

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

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



**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
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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 James David Wilhoite, Carroll County Judge/Executive
Members of the Carroll County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Carroll County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Carroll County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Carroll County Fiscal Court, for the year ended June 30, 2023, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Carroll County Fiscal Court, for the year ended June 30, 2023, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

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



To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable James David Wilhoite, Carroll County Judge/Executive
Members of the Carroll County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Carroll County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Carroll 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.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable James David Wilhoite, Carroll County Judge/Executive
Members of the Carroll County Fiscal Court

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Carroll County Fiscal Court. The Budgetary Comparison Schedules is presented for purposes of additional analysis and are not a required part of the financial statement; however, the schedule 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.

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024, on our consideration of the Carroll 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 Carroll 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 James David Wilhoite, Carroll County Judge/Executive
Members of the Carroll 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 Responses included herein, which discusses the following report finding:

2023-001 The Carroll County Jailer Did Not Ensure Jail Vehicle Purchases Were Handled Properly

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 11, 2024

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

Harold "Shorty" Tomlinson (Through 12/31/22)	County Judge/Executive
James David Wilhoite (1/1/23 - Present)	County Judge/Executive
Floyd Bowling (Through 12/31/22)	Magistrate
Benjamin Long (1/1/23 - Present)	Magistrate
Kerry Graham (Through 12/31/22)	Magistrate
Clay Cable (1/1/23 - Present)	Magistrate
Mark Bates (Through 12/31/22)	Magistrate
Scott Nab (1/1/23 - Present)	Magistrate

Other Elected Officials:

Nick Marsh	County Attorney
John Proctor (Through 12/31/22)	Jailer
Daniel Rose (1/1/23 - Present)	Jailer
Alice Marsh (Through 12/31/22)	County Clerk
Danielle Kinman (1/1/23 - Present)	County Clerk
Gloria Belcher	Circuit Court Clerk
Ryan Gosser	Sheriff
Rob Robertson	Property Valuation Administrator
David Wilhoite (Through 12/31/22)	Coroner
Brent Stucker (1/1/23 - Present)	Coroner

Appointed Personnel:

Debra Cayton	County Treasurer
Tanya Damron	Chief Financial Officer

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

For The Year Ended June 30, 2023

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

For The Year Ended June 30, 2023

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	\$ 5,753,370	\$	\$
Excess Fees	1,289		
Licenses and Permits	6,374		
Intergovernmental	23,933	874,669	1,532,838
Charges for Services	7,960		61,569
Miscellaneous	584,520	1,107,323	234,245
Interest	6,504	394	114
Total Receipts	<u>6,383,950</u>	<u>1,982,386</u>	<u>1,828,766</u>
DISBURSEMENTS			
General Government	1,237,629		
Protection to Persons and Property	902,078		1,952,845
General Health and Sanitation	218,730		
Social Services	188,275		
Recreation and Culture	13,457		333
Roads		1,796,309	
Capital Projects			
Administration	1,534,381	321,304	960,421
Total Disbursements	<u>4,094,550</u>	<u>2,117,613</u>	<u>2,913,599</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>2,289,400</u>	<u>(135,227)</u>	<u>(1,084,833)</u>
Other Adjustments to Cash (Uses)			
Payroll Revolving Account	16,454		
Transfers From Other Funds	413,034	700,000	767,724
Transfers To Other Funds	(3,449,558)	(389,034)	
Total Other Adjustments to Cash (Uses)	<u>(3,020,070)</u>	<u>310,966</u>	<u>767,724</u>
Net Change in Fund Balance	(730,670)	175,739	(317,109)
Fund Balance - Beginning	<u>4,972,441</u>	<u>470,122</u>	<u>436,155</u>
Fund Balance - Ending	<u>\$ 4,241,771</u>	<u>\$ 645,861</u>	<u>\$ 119,046</u>
Composition of Fund Balance			
Bank Balance	\$ 2,480,423	\$ 650,394	\$ 131,028
Less: Outstanding Checks	(38,652)	(4,533)	(11,982)
Certificates of Deposit	<u>1,800,000</u>		
Fund Balance - Ending	<u>\$ 4,241,771</u>	<u>\$ 645,861</u>	<u>\$ 119,046</u>

