

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

**For The Year Ended
June 30, 2024**



**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 Myron Lewis, Elliott County Judge/Executive
Members of the Elliott 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 Elliott County Fiscal Court, for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the Elliott 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 Elliott County Fiscal Court, for the year ended June 30, 2024, 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 Elliott County Fiscal Court, for the year ended June 30, 2024, 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 the Elliott 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 Myron Lewis, Elliott County Judge/Executive
Members of the Elliott 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 Elliott 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

Elliott 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.

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

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 Elliott County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

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

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

- 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 Elliott County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Supplementary Information

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

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
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Members of the Elliott County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of the Elliott 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 Elliott County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 8, 2024

ELLIOTT COUNTY OFFICIALS**For The Year Ended June 30, 2024****Fiscal Court Members:**

Myron S. Lewis	County Judge/Executive
Emily Adkins	Magistrate
Mike Dickerson	Magistrate
Charles Whitt	Magistrate
Brian Dillon	Magistrate
Christopher Dickerson	Magistrate
Dewey Smith	Magistrate
Darren Newell	Magistrate

Other Elected Officials:

John D. Lewis	County Attorney
Dustin Kelley	Jailer
Jennifer Carter	County Clerk
Jason Ison	Circuit Court Clerk
Ray Craft	Sheriff
Adam Ison	Property Valuation Administrator
Mark Lewis	Coroner

Appointed Personnel:

Crystal Lyons	County Treasurer
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**ELLIOTT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS**

For The Year Ended June 30, 2024

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

For The Year Ended June 30, 2024

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 1,249,657	\$	\$	\$
In Lieu Tax Payments	24,496			
Licenses and Permits	2,281			
Intergovernmental	869,872	2,065,875	177,876	141,221
Charges for Services	160			
Miscellaneous	152,427	4,482	1,647	
Interest	932	580	92	145
Total Receipts	<u>2,299,825</u>	<u>2,070,937</u>	<u>179,615</u>	<u>141,366</u>
DISBURSEMENTS				
General Government	1,600,069			36,269
Protection to Persons and Property	44,544		552,183	
General Health and Sanitation	121,203			150,681
Recreation and Culture	42,462			
Roads		1,872,007		
Debt Service	19,440	543,804	13,172	
Capital Projects				
Administration	458,582	149,156	14,625	8,661
Total Disbursements	<u>2,286,300</u>	<u>2,564,967</u>	<u>579,980</u>	<u>195,611</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>13,525</u>	<u>(494,030)</u>	<u>(400,365)</u>	<u>(54,245)</u>
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds			52,000	
Transfers From Other Funds	100,000	490,000	315,000	
Transfers To Other Funds	(921,000)	(100,000)		
Total Other Adjustments to Cash (Uses)	<u>(821,000)</u>	<u>390,000</u>	<u>367,000</u>	
Net Change in Fund Balance	(807,475)	(104,030)	(33,365)	(54,245)
Fund Balance - Beginning (Restated)	933,279	151,532	43,817	65,553
Fund Balance - Ending	<u>\$ 125,804</u>	<u>\$ 47,502</u>	<u>\$ 10,452</u>	<u>\$ 11,308</u>
Composition of Fund Balance				
Bank Balance	\$ 180,366	\$ 88,552	\$ 2,939	\$ 11,393
Plus: Deposits In Transit	2,585		10,000	
Less: Outstanding Checks	(57,147)	(41,050)	(2,487)	(85)
Fund Balance - Ending	<u>\$ 125,804</u>	<u>\$ 47,502</u>	<u>\$ 10,452</u>	<u>\$ 11,308</u>

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

ELLIOTT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2024
(Continued)

