

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

**For The Year Ended
June 30, 2020**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
auditor.ky.gov**

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

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
LESLIE COUNTY OFFICIALS.....	3
FOURTH QUARTER FINANCIAL STATEMENT	5
JAIL COMMISSARY FINANCIAL STATEMENT	19
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 <i>GOVERNMENT AUDITING STANDARDS</i>	23
SCHEDULE OF FINDINGS AND RESPONSES.....	27
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM	

THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

Report on the Financial Statement

We were engaged to audit the financial activity contained in the Fourth Quarter Financial Statement and Jail Commissary Financial Statement, which collectively comprise the financial statement of the Leslie County Fiscal Court, for the year ended June 30, 2020.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on conducting the audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Audit evidence indicated that Leslie County Fiscal Court's financial statement was materially misstated, and the receipt and disbursement ledgers could not be relied upon to be accurate. The absence of effective internal controls, oversight, and review procedures created an environment in which funds could be misappropriated and financial records were inaccurate. Based on these conditions, we determined the fraud risk to be too high and were unable to apply other procedures to mitigate this risk. The significance of these issues, in the aggregate, prevents us from placing reliance on the financial activities contained in the Leslie County Fiscal Court's Fourth Quarter Financial Statement and from expressing an opinion on the financial statement of the Leslie County Fiscal Court.



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

Disclaimer of Opinion

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of the Leslie 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 internal control over financial reporting or on compliance. That report is an integral part of our engagement to audit the financial statement of Leslie County Fiscal Court, an engagement performed in accordance with *Government Auditing Standards* in considering the Leslie County Fiscal Court's internal control over financial reporting and compliance.

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

- 2020-001 The Leslie County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated
- 2020-002 The Leslie County Fiscal Court Did Not Have Adequate Procedures For Reporting County Liabilities
- 2020-003 The Leslie County Treasurer Did Not Prepare An Accurate Schedule Of Expenditures Of Federal Awards
- 2020-004 The Leslie County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements
- 2020-005 The Leslie County Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2020-006 The Leslie County Jailer Did Not Submit A Financial Statement To The County Treasurer For Commissary Activity
- 2020-007 The Leslie County Fiscal Court And Leslie County Jailer Did Not Comply With Bidding Requirements Set Forth In KRS 424.260
- 2020-008 The Leslie County Jail Commissary Did Not Transfer Profits From The Inmate Account To The Commissary Account
- 2020-009 The Leslie County Jail Commissary Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Bank Reconciliations
- 2020-010 The Leslie County Jail Commissary Operated Accounts With Funds That Belong To The Fiscal Court
- 2020-011 The Leslie County Jailer Has Entered Into Contracts That Were Not Approved By The Fiscal Court
- 2020-012 The Leslie County Fiscal Court Did Not Reconcile The Payroll Revolving Account To Zero
- 2020-013 The Leslie County Fiscal Court Did Not Have Adequate Controls Over The Budget

Respectfully submitted,



Mike Harmon
 Auditor of Public Accounts

November 14, 2022

LESLIE COUNTY OFFICIALS
For The Year Ended June 30, 2020

Fiscal Court Members:

William R. Lewis	County Judge/Executive
Russell Brock	Magistrate
Bonnell Bentley	Magistrate
John Newell	Magistrate
Robert Napier	Magistrate

Other Elected Officials:

Leroy Lewis	County Attorney
Danny Clark	Jailer
Onzie Sizemore	County Clerk
Carmolitta Morgan-Pace	Circuit Court Clerk
Billy Michael Collett	Sheriff
Jeffery Boggs	Property Valuation Administrator
Gregory Walker	Coroner

Appointed Personnel:

Jennifer Laura Bowling	County Treasurer
Katherine Woods	Finance Officer
Katherine Woods	Occupational Tax Administrator

**LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT**

For The Year Ended June 30, 2020

LESLIE COUNTY FOURTH QUARTER FINANCIAL STATEMENT

For The Year Ended June 30, 2020



Production

Department for Local Government

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

County Quarterly Data

066 - Leslie

Header file

Judge Executive	Treasurer	Submitted	Imported	Source
WILLIAM LEWIS	JENNIFER L BOWLING	08/24/2020	09/01/2020	DLGXL6

Disbursements file

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	5001	101	0	JUDGE EXECUTIVE	\$85,000.00	\$0.00	\$0.00	\$85,000.00	\$85,429.46	(\$429.46)
01	5001	104	0	FINANCE OFFICER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5001	106	0	CJE STAFF	\$85,000.00	\$0.00	\$0.00	\$85,000.00	\$114,230.72	(\$29,230.72)
01	5001	443	0	CJE VEHICLE PARTS AND SUP	\$0.00	\$0.00	\$0.00	\$0.00	\$1,660.61	(\$1,660.61)
01	5001	445	0	OFFICE SUPPLIES	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$7,702.22	\$12,297.78
01	5001	563	0	POSTAGE	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$1,182.38	\$1,817.62
01	5001	576	0	CJE TRAVEL	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$4,492.40	\$3,507.60
01	5001	599	0	MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
01	5001	739	0	CJE EQUIPMENT	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$66.00	\$7,934.00
01	5005	101	0	COUNTY ATTORNEY	\$18,700.00	\$0.00	\$0.00	\$18,700.00	\$18,699.42	\$0.58
01	5005	105	0	ASSISTANT COUNTY ATTORN	\$48,000.00	\$0.00	\$0.00	\$48,000.00	\$48,000.16	(\$0.16)
01	5005	364	0	COUNTY ATTORNEY RENT	\$7,440.00	\$0.00	\$0.00	\$7,440.00	\$5,480.00	\$1,960.00
01	5010	101	0	COUNTY CLERK FCM	\$2,400.00	\$0.00	\$0.00	\$2,400.00	\$1,800.00	\$600.00
01	5010	349	0	COUNTY RECORD BOOK BIND	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$0.00	\$4,000.00
01	5010	366	0	PRINTING TAX BILLS	\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$1,258.95	\$2,241.05
01	5010	431	0	VOTING BOOTH EXPENSE	\$500.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00
01	5010	445	0	COUNTY CLERK OFFICE SUPP	\$12,000.00	\$0.00	\$0.00	\$12,000.00	\$5,048.61	\$6,951.39
01	5010	566	0	COUNTY CLERK REIMBURSEM	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$661.50	\$3,338.50
2020			4Q							