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

CARROLL COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2023
(Continued)

Budgeted Funds						
Local Government Economic Assistance Fund	State Grants Fund	Federal Grant Fund - American Recovery and Protection Act	Ambulance Fund	Solid Waste Fund	Parks & Recreation Fund	Sheriff Fund
\$	\$	\$	\$	\$	\$	\$
138,743	10,000	50,121				487,816
			709,430		63,850	
84,586		145	40,010	24,601	25,385	
100		850	205	71	103	100
<u>223,429</u>	<u>10,000</u>	<u>51,116</u>	<u>749,645</u>	<u>24,672</u>	<u>89,338</u>	<u>487,916</u>
		398,423				683,148
18,882	20,000	434,643	1,012,609			
				128,014		
		25,180				
545,303		183,618			332,088	
		312,052				
20,000						
63,569		95,298	551,095	53,951	76,087	329,351
<u>647,754</u>	<u>20,000</u>	<u>1,449,214</u>	<u>1,563,704</u>	<u>181,965</u>	<u>408,175</u>	<u>1,012,499</u>
<u>(424,325)</u>	<u>(10,000)</u>	<u>(1,398,098)</u>	<u>(814,059)</u>	<u>(157,293)</u>	<u>(318,837)</u>	<u>(524,583)</u>
231,970			836,818	155,740	331,797	425,509
<u>231,970</u>			<u>836,818</u>	<u>155,740</u>	<u>331,797</u>	<u>425,509</u>
(192,355)	(10,000)	(1,398,098)	22,759	(1,553)	12,960	(99,074)
268,641	10,000	2,064,999	198,658	40,906	5,265	111,505
<u>\$ 76,286</u>	<u>\$ 0</u>	<u>\$ 666,901</u>	<u>\$ 221,417</u>	<u>\$ 39,353</u>	<u>\$ 18,225</u>	<u>\$ 12,431</u>
\$ 106,173	\$	\$ 870,447	\$ 237,052	\$ 42,951	\$ 36,221	\$ 20,237
(29,887)		(203,546)	(15,635)	(3,598)	(17,996)	(7,806)
<u>\$ 76,286</u>	<u>\$ 0</u>	<u>\$ 666,901</u>	<u>\$ 221,417</u>	<u>\$ 39,353</u>	<u>\$ 18,225</u>	<u>\$ 12,431</u>

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

CARROLL COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2023
(Continued)

	Budgeted Funds		
	911 Fund	911 Wireless Fund	Insurance Fund
RECEIPTS			
Taxes	\$ 28,065	\$ 204,959	\$
Excess Fees			
Licenses and Permits			
Intergovernmental			
Charges for Services			
Miscellaneous			74,152
Interest	4	39	
Total Receipts	<u>28,069</u>	<u>204,998</u>	<u>74,152</u>
DISBURSEMENTS			
General Government			
Protection to Persons and Property	28,068	180,988	
General Health and Sanitation			
Social Services			
Recreation and Culture			
Roads			
Capital Projects			
Administration			60,461
Total Disbursements	<u>28,068</u>	<u>180,988</u>	<u>60,461</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other			
Adjustments to Cash (Uses)	<u>1</u>	<u>24,010</u>	<u>13,691</u>
Other Adjustments to Cash (Uses)			
Payroll Revolving Account			
Transfers From Other Funds			
Transfers To Other Funds		(24,000)	
Total Other Adjustments to Cash (Uses)		<u>(24,000)</u>	
Net Change in Fund Balance	1	10	13,691
Fund Balance - Beginning			84,077
Fund Balance - Ending	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 97,768</u>
Composition of Fund Balance			
Bank Balance	\$ 7,348	\$ 10	\$ 97,768
Less: Outstanding Checks	(7,347)		
Certificates of Deposit			
Fund Balance - Ending	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 97,768</u>

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

CARROLL COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2023
(Continued)