Budgeted Funds						
Federal Grant Fund	Forest Fire Fund	Cleaner Water Fund	911 Fund	Opioid Settlement Fund	Emergency Operations Center (EOC) Building Fund	CDBG Fund
\$	\$ 2,239	\$	\$ 113,989	\$	\$	\$
50,000		161,974	143,649			284,652
58	22		76	65,055		
<u>50,058</u>	<u>2,261</u>	<u>161,974</u>	<u>257,714</u>	<u>65,055</u>		<u>284,652</u>
50,000	1,278		317,008			
		161,974				
			54,046			258,652
<u>50,000</u>	<u>1,278</u>	<u>161,974</u>	<u>371,054</u>			<u>26,119</u>
						<u>284,771</u>
58	983		(113,340)	65,055		(119)
		500	115,000		500	
		<u>500</u>	<u>115,000</u>		<u>500</u>	
58	983	500	1,660	65,055	500	(119)
<u>15,544</u>	<u>7,990</u>		<u>34,030</u>	<u>67,321</u>		<u>455</u>
<u>\$ 15,602</u>	<u>\$ 8,973</u>	<u>\$ 500</u>	<u>\$ 35,690</u>	<u>\$ 132,376</u>	<u>\$ 500</u>	<u>\$ 336</u>
\$ 15,602	\$ 8,973	\$ 500	\$ 35,735	\$ 132,376	\$ 500	\$ 336
			(45)			
<u>\$ 15,602</u>	<u>\$ 8,973</u>	<u>\$ 500</u>	<u>\$ 35,690</u>	<u>\$ 132,376</u>	<u>\$ 500</u>	<u>\$ 336</u>

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

ELLIOTT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2024
(Continued)

	<u>Unbudgeted Fund</u>	
	Public Properties Corporation Fund	Total Funds
	<u> </u>	<u> </u>
RECEIPTS		
Taxes	\$	\$ 1,365,885
In Lieu Tax Payments		24,496
Licenses and Permits		2,281
Intergovernmental		3,895,119
Charges for Services		160
Miscellaneous	1,003	224,614
Interest	295	2,200
Total Receipts	<u>1,298</u>	<u>5,514,755</u>
DISBURSEMENTS		
General Government		1,636,338
Protection to Persons and Property		965,013
General Health and Sanitation		433,858
Recreation and Culture		42,462
Roads		1,872,007
Debt Service		576,416
Capital Projects		258,652
Administration	10,264	721,453
Total Disbursements	<u>10,264</u>	<u>6,506,199</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(8,966)</u>	<u>(991,444)</u>
Other Adjustments to Cash (Uses)		
Financing Obligation Proceeds		52,000
Transfers From Other Funds		1,021,000
Transfers To Other Funds		(1,021,000)
Total Other Adjustments to Cash (Uses)		<u>52,000</u>
Net Change in Fund Balance	(8,966)	(939,444)
Fund Balance - Beginning	<u>8,966</u>	<u>1,328,487</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 389,043</u>
Composition of Fund Balance		
Bank Balance	\$	\$ 477,272
Plus: Deposits In Transit		12,585
Less: Outstanding Checks		(100,814)
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 389,043</u>

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

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TO THE FINANCIAL STATEMENT**

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**ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Elliott County includes all budgeted and unbudgeted funds under the control of the Elliott 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.

The Elliott County Ambulance Service would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, they no longer are required components of the reporting entity. Audits of the Elliott County Ambulance Service can be obtained at 59 Ambulance Road, Sandy Hook, KY 41171.

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.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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.

Federal Grant Fund - The primary purpose of this fund is to account for the receipt and disbursement of federal funds received due to COVID-19.

Forest Fire Fund - The primary purpose of this fund is to account for forest fire tax proceeds and remittance to the state.

Cleaner Water Fund - The purpose of this fund is to account for federal grant funds utilized for water extension projects.

911 Fund - The primary purpose of this fund is to account for dispatch expenses of the county. The primary source of receipts for this fund is the 911 telephone surcharge.

Opioid Settlement Fund - The primary purpose of this fund is to account for funds used to combat the county's opioid crisis. Receipts of this fund are received from the state as a result of the state's agreement with major opioid manufacturers and distributors.

Emergency Operations Center (EOC) Building Fund - The purpose of this fund is to account for Abandon Mine Land Economic Revitalization (AMLER) federal grant funds utilized to construct an emergency operations center.

Community Development Block Grant (CDBG) Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

Unbudgeted Funds

The fiscal court reports the following unbudgeted fund:

Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 public properties corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Elliott County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Elliott 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 Elliott County Fiscal Court.

