200.00		(198.00)	2.00				2.00
01-5305-576-	SENIOR CITIZEN TRAVEL	7,000.00		(2,389.00)	4,611.00	4,445.10	4,445.10	96.40%	165.90
01-5305-578-	SENIOR CITIZEN UTILITIES	8,000.00		(1,568.00)	6,432.00	6,431.55	6,431.55	99.99%	0.45
01-5305-592-	SENIOR CITIZEN VEHICLE MAINTENANCE	1,000.00		507.00	1,507.00	1,506.32	1,506.32	99.95%	0.68
01-5305-725-	SENIOR CITIZEN EQUIPMENT	1,000.00		(500.00)	500.00	499.99	499.99	100.00%	0.01
01-5401-348-	PARK	67,500.00		(67,055.00)	445.00	396.95	396.95	89.20%	48.05
01-5405-331-	MULTI CD REC LEASE AGREEMENT-HOLLERWOOD	20,000.00		8,500.00	28,500.00	28,500.00	28,500.00	100.00%	
01-5420-506-	ESTILL DEVELOPMENT CONTRIBUTION	20,000.00		13,595.00	33,595.00	33,594.50	33,594.50	100.00%	0.50
01-7000-601-	PRINCIPAL PAYMENTS								
01-7700-602-	KACO BOND PRINCIPAL	120,100.00		(6,917.00)	113,183.00	103,182.56	103,182.56	91.16%	10,000.44
01-7700-606-	KACO BOND INTEREST	62,400.00		18,537.00	80,937.00	75,212.34	75,212.34	92.93%	5,724.66
01-7700-699-	OTHER DEBT SERVICE	1,200,000.00		(610,500.00)	589,500.00	218,970.30	218,970.30	37.15%	370,529.70
01-9100-129-	SOFTWARE EXPENSE	13,000.00		9,544.00	22,544.00	22,544.00	22,544.00	100.00%	
01-9100-302-	ADVERTISING	6,000.00		(2,889.00)	3,111.00	3,110.64	3,110.64	99.99%	0.36
01-9100-307-	AUDITS	68,000.00		14,063.00	82,063.00	82,062.07	82,062.07	100.00%	0.93

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FOURTH QUARTER FINANCIAL STATEMENT
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Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
GENERAL FUND									
01-9100-382-	ADMIN. DRUG TEST	1,000.00		(209.00)	791.00	790.25	790.25	99.91%	0.75
01-9100-503-	ADMINISTRATIVE	200.00		1,172.00	1,372.00	1,371.95	1,371.95	100.00%	0.05
01-9100-521-	LIFE INSURANCE	3,600.00		(1,795.00)	1,805.00	1,691.44	1,691.44	93.71%	113.56
01-9100-525-	KALF - LIABILITY	132,619.00		1,030.00	133,649.00	133,648.80	133,648.80	100.00%	0.20
01-9100-531-	INSURANCE BONDS	3,000.00		(1,279.00)	1,721.00	1,718.20	1,718.20	99.84%	2.80
01-9100-551-	ASSOCIATION DUES	3,000.00		611.00	3,611.00	3,597.51	3,597.51	99.63%	13.49
01-9100-569-	REGISTRATION, CONFERENCES & TRAINING	500.00		4,500.00	5,000.00	4,356.51	4,356.51	87.13%	643.49
01-9100-573-	TELEPHONE	36,000.00		(3,504.00)	32,496.00	32,495.39	32,495.39	100.00%	0.61
01-9100-578-	UTILITIES	30,000.00		15,410.00	45,410.00	45,148.19	45,148.19	99.42%	261.81
01-9100-599-	MISC EXPENSE	1,000.00		22,446.00	23,446.00	23,445.49	23,445.49	100.00%	0.51
01-9200-999-	RESERVE FOR TRANSFERS	267,794.00		(149,111.00)	118,683.00	5,500.00	5,500.00	4.63%	113,183.00
01-9300-999-	TRANSFER TO OTHER ACCOUNTS			3,000.00	3,000.00	3,000.00	3,000.00	100.00%	
01-9400-201-	SOCIAL SECURITY, CO. MATCH	81,500.00		2,087.00	83,587.00	83,586.29	83,586.29	100.00%	0.71
01-9400-202-	RETIREMENT, CO. MATCH	355,000.00		(11,708.00)	343,292.00	188,954.54	188,954.54	55.04%	154,337.46
01-9400-205-	EMPLOYEE HEALTH INSURANCE	200,000.00		(67,036.00)	132,964.00	121,502.22	121,502.22	91.38%	11,461.78
01-9400-208-	UNEMPLOYMENT COMPENSATION INSURANCE	15,000.00		3,109.00	18,109.00	18,108.61	18,108.61	100.00%	0.39
01-9400-209-	KACO WORKMEN'S COMPENSATION	149,543.00		81,221.00	230,764.00	230,763.02	230,763.02	100.00%	0.98
Fund Totals		4,318,630.00		(502,125.00)	3,816,505.00	3,141,702.67	3,141,702.67	82.32%	674,802.33

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report
ESTILL COUNTY FISCAL COURT
Fiscal Year: 2018-2019 Fund Type: Governmental
From: July 1, 2018 To: June 30, 2019

Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
Road Fund									
02-6103-102-	ROAD DEPT SUPERVISOR	35,360.00			35,360.00	31,084.89	31,084.89	87.91%	4,275.11
02-6103-186-	ANNUAL LONGEVITY PAY	1,000.00			1,000.00	570.00	570.00	57.00%	430.00
02-6105-143-	ROAD DEPT SALARIES	325,000.00			325,000.00	272,319.78	272,319.78	83.79%	52,680.22
02-6105-382-	DRUG SCREEN	500.00			500.00				500.00
02-6105-405-	ASPHALT	578,456.00			578,456.00	15,292.55	15,292.55	2.64%	563,163.45
02-6105-409-	GRAVEL	140,000.00			140,000.00	59,272.76	59,272.76	42.34%	80,727.24
02-6105-441-	CULVERTS	13,000.00			13,000.00	3,518.75	3,518.75	27.07%	9,481.25
02-6105-443-	MOTOR VEHICLE PARTS	40,000.00		(22,972.00)	17,028.00	15,444.39	15,444.39	90.70%	1,583.61
02-6105-445-	OFFICE SUPPLIES	1,000.00		(28.00)	972.00	770.06	770.06	79.22%	201.94
02-6105-447-	ROAD MATERIALS	145,000.00		(6,221.00)	138,779.00	42,862.61	42,862.61	30.89%	95,916.39
02-6105-455-	GAS & DIESEL	60,000.00			60,000.00	53,616.03	53,616.03	89.36%	6,383.97
02-6105-469-	SIGNS	7,500.00			7,500.00	3,463.97	3,463.97	46.19%	4,036.03
02-6105-471-	SALT	30,000.00			30,000.00	6,418.76	6,418.76	21.40%	23,581.24
02-6105-479-	TIRES AND TUBES	8,500.00			8,500.00	6,384.42	6,384.42	75.11%	2,115.58
02-6105-481-	UNIFORMS	6,500.00		(4,711.00)	1,789.00	934.00	934.00	52.21%	855.00
02-6105-549-	MEDICAL EXPENSE	1,000.00			1,000.00	717.00	717.00	71.70%	283.00
02-6105-588-	MAINTENANCE & REPAIR - EQUIPMENT & VEH.	15,000.00		22,972.00	37,972.00	37,971.54	37,971.54	100.00%	0.46
02-6105-599-	ROAD MISCELLANEOUS	1,000.00		4,711.00	5,711.00	5,710.01	5,710.01	99.98%	0.99
02-7000-602-	JOHN DEERE			87,000.00	87,000.00	86,884.32	86,884.32	99.87%	115.68
02-7700-602-	LEASE PRINCIPAL			16,221.00	16,221.00	16,220.26	16,220.26	100.00%	0.74
02-7700-606-	LEASE INTEREST								
02-8000-312-	CAPITAL PROJECTS	50,000.00		(47,000.00)	3,000.00				3,000.00
02-8003-312-	CONTRACTED BRIDGES	227,346.00		(50,000.00)	177,346.00				177,346.00
02-9100-503-	BANK CHARGES	50.00			50.00				50.00
02-9100-521-	LIFE INSURANCE	1,000.00			1,000.00	891.75	891.75	89.18%	108.25
02-9100-573-	TELEPHONE	6,000.00		(713.00)	5,287.00	5,093.18	5,093.18	96.33%	193.82
02-9100-578-	GARAGE UTILITIES	7,500.00		741.00	8,241.00	8,212.85	8,212.85	99.66%	28.15
02-9200-999-	RESERVE FOR TRANSFERS								
02-9400-201-	SOCIAL SECURITY COUNTY MATCH	28,000.00			28,000.00	23,251.24	23,251.24	83.04%	4,748.76
02-9400-202-	RETIREMENT, COUNTY MATCH	101,509.00			101,509.00	58,752.45	58,752.45	57.88%	42,756.55
02-9400-205-	EMPLOYEE HEALTH INSURANCE	66,000.00			66,000.00	52,681.32	52,681.32	79.82%	13,318.68

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FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
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Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
Road Fund									
02-9500-902-	PAYMENT TO SCHOOL BOARD	8,400.00			8,400.00	4,247.59	4,247.59	50.57%	4,152.41
Fund Totals		1,904,621.00			1,904,621.00	812,586.48	812,586.48	42.66%	1,092,034.52

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
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Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
Jail Fund									
03-5101-101-	TRANSPORT JAILER SALARY	66,000.00		(66.00)	65,934.00	65,232.18	65,232.18	98.94%	701.82
03-5101-103-	TRANSPORT OFFICER FT	61,000.00		50,378.00	111,378.00	111,337.01	111,337.01	99.96%	40.99
03-5101-179-	TRANSPORT OFFICER PT	25,000.00			25,000.00	7,489.10	7,489.10	29.96%	17,510.90
03-5101-186-	LONGEVITY PAY	500.00			500.00	480.00	480.00	96.00%	20.00
03-5101-212-	JAILER TRAINING FRINGE BENEFITS	3,950.00		1,323.00	5,273.00	5,272.28	5,272.28	99.99%	0.72
03-5101-314-	CONTRACTS WITH OTHER COUNTIES	600,000.00		300,653.00	900,653.00	894,034.13	894,034.13	99.27%	6,618.87
03-5101-343-	CONTRACTUAL MEDICAL SERVICES	17,500.00		8,479.00	25,979.00	25,978.16	25,978.16	100.00%	0.84
03-5101-406-	BUILDING MAINTENANCE SUPPLIES	500.00		7,175.00	7,675.00	7,674.55	7,674.55	99.99%	0.45
03-5101-423-	FOOD PREP. & SERVING SUPPLIES	500.00		(500.00)					
03-5101-429-	GAS	10,000.00		810.00	10,810.00	10,809.67	10,809.67	100.00%	0.33
03-5101-445-	OFFICE SUPPLIES	500.00		946.00	1,446.00	1,445.85	1,445.85	99.99%	0.15
03-5101-512-	ELECTRICAL AND PLUMBING REPAIRS	500.00		(500.00)					
03-5101-549-	ROUTINE MEDICAL	10,000.00		108,168.00	118,168.00	118,167.30	118,167.30	100.00%	0.70
03-5101-573-	TELEPHONE	1,800.00		(1,800.00)					
03-5101-576-	STAFF TRAVEL EXPENSE	500.00		(452.00)		48.00	47.02	97.96%	0.98
03-5101-578-	UTILITIES	4,000.00		3,355.00	7,355.00	7,354.36	7,354.36	99.99%	0.64
03-5101-723-	TRANSPORT VEHICLE /REPAIR	6,000.00		38,423.00	44,423.00	44,422.36	44,422.36	100.00%	0.64
03-9100-503-	ADMINISTRATION ON BANK FEES	100.00		72.00	172.00	161.80	161.80	94.07%	10.20
03-9100-521-	JAIL LIFE INSURANCE	750.00		(343.00)	407.00	407.00	407.00	100.00%	
03-9100-551-	ASSOCIATION DUES	400.00		(400.00)					
03-9100-569-	STAFF TRAINING	1,000.00		(1,000.00)					
03-9200-999-	JAIL FUND RESERVE FOR TRANSFER	15,000.00		(15,000.00)					
03-9400-201-	SOCIAL SECURITY, COUNTY SHARE	12,000.00		2,434.00	14,434.00	14,433.86	14,433.86	100.00%	0.14
03-9400-202-	RETIREMENT, COUNTY SHARE	35,000.00		(1,346.00)	33,654.00	29,913.89	29,913.89	88.89%	3,740.11
03-9400-205-	EMPLOYEE HEALTH INSURANCE	26,800.00		1,316.00	28,116.00	28,115.96	28,115.96	100.00%	0.04
Fund Totals		899,300.00		502,125.00	1,401,425.00	1,372,776.48	1,372,776.48	97.96%	28,648.52