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

01	5010	739	0	COUNTY CLERK OFFICE EQUI	\$7,000.00	\$0.00	\$0.00	\$7,000.00	\$3,528.98	\$3,471.02
01	5015	592	0	VEHICLE REPAIR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5025	101	0	MAGISTRATES	\$84,578.00	\$0.00	\$0.00	\$84,578.00	\$87,018.25	(\$2,440.25)
01	5025	191	0	MAGISTRATES COMMITTEE FE	\$14,400.00	\$0.00	\$0.00	\$14,400.00	\$14,400.00	\$0.00
01	5030	367	0	PVA STATUTORY	\$25,692.00	\$0.00	\$0.00	\$25,692.00	\$0.00	\$25,692.00
01	5035	199	0	BOARD OF ASSESSMENTS	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$300.00	\$700.00
01	5040	102	0	COUNTY TREASURER	\$62,481.00	\$0.00	\$0.00	\$62,481.00	\$60,077.48	\$2,403.52
01	5047	142	0	OLF ADMINSTRATOR	\$29,120.00	\$0.00	\$0.00	\$29,120.00	\$0.00	\$29,120.00
01	5060	101	0	CIRCUIT CLERK, LAW LIBRARY	\$1,200.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00	\$0.00
01	5063	398	0	GRAND JURY REPORTER	\$5,500.00	\$0.00	\$0.00	\$5,500.00	\$2,727.20	\$2,772.80
01	5065	192	0	ELECTION OFFICERS	\$26,000.00	\$0.00	\$0.00	\$26,000.00	\$13,242.92	\$12,757.08
01	5065	193	0	ELECTION COMMISSIONERS	\$1,900.00	\$0.00	\$0.00	\$1,900.00	\$1,115.00	\$785.00
01	5065	302	0	ELECTION ADVERTISING	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
01	5065	364	0	ELECTION VOTING PLACES RE	\$240.00	\$0.00	\$0.00	\$240.00	\$150.00	\$90.00
01	5065	445	0	ELECTION PRINTING AND SUP	\$37,000.00	\$0.00	\$0.00	\$37,000.00	\$34,742.32	\$2,257.68
01	5065	573	0	ELECTION DAY TELEPHONE E	\$600.00	\$0.00	\$0.00	\$600.00	\$182.92	\$417.08
01	5075	107	0	ECONOMIC DEVELOPMENT DI	\$24,000.00	\$0.00	\$0.00	\$24,000.00	\$24,000.08	(\$0.08)
01	5080	175	0	COURTHOUSE CUSTODIAL ST	\$50,960.00	\$0.00	\$0.00	\$50,960.00	\$52,720.00	(\$1,760.00)
01	5080	333	0	FIRE ALARM MAINTENANCE	\$500.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00
01	5080	352	0	ELEVATOR MAINTENANCE	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$2,471.33	(\$471.33)
01	5080	411	0	COURTHOUSE SUPPLIES and	\$95,000.00	\$0.00	\$0.00	\$95,000.00	\$23,316.30	\$71,683.70
01	5080	548	0	ADF PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$2,909.16	(\$2,909.16)
01	5080	573	0	TELEPHONE SERVICE	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$43,531.45	\$6,468.55
01	5080	578	0	UTILITIES	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$37,225.33	\$12,774.67
01	5085	334	0	CONTRACT LABOR	\$7,500.00	\$0.00	\$0.00	\$7,500.00	\$7,394.42	\$105.58
01	5085	578	0	UTILITIES	\$2,100.00	\$0.00	\$0.00	\$2,100.00	\$8,231.02	(\$6,131.02)
01	5121	902	0	FIRE TAX	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$0.00	\$4,000.00
01	5217	446	0	RECYCLING PROGRAM	\$7,500.00	\$0.00	\$0.00	\$7,500.00	\$35,409.76	(\$27,909.76)
01	5405	179	0	POOL WORKERS	\$12,000.00	\$0.00	\$0.00	\$12,000.00	\$2,546.00	\$9,454.00
01	5405	571	0	POOL REPAIRS and RENEWAL	\$12,000.00	\$0.00	\$0.00	\$12,000.00	\$3,733.44	\$8,266.56
01	5405	599	0	MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
01	9100	212	0	TRAINING BENEFITS	\$15,764.00	\$0.00	\$0.00	\$15,764.00	\$7,377.37	\$8,386.63
01	9100	302	0	ADVERTISING EXPENSES	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$18,120.40	\$41,879.60
01	9100	307	0	AUDIT EXPENSES	\$80,000.00	\$0.00	\$0.00	\$80,000.00	\$96,271.94	(\$16,271.94)
01	9100	503	0	BANK CHARGES	\$50.00	\$0.00	\$0.00	\$50.00	\$79.86	(\$29.86)
01	9100	521	0	PROPERTY and LIABILITY INSU	\$286,146.00	\$0.00	\$0.00	\$286,146.00	\$552,866.89	(\$266,720.89)
01	9100	531	0	PUBLIC OFFICIAL BONDS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	\$5,136.82	\$863.18
01	9100	551	0	MEMBERSHIP DUES	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$12,725.44	\$17,274.56
2020 4Q					Page 2 of 11			Thursday, February 10, 2022		