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

F. Deposits and Investments

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

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

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

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

H. Joint Venture

A joint venture is a legal entity or other organization that results from a contractual agreement, and this is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The Eastpark Industrial Park meets the criteria noted above and is disclosed as an organization jointly governed by the Kentucky counties of Carter, Boyd, Elliott, Greenup, and Lawrence. Financial statement audits can be obtained at fivco.org.

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, 2024, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2024.

	General Fund	Road Fund	Total Transfers In
General Fund	\$	\$ 100,000	\$ 100,000
Road Fund	490,000		490,000
Jail Fund	315,000		315,000
Cleaner Water Fund	500		500
911 Fund	115,000		115,000
Emergency Operations Center Building Fund	500		500
Total Transfers Out	<u>\$ 921,000</u>	<u>\$ 100,000</u>	<u>\$ 1,021,000</u>

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 3. Transfers (Continued)

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. Leases

A. Lessor

1. Workforce

During the fiscal year ending June 30, 2022, the Elliott County Fiscal Court began leasing office space at the Rocky J. Adkins Public Library to the Kentucky Department of Workforce. The lease is on a yearly basis and the fiscal court will receive \$1,500 in quarterly payments. The Elliott County Fiscal Court recognized \$6,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Elliott County Fiscal Court's receivable for lease payments was \$0.

2. Northeast

During the fiscal year ended June 30, 2022, the Elliott County Fiscal Court began leasing office space at the Rocky J. Adkins Public Library to the Northeast Kentucky Community Action Agency. The lease is on a yearly basis and the fiscal court will receive \$3,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Elliott County Fiscal Court's receivable for lease payments was \$0.

3. Adult Ed

During the fiscal year ended June 30, 2022, the Elliott County Fiscal Court began leasing office space at the Rocky J. Adkins Public Library to the Elliott County Adult Education. The lease is on a yearly basis and the fiscal court will receive \$2,400 in one annual payment. The Elliott County Fiscal Court recognized \$2,400 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Elliott County Fiscal Court's receivable for lease payments is \$0.

4. KY Homeplace

During the fiscal year ended June 30, 2022, the Elliott County Fiscal Court entered into a donated space agreement with the University of Kentucky Homeplace Program. The donated space will be at the Elliott County Senior Citizen's Building. The agreement is for five years, automatically renewable for one year terms for a maximum of five years. If not terminated before the end of the fifth term a new agreement will be executed. The Elliott County Fiscal Court will receive \$1,200 in quarterly utility payments. The fiscal court recognized \$4,800 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Elliott County Fiscal Court's receivable for lease payments was \$0.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 4. Leases (Continued)

B. Lessee

1. 911 Tower

On May 8, 1986, the Elliott County Fiscal Court entered into a 50-year lease agreement with a third party for the purpose of the construction and maintenance of tower and radio communications equipment and the right to construct and maintain an access road to the tower site. On August 24, 2021, the third party assigned and transferred the right, title, and interest of the tower and radio communications equipment at the tower site over to the Elliott County Fiscal Court through an assignment of lease, where it was considered a gift and no monetary consideration whatsoever.

2. 2022 Dodge Ram 2500

On January 24, 2023, the Elliott County Fiscal Court entered into a five-year lease agreement as lessee for the use of a 2022 Dodge Ram 2500. As of June 30, 2024, the value of the lease liability was \$55,574. The Elliott County Fiscal Court is required to make monthly payments of \$1,292 which includes principal, interest, management, and maintenance fees. The remaining lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 15,509
2026	15,509
2027	15,509
2028	<u>9,047</u>
Total Minimum Lease Payments	<u>\$ 55,574</u>

3. 2022 Chevrolet Silverado 1500

On January 1, 2023, the Elliott County Fiscal Court entered into a five-year lease agreement as lessee for the use of a 2022 Chevrolet Silverado 1500. As of June 30, 2024, the value of the lease liability was \$41,395. The Elliott County Fiscal Court is required to make monthly payments of \$986 which includes principal, interest, management, and maintenance fees. The remaining lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 11,827
2026	11,827
2027	11,827
2028	<u>5,914</u>
Total Minimum Lease Payments	<u>\$ 41,395</u>