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
Local Government Economic Assistance Fund									
04-5075-548-	ECONOMIC DEVELOPMENT/TOURISM	10,000.00			10,000.00	9,902.71	9,902.71	99.03%	97.29
04-5102-314-	JUVENILE SUPPORT	750.00			750.00				750.00
04-5120-121-	FIRE RUNS	500.00		(500.00)					
04-5120-445-	FIRE DEPT MATERIALS	2,000.00			2,000.00				2,000.00
04-5120-578-	FIRE DEPT UTILITY	2,000.00		(1,817.00)	183.00				183.00
04-5160-902-	DRUG ENFORCEMENT/EDUCATION, COUNTY SHARE	2,000.00		(500.00)	1,500.00				1,500.00
04-5175-903-	PUBLIC ADVOCACY	1,000.00		7,435.00	8,435.00	8,434.18	8,434.18	99.99%	0.82
04-5315-507-	SERVICE CHILD YOUTH CONTRIBUTION	500.00		(500.00)					
04-5401-467-	RECREATION PARK EQUIPMENT AND SUPPLIES	13,300.00			13,300.00	4,760.38	4,760.38	35.79%	8,539.62
04-5405-507-	RECREATION, CULTURE, VETERANS	2,000.00		(2,000.00)					
04-5420-467-	TOURISM	2,000.00		(2,000.00)					
04-9100-599-	MISC EXPENSE-REIMB	1,000.00		(118.00)	882.00				882.00
04-9200-999-	RESERVE FOR TRANSFERS								
Fund Totals		37,050.00			37,050.00	23,097.27	23,097.27	62.34%	13,952.73

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
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Appropriation Condition Report
ESTILL COUNTY FISCAL COURT
Fiscal Year: 2018-2019 Fund Type: Governmental
From: July 1, 2018 To: June 30, 2019

Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
State Grants Fund									
06-5140-348-	AMBULANCE SERVICE SUPPORT	11,000.00			11,000.00				11,000.00
06-5212-348-	HB 174 Litter Abatement State Funds	24,000.00		604.00	24,604.00	24,603.63	24,603.63	100.00%	0.37
06-5215-366-	SOLID WASTE	3,000.00		(604.00)	2,396.00	178.87	178.87	7.47%	2,217.13
06-5401-718-	PARK EXPENDITURES	30,000.00			30,000.00				30,000.00
06-9200-999-	RESERVE FOR TRANSFER	22,000.00			22,000.00				22,000.00
Fund Totals		90,000.00			90,000.00	24,782.50	24,782.50	27.54%	65,217.50

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
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Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
Emergency Services Communication Fund									
08-5100-364-	EM COMMUNICATIONS TOWER RENTALS	90,000.00		(2,700.00)	87,300.00				87,300.00
08-5100-578-	EM TOWER UTILITIES	18,000.00		(1,081.00)	16,919.00				16,919.00
08-5100-585-	EM TOWER MAINTENANCE	2,050.00		3,781.00	5,831.00	5,830.35	5,830.35	99.99%	0.65
08-9100-529-	LIABILITY INSURANCE								
08-9200-999-	RESERVE FOR TRANSFER								
Fund Totals		110,050.00			110,050.00	5,830.35	5,830.35	5.30%	104,219.65

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
County Search and Rescue Fund									
16-5130-348-	COUNTY SEARCH AND RESCUE SERVICES	500.00			500.00				500.00
16-9200-999-	RESERVE FOR TRANSFER	500.00			500.00				500.00
Fund Totals		1,000.00			1,000.00				1,000.00

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
CSEPP FUND									
75-5135-106-	STAFF SALARY 000194	350,000.00		(25,000.00)	325,000.00	207,332.35	207,332.35	63.79%	117,667.65
75-5135-129-	IT SUPPORT 470	50,000.00			50,000.00	5,300.00	5,300.00	10.60%	44,700.00
75-5135-159-DIS	DISPATCH PAYOLL REIMBURSHMENT 194	156,000.00			156,000.00				156,000.00
75-5135-302-	PUBLIC INFO PROGRAM 000012	40,000.00			40,000.00	25,764.67	25,764.67	64.41%	14,235.33
75-5135-319-	COMPUTER SERVER 473	15,000.00			15,000.00	12,866.00	12,866.00	85.77%	2,134.00
75-5135-336-	RADIO REPLACEMENT 00013	80,000.00			80,000.00	1,733.00	1,733.00	2.17%	78,267.00
75-5135-339-	MAINTENANCE AND REPAIR 451	50,000.00			50,000.00	9,486.55	9,486.55	18.97%	40,513.45
75-5135-398-	MAINT -TONE ALERT RADIO 451	50,000.00			50,000.00				50,000.00
75-5135-399-	SIREN MAINT 150	50,000.00			50,000.00	32,701.00	32,701.00	65.40%	17,299.00
75-5135-413-	PROTECTIVE ACTION 449	20,000.00		53,085.00	73,085.00	73,084.40	73,084.40	100.00%	0.60
75-5135-420-	DES OFFICE SUPPLY 00009	40,000.00		(15,403.00)	24,597.00	9,028.02	9,028.02	36.70%	15,568.98
75-5135-441-	ADP /HARDWARE 452	30,000.00		(6,500.00)	23,500.00	3,675.00	3,675.00	15.64%	19,825.00
75-5135-445-	EOC OFFICE COST 149	45,000.00		318.00	45,318.00	45,317.25	45,317.25	100.00%	0.75
75-5135-446-	MEETING COST/ PRINTING 456	3,000.00			3,000.00	2,002.82	2,002.82	66.76%	997.18
75-5135-521-	SHELTER SUPPLY 466	10,000.00			10,000.00				10,000.00
75-5135-548-	REMOTE COMM REPLACEMENT 00455	150,000.00			150,000.00	2,400.00	2,400.00	1.60%	147,600.00
75-5135-548-SAF	SAFE ROOM OR RETROFIT -EOC 471	645,000.00			645,000.00	44,000.00	44,000.00	6.82%	601,000.00
75-5135-571-	MAINTENANCE FOR GENREATORS 00448	12,000.00			12,000.00	121.71	121.71	1.01%	11,878.29
75-5135-573-	ANNUAL COST FOR EOC/DATA LINES 00016	15,000.00			15,000.00	2,224.17	2,224.17	14.83%	12,775.83
75-5135-574-	CSEPP EXERCISE SUPPLY 0000010	6,000.00		1,500.00	7,500.00	7,427.44	7,427.44	99.03%	72.56
75-5135-576-	CSEPP COORDINATOR & STAFF TRAVEL 00060	20,000.00			20,000.00	12,591.62	12,591.62	62.96%	7,408.38
75-5135-591-	MAINTENANCE SYSTEM ALERT NOTIFICATION 451	420,000.00			420,000.00	304,820.00	304,820.00	72.58%	115,180.00
75-5135-703-	COMMUNICATION MAINTENANCE 453	15,000.00			15,000.00	5,394.00	5,394.00	35.96%	9,606.00
75-9100-521-	LIFE INS 194	3,000.00			3,000.00	508.75	508.75	16.96%	2,491.25
75-9200-999-	CSEPP RESERVE FOR TRANSFER	11,500.00		(8,000.00)	3,500.00				3,500.00
75-9400-201-	CSEPP SOCIAL SECURITY 00194	32,000.00			32,000.00	15,860.97	15,860.97	49.57%	16,139.03
75-9400-202-	EOC RETIREMENT 00194	53,000.00			53,000.00	46,667.99	46,667.99	88.05%	6,332.01
75-9400-205-	CSEPP HEALTH BENEFITS 00194	60,000.00			60,000.00	48,456.28	48,456.28	80.76%	11,543.72
75-9400-209-	EOC WORKMAN'S COMP 00194	28,500.00			28,500.00	18,368.00	18,368.00	64.45%	10,132.00
Fund Totals		2,460,000.00			2,460,000.00	937,131.99	937,131.99	38.09%	1,522,868.01

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)**

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
CMRS-Special Fund									
76-5145-159	CMRS RADIO OPERATIONS	158,000.00			158,000.00	73,088.97	73,088.97	46.26%	84,911.03
76-9100-503	BANK FEES								
76-9100-529	LIABILITY INSURANCE								
76-9200-999	CMRS RESERVE FOR TRANSFER								
76-9400-209	WORKMANS COMP 26%								
Fund Totals		158,000.00			158,000.00	73,088.97	73,088.97	46.26%	84,911.03

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available
County Planning & Preparedness Program									
78-5135-348-	PLANNING AND PREPAREDNESS EXPENSES	2,500.00			2,500.00				2,500.00
Fund Totals		2,500.00			2,500.00				2,500.00

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available
County Emergency Management Agency									
80-5135-348-	EMERGENCY MGMT EXPENSES	15,000.00			15,000.00	3,584.35	3,584.35	23.90%	11,415.65
Fund Totals		15,000.00			15,000.00	3,584.35	3,584.35	23.90%	11,415.65

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Appropriation Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Available	Claims for Period	Claims Since July	% Used	Available Free Balance
CITIZENS EMERGENCY RESPONSE FUNDS									
88-5135-446-	CERT FUNCTION EXPENSES	4,800.00			4,800.00				4,800.00
Fund Totals		4,800.00			4,800.00				4,800.00
Grand Total All Funds		10,000,951.00			10,000,951.00	6,394,581.06	6,394,581.06	63.94%	3,606,369.94