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

01	9100	567	0	REFUNDS	\$18,500.00	\$0.00	\$0.00	\$18,500.00	\$20,499.56	(\$1,999.56)
01	9100	574	0	MEETINGS	\$9,000.00	\$0.00	\$0.00	\$9,000.00	\$5,430.00	\$3,570.00
01	9100	576	0	TRAVEL	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$5,472.94	(\$4,472.94)
01	9200	999	0	BUDGET RESERVE	\$46,739.00	\$0.00	\$0.00	\$46,739.00	\$0.00	\$46,739.00
01	9300	999	0	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	9400	201	0	SOCIAL SECURITY	\$74,000.00	\$0.00	\$0.00	\$74,000.00	\$59,164.54	\$14,835.46
01	9400	202	0	RETIREMENT	\$207,800.00	\$0.00	\$0.00	\$207,800.00	\$247,530.91	(\$39,730.91)
01	9400	204	0	LIFE INSURANCE	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$679.20	\$320.80
01	9400	205	0	HEALTH INSURANCE	\$168,000.00	\$0.00	\$0.00	\$168,000.00	\$173,926.06	(\$5,926.06)
01	9400	208	0	UNEMPLOYMENT INSURANCE	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$47,413.35	\$2,586.65
01	9400	209	0	WORKERS COMPENSATION IN	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$47,413.35	\$52,586.65
02	5240	311	1	DR 4218 PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	5240	311	2	DR 4239 PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$13,946.50	(\$13,946.50)
02	5240	548	0	DR 4358 PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$654,813.61	(\$654,813.61)
02	6103	102	0	ROAD FOREMAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	6105	143	0	ROAD WORKERS	\$375,000.00	\$0.00	\$0.00	\$375,000.00	\$360,159.80	\$14,840.20
02	6105	311	0	CONTRACT ROAD WORK	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$93,445.00	(\$43,445.00)
02	6105	312	0	CONTRACT BRIDGE WORK	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$81,400.00	(\$31,400.00)
02	6105	334	0	CONTRACT LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$144,248.53	(\$144,248.53)
02	6105	405	0	BLACKTOP	\$500,000.00	\$0.00	\$0.00	\$500,000.00	\$14,213.81	\$485,786.19
02	6105	407	0	CONCRETE	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$7,736.90	\$42,263.10
02	6105	409	0	GRAVEL	\$250,000.00	\$0.00	\$0.00	\$250,000.00	\$68,396.69	\$181,603.31
02	6105	415	0	FUEL	\$90,000.00	\$0.00	\$0.00	\$90,000.00	\$85,335.01	\$4,664.99
02	6105	443	0	PARTS AND SUPPLIES	\$190,000.00	\$0.00	\$0.00	\$190,000.00	\$180,780.78	\$9,219.22
02	6105	447	0	ROAD MATERIALS	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$3,500.00	\$21,500.00
02	6105	457	0	ROAD TILES	\$75,000.00	\$0.00	\$0.00	\$75,000.00	\$59,313.26	\$15,686.74
02	6105	479	0	TIRES AND TUBES	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$12,334.44	\$17,665.56
02	6105	482	0	LUMBER	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
02	6105	721	0	ROAD EQUIPMENT	\$150,000.00	\$0.00	\$0.00	\$150,000.00	\$389,467.37	(\$239,467.37)
02	9100	567	0	REFUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	9200	999	0	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	9300	999	0	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	9400	201	0	SOCIAL SECURITY	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$23,847.89	\$26,152.11
02	9400	202	0	RETIREMENT	\$130,000.00	\$0.00	\$0.00	\$130,000.00	\$80,390.99	\$49,609.01
02	9400	204	0	LIFE INSURANCE	\$800.00	\$0.00	\$0.00	\$800.00	\$315.00	\$485.00
02	9400	205	0	HEALTH INSURANCE	\$127,000.00	\$0.00	\$0.00	\$127,000.00	\$106,657.05	\$20,342.95
02	9500	902	0	NATIONAL FOREST RECEIPTS	\$39,000.00	\$0.00	\$0.00	\$39,000.00	\$3,999.00	\$35,001.00
03	5101	101	0	JAILER	\$87,250.00	\$0.00	\$0.00	\$87,250.00	\$89,650.21	(\$2,400.21)
2020 4Q					Page 3 of 11			Thursday, February 10, 2022		

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

03	5101	107	0	CLASS D COORDINATOR	\$38,480.00	\$0.00	\$0.00	\$38,480.00	\$38,400.00	\$80.00
03	5101	123	0	JAIL WORKERS	\$990,000.00	\$0.00	\$0.00	\$990,000.00	\$1,171,394.39	(\$181,394.39)
03	5101	133	0	COMMISSARY STAFF	\$30,160.00	\$0.00	\$0.00	\$30,160.00	\$30,160.00	\$0.00
03	5101	177	0	MAINTENANCE WORKERS	\$47,320.00	\$0.00	\$0.00	\$47,320.00	\$40,002.64	\$7,317.36
03	5101	212	0	TRAINING BENEFITS	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$4,312.60	(\$312.60)
03	5101	334	0	BUILDING MAINTENANCE	\$68,500.00	\$0.00	\$0.00	\$68,500.00	\$56,023.49	\$12,476.51
03	5101	336	0	EQUIPMENT MAINTENANCE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$4,027.59	\$15,972.41
03	5101	340	0	VEHICLE MAINTENANCE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$1,027.21	\$18,972.79
03	5101	406	0	BUILDING MAINTENANCE SUP	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$50,620.60	\$9,379.40
03	5101	423	0	FOOD PREPARATION SUPPLIE	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$829.34	\$170.66
03	5101	425	0	FOOD	\$325,000.00	\$0.00	\$0.00	\$325,000.00	\$474,155.43	(\$149,155.43)
03	5101	435	0	LAW ENFORCEMENT SUPPLIE	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$565.79	\$9,434.21
03	5101	437	0	LINENS	\$7,800.00	\$0.00	\$0.00	\$7,800.00	\$7,899.32	(\$99.32)
03	5101	443	0	VEHICLE PARTS and SUPPLIE	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$10,827.34	(\$827.34)
03	5101	445	0	OFFICE SUPPLIES	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$57,330.23	(\$37,330.23)
03	5101	453	0	PRISONER HYGIENE	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$17,414.37	(\$9,414.37)
03	5101	465	0	PRISONER CLOTHING	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$5,614.54	(\$3,114.54)
03	5101	467	0	RECREATIONAL SUPPLIES and	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
03	5101	481	0	UNIFORMS	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00
03	5101	549	0	JAIL MEDICAL SERVICES	\$325,000.00	\$0.00	\$0.00	\$325,000.00	\$362,091.19	(\$37,091.19)
03	5101	550	0	JAIL MEDICAL SUPPLIES	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$33,791.64	(\$28,791.64)
03	5101	551	0	MEMBERSHIP DUES	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00	\$0.00
03	5101	573	0	TELEPHONE SERVICE	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$10,432.01	\$4,567.99
03	5101	574	0	MEETINGS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	\$797.23	\$5,202.77
03	5101	576	0	TRAVEL	\$6,000.00	\$0.00	\$0.00	\$6,000.00	\$6,283.90	(\$283.90)
03	5101	578	0	UTILITIES	\$209,300.00	\$0.00	\$0.00	\$209,300.00	\$283,123.61	(\$73,823.61)
03	5101	739	0	JAIL EQUIPMENT	\$10,300.00	\$0.00	\$0.00	\$10,300.00	\$16,495.32	(\$6,195.32)
03	5102	314	0	JUVENILE HOUSING	\$500.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00
03	7700	602	0	JAIL LEASE PRINCIPAL SERIE	\$55,000.00	\$0.00	\$0.00	\$55,000.00	\$55,000.00	\$0.00
03	7700	602	1	JAIL LEASE PRINCIPAL SERIE	\$185,000.00	\$0.00	\$0.00	\$185,000.00	\$185,000.00	\$0.00
03	7700	606	0	JAIL LEASE INTEREST SERIES	\$43,887.50	\$0.00	\$0.00	\$43,887.50	\$42,100.00	\$1,787.50
03	7700	606	1	JAIL LEASE INTEREST SERIES	\$134,422.50	\$0.00	\$0.00	\$134,422.50	\$128,502.50	\$5,920.00
03	9100	567	0	REFUNDS	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$1,069.36	\$1,430.64
03	9200	999	0	BUDGET RESERVE	\$265,050.00	\$0.00	\$0.00	\$265,050.00	\$0.00	\$265,050.00
03	9400	201	0	SOCIAL SECURITY	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$88,074.13	\$11,925.87
03	9400	202	0	RETIREMENT	\$291,700.00	\$0.00	\$0.00	\$291,700.00	\$311,133.13	(\$19,433.13)
03	9400	204	0	LIFE INSURANCE	\$1,800.00	\$0.00	\$0.00	\$1,800.00	\$1,852.00	(\$52.00)
03	9400	205	0	HEALTH INSURANCE	\$265,000.00	\$0.00	\$0.00	\$265,000.00	\$242,546.30	\$22,453.70
2020	4Q			Page 4 of 11				Thursday, February 10, 2022		