<u>Budgeted Funds</u>		<u>Unbudgeted Funds</u>		
<u>Federal Grant</u>				
<u>Fund-</u>				
<u>Community</u>	<u>Clerk</u>	<u>Opioid</u>	<u>Jail</u>	<u>Total</u>
<u>Development</u>	<u>SB 135</u>	<u>Settlement</u>	<u>Jail</u>	<u>Funds</u>
<u>Block Grant</u>	<u>Fund</u>	<u>Fund</u>	<u>Commissary</u>	
\$	\$	\$	\$	\$ 5,986,394
				1,289
				6,374
16,172				3,134,292
				842,809
	14,186	117,458	192,992	2,499,603
	1	15	567	9,067
<u>16,172</u>	<u>14,187</u>	<u>117,473</u>	<u>193,559</u>	<u>12,479,828</u>
				2,319,200
				4,550,113
				346,744
16,172				229,627
			171,377	1,246,176
				2,108,361
				20,000
				4,045,918
<u>16,172</u>			<u>171,377</u>	<u>14,866,139</u>
	14,187	117,473	22,182	(2,386,311)
				16,454
				3,862,592
				(3,862,592)
				16,454
	14,187	117,473	22,182	(2,369,857)
			340,864	9,003,633
<u>\$ 0</u>	<u>\$ 14,187</u>	<u>\$ 117,473</u>	<u>\$ 363,046</u>	<u>\$ 6,633,776</u>
\$ 6,672	\$ 14,187	\$ 117,473	\$ 367,428	\$ 5,185,812
(6,672)			(4,382)	(352,036)
				1,800,000
<u>\$ 0</u>	<u>\$ 14,187</u>	<u>\$ 117,473</u>	<u>\$ 363,046</u>	<u>\$ 6,633,776</u>

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

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TO THE FINANCIAL STATEMENT**

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**CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Basis of Accounting

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally, except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments.

State Grants Fund - The primary purpose of this fund is to account for the restricted grant revenues received from the Commonwealth of Kentucky.

Federal Grant Fund – American Recovery and Protection Act- The primary purpose of this fund is to account for the restricted grant revenues received from the federal government.

Ambulance Fund - The primary purpose of this fund is to account for the operations of the Carroll County Ambulance Service. The primary source of receipts for this fund is ambulance user fees.

Solid Waste Fund - The primary purpose of this fund is to account for the usage of the recurring litter abatement grant. The primary source of receipts for this fund is state grants.

Parks and Recreation Fund - The primary purpose of this fund is to account for the Parks and Recreation Department of Carroll County.

Sheriff Fund - The primary purpose of this fund is to account for the sheriff's office fee pooling activities of Carroll County.

911 Fund - The primary purpose of this fund is to account for emergency dispatch activities as shared with the City of Carrollton. The primary source of receipts for this fund is telephone 911 surcharges.

911 Wireless Fund - The primary purpose of this fund is to account for emergency dispatch activities as shared with the City of Carrollton. The primary source of receipts for this fund is wireless telephone surcharges.

Insurance Fund - This fund accounts for employee and employer contributions to reimburse employees for health care expenses.

Federal Grant Fund - Community Development Block Grant - The primary purpose of this fund is to account for the federal grant revenues received from the federal government.

Clerk SB 135 Fund – The primary purpose of this fund is to account for the storage fees collected at the county clerk's office that are to be turned over to the county for fiscal oversight per state law.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Opioid Settlement Fund – The fiscal court received funds from the federal opioid settlement lawsuit for use in support of opioid addiction recovery in the county.

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

D. Budgetary Information

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

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

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

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

E. Carroll County Elected Officials

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

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

KRS 66.480 authorizes the county to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

G. Long-term Obligations

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

Note 2. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2023, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2023.

	General Fund	Road Fund	911Wireless Fund	Total Transfers In
General Fund	\$	\$ 389,034	\$ 24,000	\$ 413,034
Road Fund	700,000			700,000
Jail Fund	767,724			767,724
LGEA Fund	231,970			231,970
Ambulance Fund	836,818			836,818
Solid Waste Fund	155,740			155,740
Parks and Recreation Fund	331,797			331,797
Sheriff Fund	425,509			425,509
Total Transfers Out	<u>\$ 3,449,558</u>	<u>\$ 389,034</u>	<u>\$ 24,000</u>	<u>\$ 3,862,592</u>

Reason for transfers:

To move resources from and to the general fund and other funds, for budgetary purposes, to the funds that will expend them.