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
GENERAL FUND									
01-4101-	- REAL PROPERTY TAX	330,000.00			330,000.00	380,213.76	380,213.76	115.22%	(50,213.76)
01-4102-	- TANGIBLE PROP TAX	5,000.00			5,000.00	4,936.40	4,936.40	98.73%	63.60
01-4103-	- MOTOR VEHICLE TAXES- CO CLERK	60,000.00			60,000.00	74,885.06	74,885.06	124.81%	(14,885.06)
01-4104-	- DELINQUENT TAXES - CO CLERK	10,000.00			10,000.00	15,710.50	15,710.50	157.11%	(5,710.50)
01-4112-	- FIRE PROTECTION	500.00			500.00	2,609.47	2,609.47	521.89%	(2,109.47)
01-4121-	- ADVERTISING COSTS	250.00			250.00				250.00
01-4130-	- BANK FRANCHISE	30,000.00			30,000.00	39,055.50	39,055.50	130.19%	(9,055.50)
01-4131-	- FRANCHISE CORPORATION TAX	30,000.00			30,000.00	10,807.09	10,807.09	36.02%	19,192.91
01-4134-	- PAYROLL TAX	1,841,098.00			1,841,098.00	1,875,152.90	1,875,152.90	101.85%	(34,054.90)
01-4135-	- DEED TRANSFER	10,000.00			10,000.00	19,286.61	19,286.61	192.87%	(9,286.61)
01-4140-	- 911 TAX	240,000.00			240,000.00	249,513.21	249,513.21	103.96%	(9,513.21)
01-4210-	- OTHER IN LIBU PMTS-PILT	1,000.00			1,000.00	9,398.69	9,398.69	939.87%	(8,398.69)
01-4302-	- EXCESS FEES	50,000.00			50,000.00	1,000.00	1,000.00	2.00%	49,000.00
01-4304-	- EXCESS FEE - SHERIFF	94,600.00			94,600.00	140,497.64	140,497.64	148.52%	(45,897.64)
01-4401-	- COMMERCIAL LICENSE	500.00			500.00	9,361.82	9,361.82	872.36%	(8,861.82)
01-4406-	- DOG LICENSES	100.00			100.00				100.00
01-4417-	- CABLE VISION FRANCHISE FEE	10,000.00			10,000.00	29,629.26	29,629.26	296.29%	(19,629.26)
01-4419-	- WASTE HAULING PERMIT FEE	3,000.00			3,000.00	6,444.37	6,444.37	214.81%	(3,444.37)
01-4501-	- OMITTED TANGIBLES	100.00			100.00				100.00
01-4505-	- MOTOR VEHICLE TAX - OTHER COUNTIES	9,500.00			9,500.00	7,414.57	7,414.57	78.05%	2,085.43
01-4520-	- ELECTION EXPENSE REIMBURSEMENT	12,500.00			12,500.00	6,000.00	6,000.00	48.00%	6,500.00
01-4521-	- BOARD ASSESSMENT APPEALS	300.00			300.00	200.00	200.00	66.67%	100.00
01-4522-	- LEGAL PROCESS TAX	250.00			250.00	63.63	63.63	25.45%	186.37
01-4524-	- HB 413 COURT FIC	15,000.00			15,000.00	26,641.39	26,641.39	177.61%	(11,641.39)
01-4532-	- AOC SPACE RENTAL	60,000.00			60,000.00	56,848.86	56,848.86	94.75%	3,151.14
01-4540-	- FIREFIGHTER INCENTIVE PAY	7,500.00			7,500.00	6,445.78	6,445.78	85.94%	1,054.22
01-4542-	- EMA REIMBURSEMENT	12,500.00			12,500.00	3,584.35	3,584.35	28.67%	8,915.65
01-4543-	-AOC AOC REIMBURSEMENT PROJECT					31,109.40	31,109.40		(31,109.40)
01-4601-	- FOREST FIRE SUPPRESSION	1,000.00			1,000.00				1,000.00
01-4603-	- LANDFILL USER FEES	130,000.00			130,000.00	129,571.96	129,571.96	99.67%	428.04
01-4610-	- 911 DISPATCHER PAYROLL FROM CITIES	50,000.00			50,000.00	18,900.00	18,900.00	37.80%	31,100.00

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ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
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Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
Fiscal Year: 2018-2019 Fund Type: Governmental									
From: July 1, 2018 To: June 30, 2019									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
GENERAL FUND									
01-4612-	- ANIMAL SHELTER FEES FROM OTHER CO	28,000.00			28,000.00	31,387.00	31,387.00	112.10%	(3,387.00)
01-4612-	-SPA ESTILL COUNTY HIGH SCHOOL SPANISH CLUB					258.50	258.50		(258.50)
01-4680-	- SENIOR CITIZENS SERVICE FEES	1,000.00			1,000.00	1,268.00	1,268.00	126.80%	(268.00)
01-4699-	- FIRE (CHARGES FOR OTHER SERVICES)	100.00			100.00				100.00
01-4699-	-OP OPEN RECORDS	100.00			100.00				100.00
01-4699-	-TSC COUNTY ATTY TRAFFIC SCHOOL FEE					279.51	279.51		(279.51)
01-4701-	- VENDING	500.00			500.00				500.00
01-4704-	- SURPLUS SALES					801.00	801.00		(801.00)
01-4713-	- RECYCLING RECEIPTS	12,000.00			12,000.00	7,275.40	7,275.40	60.63%	4,724.60
01-4727-	- REIMBURSEMENT	5,000.00			5,000.00	26,516.21	26,516.21	530.32%	(21,516.21)
01-4727-	-BSA BIG SANDY SALARY REIMBURSEMENT	5,000.00			5,000.00				5,000.00
01-4727-	-C LEASE RENT COMMONWEALTH ATTY OFFICE	30,000.00			30,000.00	25,713.00	25,713.00	85.71%	4,287.00
01-4728-	- DONATION TO COUNTY DEPARTMENTS	500.00			500.00	8,625.00	8,625.00	725.00%	(8,125.00)
01-4731-	- MISCELLANEOUS REVENUES	1,000.00			1,000.00	27,313.41	27,313.41	731.34%	(26,313.41)
01-4760-	- COURT RESTITUTION PAYMENTS	500.00			500.00	765.50	765.50	153.10%	(265.50)
01-4798-	- SENIOR CITIZENS - BADD	120,000.00			120,000.00	77,056.00	77,056.00	64.21%	42,944.00
01-4799-	- SHERIFF PAYROLL REIMBURSEMENT	200,000.00			200,000.00	218,159.17	218,159.17	109.08%	(18,159.17)
01-4799-	-DIS CSEPP DISPATCH PAYROLL REIMB	50,000.00			50,000.00				50,000.00
01-4801-	-LEA REFUND OF INTEREST LEASE	100.00			100.00				100.00
01-4806-	- BANK INTEREST	100.00			100.00				100.00
01-4808-	- KACO ACQ REIMBURSEMENT	2,000.00			2,000.00				2,000.00
Total Above Line Revenues		3,470,598.00			3,470,598.00	3,580,699.92	3,580,699.92	103.17%	(110,101.92)
01-4901-	- SURPLUS FROM PRIOR YEAR					61,170.10	61,170.10		(61,170.10)
01-4903-	- PR YR ADJUSTMENTS					2,771.86	2,771.86		(2,771.86)
01-4905-	- BOND SALE PROCEEDS	1,470,000.00			1,470,000.00	633,617.84	633,617.84	43.10%	836,382.16
01-4909-	- TRANSFERS TO OTHER FUNDS	(845,000.00)			(845,000.00)	(1,320,204.85)	(1,320,204.85)	156.24%	475,204.85
01-4910-	- TRANSFERS FROM OTHER FUNDS	223,032.00			223,032.00	355,361.02	355,361.02	159.33%	(132,329.02)
Total Below Line Revenues		848,032.00			848,032.00	(267,284.03)	(267,284.03)	-31.52%	1,115,316.03
Total GENERAL Fund Receipts		4,318,630.00			4,318,630.00	3,313,415.89	3,313,415.89	76.72%	1,005,214.11

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
Fiscal Year: 2018-2019 Fund Type: Governmental									
From: July 1, 2018 To: June 30, 2019									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
Road Fund									
02-4205-	NATIONAL FOREST	5,000.00			5,000.00	590.18	590.18	11.80%	4,409.82
02-4503-	FEMA REIMBURSEMENT	158,032.00			158,032.00				158,032.00
02-4506-	REIMBURSEMENT FOR BRIDGES	200,000.00			200,000.00				200,000.00
02-4513-	EMERGENCY CRA	132,000.00			132,000.00				132,000.00
02-4516-	TRUCK LICENSE REFUND	223,513.00			223,513.00	225,241.03	225,241.03	100.77%	(1,728.03)
02-4517-	DRIVER'S LICENSE REFUND	2,320.00			2,320.00	1,360.50	1,360.50	58.64%	959.50
02-4518-	COUNTY ROAD AID	885,669.00			885,669.00	877,342.00	877,342.00	99.06%	8,327.00
02-4619-	ROAD MAINTENANCEIMPROVEMENTS	520,000.00			520,000.00				520,000.00
02-4620-	ROAD SIGNS	500.00			500.00				500.00
02-4704-	SURPLUS MACH SALES								
02-4731-	MISCELLANEOUS REVENUES	1,000.00			1,000.00				1,000.00
02-4806-	INTEREST CHECKING	100.00			100.00				100.00
Total Above Line Revenues		2,128,134.00			2,128,134.00	1,104,533.71	1,104,533.71	51.90%	1,023,600.29
02-4901-	PRIOR YEAR SURPLUS					7,559.21	7,559.21		(7,559.21)
02-4909-	TRANSFERS TO OTHER FUNDS	(223,032.00)			(223,032.00)	(263,000.00)	(263,000.00)	117.92%	39,968.00
02-4910-	TRANSFERS FROM OTHER FUNDS					52,000.00	52,000.00		(52,000.00)
02-4911-	BORROWED MONEY								
Total Below Line Revenues		(223,032.00)			(223,032.00)	(203,440.79)	(203,440.79)		(19,591.21)
Total Road Fund Receipts		1,905,102.00			1,905,102.00	901,092.92	901,092.92	47.30%	1,004,009.08

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
Jail Fund									
03-4533-	STATE/JAIL ALLOTMENT	13,200.00			13,200.00	63,995.07	63,995.07	484.81%	(50,795.07)
03-4535-	COURT COST COLLECTION, HB 452	3,000.00			3,000.00	5,506.97	5,506.97	183.63%	(2,508.97)
03-4538-	DUI FEES	1,000.00			1,000.00	1,780.15	1,780.15	178.02%	(780.15)
03-4569-	LOCAL CORRECTIONS ASSISTANCE	36,000.00			36,000.00	25,000.00	25,000.00	69.44%	11,000.00
03-4731-	MISCELLANEOUS REVENUES	1,000.00			1,000.00	3,282.86	3,282.86	328.29%	(2,282.86)
03-4806-	INTEREST EARNED CHECKING	100.00			100.00	42.45	42.45	42.45%	57.55
Total Above Line Revenues		54,300.00			54,300.00	99,609.50	99,609.50	183.44%	(45,309.50)
03-4901-	SURPLUS FROM PRIOR YEARS					6,473.85	6,473.85		(6,473.85)
03-4903-	ADJUSTMENTS TO PRIOR YEAR								
03-4910-	TRANSFER IN FROM OTHER FUNDS	845,000.00			845,000.00	1,268,204.85	1,268,204.85	150.08%	(423,204.85)
Total Below Line Revenues		845,000.00			845,000.00	1,274,678.70	1,274,678.70	150.85%	(429,678.70)
Total Jail Fund Receipts		899,300.00			899,300.00	1,374,288.20	1,374,288.20	152.82%	(474,988.20)

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
Local Government Economic Assistance Fund									
04-4138-	TRANSIT TAX	15,000.00			15,000.00	8,901.21	8,901.21	59.34%	6,098.79
04-4529-	MINERALS SEVERANCE TAX	18,000.00			18,000.00	20,601.67	20,601.67	114.45%	(2,601.67)
04-4731-	MISC REVENUE	1,000.00			1,000.00	11.00	11.00	1.10%	989.00
04-4806-	INTERESTS ON CHECKING ACCOUNTS	50.00			50.00	7.54	7.54	15.08%	42.46
	Total Above Line Revenues	34,050.00			34,050.00	29,521.42	29,521.42	86.70%	4,528.58
04-4901-	SURPLUS PRIOR YEAR	3,000.00			3,000.00	3,807.53	3,807.53	126.92%	(807.53)
04-4909-	CASH TRANSFER TO OTHER ACCOUNTS								
	Total Below Line Revenues	3,000.00			3,000.00	3,807.53	3,807.53	126.92%	(807.53)
	Total L.G.E.A. Fund Receipts	37,050.00			37,050.00	33,328.95	33,328.95	89.96%	3,721.05

