

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

**For The Year Ended
June 30, 2023**



**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
auditor.ky.gov**

**209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Jeff Noble, Breathitt County Judge/Executive
Members of the Breathitt County Fiscal Court

Report on the Audit of the Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial activity contained in the fourth quarter financial statement, of the Breathitt County Fiscal Court, for the year ended June 30, 2023.

We do not express an opinion on the accompanying financial activity of the Breathitt County Fiscal Court. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial activity.

Basis for Disclaimer of Opinion

During the audit, significant risks were identified, including failure to maintain sufficient supporting documentation and accounting records, not having segregation of duties, and management override of controls. Due to the county's failure to maintain adequate accounting records, and other failures noted, we were unable to perform sufficient audit procedures to overcome the significant risks. Therefore, we cannot issue an opinion on the Breathitt County Fiscal Court's financial statement or give reasonable assurance the financial statement is free from material error or fraud.

Responsibilities of Management for the Financial Statement

Breathitt County Fiscal Court's management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an 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.



To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Jeff Noble, Breathitt County Judge/Executive
Members of the Breathitt County Fiscal Court

Auditor's Responsibilities for the Audit of the Financial Statement

Our responsibility is to conduct an audit of Breathitt County Fiscal Court's financial statement 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 and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statement.

We are required to be independent of the Breathitt County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Matter

We were engaged for the purpose of forming an opinion on the financial activity contained in the Fourth Quarter Financial Report, which comprises the financial statement of the Breathitt 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. 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 May 7, 2024, on our consideration of the Breathitt County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Breathitt County Fiscal Court's internal control over financial reporting and compliance.

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Jeff Noble, Breathitt County Judge/Executive
Members of the Breathitt County Fiscal Court

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

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:

- 2023-001 The Breathitt County Fiscal Court Failed To Implement And Maintain An Effective Internal Control Environment
- 2023-002 The Breathitt County Fiscal Court Did Not Maintain Supporting Documentation In The Amount Of \$723,195 Of Occupational Tax Receipts
- 2023-003 The Breathitt County Fiscal Court Failed To Implement Proper Internal Controls Over Disbursements
- 2023-004 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate
- 2023-005 The Breathitt County Fiscal Court Did Not Establish And Maintain Effective Internal Controls Over Compliance With FEMA Requirements

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 7, 2024

BREATHITT COUNTY OFFICIALS**For The Year Ended June 30, 2023****Fiscal Court Members:**

Jeff Noble	County Judge/Executive
Brenda Terry (1/1/2023 - Present)	Magistrate
Donnie Bush (7/1/22 - 12/31/2022)	Magistrate
Ryan Cheney (1/1/2023 - Present)	Magistrate
Roy Oakley Herald (7/1/22 - 12/31/2022)	Magistrate
Drewey Lovins (1/1/2023 - Present)	Magistrate
Ray Moore (7/1/22 - 12/31/2022)	Magistrate
John Marshall (1/1/2023 - Present)	Magistrate
Ellis Tincher (7/1/22 - 12/31/2022)	Magistrate

Other Elected Officials:

Brendon Miller	County Attorney
Joel W. Gross	Jailer
Mary R. Curtis	County Clerk
James E. Turner II	Circuit Court Clerk
John Hollan	Sheriff
Ervine Allen	Property Valuation Administrator
Hargis Epperson	Coroner

Appointed Personnel:

Matthew Hudson	County Treasurer
Crystal Deaton	Chief Financial Officer
Bridgette Fugate	Occupational Tax Collector

**BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT**

For The Year Ended June 30, 2023

Fund	Description	Receipts	Disbursements	Cash Balance	Encumb	Unencum
01	General	\$11,016,511.96	\$4,770,904.80	\$6,245,607.16	\$0.00	\$6,245,607.16
02	Road	\$8,062,804.63	\$7,996,602.77	\$66,201.86	\$0.00	\$66,201.86
03	Jail	\$874,045.96	\$841,315.82	\$32,730.14	\$0.00	\$32,730.14
04	LGEA	\$538,457.42	\$249,966.42	\$288,491.00	\$0.00	\$288,491.00
07	Federal Grants	\$2,881,924.68	\$437,163.07	\$2,444,761.61	\$0.00	\$2,444,761.61
13	Solid Waste	\$91,059.28	\$45,320.03	\$45,739.25	\$0.00	\$45,739.25
31	LGED	\$22,362.38	\$0.00	\$22,362.38	\$0.00	\$22,362.38
75	Alcohol Beverage Control	\$66,063.34	\$0.00	\$66,063.34	\$0.00	\$66,063.34
77	Solid Waste Collections	\$42.12	\$42.12	\$0.00	\$0.00	\$0.00
78	Elkview AML II	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	Elkview Master Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
80	Clerk Storage	\$13,545.86	\$0.00	\$13,545.86	\$0.00	\$13,545.86
81	Opioid Settlement	\$239,355.54	\$0.00	\$239,355.54	\$0.00	\$239,355.54
84	ARPA	\$2,456,845.77	\$0.00	\$2,456,845.77	\$0.00	\$2,456,845.77
TOTALS		\$26,263,018.94	\$14,341,315.03	\$11,921,703.91	\$0.00	\$11,921,703.91

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Description	Bank Balance	Dep. in Transit	Checks	Other	Cash Balance
01	General	\$6,325,069.33	\$0.00	\$79,428.78	\$0.00	\$6,245,640.55
02	Road	\$840,138.18	\$0.00	\$763,134.13	\$0.00	\$77,004.05
03	Jail	\$111,093.14	\$0.00	\$78,363.00	\$0.00	\$32,730.14
04	LGEA	\$298,829.64	\$0.00	\$10,338.64	\$0.00	\$288,491.00
07	Federal Grants	\$2,444,761.61	\$0.00	\$0.00	\$0.00	\$2,444,761.61
13	Solid Waste	\$45,889.25	\$0.00	\$150.00	\$0.00	\$45,739.25
31	LGED	\$22,362.38	\$0.00	\$0.00	\$0.00	\$22,362.38
75	Alcohol Beverage Control	\$66,063.34	\$0.00	\$0.00	\$0.00	\$66,063.34
77	Solid Waste Collections	\$42.12	\$0.00	\$42.12	\$0.00	\$0.00
78	Elkview AML II	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	Elkview Master Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
80	Clerk Storage	\$13,545.86	\$0.00	\$0.00	\$0.00	\$13,545.86
81	Opioid Settlement	\$239,355.54	\$0.00	\$0.00	\$0.00	\$239,355.54
84	ARPA	\$2,456,845.77	\$0.00	\$0.00	\$0.00	\$2,456,845.77
TOTALS		\$12,863,996.16	\$0.00	\$931,456.67	\$0.00	\$11,932,539.49

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
01	4101	100		Real Property Taxes	\$505,000.00	\$0.00	\$23,124.54	\$506,244.78	(\$1,244.78)
01	4102	100		Personal Property Tax	\$7,500.00	\$0.00	\$9,117.21	\$9,500.59	(\$2,000.59)
01	4103	100		Motor Vehicle Tax - Ad Val	\$75,000.00	\$0.00	\$31,271.01	\$92,997.20	(\$17,997.20)
01	4104	100		Delinquent Property Tax - Fire Acr	\$40,000.00	\$0.00	\$4,667.09	\$28,946.80	\$11,053.20
01	4107	100		Unmined Coal	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00
01	4130	100		Bank Franchise	\$50,000.00	\$0.00	\$0.00	\$0.00	\$50,000.00
01	4131	100		Franchise Corporation Tax	\$125,000.00	\$0.00	\$119,618.58	\$147,347.59	(\$22,347.59)
01	4134	100		Occupational Tax	\$0.00	\$0.00	\$347,070.68	\$723,195.36	(\$723,195.36)
01	4135	100		Deed Transfer Tax	\$20,000.00	\$0.00	\$9,843.89	\$19,363.35	\$636.65
01	4140	100		Telephone 911 Fees	\$60,000.00	\$0.00	\$13,628.58	\$46,088.04	\$13,911.96
01	4301	100		Excess Fees - County Attorney	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	4302	100		Excess Fees - County Clerk	\$145,526.00	\$0.00	\$1,467.00	\$11,247.08	\$134,278.92
01	4304	100		Excess Fees - County Sheriff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	4417	100		Cable Franchise Fee - Ky Financ	\$15,500.00	\$0.00	\$4,467.03	\$13,401.08	\$2,098.92
01	4504	100		Federal Grants-ARPA	\$0.00	\$1,015,000.00	\$0.00	\$0.00	\$1,015,000.00
01	4510	100		State Grants	\$20,000.00	\$0.00	\$0.00	\$5,068.00	\$14,932.00
01	4520	100		Election Expense Reimbursen	\$8,400.00	\$0.00	\$0.00	\$5,355.00	\$3,045.00
01	4522	100		Legal Process Tax	\$200.00	\$0.00	\$0.00	\$53.94	\$146.06
01	4526	100		Strip Mine Permits	\$5,000.00	\$0.00	\$0.00	\$0.00	\$5,000.00
01	4532	100		AOC Space Rental	\$225,000.00	\$0.00	\$0.00	\$242,108.99	(\$17,108.99)
01	4541	100		DES Reimbursement	\$15,000.00	\$0.00	\$0.00	\$8,419.12	\$6,580.88
01	4561	100		FISCAL COURT FILING FEES	\$10,000.00	\$0.00	\$2,601.61	\$7,944.61	\$2,055.39
01	4567	100		Court Cost Supplement	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00
01	4643	100		Postage Reimbursement	\$7,500.00	\$0.00	\$2,806.08	\$9,946.25	(\$2,446.25)
01	4704	100		Surplus Property Sale	\$10,000.00	\$2,876,062.38	\$0.00	\$2,886,062.38	\$0.00
01	4705	100		Surplus Real Property	\$0.00	\$0.00	\$0.00	\$560,000.00	(\$560,000.00)
2023			4Q				Page 1 of 5		Friday, December 1, 2023