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

04	5020	101	0	CORONER	\$11,527.00	\$0.00	\$0.00	\$11,527.00	\$11,526.06	\$0.94
04	5020	103	0	DEPUTY CORONER	\$3,601.00	\$0.00	\$0.00	\$3,601.00	\$3,601.00	\$0.00
04	5020	308	0	AUTOPSIES	\$5,950.00	\$0.00	\$0.00	\$5,950.00	\$4,036.08	\$1,913.92
04	5020	445	0	CORONERS SUPPLIES	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$300.00	\$3,700.00
04	5075	548	0	TELEWORKS PROJECT	\$45,000.00	\$0.00	\$0.00	\$45,000.00	\$34,350.61	\$10,649.39
04	5110	101	0	CONSTABLES	\$20,161.00	\$0.00	\$0.00	\$20,161.00	\$18,222.38	\$1,938.62
04	5175	903	0	PUBLIC DEFENDER STATUTO	\$1,550.00	\$0.00	\$0.00	\$1,550.00	\$0.00	\$1,550.00
04	5205	102	0	DOG WARDEN	\$19,000.00	\$0.00	\$0.00	\$19,000.00	\$23,414.13	(\$4,414.13)
04	5205	172	0	ASSISTANT DOG WARDENS	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$27,691.44	\$2,308.56
04	5205	403	0	ANIMAL SHELTER SUPPLIES a	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$33,711.54	(\$18,711.54)
04	5205	578	0	UTILITIES	\$8,500.00	\$0.00	\$0.00	\$8,500.00	\$8,357.45	\$142.55
04	5212	106	0	SOLID WASTE STAFF	\$19,000.00	\$0.00	\$0.00	\$19,000.00	\$23,593.15	(\$4,593.15)
04	5212	107	0	SOLID WASTE COORDINATOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04	5305	107	0	HSC DIRECTOR	\$21,320.00	\$0.00	\$0.00	\$21,320.00	\$24,176.12	(\$2,856.12)
04	5305	155	0	HSC DRIVERS	\$17,000.00	\$0.00	\$0.00	\$17,000.00	\$20,089.32	(\$3,089.32)
04	5305	173	0	HSC COOKS	\$36,000.00	\$0.00	\$0.00	\$36,000.00	\$36,006.60	(\$6.60)
04	5305	177	0	HSC WORKERS	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$55,336.07	\$4,663.93
04	5305	571	0	HSC REPAIRS and RENEWALS	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$22,113.11	\$27,886.89
04	5305	578	0	HSC UTILITIES	\$35,000.00	\$0.00	\$0.00	\$35,000.00	\$31,333.98	\$3,666.02
04	5405	578	0	RECREATION GROUNDS, ETC.	\$35,000.00	\$0.00	\$0.00	\$35,000.00	\$33,035.35	\$1,964.65
04	6106	578	0	ROAD DEPARTMENT UTILITIES	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$15,320.41	\$9,679.59
04	9200	999	0	BUDGET RESERVE	\$32,196.00	\$0.00	\$0.00	\$32,196.00	\$0.00	\$32,196.00
04	9400	201	0	SOCIAL SECURITY	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$15,829.69	\$9,170.31
04	9400	202	0	RETIREMENT	\$76,900.00	\$0.00	\$0.00	\$76,900.00	\$47,394.04	\$29,505.96
04	9400	204	0	LIFE INSURANCE	\$200.00	\$0.00	\$0.00	\$200.00	\$465.20	(\$265.20)
04	9400	205	0	HEALTH INSURANCE	\$103,000.00	\$0.00	\$0.00	\$103,000.00	\$55,971.21	\$47,028.79
07	5305	425	0	SENIOR CITIZENS PROGRAM F	\$73,882.00	\$0.00	\$0.00	\$73,882.00	\$86,974.39	(\$13,092.39)
07	5305	445	0	SENIOR CITIZENS OFFICE SUP	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,400.54	(\$400.54)
07	5305	576	0	SENIOR CITIZENS PROGRAM T	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07	5305	578	0	SENIOR CITIZENS T.V. SERVIC	\$1,600.00	\$0.00	\$0.00	\$1,600.00	\$0.00	\$1,600.00
07	5305	592	0	SENIOR CITIZENS VEHICLE RE	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$1,130.62	\$8,869.38
07	5305	599	0	SENIOR CITIZENS MISCELLAN	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07	5305	739	0	SENIOR CITIZENS EQUIPMENT	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
07	9200	999	0	BUDGET RESERVE	\$47,822.00	\$0.00	\$0.00	\$47,822.00	\$0.00	\$47,822.00
08	4909	999	0	INTERFUND TRANSFER	\$0.00	\$0.00	\$0.00	\$0.00	\$334,226.08	(\$334,226.08)
08	9200	999	0	BUDGET RESERVE	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00
08	9300	999	0	BUDGET RESERVE	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00
31	5140	548	0	AMBULANCE PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2020 4Q					Page 5 of 11			Thursday, February 10, 2022		