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
State Grants Fund									
06-4504-	- ADF	20,000.00			20,000.00				20,000.00
06-4506-	- AMBULANCE	11,000.00			11,000.00				11,000.00
06-4510-	- STATE GRANT-PARK	30,000.00			30,000.00				30,000.00
06-4510-	-CM CATTELEMANS GRANT					700.00	700.00		(700.00)
06-4543-	- HB 174 LITTER ABATEMENT	24,000.00			24,000.00	25,462.92	25,462.92	106.10%	(1,462.92)
06-4612-	- ANIMAL SHELTER GRANTS	5,000.00			5,000.00				5,000.00
06-4713-	- RECYCLING GRANT					16,650.00	16,650.00		(16,650.00)
06-4727-	- REIMBURSEMENT FUNDS					47,785.97	47,785.97		(47,785.97)
06-4798-	- KCTCS/STATE FIRE COMMISSION GRANT								
Total Above Line Revenues		90,000.00			90,000.00	90,598.89	90,598.89	100.67%	(598.89)
06-4901-	- PRIOR YEAR SURPLUS STATE GRANT					61,527.70	61,527.70		(61,527.70)
06-4903-	- ADJ TO PRIOR YEAR					150.00	150.00		(150.00)
06-4909-	- CASH TRANSFER TO OTHER FUNDS					(47,785.97)	(47,785.97)		47,785.97
Total Below Line Revenues						13,891.73	13,891.73		(13,891.73)
Total SL Grants Fund Receipts		90,000.00			90,000.00	104,490.62	104,490.62	116.10%	(14,490.62)

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
Emergency Services Communication Fund									
08-4680-	-	EM COMMUNICATION TOWER FEES	15,000.00		15,000.00	20,848.61	20,848.61	138.99%	(5,848.61)
08-4801-	-	INTEREST	50.00		50.00				50.00
		Total Above Line Revenues	15,050.00		15,050.00	20,848.61	20,848.61	138.53%	(5,798.61)
08-4901-	-	SURPLUS PRIOR YEAR	95,000.00		95,000.00	99,988.96	99,988.96	105.25%	(4,988.96)
		Total Below Line Revenues	95,000.00		95,000.00	99,988.96	99,988.96	105.25%	(4,988.96)
		Total EM Tower Fund Receipts	110,050.00		110,050.00	120,837.57	120,837.57	109.80%	(10,787.57)

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
County Search and Rescue Fund									
16-4503-	- COUNTY SEARCH AND RESCUE FEES	1,000.00			1,000.00				1,000.00
	Total Above Line Revenues	1,000.00			1,000.00				1,000.00
16-4901-	- SURPLUS PRIOR YEAR								
	Total Below Line Revenues								
	Total Search/Rescue Fund Receipts	1,000.00			1,000.00				1,000.00

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
CSEPP FUND									
75-4503-	- FEDERAL GRANT	2,460,000.00			2,460,000.00	1,013,459.00	1,013,459.00	41.20%	1,446,541.00
75-4727-	- MISC REIMBURSEMENT					3,707.60	3,707.60		(3,707.60)
Total Above Line Revenues		2,460,000.00			2,460,000.00	1,017,166.60	1,017,166.60	41.35%	1,442,833.40
75-4901-	- PRIOR YEAR SURPLUS CSEPP					49,629.90	49,629.90		(49,629.90)
75-4903-	- PRIOR YEAR VOIDED CHECK ADJUSTMENT								
75-4909-	- CASH TRANSFER TO OTHER ACCOUNTS					(60,000.00)	(60,000.00)		60,000.00
75-4910-	- CASH TRANSFER TO OTHER ACCOUNTS								
Total Below Line Revenues						(10,370.10)	(10,370.10)		10,370.10
Total CSEPP Fund Receipts		2,460,000.00			2,460,000.00	1,006,796.50	1,006,796.50	40.93%	1,453,203.50

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
CMRS-Special Fund									
76-4610-	- CMRS DISPATCH MONIES	133,000.00			133,000.00	151,372.99	151,372.99	113.81%	(18,372.99)
	Total Above Line Revenues	133,000.00			133,000.00	151,372.99	151,372.99	113.81%	(18,372.99)
76-4901-	- CMRS PRIOR YEAR SURPLUS	25,000.00			25,000.00	58,660.76	58,660.76	234.64%	(33,660.76)
76-4909-	- CMRS CASH TRANSFER TO OTHER FUNDS					(30,000.00)	(30,000.00)		30,000.00
76-4910-	- TRANSFERS FROM OTHER FUNDS					47,785.97	47,785.97		(47,785.97)
	Total Below Line Revenues	25,000.00			25,000.00	76,446.73	76,446.73	305.79%	(51,446.73)
	Total 911 FEES Fund Receipts	158,000.00			158,000.00	227,819.72	227,819.72	144.19%	(69,819.72)

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
County Planning & Preparedness Program									
78-4504-	- PLANNING AND PREPAREDNESS FEES	2,500.00			2,500.00				2,500.00
	Total Above Line Revenues	2,500.00			2,500.00				2,500.00
78-4901-	- SURPLUS PR YEAR					2,500.00	2,500.00		(2,500.00)
	Total Below Line Revenues					2,500.00	2,500.00		(2,500.00)
	Total PLANNING. Fund Receipts	2,500.00			2,500.00	2,500.00	2,500.00	100.00%	

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
County Emergency Management Agency									
80-4504-	- EMERGENCT MGMT REIMBURSEMENT FUNDS	15,000.00			15,000.00	12,801.37	12,801.37	85.34%	2,198.63
	Total Above Line Revenues	15,000.00			15,000.00	12,801.37	12,801.37	85.34%	2,198.63
80-4901-	- SURPLUS PRIOR YEAR					1,180.51	1,180.51		(1,180.51)
80-4909-	- CASH TRANSFER TO OTHER ACCOUNTS					(2,361.02)	(2,361.02)		2,361.02
	Total Below Line Revenues					(1,180.51)	(1,180.51)		1,180.51
	Total Emer/Mgmt Fund Receipts	15,000.00			15,000.00	11,620.86	11,620.86	77.47%	3,379.14

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Revenue Condition Report									
ESTILL COUNTY FISCAL COURT									
<i>Fiscal Year: 2018-2019 Fund Type: Governmental</i>									
<i>From: July 1, 2018 To: June 30, 2019</i>									
Account	Name	Original Budget	Amendments	Transfers +/-	Total Budgeted	Total Received For This Period	Total Received Since July	% Rcvd	Anticipated FY Revenues
CITIZENS EMERGENCY RESPONSE FUNDS									
88-4680-	CERT REVUNUE	1,000.00			1,000.00				1,000.00
	Total Above Line Revenues	1,000.00			1,000.00				1,000.00
88-4901-	SURPLUS PRIOR YEAR	3,800.00			3,800.00	3,821.46	3,821.46	100.56%	(21.46)
	Total Below Line Revenues	3,800.00			3,800.00	3,821.46	3,821.46	100.56%	(21.46)
	Total CERT Fund Receipts	4,800.00			4,800.00	3,821.46	3,821.46	79.61%	978.54
	Total All Funds Receipts	10,001,432.00			10,001,432.00	7,100,012.69	7,100,012.69	70.99%	2,901,419.31

**ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)**

Long-Term Liabilities File Text															
ESTILL COUNTY															
County	Fund	Principal / Interest			Term	Rate	Issued	NextPmt	FinalPmt	Principal	Interest	Total Issue	Prin. Bal.	Int. Bal.	Total Bal.
FYear	FType	Major	Minor	Suffix	Description										Reserve
033	01	7700	602		10	2.953	20180720	20190720	20280720	1,410,000.00	370,292.19	1,780,292.19	1,305,000.00	297,689.94	1,602,689.94
2019	4Q	7700	605		KACO FINANCE CORP- ESTILL CO #11BP2018C										
										1,410,000.00	370,292.19	1,780,292.19	1,305,000.00	297,689.94	1,602,689.94

ESTILL COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2019
(Continued)

Total Liabilities File Text
ESTILL COUNTY

County Number	033
Fiscal Year	2019
File Type	4Q
Total Long-Term Debt	1,602,689.94
Total Short-Term Debt	
Total Outstanding Debt	1,602,689.94

**ESTILL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2019

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**ESTILL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Provided to Subrecipient</u>	<u>Total Federal Expenditures</u>
<u>U. S. Department of _____</u>				
<i>Direct Program</i>				
CSEPP	97.040	#	\$ 1,017,167	\$ 997,132
Total U.S. Department of _____			1,017,167	997,132
<u>U. S. Department of _____</u>				
<i>Passed-Through State Department _____</i>				
Program Name	#	#	\$ -	\$ -
Total U.S. Department of _____			-	-
<u>U. S. Department of _____</u>				
<i>Passed-Through State Department _____</i>				
Program Name	#	#	\$ -	\$ -
Total U.S. Department of _____			-	-
<u>U. S. Department of _____</u>				
<i>Passed-Through State _____ Cabinet:</i>				
Program Name	#	#	\$ -	\$ -
Total U.S. Department of _____			-	-
<u>U. S. Department of _____</u>				
<i>Passed-Through State Department of _____ -ARRA:</i>				
Program Name	#	#	\$ -	\$ -
Total U.S. Department of _____			-	-
<u>U. S. Department of _____</u>				
<i>Passed-Through State Department of _____:</i>				
Program Name	#	#	\$ -	\$ -
Program Name	#	#	\$ -	\$ -
Program Name	#	#	\$ -	\$ -
Program Name	#	#	\$ -	\$ -
Total U.S. Department of _____			-	-
Non-Cash Expenditures				
<u>U.S. Department of _____</u>				
			\$ -	\$ -
Total U.S. Department of _____			-	-
Total Expenditures of Federal Awards				

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

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Donnie Watson, Estill County Judge/Executive
The Honorable Kevin Williams, Former Estill County Judge/Executive
Members of the Estill County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

We were engaged to audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial information contained in the Fourth Quarter Financial Statement of the Estill County Fiscal Court for the fiscal year ended June 30, 2019, and have issued our report thereon dated June 8, 2021. Our report disclaims an opinion on the Fourth Quarter Financial Statement of the Estill County Fiscal Court because of ineffective internal controls, management override of controls, and high risk of material misstatement.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Estill County Fiscal Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Estill County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Estill County Fiscal Court's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001, 2019-002, 2019-003, 2019-004, 2019-005, 2019-006, 2019-007, 2019-008, 2019-009, 2019-010, 2019-011, and 2019-012 to be material weaknesses.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Estill County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-002, 2019-003, 2019-004, 2019-006, 2019-007, 2019-008, 2019-010, 2019-011 and 2019-012.

Views of Responsible Officials and Planned Corrective Action

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

Purpose of this Report

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

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

June 8, 2021

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

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Donnie Watson, Estill County Judge/Executive
The Honorable Kevin Williams, Former Estill County Judge/Executive
Members of the Estill County Fiscal Court

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

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We were engaged to audit the Estill County Fiscal Court's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Estill County Fiscal Court's major federal programs for the year ended June 30, 2019. The Estill County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Estill County Fiscal Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.