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
01	4711	100		Property Rental	\$195,000.00	\$0.00	\$30,641.82	\$165,288.28	\$29,711.72
01	4731	100		Miscellaneous	\$1,000.00	\$0.00	\$19,496.90	\$64,456.38	(\$63,456.38)
01	4733	100		Insurance Reimbursement	\$135,000.00	\$0.00	\$434,190.01	\$534,367.19	(\$399,367.19)
01	4801	100		Interest Eamed	\$750.00	\$0.00	\$3,085.88	\$6,474.17	(\$5,724.17)
01	4901	100		Prior Year Carry Over	\$360,000.00	\$0.00	\$0.00	\$57,635.78	\$302,364.22
01	4903	100		Prior Year Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	4909	100		Transfer Out	(\$712,040.00)	\$0.00	(\$3,700,000.00)	(\$6,285,000.00)	\$5,572,960.00
01	4910	100		Transfer In	\$223,214.00	\$0.00	\$6,000,000.00	\$6,150,000.00	(\$5,926,786.00)
01	4911	100		KACO Loan	\$2,000,000.00	\$5,000,000.00	\$3,000,000.00	\$5,000,000.00	\$2,000,000.00
02	4503	100		Federal Reimbursement-Refund	\$200,000.00	\$0.00	\$76,527.15	\$76,873.28	\$123,126.72
02	4510	100		State Grant-Litter Abatement	\$28,500.00	\$0.00	\$0.00	\$30,021.12	(\$1,521.12)
02	4513	100		Emergency CRA	\$35,000.00	\$0.00	\$0.00	\$0.00	\$35,000.00
02	4514	100		Grant Transportation Cabt Bridge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	4515	100		Energy Recovery	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	4516	100		Truck License	\$223,214.00	\$0.00	\$0.00	\$254,488.86	(\$31,274.86)
02	4517	100		Drivers License Refund	\$1,250.00	\$0.00	\$0.00	\$0.00	\$1,250.00
02	4518	100		County Road Aid	\$1,400,000.00	\$0.00	\$0.00	\$1,285,347.00	\$114,653.00
02	4704	100		Surplus Sales	\$10,000.00	\$0.00	\$732.20	\$732.20	\$9,267.80
02	4711	100		KACo Lease-Mack Trucks	\$310,000.00	\$0.00	\$0.00	\$0.00	\$310,000.00
02	4731	100		Miscellaneous	\$1,000.00	\$0.00	\$7,345.95	\$347,254.51	(\$346,254.51)
02	4801	100		Interest Eamed	\$1,800.00	\$0.00	\$128.03	\$279.54	\$1,520.46
02	4901	100		Prior Year Carryover	\$200,000.00	\$0.00	\$0.00	\$318,508.12	(\$118,508.12)
02	4903	100		Adjust Prior Year Surplus	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	4909	100		Transfer Out	(\$223,214.00)	\$0.00	\$0.00	(\$150,000.00)	(\$73,214.00)
02	4910	100		Transfer In	\$0.00	\$0.00	\$3,400,000.00	\$5,500,000.00	(\$5,500,000.00)
02	4912	100		Lease Proceeds (Mack Truck)	\$330,000.00	\$0.00	\$0.00	\$399,300.00	(\$69,300.00)
03	4533	100		State Jail Allotment	\$85,000.00	\$0.00	\$6,250.00	\$92,560.66	(\$7,560.66)
03	4534	100		State Jail Medical Payments	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00
03	4535	100		Court Costs - HB 452	\$1,850.00	\$0.00	\$540.19	\$2,177.60	(\$327.60)
03	4538	100		DUI Fees	\$1,850.00	\$0.00	\$1,051.26	\$3,192.02	(\$1,342.02)
03	4567	100		Court Cost Supplement	\$12,000.00	\$0.00	\$3,844.40	\$9,819.26	\$2,180.74
03	4634	100		Prisoner Reimbursement Transpo	\$13,200.00	\$0.00	\$0.00	\$8,322.28	\$4,877.72
03	4731	100		Miscellaneous	\$500.00	\$0.00	\$8,465.75	\$24,736.72	(\$24,236.72)
03	4801	100		Interest Eamed	\$100.00	\$0.00	\$76.39	\$111.13	(\$11.13)
03	4901	100		Prior Year Carryover	\$10,000.00	\$0.00	\$0.00	(\$31,873.71)	\$41,873.71
03	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4910	100		Transfer In	\$521,040.00	\$0.00	\$300,000.00	\$765,000.00	(\$243,960.00)
2023			4Q						

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
04	4510	100		State Grant	\$10,000.00	\$0.00	\$0.00	\$15,000.00	(\$5,000.00)
04	4527	100		Coal Production	\$19,000.00	\$0.00	\$203,384.70	\$346,653.63	(\$327,653.63)
04	4529	100		Mineral Severance Tax	\$6,500.00	\$0.00	\$2,271.72	\$120,616.30	(\$114,116.30)
04	4731	100		Miscellaneous	\$1,000.00	\$0.00	\$0.00	\$2,271.00	(\$1,271.00)
04	4801	100		Interest Earned	\$100.00	\$0.00	\$154.84	\$252.13	(\$152.13)
04	4901	100		Prior Year Carryover	\$5,000.00	\$0.00	\$0.00	\$53,664.36	(\$48,664.36)
04	4903	100		Prior Year Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04	4910	100		Transfer In	\$191,000.00	\$0.00	\$0.00	\$0.00	\$191,000.00
07	4503	100		Panbowl Boat Dock-Fishing Pier -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4504	100		USDA Community Facilities Gran	\$0.00	\$0.00	\$127,000.00	\$127,000.00	(\$127,000.00)
07	4504	101		CDBG Grant-FAA Project	\$0.00	\$0.00	\$0.00	\$179,306.30	(\$179,306.30)
07	4510	100		State Grants	\$0.00	\$0.00	\$3,044,171.77	\$6,517,768.77	(\$6,517,768.77)
07	4542	113		FEMA DR 4428, PW No. 493	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	100		FEMA Disaster	\$0.00	\$0.00	\$263,713.39	\$312,543.94	(\$312,543.94)
07	4542	141		FEMA 4595 PWN0.695	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	132		FEMA 4595 PWN0.717	\$0.00	\$0.00	\$0.00	\$38,012.10	(\$38,012.10)
07	4542	133		FEMA 4595 PWN0.142	\$0.00	\$0.00	\$0.00	\$455.43	(\$455.43)
07	4542	134		FEMA 4595 PWN0.238	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	135		FEMA 4595 PWN0.132	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	136		FEMA 4595 PWN0.507	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	137		FEMA 4595 PWN0.552	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	138		FEMA 4595 PWN0.603	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	112		FEMA DR 4428, PW No. 492	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	140		FEMA 4595 PWN0.657	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	129		FEMA 4595 PWN0.920	\$0.00	\$0.00	\$0.00	\$29,391.31	(\$29,391.31)
07	4542	142		FEMA 4595 PWN0.812	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	143		FEMA 4595 PWN0.836	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	144		FEMA 4595 PWN0.921	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	145		FEMA 4595 PWN0.	\$0.00	\$0.00	\$0.00	\$9,289.07	(\$9,289.07)
07	4542	146		FEMA 4595 PWN0.	\$0.00	\$0.00	\$0.00	\$1,056.82	(\$1,056.82)
07	4542	147		FEMA 4595 PWN0.	\$0.00	\$0.00	\$0.00	\$185,855.23	(\$185,855.23)
07	4542	148		FEMA 4217	\$0.00	\$0.00	\$0.00	\$24,990.73	(\$24,990.73)
07	4542	139		FEMA 4595 PWN0.627	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	121		FEMA 4595 PWN0.610	\$0.00	\$0.00	\$0.00	\$91,892.59	(\$91,892.59)
07	4542	111		FEMA DR 4428, PW No. 454	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	114		FEMA DR 4428, PW No. 495	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2023			4Q						