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 4. Leases (Continued)

B. Lessee (Continued)

4. 2022 Chevrolet Silverado 2500HD

On January 30, 2023, the Elliott County Fiscal Court entered into a five-year lease agreement as lessee for the use of a 2022 Chevrolet Silverado 2500HD. As of June 30, 2024, the value of the lease liability was \$52,883. The Elliott County Fiscal Court is required to make monthly payments of \$1,230 which includes principal, interest, management, and maintenance fees. The remaining lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 14,758
2026	14,758
2027	14,758
2028	<u>8,609</u>
Total Minimum Lease Payments	<u>\$ 52,883</u>

5. 2022 Dodge Ram 3500

On February 16, 2023, the Elliott County Fiscal Court entered into a five-year lease agreement as lessee for the use of a 2022 Dodge Ram 3500. As of June 30, 2024, the value of the lease liability was \$56,793. The Elliott County Fiscal Court is required to make monthly payments of \$1,291 which includes principal, interest, management, and maintenance fees. The remaining lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 15,489
2026	15,489
2027	15,489
2028	<u>10,326</u>
Total Minimum Lease Payments	<u>\$ 56,793</u>

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Flood Damage Repair

On April 13, 2021, the Elliott County Fiscal Court entered into an agreement with Kentucky Association of Counties for the repair of flood damaged roads and other county properties in the amount of \$500,000. No principal or interest will be collected through June 30, 2022, nor will any interest accrue through that date. Beginning July 1, 2022, the annual rate of interest will be 3.74%. Monthly principal and interest payments will commence on July 20, 2022, and are payable until maturity at June 20, 2027. Whenever any event of default has occurred or is continuing, the lessor may, without any further demand or notice, take one of any combination of the remedial steps listed in the agreement. As of June 30, 2024, the note principal was \$311,125. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 99,861	\$ 9,936
2026	103,660	6,136
2027	<u>107,604</u>	<u>2,192</u>
Totals	<u>\$ 311,125</u>	<u>\$ 18,264</u>

2. Courthouse Renovation

On September 27, 2001, the Elliott County Fiscal Court entered into a lease agreement with the Kentucky Area Development Districts Financing Trust (KADD) to finance the completion of the renovation of the courthouse facility in the amount of \$249,000. The agreement requires two semiannual interest payments at a rate of 5.60% be made in March and September of each year. Principal payments are due in September of each year.

In the event of default, the lessor will (a.) terminate the lease term and give notice to the lessee to vacate or surrender the project within 60 days from the date of such notice; (b.) sell or re-lease the project or any portion thereof; (c.) declare an amount equal to all base rentals and additional rentals under this lease to be immediately due and payable, whereupon the amount shall become immediately due and payable; or (d.) take whatever action at law or inequity may appear necessary or desirable to enforce its rights in and to the project under the lease and any collateral documents (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise dispose of the project in accordance with applicable law and to appoint to a receiver to operate the project) and to recover damages for the breach thereof. No remedy herein conferred upon or reserved to the lessor is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power occurring upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

2. Courthouse Renovation (Continued)

The lessee will remain liable for all covenants and obligations under the lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred. As of June 30, 2024, the lease principal was \$45,000. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 15,000	\$ 3,600
2026	15,000	2,760
2027	15,000	1,170
Totals	<u>\$ 45,000</u>	<u>\$ 7,530</u>

3. Mack Truck

On October 28, 2021, the Elliott County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties (KACo) to finance the purchase of a Mack truck in the amount of \$92,339. Principal and interest payments are due monthly commencing December 20, 2021, with a maturity date of November 20, 2024. The interest rate is fixed at 3.74%. Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one of any combination of the remedial steps listed in the agreement. As of June 30, 2024, the principal balance remaining was \$55,113. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 55,113	\$ 819
Totals	<u>\$ 55,113</u>	<u>\$ 819</u>