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

Basis for Disclaimer of Opinion of CFDA #97.040

The Estill County Fiscal Court had serious weaknesses in the operation of its internal control procedures and failed to implement effective oversight and review procedures to prevent and detect errors, misstatements, and fraud in the county's financial activities. Audit evidence indicated intentional override of internal controls by management and employees that had a potentially material effect on the financial statement. The absence of effective internal controls, oversight, and review procedures created an environment in which funds were misappropriated and financial records were manipulated. Based on these conditions, we determined the fraud risk to be too high and were unable to apply other procedures to mitigate this risk. Furthermore, as described in the accompanying Schedule of Findings and Questioned Costs finding 2019-013, the Estill County Fiscal Court failed to establish effective internal controls over compliance for federal awards. Effective internal controls over compliance requirements are necessary, in our opinion, for the Estill County Fiscal Court to comply with the requirements of that program.

Disclaimer of Opinion on CFDA #97.040

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the compliance requirements referred to above that could have a direct and material effect on the Estill County Fiscal Court's major federal program for fiscal year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-012.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

Report on Internal Control over Compliance (Continued)

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2019-012 and 2019-013 to be material weaknesses.

Estill County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Estill County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

June 8, 2021

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

For The Year Ended June 30, 2019

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

For The Year Ended June 30, 2019

Section I: Summary of Auditor's Results

Financial Statement

Type of report the auditor issued: Disclaimer

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs: Disclaimer		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
CFDA# 97.040	Chemical Stockpile Emergency Preparedness Program (CSEPP)

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings

2019-001 The Estill County Fiscal Court's Internal Control Environment Is Ineffective

This is a repeat finding and was included in the prior year audit report as finding 2018-001. The fiscal court and management failed to establish adequate internal controls, oversight, and review procedures for material financial processes, namely for information technology, receipts, disbursements, and payroll. Additionally, management intentionally circumvented existing controls. The fiscal court has numerous internal control and non-compliance issues that are discussed in detail in findings 2019-002 through 2019-013 that result in significant errors, misstatements, violations of statutes, and violations of the Estill County Administrative Code. Furthermore, there is no assurance that transactions processed are allowable, adequately supported, and a proper use of taxpayer funds.

Management did not adequately assess and identify risks associated with inadequate segregation of duties over revenues, expenditures, and payroll. Management was aware of non-compliance issues reported in previous audit reports. Management failed to implement effective corrective action procedures to ensure these issues did not continue. The lack of corrective action resulted in repeat findings and numerous significant issues.

Failure to establish adequate controls, oversight, and review procedures increases the risk that undetected fraud or other errors will occur. The combination of the findings reported results in a control environment that is ineffective to produce financial information that is complete, accurate, and free from material misstatement. Furthermore, management circumventing existing controls resulted in misappropriated taxpayers funds.

Due to the pervasiveness of inadequate controls, management's intentional override of existing controls, and lack of oversight/review of significant processes, we cannot issue an opinion on the financial statement. Testing was expanded in all areas to address the risks noted, but audit procedures could not overcome the risk of undetected errors, fraud, and misstatements and we cannot place reliance on the financial data. A disclaimer of opinion will be issued.

It is the fiscal court and management's responsibility to ensure adequate internal controls and procedures are in place to ensure complete and accurate financial reporting and to ensure taxpayers resources are used efficiently, effectively, and for intended purposes. There are numerous statutes and requirements outlined in the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual* that govern county operations and are detailed in the current year findings.

We recommend the fiscal court and management review all current year findings and determine adequate corrective action to ensure the issues will be corrected timely. Further, we recommend the fiscal court and management review all internal control processes to address any weaknesses noted and implement policies and procedures to ensure financial information is complete, accurate, and free of material misstatement.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response:

1. *Better purchase order system in place.*
2. *Claims are reviewed by Finance Officer and Treasurer, presented to Judge and Fiscal Court for review and approval, before payments are made.*
3. *Payroll account has been reconciled. Reports are being completed and submitted timely. Time sheets are reviewed by department heads, then by Finance Officer and Treasurer, then to County Judge if questions. All leave time is entered and balances maintained.*

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-001 The Estill County Fiscal Court's Internal Control Environment Is Ineffective (Continued)

Views of Responsible Official and Planned Corrective Action: (Continued)

County Judge/Executive's Response: (Continued)

4. *Receipts – Implemented more structured reporting at Animal Shelter and Senior Center. Preparing to implement software program for receipts at both sites.*
5. *Implemented more structure reporting of Occupational Tax receipts. Utilizing software program for more detailed accounting and notifications.*
6. *Added more line items to budget and educated personnel for better coding of items.*
7. *Passwords and access to financial software programs has been changed. Working with IT support to improve security.*
8. *Financial statements and quarterly reports are submitted to Fiscal Court.*
9. *All bids are advertised as required, reviewed and awarded or denied by Fiscal Court (recommendations are received from departments involved).*

The new administration has worked together to address issues as we become aware of them and to improve all day to day operations.

2019-002 The Estill County Fiscal Court Does Not Have Adequate Controls Over Financial Accounting Software Program

This is a repeat finding and was included in the prior year audit report as finding 2018-002. The fiscal court utilizes a financial accounting software program to post financial transactions. This system is shared among several employees on a computer network. The employees that have access to this system do not have unique user names and passwords. One username and password is shared among several employees.

Management failed to identify the risk associated with financial accounting data and failed to implement adequate policies and procedures to protect such data and ensure that it is complete, accurate, and free of material misstatement.

Shared usernames and passwords increase the risk that undetected fraud, errors, and misstatements will occur. Without proper controls over financial data, it is harder to determine which employees are responsible for problems that may arise. Employees are also in violation of the county's administrative code as it pertains to passwords.

The Estill County Administrative Code page 77 under "Security" states, "[p]asswords and sign on access codes shall not be shared with anyone including co-workers, family members, or other unauthorized personnel."

Further, strong internal controls require each employee to have a unique user name and password that is changed at regular intervals. Computer programs should have a log that lists changes to data and the person performing such changes so that an appropriate level of management can periodically review to ensure all changes are necessary and approved. Passwords should never be shared among employees and employees should be restricted to certain parts of the program they can access based on their job duties.

We recommend the fiscal court review the policies and procedures regarding computer information and implement adequate controls to ensure data is complete, accurate, and free of material misstatement.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-002 The Estill County Fiscal Court Does Not Have Adequate Controls Over Financial Accounting Software Program (Continued)

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The financial software program has four (4) programs. Each program has password to access the program and passwords for each area within the program. Tax program is used for Occupational Tax by the occupational Tax Clerk and the Treasurer. Pay is used for payroll by the Payroll Clerk and the Treasurer. Books is used for purchase orders, claims, bank reconciliation, etc by the Finance Officer and Treasurer. Express is used for filing Quarterly Reports to DLG and W2's by the Treasurer. Each person has passwords for the areas they use within the programs. Treasurer has access to all.

Currently working with IT Support to create stronger security, tracking capabilities and backup.

2019-003 The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2018-003. Our tests of disbursements included an examination of 119 disbursements from the county's operating funds. We noted numerous non-compliance issues:

- Twelve disbursements totaling \$253,833, or about 10% of our test sample, did not have appropriate supporting documentation.
- One disbursement totaling \$5,992 did not have proper signatures on cancelled checks. This disbursement was signed by the former treasurer but was not signed by the former county judge/executive or designee.
- Seventeen disbursements totaling \$193,187, or about 15% of our test sample, were not presented to the fiscal court before payment.
- Seventeen disbursements were not recorded correctly in the ledgers. Of these, six disbursements totaling \$142,931 were recorded in an incorrect account code or line item; one disbursement was recorded in the ledger as one amount but the cancelled check revealed a different amount - a variance of \$13,530; ten disbursements totaling \$83,894 were recorded as a payment to the revolving payroll account but the cancelled check revealed a different payee.
- Thirty-four disbursements totaling \$851,316, about 29% of our test sample, were not paid timely (within 30 working days of receiving the invoice or bill), some of which were more than 12 months overdue.
- One hundred thirteen disbursements totaling \$1,883,193, about 95% of our test sample, did not have a properly executed purchase order because the description of items being purchased was vague or incomplete, the account code listed was absent or incorrect, and the estimated amount for the purchase was not filled out until after the purchase order had been issued. Additionally, encumbrances (i.e. outstanding purchase orders) were not tracked, totaled, and included on the year-end financial report.
- Bidding requirements were not followed. The fiscal court did not follow competitive bidding requirements for two different types of goods/services (repairs/maintenance and diesel fuel) that were purchased from two vendors.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-003 The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements (Continued)

The fiscal court did not implement adequate procedures and oversight regarding the documentation, preparation, and authorization of disbursements. The county's administrative code outlines proper procedures for disbursements. However, management overrode these procedures and the fiscal court did not exercise adequate oversight to ensure these procedures were followed. The former finance officer received, processed, and maintained all supporting documentation for disbursements.

The former county judge/executive and former treasurer did not review supporting documentation, including purchase orders, before signing checks printed by the former finance officer. In addition, neither fiscal court members nor management reviewed invoices or bank statements to ensure proper procedures had been followed including: all disbursements included proper signatures, were properly recorded, were included on the claims list that had been presented to the fiscal court, were paid timely, were supported by a properly executed purchase order, and were in compliance with competitive bidding requirements. Management was aware that purchase orders were required for all purchases and that encumbrances must be reported on the year-end financial statement, but did not adhere to these requirements.

The fiscal court's failure to establish effective internal controls over disbursements resulted in numerous instances of noncompliance, violations of statutes, and violations of the county's administrative code as reflected above. Lack of proper accounting practices, internal controls, and oversight increases the risk that undetected misstatements and fraud will occur.

Failure to present a complete and accurate claims list to the fiscal court results in the fiscal court being unaware of all financial activity being processed, which can impact their decision making abilities and impairs the ability to effectively oversee financial activity.

Failure to pay obligations timely is indicative of poor financial management practices and can result in late fees and finance charges, which are a wasteful use of taxpayer resources. We noted \$11,099 of late fees and finance charges that were incurred. It is also a violation of statute for failure to pay invoices within 30 working days of receipt of the invoice or bill.

The risk of overspending the budget or spending in excess of funds available increases significantly without an effective purchase order system in place. Failure to report encumbrances results in inaccurate cash balances reported on the year-end financial statement and can lead to improper financial decision making by the fiscal court. It is also a violation of Department for Local Government (DLG) regulations for disbursements to be processed without a purchase order and for failure to report encumbrances on the year-end financial statement.

Without proper procedures in place to mitigate the risks discussed above, the fiscal court is exposing public resources to potential misstatements and fraud. Due to the pervasiveness of the non-compliance issues noted above (among other issues outlined in other findings), a disclaimer of opinion was issued on the financial statements for fiscal year ended June 30, 2019.

Effective internal controls provide for adequate segregation of duties and prevent the same person from having a significant role in incompatible functions. Segregation of duties and proper oversight helps prevent fraud and misappropriation of assets and protects employees in the normal course of performing their daily responsibilities. Effective internal controls and proper oversight also help ensure compliance with laws, regulations, and grant agreements.

**ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)**

Section II: Financial Statement Findings (Continued)

2019-003 The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements (Continued)

The most basic requirement of strong internal controls is to maintain adequate supporting documentation to substantiate disbursements. Additionally, KRS 68.020(1) states, “[t]he county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall disburse such money in such manner and for such purpose as may be authorized by appropriate authority of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor.”

Regarding proper signatures on checks, KRS 68.020(1) states, “[a]ll warrants for the payment of funds from the county treasury shall be co-signed by the county treasurer and the county judge/executive.” Another basic component of internal controls is that the date, payee, and amount recorded in the financial accounting software (i.e. general ledger, disbursements ledger, check register, etc.) must agree to the actual information on the cancelled check.