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
07	4542	115		FEMA DR 4428, PW No. 575	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	116		FEMA DR 4428, PW No. 616	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	117		FEMA DR 4428, PW No. 674	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4542	118		FEMA 4595 PWNo.524	\$0.00	\$0.00	\$0.00	\$122,970.54	(\$122,970.54)
07	4542	119		FEMA 4595 PWNo.623	\$0.00	\$0.00	\$0.00	\$122,490.89	(\$122,490.89)
07	4542	131		FEMA 4595 PWNo.776	\$0.00	\$0.00	\$0.00	\$5,542.58	(\$5,542.58)
07	4542	120		FEMA DR 4358	\$0.00	\$0.00	\$0.00	\$117,221.11	(\$117,221.11)
07	4542	130		FEMA 4595 PWNo.839	\$0.00	\$0.00	\$0.00	\$18,781.76	(\$18,781.76)
07	4542	122		FEMA 4595 PWNo.513	\$0.00	\$0.00	\$0.00	\$91,163.94	(\$91,163.94)
07	4542	123		FEMA 4595 PWNo.843	\$0.00	\$0.00	\$0.00	\$64,094.03	(\$64,094.03)
07	4542	124		FEMA 4595 PWNo.496	\$0.00	\$0.00	\$0.00	\$62,448.33	(\$62,448.33)
07	4542	125		FEMA 4595 PWNo.645	\$0.00	\$0.00	\$0.00	\$52,624.52	(\$52,624.52)
07	4542	126		FEMA 4595 PWNo.817	\$0.00	\$0.00	\$0.00	\$46,050.87	(\$46,050.87)
07	4542	127		FEMA 4595 PWNo.570	\$0.00	\$0.00	\$0.00	\$42,000.22	(\$42,000.22)
07	4542	128		FEMA 4595 PWNo.844	\$0.00	\$0.00	\$0.00	\$35,051.45	(\$35,051.45)
07	4542	120		FEMA 4595 PWNo.514	\$0.00	\$0.00	\$0.00	\$117,221.11	(\$117,221.11)
07	4731	100		Miscellaneous	\$0.00	\$0.00	\$0.00	\$1,295.83	(\$1,295.83)
07	4901	100		Prior Year Carryover	\$575,000.00	\$0.00	\$0.00	\$582,626.32	(\$7,626.32)
07	4909	100		Transfer Out	\$0.00	\$0.00	(\$6,000,000.00)	(\$6,000,000.00)	\$6,000,000.00
07	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	4510	100		State Grants	\$0.00	\$0.00	\$4,000.00	\$4,000.00	(\$4,000.00)
13	4602	100		Solid Waste Fees	\$50,000.00	\$0.00	\$9,922.69	\$47,208.76	\$2,791.24
13	4713	100		Recycling Receipts	\$12,000.00	\$0.00	\$0.00	\$0.00	\$12,000.00
13	4731	100		Miscellaneous	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
13	4801	100		Interest Earned	\$160.00	\$0.00	\$25.18	\$52.21	\$107.79
13	4901	100		Prior Year Carryover	\$35,000.00	\$0.00	\$0.00	\$19,798.31	\$15,201.69
13	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$20,000.00	(\$20,000.00)
31	4508	100		Coal Severance Projects	\$110,000.00	\$0.00	\$0.00	\$472.46	\$109,527.54
31	4731	100		Miscellaneous	\$0.00	\$0.00	\$1,322.82	\$1,322.82	(\$1,322.82)
31	4901	100		Prior Year Carryover	\$21,127.34	\$0.00	\$0.00	\$20,567.10	\$560.24
31	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
75	4402	100		ABC Administrator	\$15,000.00	\$0.00	\$6,931.39	\$18,846.38	(\$3,846.38)
75	4801	100		Interest Earned	\$50.00	\$0.00	\$38.13	\$74.44	(\$24.44)
75	4901	100		Prior Year Carryover	\$44,000.00	\$0.00	\$0.00	\$47,142.52	(\$3,142.52)
75	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2023			4Q						

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
75	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
77	4113	100		Solid Waste Fees	\$5,000.00	\$0.00	\$0.00	\$42.12	\$4,957.88
77	4901	100		Prior Year Carryover	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
78	4616	100		Elkview Project Phase 2	\$1,200,000.00	\$0.00	\$0.00	\$0.00	\$1,200,000.00
78	4901	100		Prior Year Carryover	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
78	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
78	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	4731	100		Elkview Master Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	4901	100		Prior Year Carryover	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
80	4731	100		County Clerk Storage Fees	\$10,000.00	\$0.00	\$4,910.00	\$13,540.00	(\$3,540.00)
80	4801	100		Interest Earned	\$0.00	\$0.00	\$5.86	\$5.86	(\$5.86)
81	4760	100		Settlement Payments	\$0.00	\$0.00	\$0.00	\$239,208.06	(\$239,208.06)
81	4801	100		Interest Earned	\$0.00	\$0.00	\$147.48	\$147.48	(\$147.48)
84	4801	100		Interest Earned	\$500.00	\$0.00	\$1,547.50	\$3,119.31	(\$2,619.31)
84	4901	100		Prior Year Carryover	\$1,227,000.00	\$0.00	\$0.00	\$1,227,111.96	(\$111.96)
84	4909	100		Transfer Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
84	4910	100		Transfer In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
84	8099	100		American Rescue Plan Act	\$0.00	\$0.00	\$0.00	\$1,226,614.50	(\$1,226,614.50)
TOTALS					\$10,281,077.34	\$8,891,062.38	\$7,831,606.70	\$26,380,240.05	(\$7,208,100.33)

**BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	0000	000		Interfund Transfers-Voided Check	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5001	101		County Judge Salary	\$96,300.00	\$0.00	\$7,177.22	\$103,477.22	\$103,477.22	\$0.00
01	5001	103		Deputy Judge-Executive Salary	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$29,490.76	\$509.24
01	5001	106		Grant Writer - Salary	\$0.00	\$0.00	\$5,769.24	\$5,769.24	\$5,769.24	\$0.00
01	5001	165		Secretary to County Judge	\$35,000.00	\$0.00	(\$17,461.10)	\$17,538.90	\$17,538.90	\$0.00
01	5001	445		County Judge Office Supplies	\$2,500.00	\$0.00	\$14,297.77	\$16,797.77	\$16,797.77	\$0.00
01	5001	576		County Judge Travel	\$0.00	\$0.00	\$1,552.38	\$1,552.38	\$1,552.38	\$0.00
01	5005	101		County Attorney Salary	\$32,000.00	\$0.00	\$0.00	\$32,000.00	\$31,088.20	\$911.80
01	5005	165		County Attorney Secretary	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$28,995.20	\$1,004.80
01	5005	167		County Attorneys Office - Tax Cle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5005	348		County Attorney - Program Suppo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5015	348		County Sheriff Program Support	\$0.00	\$0.00	\$18,063.81	\$18,063.81	\$18,063.81	\$0.00
01	5015	751		County Sheriff - Vehicle Purchase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5025	101		County Magistrates	\$115,150.00	\$0.00	\$0.00	\$115,150.00	\$113,093.04	\$2,056.96
01	5025	167		Fiscal Court Clerk	\$7,200.00	\$0.00	\$105.99	\$7,305.99	\$8,055.99	(\$750.00)
01	5025	332		Fiscal Court Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5025	368		Property Tax Appeals	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
01	5025	521		County Insurance	\$70,000.00	\$0.00	\$88,705.38	\$158,705.38	\$158,705.38	\$0.00
01	5025	563		Postage	\$20,000.00	\$0.00	\$3,400.48	\$23,400.48	\$23,400.48	\$0.00
01	5025	569		Fiscal Court Travel - Training	\$5,000.00	\$0.00	\$9,597.96	\$14,597.96	\$15,024.04	(\$426.08)
01	5025	599		Miscellaneous	\$1,000.00	\$0.00	\$220,440.05	\$221,440.05	\$221,440.05	\$0.00
01	5025	725		Fiscal Court Equipment	\$10,000.00	\$0.00	\$61,462.09	\$71,462.09	\$70,663.86	\$798.23
01	5030	367		PVA Statutory Contribution	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$20,305.00	\$4,695.00
01	5040	102		County Treasurer Salary	\$50,000.00	\$0.00	\$3,795.56	\$53,795.56	\$53,795.56	\$0.00
01	5040	212		County Treasurer Training Benefit	\$2,500.00	\$0.00	\$1,009.31	\$3,509.31	\$3,509.31	\$0.00
01	5040	445		County Treasurer Office Supplies	\$1,500.00	\$0.00	\$4,598.61	\$6,098.61	\$6,098.61	\$0.00
2023				4Q	Page 1 of 8			Friday, December 1, 2023		

**BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	5040	531		County Treasurer Surety Bond	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$2,020.55	\$479.45
01	5045	106		County Finance Officer	\$21,250.00	\$0.00	\$2,875.72	\$24,125.72	\$19,282.11	\$4,843.61
01	5047	167		Occupational Tax Administrator S	\$0.00	\$0.00	\$21,701.44	\$21,701.44	\$21,701.44	\$0.00
01	5047	445		Occupational Tax Collection Expe	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5060	101		County Law Library	\$600.00	\$0.00	\$600.00	\$1,200.00	\$1,200.00	\$0.00
01	5065	192		Election Officers	\$15,000.00	\$0.00	\$12,675.00	\$27,675.00	\$27,475.00	\$200.00
01	5065	193		Election Commissioners	\$4,600.00	\$0.00	\$3,900.00	\$8,500.00	\$8,500.00	\$0.00
01	5065	199		Election Other Expenses	\$10,000.00	\$0.00	\$46,609.13	\$56,609.13	\$56,609.13	\$0.00
01	5065	737		Voting Machine Maintenance	\$2,500.00	\$0.00	\$6,187.00	\$8,687.00	\$8,687.00	\$0.00
01	5080	175		Maintenance Wages	\$33,000.00	\$0.00	\$10,251.46	\$43,251.46	\$43,251.46	\$0.00
01	5080	411		Courthouse Renewals - Supplies	\$7,000.00	\$0.00	\$8,520.18	\$15,520.18	\$15,070.03	\$450.15
01	5080	443		Courthouse Maintenance Vehicle	\$500.00	\$0.00	\$269.77	\$769.77	\$769.77	\$0.00
01	5080	455		Courthouse Petroleum - Vehicles	\$500.00	\$0.00	\$2,545.41	\$3,045.41	\$3,045.41	\$0.00
01	5080	569		Courthouse Registration and Con	\$5,000.00	\$0.00	\$1,400.00	\$6,400.00	\$6,400.00	\$0.00
01	5080	571		Courthouse - Renewals and Repa	\$15,000.00	\$0.00	\$133,650.71	\$148,650.71	\$148,650.71	\$0.00
01	5080	573		Courthouse Cell - Telephone	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$1,230.00	\$770.00
01	5080	578		Courthouse Utilities	\$53,000.00	\$0.00	\$18,251.61	\$71,251.61	\$71,251.61	\$0.00
01	5081	175		Judicial Center - Custodial Wage	\$59,500.00	\$0.00	\$0.00	\$59,500.00	\$58,469.30	\$1,030.70
01	5081	411		Judicial Center - Custodial Suppli	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$1,241.46	\$3,758.54
01	5081	521		Judicial Center - Insurance	\$26,550.00	\$0.00	\$0.00	\$26,550.00	\$26,550.00	\$0.00
01	5081	571		Judicial Center - Repairs	\$60,000.00	\$0.00	\$36,705.14	\$96,705.14	\$96,705.14	\$0.00
01	5081	578		Judicial Center - Utilities	\$70,000.00	\$0.00	\$29,268.51	\$99,268.51	\$99,268.51	\$0.00
01	5085	571		Industrial Bldg - Homeplace - AR	\$4,500.00	\$0.00	\$16,737.53	\$21,237.53	\$21,237.53	\$0.00
01	5085	578		All Other Facilities - Utilities	\$5,000.00	\$0.00	\$12,799.74	\$17,799.74	\$17,799.74	\$0.00
01	5101	723		USDA Grant - Jailers Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5110	455		Constables - Gasoline- Repairs	\$0.00	\$0.00	\$836.00	\$836.00	\$836.00	\$0.00
01	5120	348		County Fire Dept - Program Supp	\$65,000.00	\$0.00	\$740.45	\$65,740.45	\$65,740.45	\$0.00
01	5135	107		DES Director	\$32,750.00	\$0.00	\$77.91	\$32,827.91	\$32,827.91	\$0.00
01	5135	429		DES Director - Gasoline	\$1,500.00	\$0.00	\$2,021.94	\$3,521.94	\$3,521.94	\$0.00
01	5135	443		DES Vehicle Repairs	\$500.00	\$0.00	\$0.00	\$500.00	\$205.00	\$295.00
01	5135	445		DES Office Expenses	\$500.00	\$0.00	\$0.00	\$500.00	\$169.99	\$330.01
01	5135	573		DES Telephone	\$360.00	\$0.00	\$0.00	\$360.00	\$0.00	\$360.00
01	5135	723		USDA Grant - DESs Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5145	107		E-911 Coordinator Salary	\$21,250.00	\$0.00	(\$2,477.12)	\$18,772.88	\$18,772.88	\$0.00
01	5145	316		Contracts with Public Carriers	\$20,000.00	\$0.00	(\$2,318.83)	\$17,681.17	\$12,325.46	\$5,355.71
01	5145	429		E-911 Vehicle - Petroleum	\$350.00	\$0.00	\$708.62	\$1,058.62	\$1,058.62	\$0.00
01	5145	445		E-911 Department - Office Suppli	\$500.00	\$0.00	\$0.00	\$500.00	\$109.00	\$391.00

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	5145	499		E-911 Office - Other Supplies and	\$500.00	\$0.00	\$1,650.13	\$2,150.13	\$2,150.13	\$0.00
01	5145	571		E-911 Vehicle - Repairs	\$250.00	\$0.00	\$0.00	\$250.00	\$227.27	\$22.73
01	5145	573		E-911 Coordinator - Cell-Telepho	\$360.00	\$0.00	\$0.00	\$360.00	\$180.00	\$180.00
01	5145	576		E-911 Coordinator - Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5145	599		E-911 Department - Miscellaneous	\$500.00	\$0.00	\$3.30	\$503.30	\$503.30	\$0.00
01	5150	902		Forest Fire Protection	\$4,500.00	\$0.00	\$0.00	\$4,500.00	\$0.00	\$4,500.00
01	5175	903		Public Defender Fees	\$12,500.00	\$0.00	(\$1,921.00)	\$10,579.00	\$10,579.00	\$0.00
01	5215	161		Solid Waste Laborer - Wages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5305	348		Senior Citizens Program Support	\$0.00	\$0.00	\$49,207.00	\$49,207.00	\$50,207.00	(\$1,000.00)
01	5305	571		Senior Citizens Renewals - Repai	\$5,000.00	\$0.00	\$394.55	\$5,394.55	\$5,394.55	\$0.00
01	5305	578		Senior Citizens - Utilities	\$12,000.00	\$0.00	\$9,669.97	\$21,669.97	\$21,669.97	\$0.00
01	5330	507		General Charity and Welfare	\$0.00	\$0.00	\$283,000.00	\$283,000.00	\$283,000.00	\$0.00
01	7500	603		KACO Loan - Principal	\$0.00	\$0.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$0.00
01	7500	607		KACO Loan - Interest	\$0.00	\$0.00	\$98,310.03	\$98,310.03	\$98,310.03	\$0.00
01	7600	602		Other County Liabilities - Building	\$0.00	\$0.00	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
01	7700	602		Waterlines Lease - Breathitt No.	\$50,000.00	\$0.00	\$5,000.00	\$55,000.00	\$55,000.00	\$0.00
01	7700	606		Waterlines Lease - Breathitt No.	\$18,580.00	\$0.00	\$0.00	\$18,580.00	\$11,901.42	\$6,678.58
01	9100	302		Legal Advertising	\$10,000.00	\$0.00	\$12,300.00	\$22,300.00	\$22,300.00	\$0.00
01	9100	307		Audits	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$6,233.32	\$23,766.68
01	9100	503		Bank Charges	\$0.00	\$0.00	\$6,684.42	\$6,684.42	\$6,684.42	\$0.00
01	9100	531		County Official Bonds	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$4,265.92	\$734.08
01	9100	551		Memberships	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$1,575.00	\$3,425.00
01	9200	999		Reserve for Transfer	\$0.00	\$7,671,062.38	(\$7,139,137.25)	\$531,925.13	\$0.00	\$531,925.13
01	9300	999		Transfers To-From Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	9400	201		FICA Fringe	\$40,000.00	\$0.00	\$3,303.66	\$43,303.66	\$43,850.87	(\$547.21)
01	9400	202		Retirement Fringe	\$140,000.00	\$0.00	\$11,337.52	\$151,337.52	\$153,253.82	(\$1,916.30)
01	9400	205		Employee Health Insurance	\$110,000.00	\$0.00	(\$15,759.21)	\$94,240.79	\$92,709.32	\$1,531.47
01	9400	208		Unemployment Insurance	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$5,868.17	\$4,131.83
01	9400	209		Workers Compensation	\$26,000.00	\$0.00	\$23,514.26	\$49,514.26	\$49,514.26	\$0.00
01	9400	212		Training Fringe Benefits	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$4,679.08	\$320.92
02	0000	000		Interfund Transfers-Voided Check	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	6005	535		Insurance Road Equipment	\$55,000.00	\$0.00	(\$55,000.00)	\$0.00	\$0.00	\$0.00
02	6005	586		Road Facilities - Building Repairs	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$285.63	\$4,714.37
02	6103	102		Road Foreman - Salary	\$32,000.00	\$0.00	\$5,981.15	\$37,981.15	\$37,981.15	\$0.00
02	6103	445		Office Supplies	\$4,250.00	\$0.00	\$0.00	\$4,250.00	\$2,451.32	\$1,798.68
02	6105	143		Road Workers Salaries	\$0.00	\$0.00	\$142,071.25	\$142,071.25	\$142,071.25	\$0.00
02	6105	145		Bridge Foreman	\$33,354.16	\$0.00	(\$5,605.00)	\$27,749.16	\$9,150.00	\$18,599.16
2023		4Q								

**BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
02	7700	602		KACo Lease No.17 Mack Truck P	\$333,178.00	\$0.00	(\$333,178.00)	\$0.00	\$0.00	\$0.00
02	7700	606		KACo Lease No.17 Mack Truck I	\$9,300.00	\$0.00	\$6,613.63	\$15,913.63	\$15,913.63	\$0.00
02	9100	569		Employee Training	\$500.00	\$0.00	\$132.50	\$632.50	\$632.50	\$0.00
02	9200	999		Reserve for Transfer	\$324,784.98	\$1,000,000.00	(\$1,324,784.98)	\$0.00	\$0.00	\$0.00
02	9300	999		Transfers To-From Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	9400	201		FICA Fringe	\$31,150.00	\$0.00	\$464.38	\$31,614.38	\$31,614.38	\$0.00
02	9400	202		Retirement Fringe	\$110,000.00	\$0.00	(\$411.15)	\$109,588.85	\$109,588.85	\$0.00
02	9400	205		Employee Health Insurance	\$80,000.00	\$0.00	(\$7,559.94)	\$72,440.06	\$72,440.06	\$0.00
02	9400	208		Unemployment Insurance	\$12,000.00	\$0.00	(\$10,000.00)	\$2,000.00	\$1,000.00	\$1,000.00
02	9400	209		Workers Compensation	\$55,000.00	\$0.00	(\$46,861.42)	\$8,138.58	\$4,604.66	\$3,533.92
03	5101	101		Jailers Salary	\$61,700.00	\$0.00	\$0.08	\$61,700.08	\$61,700.08	\$0.00
03	5101	103		Deputy Jailers - Wages	\$51,840.00	\$0.00	\$2,737.50	\$54,577.50	\$55,025.50	(\$448.00)
03	5101	314		Contracts Other Counties - Adults	\$425,000.00	\$0.00	\$146,560.36	\$571,560.36	\$571,560.36	\$0.00
03	5101	425		Food	\$500.00	\$0.00	\$321.79	\$821.79	\$821.79	\$0.00
03	5101	429		Gasoline	\$11,000.00	\$0.00	\$2,453.43	\$13,453.43	\$13,453.43	\$0.00
03	5101	443		Vehicle Repairs	\$3,000.00	\$0.00	\$148.89	\$3,148.89	\$3,148.89	\$0.00
03	5101	445		Office Supplies	\$500.00	\$0.00	\$4,674.45	\$5,174.45	\$5,174.45	\$0.00
03	5101	549		Medical Services - Adults	\$60,000.00	\$0.00	\$22,886.06	\$82,886.06	\$82,886.06	\$0.00
03	5101	573		Telephone - Pagers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	5101	599		Miscellaneous	\$500.00	\$0.00	\$1,157.30	\$1,657.30	\$1,657.30	\$0.00
03	5101	723		County Jailer - Transport Vehicle	\$0.00	\$0.00	\$231.09	\$231.09	\$110.11	\$120.98
03	5102	314		Contracts Juvenile Housing	\$500.00	\$0.00	\$332.00	\$832.00	\$832.00	\$0.00
03	5102	549		Medical Services - Juveniles	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	9100	551		Membership Dues	\$250.00	\$0.00	\$3,909.29	\$4,159.29	\$4,159.29	\$0.00
03	9100	569		Training	\$1,500.00	\$0.00	\$0.00	\$1,500.00	\$490.00	\$1,010.00
03	9200	999		Reserve for Transfer	\$2,500.00	\$200,000.00	(\$190,319.13)	\$12,180.87	\$0.00	\$12,180.87
03	9400	201		FICA Fringe	\$8,000.00	\$0.00	\$1,079.05	\$9,079.05	\$9,113.33	(\$34.28)
03	9400	202		Retirement Fringe	\$21,500.00	\$0.00	\$0.00	\$21,500.00	\$18,255.39	\$3,244.61
03	9400	205		Health Insurance	\$7,000.00	\$0.00	\$248.76	\$7,248.76	\$7,248.76	\$0.00
03	9400	208		Unemployment Insurance	\$1,150.00	\$0.00	\$0.00	\$1,150.00	\$1,000.00	\$150.00
03	9400	209		Workers Compensation Insuranc	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00
03	9400	212		Training Fringe Benefit	\$1,100.00	\$0.00	\$3,579.08	\$4,679.08	\$4,679.08	\$0.00
04	5020	101		County Coroner - Salary	\$32,750.00	\$0.00	\$4,430.00	\$37,180.00	\$37,180.00	\$0.00
04	5020	102		Deputy Coroner	\$28,750.00	\$0.00	\$0.00	\$28,750.00	\$28,080.00	\$670.00
04	5020	445		County Coroner - Office Supplies	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$1,234.95	\$2,765.05
04	5020	455		County Coroner - Petroleum	\$3,000.00	\$0.00	\$878.79	\$3,878.79	\$3,878.79	\$0.00
04	5020	531		County Coroner - Bonds	\$350.00	\$0.00	\$0.00	\$350.00	\$203.60	\$146.40
2023				4Q	Page 5 of 8			Friday, December 1, 2023		

**BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance	
04	5020	569		County Coroner - Travel-Training	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$1,444.54	\$555.46	
04	5020	571		County Coroner - Vehicle Repairs	\$1,500.00	\$0.00	\$48.84	\$1,548.84	\$1,548.84	\$0.00	
04	5020	573		County Coroner - Telephone-Pag	\$700.00	\$0.00	\$0.00	\$700.00	\$0.00	\$700.00	
04	5075	431		Elk Viewing Station - Boat Dock	\$2,500.00	\$0.00	\$8,515.36	\$11,015.36	\$10,961.08	\$54.28	
04	5140	303		Ambulance Service Grant	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	\$0.00	
04	5205	102		Animal Control Officer	\$40,500.00	\$0.00	(\$9,198.56)	\$31,301.44	\$22,035.79	\$9,265.65	
04	5205	384		Animal Control - Spay-Neuter	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00	
04	5205	455		Animal Control - Petroleum	\$4,500.00	\$0.00	\$3,737.43	\$8,237.43	\$8,237.43	\$0.00	
04	5205	499		Animal Control - Other Supplies	\$250.00	\$0.00	\$7,451.52	\$7,701.52	\$7,701.52	\$0.00	
04	5205	553		Animal Shelter Fees	\$20,000.00	\$0.00	\$15,000.00	\$35,000.00	\$35,000.00	\$0.00	
04	5205	571		Animal Control - Vehicle Repairs	\$1,000.00	\$0.00	\$4,416.54	\$5,416.54	\$5,416.54	\$0.00	
04	5205	573		Animal Control - Cell-Telephone	\$450.00	\$0.00	\$0.00	\$450.00	\$0.00	\$450.00	
04	5230	340		Jackson Physicians Center Repai	\$1,000.00	\$0.00	\$12,455.48	\$13,455.48	\$13,455.48	\$0.00	
04	5330	344		Pauper Burials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
04	5404	578		County Museum Utilities	\$5,000.00	\$0.00	\$6,373.70	\$11,373.70	\$11,373.70	\$0.00	
04	6105	447		Coal Haul Roads	\$5,700.00	\$0.00	(\$5,190.02)	\$509.98	\$0.00	\$509.98	
04	6105	599		Miscellaneous	\$250.00	\$0.00	\$0.00	\$250.00	\$0.00	\$250.00	
04	6201	578		Airport Utilities	\$4,500.00	\$0.00	\$2,442.16	\$6,942.16	\$6,942.16	\$0.00	
04	6501	571		Airport Repairs-Maintenance	\$1,000.00	\$0.00	\$2,521.70	\$3,521.70	\$3,070.00	\$451.70	
04	9200	999		Reserve for Transfer	\$8,400.00	\$0.00	(\$8,400.00)	\$0.00	\$0.00	\$0.00	
04	9300	999		Transfers To-From Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
04	9400	201		FICA Fringe	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$6,511.27	\$1,488.73	
04	9400	202		Retirement Fringe	\$25,000.00	\$0.00	(\$4,956.91)	\$20,043.09	\$20,043.09	\$0.00	
04	9400	205		Employee Health Insurance	\$16,000.00	\$0.00	(\$1,352.36)	\$14,647.64	\$14,647.64	\$0.00	
04	9400	208		Unemployment Insurance	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00	\$0.00	
04	9400	209		Workers Compensation	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	
07	0000	000		Interfund Transfers-Voided Check	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	5015	723		USDA Grant - Sheriffs Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	5101	723		USDA Grant - Jailers Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	5135	723		USDA Grant - DESs Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	5232	549		CDBG juniper Health Clinic	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	5350	599		CDBG Utility Grant	\$0.00	\$0.00	\$6,471.77	\$6,471.77	\$6,471.77	\$0.00	
07	6105	310		FEMA 1841	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	6105	311		FEMA 1976	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	6105	373		FEMA 4218	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	6105	447		FEMA 4008	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	6201	333		FAA Project	\$277,919.20	\$0.00	\$0.00	\$277,919.20	\$179,306.30	\$98,612.90	
2023		4Q		Page 6 of 8				Friday, December 1, 2023			

**BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance	
07	8005	311		FEMA DR 4595 - PWNo. 524	\$0.00	\$0.00	\$87,500.00	\$87,500.00	\$87,500.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo.695	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo.817	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo.843	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo.514	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo. 645	\$0.00	\$0.00	\$49,125.00	\$49,125.00	\$49,125.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo. 513	\$0.00	\$0.00	\$66,400.00	\$66,400.00	\$66,400.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 674	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 616	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 575	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 495	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 493	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 492	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA 4711	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	311		FEMA DR 4595 - PWNo.552	\$0.00	\$0.00	\$48,360.00	\$48,360.00	\$48,360.00	\$0.00	
07	8005	311		FEMA DR 4428, PW No. 454	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	373		FEMA 4217	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	398		FEMA DR 4361	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	399		FEMA DR 4358	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	8005	447		FEMA 4239	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
07	9200	999		Reserve for Transfer	\$575,000.00	\$0.00	(\$257,856.77)	\$317,143.23	\$0.00	\$317,143.23	
13	5212	567		Refund - Open Dump Grant	\$0.00	\$0.00	\$5,657.92	\$5,657.92	\$5,657.92	\$0.00	
13	5215	107		Solid waster Officer	\$34,600.00	\$0.00	\$0.00	\$34,600.00	\$22,847.65	\$11,752.35	
13	5215	315		County Clean Up Expense	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00	
13	5215	445		Office Supplies	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$74.19	\$925.81	
13	5215	455		Petroleum Products	\$4,500.00	\$0.00	\$0.00	\$4,500.00	\$2,184.40	\$2,315.60	
13	5215	571		Vehicle Repair	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$24.86	\$1,975.14	
13	5215	573		Cell-Telephone	\$360.00	\$0.00	\$90.00	\$450.00	\$450.00	\$0.00	
13	5215	576		Travel	\$500.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00	
13	5217	182		Recycling Progran-Education Svs	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00	
13	5217	479		Waste Tire Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
13	9200	999		Reserve for Transfer	\$9,500.00	\$20,000.00	(\$6,093.72)	\$23,406.28	\$0.00	\$23,406.28	
13	9300	999		Transfers To-From Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
13	9400	201		FICA Fringe	\$2,700.00	\$0.00	\$0.00	\$2,700.00	\$1,576.64	\$1,123.36	
13	9400	202		Retirement Fringe	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$5,266.61	\$4,733.39	
13	9400	205		Health Insurance	\$8,000.00	\$0.00	\$345.80	\$8,345.80	\$6,737.76	\$1,608.04	
13	9400	208		Unemployment Insurance	\$500.00	\$0.00	\$0.00	\$500.00	\$500.00	\$0.00	
2023		4Q		Page 7 of 8				Friday, December 1, 2023			

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
13	9400	209		Workers Compensation	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$0.00	\$4,000.00
31	5101	571		Jailer Inmate Housing and Medic	\$110,000.00	\$0.00	\$0.00	\$110,000.00	\$0.00	\$110,000.00
31	9200	999		Reserve for Transfer	\$21,127.34	\$0.00	\$0.00	\$21,127.34	\$0.00	\$21,127.34
75	5050	599		ABC Miscellaneous Expense	\$500.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00
75	5050	723		BCSO - Police Utility Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
75	9200	999		Reserve for Transfer	\$58,550.00	\$0.00	\$0.00	\$58,550.00	\$0.00	\$58,550.00
77	5215	366		Contract With Waste Connection	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$42.12	\$4,957.88
78	5232	549		Elkview Project Phase 2	\$1,200,000.00	\$0.00	(\$695,004.78)	\$504,995.22	\$0.00	\$504,995.22
78	9300	999		Transfers To-From Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
79	8099	742		Elkview Master Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
80	5010	599		Clerk Document Fees	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00
84	8099	000		American Rescue Plan Act	\$1,227,500.00	\$0.00	\$0.00	\$1,227,500.00	\$0.00	\$1,227,500.00
TOTALS					\$8,558,996.54	\$8,891,062.38	\$0.00	\$17,450,058.92	\$14,341,315.03	\$3,108,743.89

BREATHITT COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2023
(Continued)

Fund	Maj	Min	Suffix	Description	Total	Balance	Term	Rate	Issue Information	Issue Date	Total	Res. Earn.	Outstand.	Next	Final
01							17				\$1,450,811.50				
PRI	7700	602		BCFC - KACo LEASING TRUST - WATERLINE	\$986,000.00	\$151,000.00		04.8000		10/01/2009	\$0.00	\$0.00	\$163,547.34	07/10/2023	01/20/2026
INT	7700	606			\$464,811.50	\$12,547.34			Issued						
00							12				\$5,728,387.90				
PRI	0	0		BCFC - FIRST MORTGAGE REFUNDING REVENUE	\$4,975,000.00	\$560,000.00		02.2100		08/07/2012	\$0.00	\$0.00	\$567,000.00	10/01/2023	10/01/2023
INT	0	0			\$753,387.90	\$7,000.00			Issued						
01							2				\$225,000.00				
PRI	7600	602		A.R.M. FACTORY BUILDING PURCHASE	\$225,000.00	\$0.00		00.0000		04/20/2020	\$0.00	\$0.00	\$0.00	04/11/2022	05/06/2022
INT	0	0			\$0.00	\$0.00			Issued						
02							1.5				\$303,647.54				
PRI	7700	602		BCFC - KACo LEASING TRUST BREATHITT COUNTY No.	\$290,844.00	\$0.00		03.3000		07/29/2021	\$0.00	\$0.00	\$0.00	07/10/2022	02/20/2023
INT	7700	606			\$15,251.11	\$0.00			Issued						
01							12				\$100,000.00				
PRI	7600	602		Montessori Building - Jett Drive	\$100,000.00	\$0.00		00.0000		12/22/2020	\$0.00	\$0.00	\$0.00	12/10/2021	12/10/2021
INT	0	0			\$0.00	\$0.00			Issued						
02							17				\$351,523.07				
PRI	7700	602		BCFC - KACo LEASING TRUST BREATHITT COUNTY No.	\$333,178.00	\$333,178.00		03.7400		07/11/2022	\$0.00	\$0.00	\$335,609.44	07/20/2023	12/20/2023
INT	7700	606			\$18,345.07	\$2,431.44			Issued						

Fund	Maj	Min	Suffix	Description	Total	Balance	Term	Rate	Issue Information	Issue Date	Total	Res. Earn.	Outstand.	Next	Final	
01							8				\$2,069,307.03					
PRI	7500	603		BCFC - KACo LEASING TRUST BREATHITT COUNTY	\$2,000,000.00	\$2,000,000.00		04.9500		10/19/2022	\$0.00	\$0.00	\$2,016,500.00	04/20/2023	06/20/2023	
INT	7500	607			\$69,307.03	\$16,500.00			Issued							
01							24				\$3,367,043.40					
PRI	7500	603		BCFC - KACo LEASING TRUST BREATHITT COUNTY	\$3,000,000.00	\$3,000,000.00		06.0500		05/23/2023	\$0.00	\$0.00	\$3,347,875.00	07/03/2023	05/20/2025	
INT	7500	607			\$367,043.40	\$347,875.00			Issued							
TOTALS - PRI					\$11,910,022.00	\$6,044,178.00					Issues	\$13,595,720.44	Res. Earn.	\$0.00	Outstand.	\$6,430,531.78
TOTALS - INT					\$1,688,146.01	\$386,353.78										