4. Ice Storm

On December 8, 2021, the Elliott County Fiscal Court entered into a drawdown agreement with Republic Bank & Trust Company with Kentucky Association of Counties Leasing Trust (KACo) as administrator for the purpose of funding road projects to be reimbursed by the Federal Emergency Management Agency of the United States Department of Homeland Security with a maximum drawdown of \$3,221,444. As of June 30, 2023, one draw in the amount of \$1,493,805 had been made. Principal payments are due on July 20, 2022 and December 20, 2023. Monthly interest payments at a rate of 3.25% commence on January 20, 2022, with a maturity date of December 20, 2023. Upon the occurrence of an event of default, and as long as the event of default is continuing, the lessor may, at its option, exercise any one or more of the remedies listed in the agreement, to whichever the event of default pertains. As of June 30, 2024, the principal balance was paid in full.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

5. Mack Truck (2023)

On March 29, 2023, the Elliott County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties (KACo) to finance the purchase of a Mack truck in the amount of \$123,283. Principal and interest payments are due monthly commencing May 20, 2023, with a maturity date of March 20, 2026. The interest rate is fixed at 5.99%. Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one of any combination of the remedial steps listed in the agreement. As of June 30, 2024, the principal balance remaining was \$99,561. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 22,289	\$ 5,358
2026	77,272	3,123
Totals	<u>\$ 99,561</u>	<u>\$ 8,481</u>

6. Dodge Durango

On September 21, 2023, the Elliott County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties (KACo) to finance the purchase of a Dodge Durango in the amount of \$52,000. Principal and interest payments are due monthly commencing November 20, 2023, with a maturity date of September 20, 2026. The interest rate is fixed at 6.49%. Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one of any combination of the remedial steps listed in the agreement. As of June 30, 2024, the principal balance remaining was \$41,258. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 17,598	\$ 2,160
2026	18,774	984
2027	4,886	53
Totals	<u>\$ 41,258</u>	<u>\$ 3,197</u>

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

7. Equipment

On August 20, 2020, the Elliott County Fiscal Court entered into an agreement with Kentucky Association of Counties (KACo) to issue bonds to finance the acquisition of a backhoe, an excavator, and the refinancing of a prior KACo financing obligation in the amount of \$500,000. Semi-annual interest payments at a rate of 1.19% commence on December 20, 2020. Annual principal payments commence on December 20, 2022, and continue until maturity on December 20, 2029.

Whenever any event of default has occurred and is continuing, the lessor may, without further demand or notice, take one or any combination of the remedial steps listed in the agreement. The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred.

As of June 30, 2024, principal balance remaining was \$405,000. Further lease principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 50,000	\$ 12,462
2026	55,000	10,238
2027	60,000	7,800
2028	80,000	4,850
2029	<u>160,000</u>	<u>4,013</u>
Totals	<u>\$ 405,000</u>	<u>\$ 39,363</u>

B. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2024, was as follows:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements*	<u>\$ 1,374,838</u>	<u>\$ 52,000</u>	<u>\$ 469,781</u>	<u>\$ 957,057</u>	<u>\$ 259,861</u>
Total Long-term Debt	<u>\$ 1,374,838</u>	<u>\$ 52,000</u>	<u>\$ 469,781</u>	<u>\$ 957,057</u>	<u>\$ 259,861</u>

* The beginning balance of Direct Borrowings and Direct Placements was increased by \$455,000 due to reclassification from General Obligation Bonds and \$1 due to rounding.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Long-term Debt (Continued)

C. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations at June 30, 2024, were as follows:

Fiscal Year Ended June 30	Direct Borrowings and Direct Placements	
	Principal	Interest
2025	\$ 259,861	\$ 34,335
2026	269,706	23,241
2027	187,490	11,215
2028	80,000	4,850
2029	160,000	4,013
Totals	<u>\$ 957,057</u>	<u>\$ 77,654</u>

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 member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2022 was \$279,761, FY 2023 was \$350,030, and FY 2024 was \$342,473.

Nonhazardous

Nonhazardous covered employees are required to contribute 5% of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6% of their salary to be allocated as follows: 5% will go to the member's account and 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 5% of their annual creditable compensation. Nonhazardous members also contribute 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.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Employee Retirement System (Continued)

Nonhazardous (Continued)

Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% 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 23.34%.