Guidance concerning presentation of disbursements (i.e. a claims list) to the fiscal court is outlined in statute. KRS 68.275(2) states, “[t]he county judge/executive shall present all claims to the fiscal court for review prior to payment and the court, for good cause shown, may order that a claim not be paid.”

KRS 65.140 stipulates timely payments to vendors by stating, “[u]nless the purchaser and vendor otherwise contract, all bills for goods and services shall be paid within thirty (30) working days of receipt of a vendor’s invoice except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor’s subcontractor.”

Purchase order requirements are outlined by the Department for Local Government. KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual*, page 57, requires purchasing procedures including the following:

1. Purchases shall not be made without approval by the judge/executive (or designee), and/or a department head.
2. Purchase requests shall indicate the proper appropriation account number to which the claim will be posted.
3. Purchase requests shall not be approved in an amount that exceeds the available line item appropriation unless the necessary and appropriate transfers have been made.
4. Each department head issuing purchase requests shall keep an updated appropriation ledger and/or create a system of communication between the department head and the judge/executive or designee who is responsible for maintaining an updated, comprehensive appropriation ledger for the county.

Furthermore, KRS 68.360(2) states “[t]he county judge/executive shall, within fifteen (15) days after the end of each quarter of each fiscal year, prepare a statement showing for the current fiscal year to date actual receipts from each county revenue source, the totals of all encumbrances and expenditures charged against each budget fund, the unencumbered balance of the fund, and any transfers made to or from the fund....”

**ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)**

Section II: Financial Statement Findings (Continued)

2019-003 The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements (Continued)

Competitive bidding ensures that the fiscal court procures materials and services at the best price available. KRS 424.260 states, “[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except for perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisement for bids.” Effective June 27, 2019, the bid threshold established in KRS 424.260 was increased to \$30,000.

In addition, page 69-70 of the Estill County Administrative Code under “Procedures for Sealed Bidding” states, “[a]ny expenditure or contract for materials, supplies, equipment, or for contractual services other than professional, involving an expenditure of more than \$20,000 shall be subject to competitive bidding. The County Judge/Executive shall post the bid advertisement through a form of electronic media at any point from the time the bid is drafted until the bid opening. The County Judge/Executive shall place an advertisement in the newspaper of the largest circulation in the County at least once, no less than seven nor more than twenty-one days, before bid opening in accordance with Kentucky Revised Statutes. The advertisement shall include the time and place where the specifications may be obtained. If the durability of the product, the quality of service or other factors are to be considered in bid selection, such factors shall be stated in the advertisement. The County Judge/Executive shall open all bids publicly at the time and place stated in the advertisements and shall select the best bid by the qualified bidder to be recommended to the Fiscal Court for approval. If specifications need to be checked or verified, the Estill County Fiscal Court shall accept all the bids into the minutes through the appropriate procedures and allow the County Judge/Executive, department head, and other technical specialists review the bids for compliance with the specifications and determine the best bid. The County Judge/Executive checks all bids against the specifications to ensure that all bids are considered on an equal basis and to ensure that all bids meet the minimum specifications. After analyzing each bid with the assistance of the appropriate supervisor, department head or technical expert, the County Judge/Executive creates a written recommendation as to the best bid by a responsible bidder. The Estill County Fiscal Court then decides whether or not to award the bid. If the lowest bid is not selected, the reasons for the selection shall be stated in writing. The Estill County Fiscal Court may reject all bids if none are satisfactory.”

We recommend the fiscal court implement adequate and effective internal control procedures for disbursements, including segregation of duties, to address each of the areas previously discussed. Additionally, strong management oversight and review procedures should be implemented to prevent and detect errors or fraud. Effective review procedures could be achieved if performed by an employee independent of the person or department initially performing those functions. All oversight and review procedures should be properly documented by initialing source documents, ledgers, reports, or other supporting documentation.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive’s Response: Purchase orders are required for all purchases. They are issued through Books before purchase can be made, where they appear as an encumbrance on all financial reports.

Before claims are presented to Fiscal Court for approval, a signed delivery ticker/invoice has been received and reviewed. Payments are issued after Fiscal Court approval. Checks are signed by the Judge and Treasurer. Claims are presented to Fiscal Court at the monthly meeting, unless there are questions or issues with the invoice. Special Court Meetings are called if an immediate payment is needed.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-003 The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements (Continued)

Views of Responsible Official and Planned Corrective Action: (Continued)

County Judge/Executive's Response: (Continued) State bid guidelines are followed for purchases over \$30,000.00 as required.

When items are coded incorrect, they are corrected upon detection.

2019-004 The Estill County Fiscal Court Did Not Adhere To Fourth Year Disbursement Restrictions

The original budget for the jail fund was \$899,300. No budget amendments were filed during the fiscal year. As of December 31, 2018, jail fund disbursements totaled \$757,789, which is 84% of the total jail budget.

Former officials did not have adequate controls and oversight procedures in place to monitor fourth year disbursements.

As a result, the incoming administration only had 16% of the jail budget available to utilize while still having half of the fiscal year to operate. This creates financial pressure on incoming officials that were not involved in the financial decision making prior to taking office.

Statutes limit expenditures in the first half of each fourth year (local official election years) to avoid situations in which outgoing officials spend the entire budget or a substantial portion of the budget before leaving office in December before the new administration takes office in January, resulting in incoming officials facing financial hardships from the beginning of their term of office. Furthermore, good internal controls require constant monitoring of budgeted expenditures to actual expenditures to manage the cash flow and operations of the county to ensure the best financial decisions are made.

KRS 68.310 states, “[e]xcept in case of an emergency concerning which the county judge/executive, the fiscal court and the state local finance officer unanimously agree in writing, and, except for encumbrances or expenditures from the county's road fund, no county shall, during the first half of any fourth fiscal year, beginning with the fiscal year 1998-1999, encumber or expend more than sixty-five percent (65%) in any fund budgeted for that fiscal year, not counting as current funds any budgetary allotments for or payments of principal and interest of bonded indebtedness. Prior to encumbering or expending any funds from the road fund during the first half of any fourth fiscal year which exceed sixty-five percent (65%) of the amount budgeted, the fiscal court shall assure that there are sufficient funds remaining in the general fund to provide for the excess encumbrance or expenditure from the road fund on a dollar for dollar basis. Those excess funds shall remain in the general fund until on or after January 1 of that fiscal year.”

We recommend management ensure that adequate internal controls and oversight procedures are in place to monitor budgeted and actual expenditures at all times but especially in each fourth year in order to comply with statutory requirements.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: We are aware of KRS 68.310 and adhere to those guidelines. Expenditures are monitored regularly.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-005 Internal Controls Over Occupational Tax Collections Are Not Adequate

This is a repeat finding and was included in the prior year audit report as finding 2018-005. Occupational tax collections comprise about 52% of the county's general fund operating revenue - by far the single biggest source of revenue for this fund. Internal controls over occupational taxes are not adequate to ensure amounts reported are complete, accurate, and free of material misstatement due to the following issues:

- Occupational taxes are sometimes batched and posted to the ledgers in a lump sum rather than listing each individual taxpayer.
- Occupational taxes are not reconciled to the ledgers by someone independent of receiving and posting occupational tax receipts.
- Delinquent occupational tax notices are not sent out with any regularity or consistency.
- Records could not be located to support occupational tax payments handled in person (i.e. three part receipt books).
- There are no effective review or oversight procedures for occupational tax collections.

The fiscal court failed to adequately assess risk associated with occupational tax collections and has not implemented effective internal controls, review procedures, or oversight for occupational tax collections.

Failure to implement adequate controls over occupational tax collections increases the risk that undetected material misstatements and fraud will occur, especially considering occupational taxes comprise such a large portion of general fund revenues.

Strong internal controls over occupational taxes require each transaction be recorded separately so that finding errors and discrepancies is possible. Additionally, a log or receipt books should be maintained that list each transaction so that a comparison can be made to deposit slips and to the ledgers by someone independent of the receiving and posting functions. Delinquent notices should be sent out regularly and consistently in order to collect amounts owed to the county and to detect any misstatements, errors, or misappropriation of funds. The delinquent notices should direct any questions or concerns to someone independent of occupational tax collections so that discrepancies can be investigated and resolved without risk of alteration of records by staff involved in the collection process.

In order for internal controls to be effective in preventing and detecting errors, misstatements, and fraud, the functions of any significant area should be separated. If segregation is not possible or practical, the fiscal court should implement and document compensating controls to reduce the risk associated with inadequate segregation of duties. A strong compensating control could include review of deposit tickets, tax returns, and occupational tax ledger by someone independent of occupational tax collections. This could be documented by initialing all supporting documentation after the review is complete.

We recommend the fiscal court implement effective internal controls, review procedures, and oversight for occupational tax collections and document the procedures performed that ensure recorded amounts are complete, accurate, and free of material misstatement.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-005 Internal Controls Over Occupational Tax Collections Are Not Adequate (Continued)

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: We are working on Occupational Tax Collection at this time. Most of the issues are resolved. Returns/Receipts are entered daily, posted from Tax to Books and deposits made daily. Occupational Tax Clerk enters information and Treasurer reviews and makes deposits. IRS extension to file returns in 2020 and 2021 was accepted. Taxpayers have been notified that late fees/penalties would be effective after this date. Notices are being sent. Working to bring accounts up-to-date, reviewing past due and carry forward credits. Any cash payments received are issued a receipt. Return is processed and funds deposited with that days entries.

2019-006 Cash Collected Offsite Was Missing From Deposits

This is a repeat finding and was included in the prior year audit report as finding 2018-006. The animal shelter collects receipts for adoption fees. The former animal shelter director issued receipts for these transactions and periodically batched amounts collected to take to the county judge/executive's office for deposit. The former animal shelter director listed the total checks and total cash he collected and the county judge/executive's office issued a receipt for the funds he remitted. Receipts issued to the former animal shelter director were signed by either the former deputy judge/executive or the former county treasurer. The checks documented by the former animal shelter director were deposited and recorded in the ledgers. Comparison of the former animal shelter director's available records and the deposits of animal shelter funds revealed \$5,810 of cash that was accounted for by the former animal shelter director but was never deposited into the county's bank accounts after it was turned over to the county judge/executive's office.

Additionally, cash and checks are sometimes collected for rental of the senior citizens center. The senior citizens center supervisor did not keep complete records of rental fee collections. When reviewing the limited number of receipts that were maintained by the senior citizens supervisor, we noted two different cash transactions and one check transaction (totaling \$300) could not be traced to the receipt ledgers or a bank deposit.

The fiscal court and management failed to implement effective internal controls, review procedures, and oversight for offsite collections, especially as it relates to cash receipts.

At least \$5,810 of fees generated from the animal shelter and \$300 generated by the senior citizens center may have been stolen or misappropriated and this was undetected by management. Due to lack of records and inconsistent recordkeeping, we could not determine if additional amounts were unaccounted for.

Strong internal controls require three part receipts be maintained for all revenues. All receipt numbers should be accounted for and compared to the total listing of receipts to ensure completeness. Deposits should agree to the batched receipts for cash and check totals. The amounts collected should be accurately reflected in the receipts ledger. Cash collected should be recounted by at least two people, with each signing and agreeing to the amount collected.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-006 Cash Collected Offsite Was Missing From Deposits (Continued)

Further guidance on issuance of receipts can be found in KRS 64.840, which states, “(1)...all county officials shall, upon the receipt of any fine, forfeiture, tax, or fee, prepare a receipt that meets the specifications of the state local finance officer, if the fine, forfeiture, tax, or fee is paid: (a) In cash; (b) By a party appearing in person to pay; or (c) By check, credit card, or debit card account received through the mail, if the party includes an addressed, postage-paid return envelope and a request for receipt. (2) One (1) copy of the receipt shall be given to the person paying the fine, forfeiture, tax, or fee and one (1) copy shall be retained by the official for his own records. One (1) copy of the receipt shall be retained by the official to be placed with the daily bank deposit.”