Note 4. Custodial Funds

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. In accordance with the regulatory basis of accounting, custodial funds are not presented on the financial statement.

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2023, was \$68,530.

Note 5. Contingencies

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

Note 6. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (Ky. Ret. Sys.). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and Ky. Ret. Sys. The CERS nine (9) member board of trustees is responsible for the governance of the CERS pension and insurance plans.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

Nonhazardous

The county's contribution for FY 2021 was \$743,641, FY 2022 was \$901,017, and FY 2023 was \$1,061,006.

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

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

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

The county's contribution rate for nonhazardous employees was 26.79 percent.

Hazardous

Hazardous covered employees are required to contribute eight percent (8%) of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute nine percent (9%) of their salary to be allocated as follows: eight percent (8%) will go to the member's account and one percent (1%) will go to the Ky. Ret. Sys. insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan.

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute eight percent (8%) of their annual creditable compensation and also contribute one percent (1%) to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

Hazardous (Continued)

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 49.59 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

Tier 2 member benefits are covered by KRS 78.5536. Tier 3 members are not covered by the same provisions.

C. Health Insurance Coverage - Tier 2 and Tier 3 - Hazardous

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

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

D. Cost of Living Adjustments - Tier 1

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

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

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

F. Death Benefit

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

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

G. Annual Financial Report and Proportionate Share Audit Report

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

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

Note 7. Deferred Compensation

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

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

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

Note 8. Flexible Spending Account

The Carroll County Fiscal Court established a flexible spending account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides a debit card to each eligible employee providing \$2,000 each year to pay for qualified medical expenses. Employees may also contribute additional pre-tax funds through payroll deduction.

Note 9. Insurance

For the fiscal year ended June 30, 2023, the Carroll County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

CARROLL COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2023
(Continued)

Note 10. Payroll Revolving Account

The reconciled balance of \$16,454 for the payroll revolving account as of June 30, 2023, was added to the general fund cash balance for financial reporting purposes.

Note 11. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to third parties for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Carroll County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2023, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2023