Hazardous

Hazardous covered employees are required to contribute 8% of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9% of their salary to be allocated as follows: 8% will go to the member's account and 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 8% of their annual creditable compensation and also contribute 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% employer pay credit. The employer pay credit represents a portion of the employer contribution.

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 43.69%.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Employee Retirement System (Continued)

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 \$10 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 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 \$10 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.

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

Once members reach a minimum vesting period of 15 years, they earn \$10 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%. 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% 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.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

Once members reach a minimum vesting period of 15 years, they earn \$15 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%. Upon the death of a hazardous employee, the employee's spouse receives \$10 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% 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%. 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.

G. Ky. Ret. Sys. Annual Financial Report and Proportionate Share Audit Report

Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer 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. 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.

ELLIOTT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 7. Deferred Compensation

The Elliott 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. Insurance

For the fiscal year ended June 30, 2024, the Elliott County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 9. Prior Period Adjustments

- The beginning balance in the general fund was increased \$19 due to a voided prior year check.
- The beginning balance in the road fund was increased \$1 due to rounding.
- The beginning balance in the jail fund was increased \$347 due to a voided prior year check and by a \$1 due to rounding.
- The beginning balance in the forest fire protection fund decreased \$1 due to rounding.
- The beginning balance in the opioid settlement fund decreased \$1 due to rounding.

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**ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis**

For The Year Ended June 30, 2024

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ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,072,500	\$ 1,255,784	\$ 1,249,657	\$ (6,127)
In Lieu Tax Payments	21,200	21,200	24,496	3,296
Licenses and Permits	2,100	2,100	2,281	181
Intergovernmental	673,350	735,603	869,872	134,269
Charges for Services	500	500	160	(340)
Miscellaneous	97,000	140,838	152,427	11,589
Interest	500	717	932	215
Total Receipts	<u>1,867,150</u>	<u>2,156,742</u>	<u>2,299,825</u>	<u>143,083</u>
DISBURSEMENTS				
General Government	1,880,220	1,653,406	1,600,069	53,337
Protection to Persons and Property	62,453	50,653	44,544	6,109
General Health and Sanitation	116,064	129,665	121,203	8,462
Recreation and Culture	36,984	49,484	42,462	7,022
Debt Service	19,500	22,500	19,440	3,060
Administration	502,598	471,350	458,582	12,768
Total Disbursements	<u>2,617,819</u>	<u>2,377,058</u>	<u>2,286,300</u>	<u>90,758</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(750,669)</u>	<u>(220,316)</u>	<u>13,525</u>	<u>233,841</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	223,214	100,000	100,000	
Transfers To Other Funds	<u>(472,545)</u>	<u>(778,545)</u>	<u>(921,000)</u>	<u>(142,455)</u>
Total Other Adjustments to Cash (Uses)	<u>(249,331)</u>	<u>(678,545)</u>	<u>(821,000)</u>	<u>(142,455)</u>
Net Change in Fund Balance	(1,000,000)	(898,861)	(807,475)	91,386
Fund Balance - Beginning (Restated)	<u>1,000,000</u>	<u>932,293</u>	<u>933,279</u>	<u>986</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 33,432</u>	<u>\$ 125,804</u>	<u>\$ 92,372</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,957,088	\$ 2,204,462	\$ 2,065,875	\$ (138,587)
Miscellaneous	1,000	50,920	4,482	(46,438)
Interest	1,000	1,000	580	(420)
Total Receipts	<u>1,959,088</u>	<u>2,256,382</u>	<u>2,070,937</u>	<u>(185,445)</u>
DISBURSEMENTS				
Roads	1,324,880	1,979,933	1,872,007	107,926
Debt Service	544,000	556,000	543,804	12,196
Administration	166,994	161,981	149,156	12,825
Total Disbursements	<u>2,035,874</u>	<u>2,697,914</u>	<u>2,564,967</u>	<u>132,947</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(76,786)</u>	<u>(441,532)</u>	<u>(494,030)</u>	<u>(52,498)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	200,000	390,000	490,000	100,000
Transfers To Other Funds	<u>(223,214)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>100,000</u>
Total Other Adjustments to Cash (Uses)	<u>(23,214)</u>	<u>290,000</u>	<u>390,000</u>	<u>100,000</u>
Net Change in Fund Balance	(100,000)	(151,532)	(104,030)	47,502
Fund Balance - Beginning (Restated)	<u>100,000</u>	<u>151,532</u>	<u>151,532</u>	<u>47,502</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,502</u>	<u>\$ 47,502</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 183,600	\$ 183,745	\$ 177,876	\$ (5,869)
Miscellaneous			1,647	1,647
Interest	50	86	92	6
Total Receipts	<u>183,650</u>	<u>183,831</u>	<u>179,615</u>	<u>(4,216)</u>
DISBURSEMENTS				
Protection to Persons and Property	441,500	554,977	552,183	2,794
Debt Service		13,500	13,172	328
Administration	16,695	16,800	14,625	2,175
Total Disbursements	<u>458,195</u>	<u>585,277</u>	<u>579,980</u>	<u>5,297</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(274,545)</u>	<u>(401,446)</u>	<u>(400,365)</u>	<u>1,081</u>
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds		52,000	52,000	
Transfers From Other Funds	272,545	272,545	315,000	42,455
Transfers To Other Funds				
Total Other Adjustments to Cash (Uses)	<u>272,545</u>	<u>324,545</u>	<u>367,000</u>	<u>42,455</u>
Net Change in Fund Balance	(2,000)	(76,901)	(33,365)	43,536
Fund Balance - Beginning (Restated)	<u>2,000</u>	<u>43,469</u>	<u>43,817</u>	<u>348</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (33,432)</u>	<u>\$ 10,452</u>	<u>\$ 43,884</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 89,913	\$ 144,631	\$ 141,221	\$ (3,410)
Interest	20	126	145	19
Total Receipts	89,933	144,757	141,366	(3,391)
DISBURSEMENTS				
General Government	34,320	40,143	36,269	3,874
General Health and Sanitation	65,813	156,613	150,681	5,932
Recreation and Culture	2,500	2,500		2,500
Administration	22,300	11,054	8,661	2,393
Total Disbursements	124,933	210,310	195,611	14,699
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(35,000)	(65,553)	(54,245)	11,308
Net Change in Fund Balance	(35,000)	(65,553)	(54,245)	11,308
Fund Balance - Beginning	35,000	65,553	65,553	
Fund Balance - Ending	\$ 0	\$ 0	\$ 11,308	\$ 11,308