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

31	5212	548	0	LITTER ABATEMENT PROJECT	\$13,383.17	\$0.00	\$0.00	\$13,383.17	\$8,319.56	\$5,063.61
31	5212	548	20	OPEN DUMP PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$40,519.36	(\$40,519.36)
31	5217	548	1	HHW PROJECT	\$3,387.55	\$0.00	\$0.00	\$3,387.55	\$5,968.97	(\$2,581.42)
31	5217	548	2	WASTE TIRE RECYCLING PRO	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$11,800.73	(\$7,800.73)
31	5232	548	0	DRUG AWARENESS COUNCIL	\$26,550.60	\$0.00	\$0.00	\$26,550.60	\$23,475.58	\$3,075.02
31	9200	999	0	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	9300	999	0	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
76	5135	102	0	DEM DIRECTOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
76	5145	106	0	E911 STAFF	\$45,000.00	\$0.00	\$0.00	\$45,000.00	\$29,953.53	\$15,046.47
76	5145	159	0	DISPATCHERS	\$188,000.00	\$0.00	\$0.00	\$188,000.00	\$193,763.39	(\$5,763.39)
76	5145	445	0	OFFICE SUPPLIES	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$2,056.60	\$5,943.40
76	5145	571	0	E911 REPAIRS and RENEWALS	\$35,486.00	\$0.00	\$0.00	\$35,486.00	\$48,727.92	(\$13,241.92)
76	5145	573	0	TELEPHONE SERVICE	\$42,000.00	\$0.00	\$0.00	\$42,000.00	\$19,489.98	\$22,510.02
76	5145	574	0	E911 MEETINGS	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$400.00	\$2,600.00
76	5145	576	0	E911 TRAVEL	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$1,815.31	\$1,184.69
76	5145	578	0	E911 UTILITIES	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$11,390.96	\$8,609.04
76	5145	739	0	E911 EQUIPMENT	\$6,500.00	\$0.00	\$0.00	\$6,500.00	\$1,660.60	\$4,839.40
76	9200	999	0	BUDGET RESERVE	\$65,087.00	\$0.00	\$0.00	\$65,087.00	\$0.00	\$65,087.00
76	9400	201	0	SOCIAL SECURITY	\$21,000.00	\$0.00	\$0.00	\$21,000.00	\$16,074.44	\$4,925.56
76	9400	202	0	RETIREMENT	\$63,200.00	\$0.00	\$0.00	\$63,200.00	\$58,514.19	\$4,685.81
76	9400	204	0	LIFE INSURANCE	\$800.00	\$0.00	\$0.00	\$800.00	\$292.80	\$507.20
76	9400	205	0	HEALTH INSURANCE	\$78,000.00	\$0.00	\$0.00	\$78,000.00	\$47,967.84	\$30,032.16
99	5425	419	0	COUNTY FESTIVALS	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$72,313.26	(\$47,313.26)
99	6105	429	0	GAS	\$98,000.00	\$0.00	\$0.00	\$98,000.00	\$79,414.24	\$18,585.76
99	9100	521	0	PROPERTY and LIABILITY INSU	\$0.00	\$0.00	\$0.00	\$0.00	\$210.98	(\$210.98)
99	9100	567	0	REFUNDS	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00	\$100.00
99	9200	999	0	BUDGET RESERVE	\$315,742.00	\$0.00	\$0.00	\$315,742.00	\$0.00	\$315,742.00
99	9300	999	0	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
99	9400	209	0	WORKERS COMPENSATION IN	\$62,155.00	\$0.00	\$0.00	\$62,155.00	\$67,700.45	(\$5,545.45)
TOTALS					\$9,921,680.32	\$0.00	\$0.00	\$9,921,680.32	\$9,963,280.72	(\$41,600.40)

Receipts file

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
01	4101	1		GAS and OIL TAX	\$0.00	\$0.00	\$50,692.35	\$50,692.35	(\$50,692.35)
01	4101	0		REAL PROPERTY TAX	\$322,754.00	\$0.00	\$32,279.75	\$334,190.32	(\$11,436.32)