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CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 5,405,450	\$ 5,405,450	\$ 5,753,370	\$ 347,920
Excess Fees			1,289	1,289
Licenses and Permits	5,500	5,500	6,374	874
Intergovernmental	44,265	44,265	23,933	(20,332)
Charges for Services	3,500	3,500	7,960	4,460
Miscellaneous	365,200	365,200	584,520	219,320
Interest	15,400	15,400	6,504	(8,896)
Total Receipts	<u>5,839,315</u>	<u>5,839,315</u>	<u>6,383,950</u>	<u>544,635</u>
DISBURSEMENTS				
General Government	1,323,146	1,300,534	1,237,629	62,905
Protection to Persons and Property	694,648	969,130	902,078	67,052
General Health and Sanitation	226,325	223,314	218,730	4,584
Social Services	225,980	189,925	188,275	1,650
Recreation and Culture	13,000	13,457	13,457	
Administration	1,117,726	1,731,550	1,534,381	197,169
Total Disbursements	<u>3,600,825</u>	<u>4,427,910</u>	<u>4,094,550</u>	<u>333,360</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>2,238,490</u>	<u>1,411,405</u>	<u>2,289,400</u>	<u>877,995</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			413,034	413,034
Transfers To Other Funds	(4,765,019)	(4,765,019)	(3,449,558)	1,315,461
Total Other Adjustments to Cash (Uses)	<u>(4,765,019)</u>	<u>(4,765,019)</u>	<u>(3,036,524)</u>	<u>1,728,495</u>
Net Change in Fund Balance	(2,526,529)	(3,353,614)	(747,124)	2,606,490
Fund Balance - Beginning	<u>2,526,529</u>	<u>3,126,529</u>	<u>4,972,441</u>	<u>1,845,912</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (227,085)</u>	<u>\$ 4,225,317</u>	<u>\$ 4,452,402</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 852,700	\$ 852,700	\$ 874,669	\$ 21,969
Miscellaneous		387,134	1,107,323	720,189
Interest	320	320	394	74
Total Receipts	<u>853,020</u>	<u>1,240,154</u>	<u>1,982,386</u>	<u>742,232</u>
DISBURSEMENTS				
Roads	1,992,697	1,994,262	1,796,309	197,953
Administration	450,784	447,319	321,304	126,015
Total Disbursements	<u>2,443,481</u>	<u>2,441,581</u>	<u>2,117,613</u>	<u>323,968</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,590,461)</u>	<u>(1,201,427)</u>	<u>(135,227)</u>	<u>1,066,200</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,140,461	1,140,461	700,000	(440,461)
Transfers To Other Funds			(389,034)	(389,034)
Total Other Adjustments to Cash (Uses)	<u>1,140,461</u>	<u>1,140,461</u>	<u>310,966</u>	<u>(829,495)</u>
Net Change in Fund Balance	(450,000)	(60,966)	175,739	236,705
Fund Balance - Beginning	<u>450,000</u>	<u>450,000</u>	<u>470,122</u>	<u>20,122</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 389,034</u>	<u>\$ 645,861</u>	<u>\$ 256,827</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,433,593	\$ 1,433,593	\$ 1,532,838	\$ 99,245
Charges for Services	72,343	72,343	61,569	(10,774)
Miscellaneous	179,770	179,770	234,245	54,475
Interest	173	173	114	(59)
Total Receipts	<u>1,685,879</u>	<u>1,685,879</u>	<u>1,828,766</u>	<u>142,887</u>
DISBURSEMENTS				
Protection to Persons and Property	1,829,370	1,979,387	1,952,845	26,542
Recreation and Culture	1,500	333	333	
Administration	947,733	960,832	960,421	411
Total Disbursements	<u>2,778,603</u>	<u>2,940,552</u>	<u>2,913,599</u>	<u>26,953</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,092,724)</u>	<u>(1,254,673)</u>	<u>(1,084,833)</u>	<u>169,840</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	942,724	942,724	767,724	(175,000)
Total Other Adjustments to Cash (Uses)	<u>942,724</u>	<u>942,724</u>	<u>767,724</u>	<u>(175,000)</u>
Net Change in Fund Balance	(150,000)	(311,949)	(317,109)	(5,160)
Fund Balance - Beginning	<u>150,000</u>	<u>150,000</u>	<u>436,155</u>	<u>286,155</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (161,949)</u>	<u>\$ 119,046</u>	<u>\$ 280,995</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 61,719	\$ 61,719	\$ 138,743	\$ 77,024
Miscellaneous	12,000	12,000	84,586	72,586
Interest	85	85	100	15
Total Receipts	<u>73,804</u>	<u>73,804</u>	<u>223,429</u>	<u>149,625</u>
DISBURSEMENTS				
Protection to Persons and Property	18,234	18,882	18,882	
Recreation and Culture	407,804	597,310	545,303	52,007