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	FEDERAL GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 50,000	\$
Interest	500	500	58	(442)
Total Receipts	<u>50,500</u>	<u>50,500</u>	<u>50,058</u>	<u>(442)</u>
DISBURSEMENTS				
Protection to Persons and Property		50,000	50,000	
Administration	100,500	50,500		50,500
Total Disbursements	<u>100,500</u>	<u>100,500</u>	<u>50,000</u>	<u>50,500</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>58</u>	<u>50,058</u>
Net Change in Fund Balance	(50,000)	(50,000)	58	50,058
Fund Balance - Beginning	50,000	50,000	15,544	(34,456)
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,602</u>	<u>\$ 15,602</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	FOREST FIRE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 2,200	\$ 2,218	\$ 2,239	\$ 21
Interest	1	18	22	4
Total Receipts	<u>2,201</u>	<u>2,236</u>	<u>2,261</u>	<u>25</u>
DISBURSEMENTS				
Protection to Persons and Property	1,278	1,278	1,278	
Administration	5,923	8,948		8,948
Total Disbursements	<u>7,201</u>	<u>10,226</u>	<u>1,278</u>	<u>8,948</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(5,000)</u>	<u>(7,990)</u>	<u>983</u>	<u>8,973</u>
Net Change in Fund Balance	(5,000)	(7,990)	983	8,973
Fund Balance - Beginning (Restated)	<u>5,000</u>	<u>7,990</u>	<u>7,990</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,973</u>	<u>\$ 8,973</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

CLEANER WATER FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$ 161,974	\$ 161,974	\$
Total Receipts		161,974	161,974	
DISBURSEMENTS				
General Health and Sanitation		161,974	161,974	
Administration		500		500
Total Disbursements		162,474	161,974	500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(500)		500
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		500	500	
Total Other Adjustments to Cash (Uses)		500	500	
Net Change in Fund Balance			500	500
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 500	\$ 500