Long Term	Short Term	Total
\$6,430,531.78	\$0.00	\$6,430,531.78

**BREATHITT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2023

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**BREATHITT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2023

SCHEDULE OF FEDERAL AWARDS & EXPENDITURES
BREATHITT COUNTY FISCAL COURT
FOR THE PERIOD OF: JULY 1, 2022 - JUNE 30, 2023

<u>NAME OF FEDERAL AGENCY</u>	<u>NAME OF STATE AGENCY</u>	<u>CFDA #</u>	<u>NAME OF PROGRAM</u>	<u>NAME OF GRANT / GRANT ID</u>	<u>AMOUNT RECEIVED</u>	<u>AMOUNT EXPENDED</u>
US Department of the Treasury	NA	21.027	American Rescue Plan Act	American Rescue Plan Act	\$1,226,614.50	\$0.00
US Department of Transportation FAA	FAA	20.106	FAA	Airport Improvement Program (AIP) Project	\$179,306.30	\$188,345.30
US Department of Housing and Urban Development	Kentucky Department of Local Government	14.228	Utility Assistance Project	CDBG Utility Assistance Project	\$6,471.77	\$6,471.77
Department of Military Affairs	Kentucky Emergency Management	97.036	FEMA	Public Assistance FEMA DR#4217	\$24,990.73	\$0.00
Department of Military Affairs	Kentucky Emergency Management	97.036	FEMA	Public Assistance Emergency DR#4358	\$11,011.74	\$0.00
US Department of Agriculture	Conservation Service	10.912	NRCS	NRCS	\$0.00	\$13,200.00
US Department of Agriculture	Rural Housing Service	10.766	Rural Development	Community Facilities Grant	\$164,700.00	\$0.00
Department of Military Affairs	Kentucky Emergency Management	97.036	FEMA	Public Assistance Emergency DR#4663	\$155,726.10	\$0.00
Department of Military Affairs	Kentucky Emergency Management	97.036	FEMA	Public Assistance Emergency DR#4218	\$27,080.55	\$0.00
Department of Military Affairs	Kentucky Emergency Management	97.036	FEMA	Public Assistance Emergency DR#4428	\$185,855.23	\$321,361.73
Department of Military Affairs	Kentucky Emergency Management	97.036	FEMA	Public Assistance Emergency DR#4595	\$950,537.56	\$449,351.19
TOTALS:					\$2,932,294.48	\$978,729.99

ENTITY ELIGIBLE FOR SINGLE AUDIT?: YES



1/31/24 - Judge

Inia Jones 1/31/24 - Treasurer

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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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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

The Honorable Jeff Noble, Breathitt County Judge/Executive
Members of the Breathitt County Fiscal Court

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 activity contained in the fourth quarter financial statement of the Breathitt County Fiscal Court for the fiscal year ended June 30, 2023, and have issued our report thereon dated May 7, 2024. Our report disclaims an opinion on the financial statement because the failure to maintain sufficient supporting documentation and accounting records, failure to have segregation of duties, and management override of controls, created an environment in which financial records were inaccurate and funds could be misappropriated.

Report on Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statement, we considered the Breathitt County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing 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 Breathitt County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Breathitt 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 have not been 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 2023-001, 2023-002, 2023-003, and 2023-004 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)

Report on Compliance And Other Matters

In connection with our engagement to audit the financial statement of the Breathitt County Fiscal Court, 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 financial statement. 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 2023-001, 2023-002, 2023-003, and 2023-004. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

Views of Responsible Official and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Breathitt County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The county's response was not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on it.

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,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 7, 2024

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

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Jeff Noble, Breathitt County Judge/Executive
Members of the Breathitt County Fiscal Court

Report on Compliance for Each Major Federal Program

Adverse Opinion

We have audited Breathitt County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Breathitt County Fiscal Court's major federal programs for the year ended June 30, 2023. The Breathitt County Fiscal Court's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Adverse Opinion on ALN #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, Breathitt County Fiscal Court did not comply in all material respects, with compliance requirements that could have a direct and material effect on ALN 97.036.

Basis for Adverse of Opinion on ALN #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Breathitt County Fiscal Court and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Breathitt County Fiscal Court's compliance with the compliance requirements referred to above.



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

Matters Giving Rise to Adverse Opinion on ALN #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

During the audit, significant risks were identified, including failure to maintain sufficient supporting documentation and accounting records, lack of segregation of duties, and management override of controls. Due to the county's failure to maintain adequate accounting records, and other failures noted, we were unable to perform sufficient audit procedures to overcome the significant risks. The significance of these matters, in the aggregate, prevents us from placing reliance on the schedule of expenditures of federal awards and from obtaining audit evidence supporting Breathitt County Fiscal Court's compliance with (state compliance areas) applicable to ALN #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) as described in finding number 2023-005. As a result of these matters, we determined the Breathitt County Fiscal Court did not comply with the requirements applicable to ALN #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters).

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Breathitt County Fiscal Court's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Breathitt County Fiscal Court's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Breathitt County Fiscal Court's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Breathitt County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Breathitt County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Breathitt County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

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

Auditor's Responsibilities for the Audit of Compliance (Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

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 2023-005 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Breathitt County Fiscal Court's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Breathitt County Fiscal Court's response was not subjected to the other 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,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 7, 2024

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

For The Year Ended June 30, 2023

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

For The Year Ended June 30, 2023

Section I: Summary of Auditor’s Results

Financial Statement

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP:
Adverse on GAAP and Unmodified on Regulatory Basis

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: Adverse Opinion		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants Public Assistance (Presidentially Declared Disasters)

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

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-001 The Breathitt County Fiscal Court Failed To Implement And Maintain An Effective Internal Control Environment

This is a repeat finding and was included in the prior year audit report as finding 2022-001. During our audit, significant risks were identified, including failure to maintain sufficient supporting documentation and accounting records, lack of segregation of duties, and management override of controls. Due to the county's failure to maintain adequate accounting records and other failures noted below, we were unable to perform sufficient audit procedures to overcome the significant risks. Therefore, we cannot issue an opinion on the Breathitt County Fiscal Court's financial statement and on compliance for each major federal program or give reasonable assurance the financial statement and the schedule of expenditures of federal awards are free from material error or fraud. A disclaimer of opinion will be issued.

In the audit procedures we were able to perform, we noted the following issues:

- Failure to maintain supporting documentation for \$723,195 of occupational tax receipts (See finding 2023-002).
- Failure to implement proper controls over disbursements (See finding 2023-003).
- Failure to implement proper controls over payroll disbursements (See finding 2023-004).
- Failure to establish and maintain effective internal controls over compliance with FEMA requirements (See finding 2023-005).
- Failure to submit a report of clerk storage fees to LRC.
- Failure to maintain an adequate capital asset listing.
- Failure to notify the State Local Debt Officer of the county's intent to issue debt.

The Breathitt County Fiscal Court did not provide sufficient oversight for management's day-to-day financial activities. Without sufficient oversight, management did not follow established internal control procedures or ensure compliance with laws and regulations.

The Breathitt County Fiscal Court's current practices could create an environment for potential undetected material misstatements in the financial statements caused either by error or fraud. The noted weaknesses could affect the fiscal court's ability to ensure the financial data is recorded, processed, and reported in an accurate and reliable manner and ensure that assets are sufficiently safeguarded. If the Breathitt County Fiscal Court continues these poor financial practices and does not improve the internal control structure, taxpayer money will continue to be at risk. In addition, various local and state agencies that rely on and monitor the financial and program activity of the Breathitt County Fiscal Court cannot rely on or have any confidence in the reports submitted by the Breathitt County Fiscal Court.

Proper accounting procedures and internal controls require that financial statements be supported with accurate underlying accounting records. Strong internal controls over financial reporting are vital in ensuring the fiscal court's financial statement accurately reflects the financial activity of the fiscal court and ensures compliance with applicable state and federal laws and regulations. Additionally, complete and accurate financial records can ensure expenditures are made only when sufficient funds are available, and receipts are properly recorded.

In addition, 2 CFR 200.303 states in part, "[t]he non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award."

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-001 The Breathitt County Fiscal Court Failed To Implement And Maintain An Effective Internal Control Environment (Continued)

We recommend the Breathitt County Fiscal Court provide sufficient management oversight of the day-to-day financial activities of the county. We further recommend the fiscal court improve its overall control environment in order to ensure sufficient accounting records are maintained to support transactions, accounts are reconciled, and bills are paid timely, and duties are adequately segregated to safeguard public assets. Only with a strong internal control system can the fiscal court prepare and ensure that complete and accurate financial reports are produced and that the county is in compliance with each major federal program's guidelines. This finding will be referred to the Kentucky Department for Local Government.