We recommend the fiscal court establish effective internal control procedures to ensure all revenues are adequately documented, recorded, and deposited. We recommend the fiscal court comply with KRS 64.480 regarding receipts and ensure that these records are maintained for an appropriate time period. This matter will be referred to the Kentucky Office of the Attorney General.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive’s Response: Cash is received at two (2) offsites.

Upon detection of missing funds responsible employee was suspended immediately pending investigation. Prior to dismissal employee sent in resignation.

Animal Shelter issues receipt with one copy going to individual, one copy with receipts turned in at Judge’s office and copy kept at Shelter. Receipts are turned in weekly, receipt issued at office when turned in, and deposit made.

Senior Center receives rental and donation monies. Receipts are issued to individual, copy turned in with funds and copy kept at Center. Receipts are turned in bi-weekly, receipt issued at office when funds turned in and deposit made.

We are preparing to implement the use of a receipt software program.

2019-007 Interfund Transfers Were Not Approved By The Fiscal Court

This is a repeat finding and was included in the prior year audit report as finding 2018-009. The fiscal court utilized interfund transfers to move money between funds as the necessity arose. The fiscal court transferred a total of \$1,723,352 among funds during the fiscal year. We could only confirm fiscal court approval for \$694,500, leaving \$1,028,852 of interfund transfers that were not approved by the fiscal court.

The fiscal court does not properly utilize a purchase order system, which limits the ability to properly plan and anticipate expected expenses. Without proper procedures in place to track upcoming expenses, the fiscal court is never entirely sure how much money is available in each fund, which is indicative of poor financial management practices and can result in cash flow issues. This sometimes requires unanticipated transfers between funds to cover expenses. Management has not established proper controls, review procedures, and oversight to ensure all cash transfers are approved by the fiscal court in amounts that agree to actual transfers made.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-007 Interfund Transfers Were Not Approved By The Fiscal Court (Continued)

The fiscal court is not fully informed of the financial activity of the county and cannot exercise adequate oversight with incomplete information. In addition, cash flow issues that contribute to the cash transfers have a significant impact on the county's ability to provide services to citizens and to meet financial obligations timely. Finally, improper oversight and inadequate controls over interfund transfers increases the risk of undetected improper transfers, such as transfers from restricted funds that are not returned by fiscal year end or transfers in excess of allowable amounts.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* states "All transfers require a court order." In addition, a strong and properly implemented internal control system requires approval and oversight of all financial activity, especially moving money between funds.

We recommend the fiscal court implement proper controls, review procedures, and oversight for interfund transfers to ensure all are approved properly and are in compliance with applicable restrictions.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Interfund transfers are presented to Fiscal Court for approval before being completed. They are made for specific claims and amounts.

Fiscal Court approved standing order for interfund transfer from General Fund to Jail Fund to meet bi-weekly payroll.

2019-008 The Estill County Fiscal Court Did Not Properly Record And Classify All Debt Related Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2018-016. The fiscal court entered into a financing obligation in the amount of \$1,410,000 to consolidate debt and pay off outstanding bills, including a \$500,000 tax anticipation note from the prior year. Part of this transaction was not reflected in the county's bank activity or fourth quarter financial report as part of these funds were paid directly to financing institutions to payoff outstanding debt by the financing entity. The bank statements and fourth quarter report reflected \$633,618 of this activity. The proceeds from this debt was also used to pay off a vehicle loan, which was recorded in an operating line item instead of being recorded in a debt service line item.

The former treasurer was not sure how to record transactions that were handled by third parties. There was an error made by the former finance officer that went undetected regarding recording debt payments in operating line items. The fiscal court failed to implement adequate internal controls, oversight, and review to ensure debt payments were properly recorded and classified.

As a result, the fiscal court failed to record \$776,382 in debt related receipts and disbursements for the fiscal year and misclassified \$24,035 in debt disbursements. Additionally, the risk of material misstatements and undetected errors increases when proper internal controls, oversight, and review procedures are not implemented.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-008 The Estill County Fiscal Court Did Not Properly Record And Classify All Debt Related Disbursements (Continued)

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the *County Budget Preparation and State Local Finance Officer Policy Manual*, which requires all borrowed money that is not part of the original budget be amended into the budget and be properly reflected on the financial report. Further, KRS 68.280 states, “[t]he fiscal court may make provision for the expenditure of receipts unanticipated in the original budget by preparing an amendment to the budget, showing the source and amount of the unanticipated receipts and specifying the budget funds that are to be increased thereby.”

Furthermore, good internal controls over the processing and review of financial reporting could eliminate these errors. It is important to separate debt payments (which are ongoing obligations) from operating expenditures in order to properly budget, plan, and allocate resources in accordance with the needs of the county. It is easier to ensure debt payments are being made timely and it is easier to ensure the county doesn’t over-extend financial resources when all expenditures are properly classified.

We recommend the fiscal court implement adequate internal controls, oversight, and review procedures to ensure all debt service payments are recorded in the correct classification. In addition, we recommend the fiscal court comply with regulatory reporting requirements recording all debt activity, including those transactions handled by a third-party lender.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive’s Response: Debt related disbursements are entered correctly to the best of our understanding. Liability summary is maintained as required.

2019-009 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate

This is a repeat finding and was included in the prior year audit report as finding 2018-010. The following issues were noted for payroll processing:

- Amounts paid to the County Employees Retirement System (CERS) were not accurate (see finding 2019-010 for additional detail).
- The fiscal court did not provide the same level of health insurance coverage to all employees (see finding 2019-012 for additional detail).
- Health insurance premiums, state withholdings, and local withholdings were not paid timely.
- Leave time taken by employees was not properly reflected in leave balances. Two instances were noted in which employees had leave time documented on timesheets but leave balances were not properly reduced.
- Pay rates were not properly implemented and documented. The fiscal court approved a salary schedule for all employees on August 20, 2018, but the pay rates and ranges approved were not implemented and applied to all employees and these wage rate changes were not documented in personnel files.

**ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)**

Section II: Financial Statement Findings (Continued)

2019-009 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate
(Continued)

The fiscal court failed to adequately assess the risk associated with payroll processing and failed to implement adequate internal controls regarding the documentation, preparation, and authorization of payroll. Segregation of duties is not adequate since the former finance officer performed all payroll calculations, prepared all payroll reports, remitted all payroll withholding and matching payments, and maintained all documentation for payroll. There were no significant review procedures in place nor adequate oversight for the majority of the audit period to ensure the completeness and accuracy of payroll information.

Failure to implement adequate controls over payroll increases the risk that undetected material misstatements and fraud will occur, especially considering payroll accounts for a large portion of the county's budget. Numerous undetected errors were noted for payroll processing and the fiscal court is in violation of various statutes.

In order for internal controls to be effective in preventing and detecting errors, misstatements, and fraud, the functions of any significant area should be separated. If segregation is not possible or practical, the fiscal court should implement and document compensating controls to reduce the risks associated with inadequate segregation of duties. A strong compensating control could include review of payroll reports, review of payroll payments, comparison of payroll documentation to amounts recorded, and reconciliation of withholding and matching reports to supporting documentation. Further, review procedures and oversight should be exercised consistently to detect errors and to reconcile payroll to supporting documentation.

We recommend the fiscal court implement effective internal controls, review procedures, and oversight for payroll processing to ensure the completeness and accuracy of all payroll information.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: CERS payments are reconciled monthly by Finance Officer and Treasurer. Payments are made timely. Corrections made as needed. Past due invoices for old penalties and one spiking invoice are still being worked on - other amounts are current at this time.

Health coverage is being addressed at this time - will be fixed by July 1, 2021.

Health insurance premiums, state and local withholdings, federal withholdings are being reported and paid timely. All employer match benefits are being transferred to payroll accounts with each bi-weekly payroll and reconciled with each payment.

Leave time, both vacation and sicktime, is entered with each payroll and leave balances are reduced with each payroll.

The August 2018 salary schedule was implemented and backpay was made to all employee affected (completed latter part of 2019). Pay rates/raises are currently being approved by Fiscal Court before employee receives a change in pay or classification. Pay rates are implemented and documented as they are approved. Notes are entered in payroll system when changes are made and court minutes are kept for record of same. Personnel files are being worked on, and will be maintained.

**ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)**

Section II: Financial Statement Findings (Continued)

2019-009 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate
(Continued)

Views of Responsible Official and Planned Corrective Action (Continued):

County Judge/Executive's Response: (Continued) Time cards are reviewed and approved by department heads; then Finance Officer and Treasurer review for accuracy and compliance. Department heads are contacted when questions arise, if not resolved discuss with Judge for further action.

2019-010 Amounts Paid To County Employees Retirement System (CERS) For Retirement Deductions And
Matching Contributions Were Not Accurate

This is a repeat finding and was included in the prior year audit report as finding 2018-011. Several small discrepancies were noted during testing in the amounts reported as retirement wages on payroll summaries (amounts on employee paychecks) compared to retirement wages reported to County Employees Retirement System (CERS). Employees who retire or otherwise sever employment are not being removed from CERS reports timely.

Due to inadequate controls over payroll, as discussed in finding 2019-009, the amounts reported to CERS do not agree to payroll ledgers. These errors went undetected due to the lack of reconciliations between the payroll summaries and retirement reports. Management has not established policies and procedures for adequate supervisory review of the data entered into the retirement reporting system to be compared to data from the payroll system for accuracy and completeness.

The Estill County Fiscal Court owed more than \$50,000 to CERS for retirement reporting errors. On July 2, 2020, the county paid \$40,830 toward this liability but still owes a balance, which includes \$6,000 of penalties for failure to report timely. The amount of wages reported to CERS determines employees' retirement benefits.

It is imperative that the reported wages are complete, accurate, and supported by payroll documentation. Failure to pay accurate amounts to CERS timely can result in penalties and interest charges, which are not an efficient use of taxpayer resources.

KRS 78.625 states, "(1) The agency reporting official of the county shall file the following at the retirement office on or before the tenth day of the month following the period being reported: (a) The employee and employer contributions required under KRS 78.610, 61.565, and 61.702; (b) The employer contributions and reimbursements for retiree health insurance premiums required under KRS 61.637; and (c) A record of all contributions to the system on the forms prescribed by the systems. (2) (a) If the agency reporting official fails to file at the retirement office all contributions and reports on or before the tenth day of the month following the period being reported, interest on the delinquent contributions at the actuarial rate adopted by the board compounded annually, but not less than one thousand dollars (\$1,000), shall be added to the amount due the system. (b) Delinquent contributions, with interest at the rate adopted by the board compounded annually, or penalties may be recovered by action in the Franklin Circuit Court against the county liable or may, at the request of the board, be deducted from any other moneys payable to the county by any department or agency of the state. (3) If an agency is delinquent in the payment of contributions due in accordance with any of the provisions of KRS 78.510 to 78.852, refunds and retirement allowance payments to members of this agency may be suspended until the delinquent contributions, with interest at the rate adopted by the board compounded annually, or penalties have been paid to the system."

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-010 Amounts Paid To County Employees Retirement System (CERS) For Retirement Deductions And Matching Contributions Were Not Accurate (Continued)

We recommend the fiscal court continue to resolve reporting errors and pay amounts owed as determined by CERS. We also recommend the fiscal court implement an independent review/reconciliation process for comparison of CERS retirement reports to supporting payroll documentation to ensure accuracy and completeness.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: CERS reporting is currently being done correctly and timely. Reports are completed by Finance Office and reviewed and submitted by Treasurer. Monthly payments for contributions and invoices are made by 10th of month as required.