2020

4Q

Page 6 of 11

Thursday, February 10, 2022

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

01	4102	0	PERSONAL PROPERTY TAX	\$41,281.00	\$0.00	\$0.00	\$45,691.22	(\$4,410.22)
01	4103	0	MOTOR VEHICLE TAX	\$104,623.00	\$0.00	\$14,013.43	\$92,491.78	\$12,131.22
01	4104	0	DELINQUENT PROPERTY TAX	\$62,698.00	\$0.00	\$749.38	\$29,247.71	\$33,450.29
01	4104	1	DELINQUENT FIRE TAX	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	4107	0	UNMINED COAL TAX	\$36,566.00	\$0.00	\$16,354.88	\$16,523.81	\$20,042.19
01	4112	0	FIRE TAX	\$4,784.00	\$0.00	\$147.89	\$4,889.39	(\$105.39)
01	4130	0	BANK DEPOSIT TAX	\$20,131.00	\$0.00	\$0.00	\$0.00	\$20,131.00
01	4131	0	FRANCHISE TAX	\$105,620.00	\$0.00	\$46,411.09	\$101,568.51	\$4,051.49
01	4135	0	DEED TRANSFER TAX	\$5,802.00	\$0.00	\$874.57	\$14,443.42	(\$8,641.42)
01	4204	0	LIEU TAX PAYMENT	\$145,661.00	\$0.00	\$0.00	\$0.00	\$145,661.00
01	4302	0	EXCESS CLERK FEES	\$26,000.00	\$0.00	\$33,000.00	\$33,000.00	(\$7,000.00)
01	4304	0	EXCESS SHERIFF FEES	\$23,061.00	\$0.00	\$7,000.00	\$7,000.00	\$16,061.00
01	4417	0	TELECOMMUNICATIONS TAX	\$17,427.00	\$0.00	\$3,139.17	\$12,532.68	\$4,894.32
01	4418	0	SOLID WASTE FRANCHISE FE	\$78,000.00	\$0.00	\$1,645.70	\$48,001.11	\$29,998.89
01	4501	0	OMITTED TAX	\$477.00	\$0.00	\$14.61	\$402.89	\$74.11
01	4505	0	MOTOR VEHICLE TAX (OTHER	\$9,819.00	\$0.00	\$1,814.22	\$4,231.03	\$5,587.97
01	4520	0	ELECTION REIMBURSEMENT	\$6,800.00	\$0.00	\$0.00	\$3,400.00	\$3,400.00
01	4521	0	BOARD OF ASSESSMENT APP	\$200.00	\$0.00	\$0.00	\$200.00	\$0.00
01	4522	0	LEGAL PROCESS RECEIPTS	\$50.00	\$0.00	\$0.00	\$55.88	(\$5.88)
01	4526	0	STRIP MINE PERMIT FEES	\$0.00	\$0.00	\$0.00	\$3,975.00	(\$3,975.00)
01	4532	0	AOC LEASE COURTHOUSE	\$48,916.00	\$0.00	\$13,515.09	\$50,202.49	(\$1,286.49)
01	4532	1	AOC LEASE COURTHOUSE AN	\$56,857.00	\$0.00	\$13,031.16	\$27,245.41	\$29,611.59
01	4541	0	DEM REIMBURSEMENT	\$0.00	\$0.00	\$0.00	\$13,058.61	(\$13,058.61)
01	4561	0	COURT FACILITY FILING FEES	\$9,579.00	\$0.00	\$2,200.00	\$12,780.00	(\$3,201.00)
01	4701	0	VENDING MACHINES	\$592.00	\$0.00	\$172.44	\$641.35	(\$49.35)
01	4708	0	WATER DISTRICT FUEL REFU	\$14,855.00	\$0.00	\$1,088.26	\$2,805.13	\$12,049.87
01	4711	0	RENT	\$3,000.00	\$0.00	\$41.00	\$1,111.00	\$1,889.00
01	4713	0	RECYCLING RECEIPTS	\$6,180.00	\$0.00	\$1,567.06	\$5,491.84	\$688.16
01	4727	0	REFUNDS	\$40,877.00	\$0.00	\$1,088.26	\$61,405.67	(\$20,528.67)
01	4728	0	DONATION	\$0.00	\$0.00	\$680.00	\$3,413.00	(\$3,413.00)
01	4731	0	MISCELLANEOUS RECEIPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	4801	0	INTEREST	\$200.00	\$0.00	\$81.21	\$334.93	(\$134.93)
01	4901	0	PRIOR YEAR CARRYOVER	\$892,000.00	\$0.00	\$0.00	\$1,070,821.21	(\$178,821.21)
01	4910	0	IFT IN	\$0.00	\$0.00	\$0.00	\$408,826.29	(\$408,826.29)
02	4205	0	NATIONAL FORESTRY RECEIP	\$80,959.00	\$0.00	\$80,174.93	\$80,174.93	\$784.07
02	4513	0	EMERGENCY ROAD AID	\$0.00	\$0.00	\$24,056.40	\$49,706.40	(\$49,706.40)
02	4516	0	TRUCK LICENSE RECEIPTS	\$223,513.00	\$0.00	\$0.00	\$249,501.62	(\$25,988.62)
02	4517	0	DRIVERS LICENSE RECEIPTS	\$1,000.00	\$0.00	\$0.00	\$1,000.25	(\$0.25)
2020	4Q							