County Judge/Executive's Response: Changes in staffing have been made to provide effective internal control environment.

2003-002 The Fiscal Court Did Not Maintain Supporting Documentation In The Amount Of \$723,195 Of Occupational Tax Receipts

This is a repeat finding and was included in the prior year audit report as finding 2022-002. The fiscal court did not maintain supporting documentation in the amount of \$723,195 of occupational tax receipts. Per the county's ordinance, the taxpayers are required to send in a tax return to the fiscal court which includes the amount of wages and the percentage that is due to the fiscal court. However, the fiscal court did not maintain these returns. Without this supporting documentation, the amount of taxes due to the fiscal court per the ordinance was unable to be determined to be correct.

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. The Breathitt County Fiscal Court's current practices over the collections of occupational tax receipts could create an environment for undetected material misstatements in the financial statements caused either by error or fraud. The noted weaknesses could affect the fiscal court's ability to ensure that financial data is recorded, processed, and reported in an accurate and reliable manner. Furthermore, they did not keep in accordance with the retention schedule which states these documents should be kept for three years.

Proper accounting procedures and internal controls require that financial statements are supported with accurate underlying accounting records. Strong internal controls over financial reporting are vital in ensuring the fiscal court's financial statement accurately reflects the financial activity of the fiscal court and ensures compliance with applicable laws and regulations. Also, under KRS 171.530, the State Archives and Records Commission establishes standards for the selective retention of records of continuing value. Per the General Records Retention Schedule for Local Governments, records that support occupational tax collections like Net Profits License Fee Return, Annual Reconciliation of License Fee Withheld, Employers Quarterly Returns of License Fee Withheld, Refund Card, W-2s, copies of federal tax returns, Payment Forms, Revenue Audits, and general correspondence, should be retained for three years, then destroyed after audit.

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.

County Judge/Executive's Response: A new Occupational Tax Administrator has been hired.

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings (Continued)

2003-003 The County Failed To Implement Proper Internal Controls Over Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2022-003. The fiscal court did not implement adequate procedures and oversight regarding the documentation, preparation, and authorization of disbursements. The fiscal court did not follow proper procedures and requirements for disbursements of county funds. The follow deficiencies were noted during the testing of disbursements:

- Twenty-eight transactions did not have detailed support for credit card transactions.
- Purchase orders were not issued for disbursements.
- An encumbrance list was not maintained.

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

Effective internal controls provide 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 or 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 state and federal laws, regulations, grant agreements, etc. Without these effective internal controls, the procurement process could be circumvented, and disbursements could be processed outside the normal procurement process.

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 Department for Local Government's *County Budget Preparation And State Local Finance Officer Policy Manual* which states, "[p]urchases shall not be made without approval by the judge/executive (or designee), and/or a department head. . . . Purchase requests shall not be approved in an amount that exceeds the available line item appropriation unless the necessary and appropriate transfers have open made." The Department for Local Government requests that purchase orders be issued for all disbursements. In addition, good internal controls dictate that disbursements should be properly supported as evidenced by invoices and/or at a minimum evidenced by supporting documentation that supports the amount.

We recommend the fiscal court implement policies and procedures to ensure disbursements are in compliance with applicable statutes and regulations. Additionally, we recommend the fiscal court put into place internal controls to monitor that these policies and procedures are operating effectively.

County Judge/Executive's Response: A new treasurer was appointed.

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings (Continued)

2023-004 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate

The fiscal court did not implement adequate procedures and oversight regarding the documentation, preparation, and authorization of payroll disbursements. The fiscal court did not follow proper procedures and requirements for payroll disbursements. The follow deficiencies were noted during the testing of payroll disbursements:

- The payroll account had 25 instances of a negative daily balance with the highest negative balance being \$16,290.
- The payroll account was not properly reconciled.
- Tax obligations were not paid timely.
- The county did not approve a current year annual pay rate list.
- The county lacks controls over safeguarding assets.

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. There were no significant review procedures in place nor adequate oversight to ensure the completeness and accuracy of payroll information.

Failure to implement adequate controls over payroll increases the risk that material misstatements and fraud will occur and go undetected, 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 could implement and document compensating controls to reduce the risk 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.

County Judge/Executive's Response: A new treasurer was appointed.

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section III: Federal Award Findings And Questioned Costs

2023-005 The Breathitt County Fiscal Court Did Not Establish And Maintain Effective Internal Controls Over Compliance With FEMA Requirements

Federal Program: Assistance Listing # 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award Number and Year: 2023

Name of Federal Agency and Pass-Thru Agency (if applicable): U.S. Department of Homeland Security and Kentucky Emergency Management

Compliance Requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance; Reporting; Special Tests & Provisions

Type of Finding: (Material Weakness, Noncompliance)

Amount of Questioned Costs: \$0

Opinion Modification (if applicable): Adverse Opinion

COVID Related: No

The Breathitt County fiscal court did not establish and maintain effective internal controls over compliance with Federal Emergency Management Agency (FEMA) requirements. The fiscal court uses a third party to handle the transactions, but there are no procedures or review processes in place to ensure that compliance requirements are met. The fiscal court does not define, maintain, or periodically evaluate the skills and expertise needed among its members to enable them to ask probing questions of the company managing federal programs and to take commensurate action.

Further, the fiscal court does not maintain an organizational structure that facilitates effective reporting and other communications about internal control over compliance among various functions and positions of management. The fiscal court does not have job descriptions for employees managing federal programs, nor have they documented significant processes that explain the flow of transactions, controls to address key risk areas, and related reporting responsibilities. No processes are in place to evaluate the performance of individuals and teams against the entity's expected standards of conduct. The fiscal court also does not offer the training needed to attract, develop, and retain personnel.

The fiscal court believed they had appropriate procedures in place and did not realize they were not sufficient. The fiscal court uses a third party to handle the transactions for this federal program; however, no employees of the fiscal court work closely with this third party, monitor the work done, or maintain the records necessary to support how this money is being used.

Failure to implement internal controls over federal programs creates a greater risk that compliance requirements will not be met and increases the risk of undetected errors or misappropriation due to fraud. Due to the lack of internal controls, several instances of non-compliance can occur including the fiscal court's schedule of expenditures and federal awards being materially misstated, ineligible expenses being submitted for reimbursement, and auditors being unable to obtain sufficient audit evidence to substantiate amounts.

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section III: Federal Award Findings And Questioned Costs

2023-005 The Breathitt County Fiscal Court Did Not Establish And Maintain Effective Internal Controls Over Compliance With FEMA Requirements (Continued)

According to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) §200.303 Internal Controls, the non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with Federal Statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor non-Federal entity’s compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designated as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

We recommend the fiscal court implement procedures to ensure that federal programs are meeting all compliance requirements. There should be review procedures in place to ensure all federal expenditures are allowable and fall within the correct period of performance for each federal program. The fiscal court should have job descriptions for all employees and document significant processes that explain the flow of transactions, controls to address key risk areas, and related reporting responsibilities. The fiscal court should also ensure that all employees receive sufficient training in relevant areas to ensure that they attract, develop, and retain skilled personnel.

County Judge/Executive’s Response: The county is no longer using a third party to handle FEMA transactions. Effective oversight is now being handled internally, following proper procedures with proper training of staff.

BREATHITT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section IV: Summary Schedule of Prior Audit Findings

Finding Number	Prior Year Finding Title	Status	Corrective Action
2022-001	The Breathitt County Fiscal Court Failed To Implement And Maintain An Effective Internal Control Environment	Unresolved	Breathitt County Fiscal Court has new staff in most all departments who are now maintaining internal controls.
2022-002	The Breathitt County Fiscal Court Did Not Maintain Supporting Documentation In The Amount of \$938,698 Of Occupational Tax Receipts	Unresolved	Breathitt County Fiscal Court has a new occupational tax administrator and both she and the new treasurer are maintaining documentation.
2022-003	The Breathitt County Fiscal Court Failed To Implement Proper Internal Controls Over Disbursements	Unresolved	Breathitt County Fiscal Court has new staff in most all departments who are now maintaining internal controls.
2022-004	The Breathitt County Fiscal Court Did Not Implement Internal Controls Over Payroll Disbursements	Unresolved	Breathitt County Fiscal Court has new staff in most all departments who are now maintaining internal controls.
2022-005	The Breathitt County Fiscal Court Did Not Establish And Maintain Effective Internal Controls Over Compliance With FEMA Requirements	Unresolved	Breathitt County Fiscal Court has a new FEMA applicant agent who is maintaining controls and compliance with FEMA regulations.

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

BREATHITT COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

BREATHITT COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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



County Judge/Executive



County Treasurer