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 110,000	\$ 110,000	\$ 113,989	\$ 3,989
Intergovernmental	147,000	147,000	143,649	(3,351)
Interest	50	59	76	17
Total Receipts	<u>257,050</u>	<u>257,059</u>	<u>257,714</u>	<u>655</u>
DISBURSEMENTS				
Protection to Persons and Property	196,500	322,500	317,008	5,492
Administration	61,550	83,589	54,046	29,543
Total Disbursements	<u>258,050</u>	<u>406,089</u>	<u>371,054</u>	<u>35,035</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,000)</u>	<u>(149,030)</u>	<u>(113,340)</u>	<u>35,690</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		115,000	115,000	
Total Other Adjustments to Cash (Uses)		<u>115,000</u>	<u>115,000</u>	
Net Change in Fund Balance	(1,000)	(34,030)	1,660	35,690
Fund Balance - Beginning	<u>1,000</u>	<u>34,030</u>	<u>34,030</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,690</u>	<u>\$ 35,690</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	OPIOID SETTLEMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 11,650	\$ 65,055	\$ 65,055	\$
Total Receipts	<u>11,650</u>	<u>65,055</u>	<u>65,055</u>	<u></u>
DISBURSEMENTS				
Administration	78,972	132,377		132,377
Total Disbursements	<u>78,972</u>	<u>132,377</u>		<u>132,377</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(67,322)</u>	<u>(67,322)</u>	<u>65,055</u>	<u>132,377</u>
Net Change in Fund Balance	(67,322)	(67,322)	65,055	132,377
Fund Balance - Beginning (Restated)	<u>67,322</u>	<u>67,322</u>	<u>67,321</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 132,376</u>	<u>\$ 132,376</u>

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

EOC BUILDING FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
DISBURSEMENTS				
Administration	\$	500	\$	500
Total Disbursements		500		500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(500)		500
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		500	500	
Total Other Adjustments to Cash (Uses)		500	500	
Net Change in Fund Balance			500	500
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$	500
	\$	0	\$	500

ELLIOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2024
(Continued)

	CDBG FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 284,652	\$ (715,348)
Total Receipts	1,000,000	1,000,000	284,652	(715,348)
DISBURSEMENTS				
Capital Projects	1,000,000	910,000	258,652	651,348
Administration	455	90,455	26,119	64,336
Total Disbursements	1,000,455	1,000,455	284,771	715,684
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(455)	(455)	(119)	336
Net Change in Fund Balance	(455)	(455)	(119)	336
Fund Balance - Beginning	455	455	455	
Fund Balance - Ending	\$ 0	\$ 0	\$ 336	\$ 336

ELLIOTT COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2024

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.

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

For The Year Ended June 30, 2024

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ELLIOTT COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 318,000	\$ 282,770	\$	\$ 600,770
Construction In Progress	76,657	484,184	200,066	360,775
Buildings	4,880,413	156,023		5,036,436
Vehicles	800,233	83,076	28,677	854,632
Equipment	1,148,204	368,505	126,800	1,389,909
Infrastructure	10,404,268	577,451		10,981,719
 Total Capital Assets	 <u>\$ 17,627,775</u>	 <u>\$ 1,952,009</u>	 <u>\$ 355,543</u>	 <u>\$ 19,224,241</u>

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

June 30, 2024

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 12,500	10-60
Buildings and Building Improvements	\$ 25,000	10-75
Machinery and Equipment	\$ 2,500	3-25
Vehicles	\$ 2,500	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 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 Myron Lewis, Elliott County Judge/Executive
Members of the Elliott 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 Elliott County Fiscal Court for the fiscal year ended June 30, 2024 and the related notes to the financial statement which collectively comprise the Elliott County Fiscal Court's financial statement and have issued our report thereon dated November 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Elliott 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 Elliott County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elliott County Fiscal Court's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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 Elliott County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

November 8, 2024

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

ELLIOTT COUNTY FISCAL COURT


For The Year Ended June 30, 2024

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Elliott 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