Capital Projects	300,000	105,000	20,000	85,000
Administration	79,736	86,834	63,569	23,265
Total Disbursements	<u>805,774</u>	<u>808,026</u>	<u>647,754</u>	<u>160,272</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(731,970)</u>	<u>(734,222)</u>	<u>(424,325)</u>	<u>309,897</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>431,970</u>	<u>431,970</u>	<u>231,970</u>	<u>(200,000)</u>
Total Other Adjustments to Cash (Uses)	<u>431,970</u>	<u>431,970</u>	<u>231,970</u>	<u>(200,000)</u>
Net Change in Fund Balance	(300,000)	(302,252)	(192,355)	109,897
Fund Balance - Beginning	<u>300,000</u>	<u>300,000</u>	<u>268,641</u>	<u>(31,359)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (2,252)</u>	<u>\$ 76,286</u>	<u>\$ 78,538</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	STATE GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,000	\$
Total Receipts	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	
DISBURSEMENTS				
Protection to Persons and Property	20,000	20,000	20,000	
Total Disbursements	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Net Change in Fund Balance	(10,000)	(10,000)	(10,000)	
Fund Balance - Beginning	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	FEDERAL GRANT FUND - ARPA			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,032,474	\$ 1,032,474	\$ 50,121	\$ (982,353)
Miscellaneous			145	145
Interest	52	52	850	798
Total Receipts	<u>1,032,526</u>	<u>1,032,526</u>	<u>51,116</u>	<u>(981,410)</u>
DISBURSEMENTS				
General Government		424,634	398,423	26,211
Protection to Persons and Property		438,773	434,643	4,130
Social Services		25,180	25,180	
Recreation and Culture		183,618	183,618	
Roads		417,963	312,052	105,911
Administration	2,065,052	574,884	95,298	479,586
Total Disbursements	<u>2,065,052</u>	<u>2,065,052</u>	<u>1,449,214</u>	<u>615,838</u>
Net Change in Fund Balance	(1,032,526)	(1,032,526)	(1,398,098)	(365,572)
Fund Balance - Beginning	<u>1,032,526</u>	<u>1,032,526</u>	<u>2,064,999</u>	<u>1,032,473</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 666,901</u>	<u>\$ 666,901</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	AMBULANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	\$ 530,000	\$ 530,000	\$ 709,430	\$ 179,430
Miscellaneous	2,500	2,500	40,010	37,510
Interest	25	25	205	180
Total Receipts	<u>532,525</u>	<u>532,525</u>	<u>749,645</u>	<u>217,120</u>
DISBURSEMENTS				
Protection to Persons and Property	1,222,440	1,235,624	1,012,609	223,015
Administration	571,903	558,719	551,095	7,624
Total Disbursements	<u>1,794,343</u>	<u>1,794,343</u>	<u>1,563,704</u>	<u>230,639</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,261,818)</u>	<u>(1,261,818)</u>	<u>(814,059)</u>	<u>447,759</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,136,818	1,136,818	836,818	(300,000)
Total Other Adjustments to Cash (Uses)	<u>1,136,818</u>	<u>1,136,818</u>	<u>836,818</u>	<u>(300,000)</u>
Net Change in Fund Balance	(125,000)	(125,000)	22,759	147,759
Fund Balance - Beginning	<u>125,000</u>	<u>125,000</u>	<u>198,658</u>	<u>73,658</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 221,417</u>	<u>\$ 221,417</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	SOLID WASTE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 24,601	\$ 4,601
Interest	100	100	71	(29)
Total Receipts	<u>20,100</u>	<u>20,100</u>	<u>24,672</u>	<u>4,572</u>
DISBURSEMENTS				
General Health and Sanitation	135,870	136,603	128,014	8,589
Administration	54,970	54,237	53,951	286
Total Disbursements	<u>190,840</u>	<u>190,840</u>	<u>181,965</u>	<u>8,875</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(170,740)</u>	<u>(170,740)</u>	<u>(157,293)</u>	<u>13,447</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	155,740	155,740	155,740	
Total Other Adjustments to Cash (Uses)	<u>155,740</u>	<u>155,740</u>	<u>155,740</u>	
Net Change in Fund Balance	(15,000)	(15,000)	(1,553)	13,447
Fund Balance - Beginning	<u>15,000</u>	<u>15,000</u>	<u>40,906</u>	<u>25,906</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,353</u>	<u>\$ 39,353</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