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

02	4518	0	COUNTY ROAD AID	\$1,098,065.00	\$0.00	\$51,562.36	\$1,172,130.36	(\$74,065.36)
02	4801	0	INTEREST	\$328.00	\$0.00	\$87.37	\$626.56	(\$298.56)
02	4901	0	PRIOR YEAR CARRYOVER	\$800,000.00	\$0.00	\$0.00	\$1,111,905.11	(\$311,905.11)
02	4910	0	IFT IN	\$87,205.00	\$0.00	\$334,226.07	\$334,226.08	(\$247,021.08)
03	4506	0	STATE REIMBURSEMENT (KYT	\$70,000.00	\$0.00	\$2,460.48	\$14,080.54	\$55,919.46
03	4510	0	LITTER ABATEMENT GRANT	\$22,800.00	\$0.00	\$0.00	\$22,579.59	\$220.41
03	4533	0	JAIL ALLOTMENT	\$34,598.00	\$0.00	\$0.00	\$34,597.90	\$0.10
03	4534	0	MEDICAL ALLOTMENT	\$2,724.00	\$0.00	\$2,724.16	\$2,724.16	(\$0.16)
03	4535	0	CIRCUIT CLERK FEES (HB 452)	\$1,010.00	\$0.00	\$215.90	\$836.63	\$173.37
03	4536	1	MEDICAL FEES (COUNTIES)	\$0.00	\$0.00	\$341.00	\$341.00	(\$341.00)
03	4536	2	TRANSPORT FEES (COUNTIES)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4536	0	HOUSING FEES (COUNTIES)	\$1,401,639.00	\$0.00	\$23,310.00	\$986,734.61	\$414,904.39
03	4537	0	HOUSING FEES (STATE)	\$1,522,746.00	\$0.00	\$440,421.02	\$1,579,128.50	(\$56,382.50)
03	4537	1	MEDICAL FEES (STATE)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4538	0	DUI FEES	\$425.00	\$0.00	\$293.13	\$741.98	(\$316.98)
03	4559	0	FICA INCENTIVE PAY	\$1,200.00	\$0.00	\$0.00	\$1,400.00	(\$200.00)
03	4567	0	COURT COST SUPPLEMENT (H	\$7,000.00	\$0.00	\$1,852.56	\$7,329.65	(\$329.65)
03	4569	0	LOCAL CORRECTIONS ASSIST	\$44,851.00	\$0.00	\$11,485.15	\$34,455.47	\$10,395.53
03	4633	0	JAIL BOOKING FEES	\$10,818.00	\$0.00	\$4,965.82	\$37,811.56	(\$26,993.56)
03	4634	0	MEDICAL REIMBURSEMENT IN	\$16,327.00	\$0.00	\$1,514.73	\$3,898.73	\$12,428.27
03	4699	0	OTHER CHARGES FOR SERVI	\$0.00	\$0.00	\$1,057.09	\$1,057.09	(\$1,057.09)
03	4702	0	TELEPHONE COMMISSIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4727	0	REFUNDS	\$80,000.00	\$0.00	\$8,318.00	\$42,872.05	\$37,127.95
03	4727	1	COMMISSARY PAYROLL REFU	\$0.00	\$0.00	\$24,628.38	\$24,628.38	(\$24,628.38)
03	4731	0	MISCELLANEOUS RECEIPTS	\$2,190.00	\$0.00	\$0.00	\$568.88	\$1,621.12
03	4801	0	INTEREST	\$250.00	\$0.00	\$49.07	\$238.40	\$11.60
03	4901	0	PRIOR YEAR CARRYOVER	\$500,000.00	\$0.00	\$0.00	\$684,350.40	(\$184,350.40)
03	4910	0	IFT IN	\$410,603.00	\$0.00	\$77,737.50	\$411,821.50	(\$1,218.50)
04	4527	0	LGEA (COAL)	\$290,680.00	\$0.00	\$670.64	\$735,004.37	(\$444,324.37)
04	4529	0	LGEA (MINERAL)	\$196,880.00	\$0.00	\$33,308.19	\$559,906.80	(\$363,026.80)
04	4801	0	INTEREST	\$150.00	\$0.00	\$96.46	\$494.91	(\$344.91)
04	4901	0	PRIOR YEAR CARRYOVER	\$300,000.00	\$0.00	\$0.00	\$315,289.30	(\$15,289.30)
04	4909	0	IFT OUT	(\$87,205.00)	\$0.00	\$67,135.00	\$810,045.29	(\$897,250.29)
04	4910	0	IFT IN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07	4503	0	KRADD-USDA (NSIP)	\$11,642.00	\$0.00	\$2,287.71	\$9,488.84	\$2,153.16
07	4504	0	KRADD-AGING	\$72,295.00	\$0.00	\$23,104.92	\$77,223.90	(\$4,928.90)
07	4901	0	PRIOR YEAR CARRYOVER	\$60,000.00	\$0.00	\$0.00	\$72,055.13	(\$12,055.13)
08	4503	1	FEMA DR 4218	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2020	4Q							

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

08	4503	2	FEMA DR 4239	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
08	4503	3	FEMA DR 4358	\$0.00	\$0.00	\$0.00	\$111,192.70	(\$111,192.70)
08	4503	4	FEMA DR 4328	\$0.00	\$0.00	\$22,508.38	\$223,033.38	(\$223,033.38)
08	4801	0	INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
08	4901	0	PRIOR YEAR CARRYOVER	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00
08	4909	0	IFT OUT	\$0.00	\$0.00	\$334,226.08	\$334,226.08	(\$334,226.08)
31	4510	3	ASAP GRANT	\$0.00	\$0.00	\$12,500.00	\$25,000.00	(\$25,000.00)
31	4510	5	OPEN DUMP PROJECT	\$0.00	\$0.00	\$0.00	\$50,000.00	(\$50,000.00)
31	4510	2	AMBULANCE GRANT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	4510	0	RECYCLING GRANT FY2019	\$0.00	\$0.00	\$0.00	\$7,959.00	(\$7,959.00)
31	4801	0	INTEREST	\$20.00	\$0.00	\$10.21	\$25.96	(\$5.96)
31	4901	0	PRIOR YEAR CARRYOVER	\$30,550.60	\$0.00	\$0.00	\$30,241.69	\$308.91
31	4909	0	IFT OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
76	4140	0	E911 SURCHARGE	\$80,000.00	\$0.00	\$0.00	\$0.00	\$80,000.00
76	4140	1	WIRELESS E911 SURCHARGE	\$138,923.00	\$0.00	\$0.00	\$0.00	\$138,923.00
76	4801	0	INTEREST	\$150.00	\$0.00	\$21.48	\$133.87	\$16.13
76	4901	0	PRIOR YEAR CARRYOVER	\$360,000.00	\$0.00	\$0.00	\$375,573.45	(\$15,573.45)
99	4134	0	OCCUPATIONAL LICENSE FEE	\$611,500.00	\$0.00	\$125,235.30	\$550,444.84	\$61,055.16
99	4599	0	DEPOSIT ERROR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
99	4801	0	INTEREST	\$100.00	\$0.00	\$75.15	\$245.78	(\$145.78)
99	4901	0	PRIOR YEAR CARRYOVER	\$300,000.00	\$0.00	\$0.00	\$363,242.54	(\$63,242.54)
99	4909	0	IFT OUT	\$410,603.00	\$0.00	\$10,602.50	\$10,602.50	\$400,000.50
TOTALS				\$11,283,849.60	\$0.00	\$1,964,864.66	\$14,013,572.69	(\$2,729,723.09)

Liabilities file

Fund	Maj	Min	Suffix	Description	Total	Balance	Issue Information		Payments Due	
03							Term	20	Total	
PRJ	7700	602	1	Lease	\$4,785,000.00	\$3,660,000.00	Rate	00.0347	Res. Earn.	\$8,329.93
INT	7700	606	1		\$1,896,255.70	\$985,025.01	Issued	08/28/2015	Outstand.	\$4,645,025.01
									Next	12/20/2020
									Final	12/20/2034
03							Term	20	Total	\$2,165,562.22
PRJ	7700	602	0	Lease	\$1,540,000.00	\$1,180,000.00	Rate	00.0353	Res. Earn.	\$1,960.99
INT	7700	606	0		\$625,562.22	\$321,556.27	Issued	08/28/2014	Outstand.	\$1,501,556.27
									Next	12/20/2020
									Final	12/20/2034