2019-011 The Revolving Payroll Account Reconciliation Was Not Complete And Accurate

This is a repeat finding and was included in the prior year audit report as finding 2018-015. Bank reconciliations prepared for the revolving payroll account do not include receivables and liabilities that resulted from errors in payroll processing as noted in finding 2019-010. There are receivables in the revolving payroll account due from the general fund for retirement and federal matching amounts the fiscal court paid on behalf of the former county clerk. These transfers from the general fund to the revolving payroll account have not occurred since March 2016. Additionally, the fiscal court pays health insurance premiums for other governmental agencies and is supposed to be reimbursed for those amounts. The former finance officer did not maintain records to determine if reimbursements were made timely and could not determine the balance due at year-end. Some agencies reimburse periodically and had not made the required reimbursements for a significant period of time. These issues affect the true balance in the revolving payroll account.

The fiscal court did not implement adequate procedures and oversight regarding the payroll process. The former finance officer received, processed, and maintained all supporting documentation for payroll. No effective review or oversight procedures were in place, resulting in undetected errors and misstatements. These errors and misstatements affect the revolving payroll account balance.

Failure to account for all items affecting the revolving payroll account balance, including receivables and liabilities not yet processed in the accounting system, increases the risk that these items are never properly resolved, especially if only one person has any knowledge of their existence.

Strong internal controls over the revolving payroll account require all items that affect the account to be properly summarized and included on the reconciliations whether or not those transactions have occurred or are due to occur in the future.

We recommend the fiscal court implement effective internal controls and oversight procedures regarding the revolving payroll account reconciliations to ensure completeness and accuracy.

**ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)**

Section II: Financial Statement Findings (Continued)

2019-011 The Revolving Payroll Account Reconciliation Was Not Complete And Accurate (Continued)

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Payroll account has been reconciled and is monitored. Payroll matches are made with each bi-weekly payroll for employer contributions and fringe benefits. ASO payment and retirement invoice amounts are pulled as needed from correct accounts.

Health reimbursement from other agencies is being reconciled. Statements are sent and payment received timely at this time. EDA reimbursement for one person is being reviewed.

County clerk's payroll is processed through revolving payroll account. Matching amounts and deductions are received from county clerk for each payroll, with payroll checks issued by him to his employees. This allows us to consistently make accurate and timely reports.

2019-012 The Estill County Fiscal Court Did Not Provide The Same Level Of Health Insurance Coverage To All County Employees

Three county employees, whose compensation and benefits are reimbursed by the federal Chemical Stockpile Emergency Preparedness Program (CSEPP), received health insurance coverage that was not made available to all other county employees. County employees are provided individual health insurance coverage. If the employee chooses to elect additional coverage for a spouse, children, or family coverage they may do so but are responsible for the cost of the health insurance premium that exceeds the individual coverage premium. For fiscal year 2019, the cost of an individual health insurance premium was \$500. Three employees elected to add coverage for dependents, which was an additional \$399 per month per employee. This additional cost was not paid by the employees via payroll deduction. The county paid this cost and then sought reimbursement from CSEPP. CSEPP allows reimbursement for eligible wages, salaries, and employee benefits.

The fiscal court did not have adequate internal controls in place to ensure health insurance benefits were applied equally among all classes of employees and that proper wage deductions were applied to employees that requested coverage in excess of standard county employee coverage. Management's understanding was that CSEPP would not reimburse expenses that are unallowable. However, management failed to understand that those benefits could have been allowable had the employee benefits been applied to all county employees equally.

The fiscal court has applied employee benefits in an inequitable manner and received federal reimbursement for unallowable expenses, resulting in federal questioned costs of \$13,179 for fiscal year 2019. Additionally, county funds are being spent for the personal benefit of select employees that could have been expended on other items to benefit the entire county.

In order for an expense to be allowable under federal grant guidelines, the expense must be in compliance with all federal, state, and local laws, regulations, policies, and procedures. Since the local procedure for health insurance benefits provides single/individual coverage, the amount in excess of that is not an allowable expense of the program.

OAG 94-15 states, "[t]he basic statute providing for governmentally funded health coverage (KRS 79.080) for public employees does not provide for one level of coverage for officers, and another level for employees. Accordingly, we believe such differing coverage would not be lawful as not authorized by statute."

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section II: Financial Statement Findings (Continued)

2019-012 The Estill County Fiscal Court Did Not Provide The Same Level Of Health Insurance Coverage To All County Employees (Continued)

Federal guidance outlined in 2 CFR 200.431 states, in part, “(a) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required bylaw, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.... (c) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in §200.447 Insurance and indemnification); pension plan costs (see paragraph (i) of this section); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities, and charged as direct or indirect costs in accordance with the non-Federal entity's accounting practices.”

We recommend management ensure that employee benefits are applied equally among all employees and that proper amounts are withheld from employees' wages for elective/optional employee benefits. Further, we recommend management contact CSEPP officials to determine how to resolve the questioned costs for fiscal year 2019.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Employees are being notified they will be responsible for cost of any coverage other than employee health premium effective July 1, 2021.

Section III: Federal Award Findings And Questioned Costs

2019-012 The Estill County Fiscal Court Did Not Provide The Same Level Of Health Insurance Coverage To All County Employees

Federal Program: CFDA #97.040 – Chemical Stockpile Emergency Preparedness Program
Award Number and Year: Multiple Years – CSEPP Grants
Name of Federal Agency and Pass-Through Agency: U.S. Department of Homeland Security
Pass Through Agency: Kentucky Department of Military Affairs
Compliance Requirements: Allowable Costs/Cost Principles
Type of Finding: Compliance and Internal Control
Amount of Questioned Costs: \$13,179
Effect on Audit Opinion: Not applicable – disclaimer of opinion

See detail for this finding in the *Financial Statement Findings Section* at 2019-012.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section III: Federal Award Findings And Questioned Costs (Continued)

2019-013 The Estill County Fiscal Court Does Not Have Adequate Internal Controls Over Federal Programs

Federal Program: CFDA #97.040 – Chemical Stockpile Emergency Preparedness Program

Award Number and Year: Multiple Years – CSEPP Grants

Name of Federal Agency and Pass-Through Agency: U.S. Department of Homeland Security

Pass Through Agency: Kentucky Department of Military Affairs

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Equipment and Real Property Management, Procurement and Suspension and Debarment, Reporting

Type of Finding: Compliance and Internal Control

Amount of Questioned Costs: None

Effect on Audit Opinion: Disclaimer of Opinion

Estill County expended \$997,132 for the Chemical Stockpile Emergency Preparedness Program (CSEPP) during fiscal year ending June 30, 2019. Due to issues found during the audit of the financial statement of the Estill County Fiscal Court, we cannot rely on the design and implementation of the internal controls over compliance with the types of requirements that could have a direct and material effect on CSEPP. Our testing revealed one questioned cost as described in finding 2019-012 and we note that the internal control structure and management override of controls as discussed in finding 2019-001 increases the risk associated with federal awards since these transactions are processed in the same internal control environment as other county expenditures where numerous problems have been noted.

The issues found during the audit of the financial statement were caused by a lack of internal controls or by override of controls by the management of the Estill County Fiscal Court. As a result, there is an increased risk that the Estill County Fiscal Court is not in compliance with the requirements that have a direct and material effect on CSEPP. In order to comply with Uniform Guidance requirements regarding federal grants, the entity must establish adequate internal controls to ensure compliance with each major program's applicable compliance requirements.

We recommend the fiscal court ensure that internal controls exist over federal awards and design and implement internal controls that will ensure material compliance with applicable requirements for all federal awards.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Federal funds are spent according to guidelines. Purchase orders are required, expenditures over \$30,000 are bid by state guidelines. All contracts and agreements are presented to Fiscal Court for approval as well as all claims.

Both CSEPP and FEMA funds are monitored and properly documented for audits as required to the best of our knowledge.

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section IV: Summary Schedule of Prior Audit Findings

Fiscal Year	Finding Number	Finding	Fiscal Year Finding Initially Occurred	Status (Resolved, Partially Resolved, Unresolved)	Agency Response and Comment
2018	2018-001	The Estill County Fiscal Court's Internal Control Environment Is Ineffective	2017	Partially resolved	Anything we've found ineffective we have corrected. However there are areas to improve.
2018	2018-002	The Fiscal Court Does Not Have Adequate Controls Over Financial Accounting Software Program	2017	Not Resolved	Personnel have access only to areas they are responsible for in the Financial Software Program.
2018	2018-003	The Estill County Fiscal Court Failed To Implement Adequate Internal Controls And Oversight For Disbursements	2016	Partially Resolved	Claims reviewed, submitted to Fiscal Court for approval before payment.
2018	2018-004	The Fiscal Court Did Not Have Adequate Controls And Oversight For Credit Card Purchases	2017	Resolved	Only have Fleet cards (WEX)
2018	2018-005	Internal Controls Over Occupational Tax Collections Are Not Adequate	2017	Partially resolved	Still working on this
2018	2018-006	Cash Collected Offsite Was Missing From Deposits	2017	Resolved	Employee suspended, resigned
2018	2018-007	The Estill County Fiscal Court Lacks Internal Controls Over Disposition Of County Property And Auction Proceeds Of Approximately \$16,000 Were Unaccounted For	2018	Resolved	Now have surplus property committee – will be auctioned through Gov Deals
2018	2018-008	A Waste Tire Grant Was Handled Inappropriately	2018	Resolved	Guidelines are followed for grants
2018	2018-009	Interfund Transfers Were Not Approved By The Fiscal Court	2017	Partially Resolved	Working on this at 6/30/2019 – subsequently corrected

ESTILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019
(Continued)

Section IV: Summary Schedule of Prior Audit Findings (Continued)

Fiscal Year	Finding Number	Finding	Fiscal Year Finding Initially Occurred	Status (Resolved, Partially Resolved, Unresolved)	Agency Response and Comment
2018	2018-010	Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate	2017	Not Resolved	Working on this at 6/30/2019 – this has been subsequently resolved for the most part
2018	2018-011	Amounts Paid To County Employees Retirement System (CERS) For Retirement Deductions And Match Are Not Accurate	2017	Not Resolved	Outstanding invoices have been paid/refunds made to employees – working on this at 6/30/2019
2018	2018-012	Payroll Calculations For Some Part Time Employees Are Not Correct	2017	Mostly resolved	Working on this
2018	2018-013	Overtime Calculations And Compensatory Time Calculations Are Not Accurate And Do Not Agree To Timesheets	2017	Mostly resolved	Over 40 hours is overtime – comp time working on this
2018	2018-014	Wage Rates And Increases Were Not Documented In Personnel Files And Fiscal Court Failed To Set Jailer's Salary As Required	2017	Partly resolved	Notes are being made in payroll system – working on files Jailer's salary has been set
2018	2018-015	The Revolving Payroll Account Reconciliation Was Not Complete And Accurate	2017	Not Resolved	Account is reconciled – working on this at 6/30/2019
2018	2018-016	The Estill County Fiscal Court Did Not Classify Debt Service Payments Properly	2017	Not Resolved	As far as we know. If there's any lacking will correct as become aware
2018	2018-017	The Estill County Fiscal Court Did Not Prepare A Schedule Of Expenditures Of Federal Awards (SEFA)	2018	Resolved	

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

ESTILL COUNTY FISCAL COURT

For The Year Ended June 30, 2019

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2019

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

A handwritten signature in cursive script, reading "Dennis Watson", is written above a horizontal line.

County Judge/Executive

A handwritten signature in cursive script, reading "Freida Lancaster", is written above a horizontal line.

County Treasurer