PARKS AND RECREATION FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	\$ 50,000	\$ 50,000	\$ 63,850	\$ 13,850
Miscellaneous	17,100	17,100	25,385	8,285
Interest	15	15	103	88
Total Receipts	67,115	67,115	89,338	22,223
DISBURSEMENTS				
Recreation and Culture	358,466	352,799	332,088	20,711
Administration	75,446	78,861	76,087	2,774
Total Disbursements	433,912	431,660	408,175	23,485
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(366,797)	(364,545)	(318,837)	45,708
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	331,797	331,797	331,797	
Total Other Adjustments to Cash (Uses)	331,797	331,797	331,797	
Net Change in Fund Balance	(35,000)	(32,748)	12,960	45,708
Fund Balance - Beginning	35,000	35,000	5,265	(29,735)
Fund Balance - Ending	\$ 0	\$ 2,252	\$ 18,225	\$ 15,973

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	SHERIFF FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 487,816	\$ (12,184)
Interest	30	30	100	70
Total Receipts	<u>500,030</u>	<u>500,030</u>	<u>487,916</u>	<u>(12,114)</u>
DISBURSEMENTS				
General Government	814,924	815,603	683,148	132,455
Administration	445,615	444,936	329,351	115,585
Total Disbursements	<u>1,260,539</u>	<u>1,260,539</u>	<u>1,012,499</u>	<u>248,040</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(760,509)</u>	<u>(760,509)</u>	<u>(524,583)</u>	<u>235,926</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	625,509	625,509	425,509	(200,000)
Total Other Adjustments to Cash (Uses)	<u>625,509</u>	<u>625,509</u>	<u>425,509</u>	<u>(200,000)</u>
Net Change in Fund Balance	(135,000)	(135,000)	(99,074)	35,926
Fund Balance - Beginning	<u>135,000</u>	<u>135,000</u>	<u>111,505</u>	<u>(23,495)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,431</u>	<u>\$ 12,431</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 32,000	\$ 32,000	\$ 28,065	\$ (3,935)
Interest	5	5	4	(1)
Total Receipts	<u>32,005</u>	<u>32,005</u>	<u>28,069</u>	<u>(3,936)</u>
DISBURSEMENTS				
Protection to Persons and Property	32,005	32,005	28,068	3,937
Total Disbursements	<u>32,005</u>	<u>32,005</u>	<u>28,068</u>	<u>3,937</u>
Net Change in Fund Balance			<u>1</u>	<u>1</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 1</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

911 WIRELESS FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 184,000	\$ 184,000	\$ 204,959	\$ 20,959
Interest	10	10	39	29
Total Receipts	<u>184,010</u>	<u>184,010</u>	<u>204,998</u>	<u>20,988</u>
DISBURSEMENTS				
Protection to Persons and Property	184,010	184,010	180,988	3,022
Total Disbursements	<u>184,010</u>	<u>184,010</u>	<u>180,988</u>	<u>3,022</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>24,010</u>	<u>24,010</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(24,000)	(24,000)
Total Other Adjustments to Cash (Uses)			<u>(24,000)</u>	<u>(24,000)</u>
Net Change in Fund Balance			<u>10</u>	<u>10</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10</u>	<u>\$ 10</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	INSURANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	80,000	\$ 74,152	\$ (5,848)
Total Receipts		80,000	74,152	(5,848)
DISBURSEMENTS				
Administration		80,000	60,461	19,539
Total Disbursements		80,000	60,461	19,539
Net Change in Fund Balance			13,691	13,691
Fund Balance - Beginning			84,077	84,077
Fund Balance - Ending	\$	0	\$ 97,768	\$ 97,768

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

	FEDERAL GRANT FUND - CDBG			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 16,172	\$ (183,828)
Total Receipts	<u>200,000</u>	<u>200,000</u>	<u>16,172</u>	<u>(183,828)</u>
DISBURSEMENTS				
Social Services	200,000	200,000	16,172	183,828
Total Disbursements	<u>200,000</u>	<u>200,000</u>	<u>16,172</u>	<u>183,828</u>
Net Change in Fund Balance				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CARROLL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2023
(Continued)

CLERK SB 135 FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 14,186	\$ (10,814)
Interest			1	1
Total Receipts	<u>25,000</u>	<u>25,000</u>	<u>14,187</u>	<u>(10,813)</u>
DISBURSEMENTS				
General Government	25,000	25,000		25,000
Total Disbursements	<u>25,000</u>	<u>25,000</u>		<u>25,000</u>
Net Change in Fund Balance			<u>14,187</u>	<u>14,187</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,187</u>	<u>\$ 14,187</u>

CARROLL COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2023

Note 1. Budgetary Information

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

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

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

Note 2. Reconciliation of the General Fund

Other Adjustments to Cash (Uses)-Budgetary Basis	\$ (3,036,524)
To adjust for payroll revolving account balance	<u>16,454</u>
Total Intergovernmental-Regulatory Basis	<u>\$ (3,020,070)</u>
Total Fund Balance - Budgetary Basis	\$ 4,225,317
To adjust for payroll revolving account balance	<u>16,454</u>
Total Ending Fund Balance - Regulatory Basis	<u>\$ 4,241,771</u>

**CARROLL COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis**

For The Year Ended June 30, 2023

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CARROLL COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2023

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 4,173,454	\$	\$	\$ 4,173,454
Buildings	6,107,610	183,618		6,291,228
Equipment	2,097,849	144,967		2,242,816
Vehicles	1,984,207	767,884		2,752,091
Infrastructure	10,803,903	944,877		11,748,780
 Total Capital Assets	 <u>\$ 25,167,023</u>	 <u>\$ 2,041,346</u>	 <u>\$ 0</u>	 <u>\$ 27,208,369</u>

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

June 30, 2023

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land and Land Improvements	\$ 12,500	10-60
Buildings and Building Improvements	25,000	10-75
Equipment	5,000	3-25
Vehicles	5,000	3-25
Infrastructure	20,000	10-50

**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 James David Wilhoite, Carroll County Judge/Executive
Members of the Carroll County Fiscal Court

We have audited, 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 Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Carroll County Fiscal Court for the fiscal year ended June 30, 2023, and the related notes to the financial statement which collectively comprise the Carroll County Fiscal Court's financial statement and have issued our report thereon dated March 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Carroll 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 Carroll County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Carroll 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 Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 deficiency described in the accompanying Schedule of Findings and Responses as item 2023-001 to be a material weakness.



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

As part of obtaining reasonable assurance about whether the Carroll County Fiscal Court's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and as item 2023-001.

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

March 11, 2024

**CARROLL COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2023

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**CARROLL COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2023

FINANCIAL STATEMENT FINDING:

2023-001 The Carroll County Jailer Did Not Ensure Jail Vehicle Purchases Were Handled Properly

During testing of the Carroll County Jail disbursements, the following was noted regarding an ATV that was purchased for use at the detention center:

- The jailer followed the requirement to obtain two (2) quotes before making a purchase for an ATV, but the jailer did not maintain documentation of the calls or quotes received. The purchase was under the required amount to be bid per the county's administrative policy bid threshold of \$40,000; however, two (2) quotes are required to be obtained, nonetheless.
- The jailer had the title and motor vehicle license work for the ATV issued in his personal name and address instead of the fiscal court's name and address. According to the county treasurer, she discovered the issue and discussed with the jailer that jail vehicles should be in the fiscal court's name and address. The county treasurer then worked with the ATV dealer and the county clerk's office to switch the title and license work for the ATV to the fiscal court's name and address.

Also, a vehicle purchased for the jail in March 2023, was to be used for prisoner transport; however, the jailer did not get a county decal put on the truck and did not equip it for secure use for prisoner transport. Per discussion with county officials, the decals were later placed on the vehicle and properly equipped for the secure transport of prisoners. The jailer did not practice due care and diligence to ensure that the county's procurement policies were consistently followed or that vehicles purchased for use at the jail were used for jail operations only, or that those vehicles were titled and licensed to the county fiscal court for proper tracking, use, and insurance purposes. The jailer did not have controls in place to ensure that documentation supporting the quotes for jail vehicle purchases were maintained. The actions taken by the jailer, including failure to maintain supporting documentation for the ATV purchase quotes, the titling of jail vehicles in his personal name, and failure to equip and decal the vehicle specifically for prisoner transport, indicate an increased risk of management override of internal controls, which can lead to undetected errors and fraud. Per the county's administrative code, purchases below \$40,000 are to be given two (2) quotes from vendors and then they must choose the quote most advantageous to the county. Additionally, management's commitment to a strong system of internal controls is essential to ensure the county's procurement policies and appropriate vehicle titling requirements are met.

We recommend the jailer ensure the county's system of internal controls is followed for detention center operations, including implementing procedures to ensure procurement of jail assets are in compliance with the county's administrative code. These procedures should include maintaining all related documentation for each procurement, and if bidding is required, that the bid is approved by the fiscal court and evidenced in the fiscal court minutes. The procedures should also include that the title and license for vehicles purchased should be to the fiscal court's name and address.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The official did not provide a response.

Jailer's Response: The official did not provide a response.

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

CARROLL COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Carroll 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.



County Judge/Executive



County Treasurer