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

TOTALS-PRI	\$6,325,000.00	\$4,840,000.00
TOTALS-INT	\$2,521,817.92	\$1,306,581.28

Issues	\$8,846,817.92
Res. Earn.	\$10,290.92
Outstand.	\$6,146,581.28

Total Liabilities file

Long Term	Short Term	Total
	\$4,840,000.00	\$0.00
		\$4,840,000.00

Reconciliation file

Fund	Description	Bank Balance	Dep. In Transit	Checks	Other	Cash Balance
01	GENERAL	\$208,336.18	\$0.00	\$1,360.16	\$0.00	\$206,976.02
02	ROAD	\$454,342.57	\$0.00	\$5,980.67	\$0.00	\$448,361.90
03	JAIL	\$351,900.08	\$0.00	\$13,045.00	\$0.00	\$338,855.08
04	LGEA	\$705,177.93	\$0.00	\$0.00	\$0.00	\$705,177.93
07	SR CIT	\$65,966.12	\$0.00	\$0.00	\$0.00	\$65,966.12
08	FEMA	\$336,726.95	\$0.00	\$0.00	\$0.00	\$336,726.95
31	LGED	\$54,717.79	\$0.00	\$500.00	\$0.00	\$54,217.79
76	E911	\$164,034.73	\$0.00	\$0.00	\$0.00	\$164,034.73
78	USD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
99	DEBT	\$661,590.04	\$0.00	\$12,414.05	\$0.00	\$649,175.99
TOTALS		\$3,002,792.39	\$0.00	\$33,299.88	\$0.00	\$2,969,492.51

Summary file

Fund	Description	Receipts	Disbursements	Cash Balance	Encumb	Unencum
01	GENERAL	\$2,453,507.03	\$2,010,581.07	\$442,925.96	\$1,360.16	\$441,565.80
02	ROAD	\$2,999,271.31	\$2,364,301.63	\$634,969.68	\$5,980.67	\$628,989.01
03	JAIL	\$3,892,197.02	\$3,829,547.41	\$62,649.61	\$13,045.00	\$49,604.61
04	LGEA	\$2,424,260.03	\$545,874.94	\$1,878,385.09	\$0.00	\$1,878,385.09
07	SR CIT	\$158,767.87	\$89,505.55	\$69,262.32	\$0.00	\$69,262.32
08	FEMA	\$336,726.95	\$334,226.08	\$2,500.87	\$0.00	\$2,500.87
2020	4Q	Page 10 of 11		Thursday, February 10, 2022		

LESLIE COUNTY
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended June 30, 2020
(Continued)

31	LGED	\$113,226.65	\$90,084.20	\$23,142.45	\$500.00	\$22,642.45
76	E911	\$594,155.80	\$432,107.56	\$162,048.24	\$0.00	\$162,048.24
78	USDA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
99	DEBT	\$903,330.66	\$219,638.93	\$683,691.73	\$12,414.05	\$671,277.68
TOTALS		\$13,875,443.32	\$9,915,867.37	\$3,959,575.95	\$33,299.88	\$3,926,276.07

THIS PAGE LEFT BLANK INTENTIONALLY

**LESLIE COUNTY
JAIL COMMISSARY FINANCIAL STATEMENT**

For The Year Ended June 30, 2020

THIS PAGE LEFT BLANK INTENTIONALLY

**LESLIE COUNTY
JAIL COMMISSARY FINANCIAL STATEMENT**

For The Year Ended June 30, 2020

**Cash Flow Summary - JAIL OPERATING FUNDS ACCOUNT (COMMISSARY)
07/01/2019 to 06/30/2020**

INFLOW

COMMISSARY PURCHASES	\$35,488.01
COMMISSION INCOME	\$342,839.10
EMPLOYEE WAGES	\$2,201.85
INMATE BENEFITS	\$751.60
MEDICAL FEES ASSESSED	\$1,283.60
MISCELLANEOUS EXPENSE	\$58,743.34
MISCELLANEOUS INCOME	\$259,231.14
ROAD CREW EXPENSES	\$6,631.08
SAFETY AND SECURITY OF JAIL	\$1,713.76
TELATE PHONE COMMISSION	\$5,500.00
WORK RELEASE FUND	\$2,013.12
TOTAL: INFLOW	\$716,396.60

OUTFLOW

COMMISSARY PURCHASES	\$181,044.38
COMMISSION INCOME	\$2,631.98
EMPLOYEE WAGES	\$2,201.85
INMATE BENEFITS	\$79,528.74
JAIL CLEANING SUPPLIES	\$2,162.00
MEDICAL FEES ASSESSED	\$24,716.23
MISCELLANEOUS EXPENSE	\$178,193.37
PRISONER TRANSPORT EXPENSES	\$499.07
ROAD CREW EXPENSES	\$56,713.98
SAFETY AND SECURITY OF JAIL	\$62,668.73
WORK RELEASE FUND	\$8,269.76
TOTAL: OUTFLOW	\$598,630.09

INFLOW - OUTFLOW TOTAL: \$117,766.51

THIS PAGE LEFT BLANK INTENTIONALLY

**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***

THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable William Lewis, Leslie County Judge/Executive
Members of the Leslie County Fiscal Court

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

Independent Auditor's Report

We were engaged to audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial activity contained in the Fourth Quarter Financial Statement and the Jail Commissary Financial Statement, which collectively comprise the financial statement of the Leslie County Fiscal Court, for the fiscal year ended June 30, 2020, and have issued our report thereon dated November 14, 2022. Our report disclaims an opinion on the Fourth Quarter Financial Statement of the Leslie County Fiscal Court because ineffective internal controls, oversight, and review procedures created an environment in which funds could be misappropriated and financial records were inaccurate. Based on these conditions, we determined the fraud risk to be too high and were unable to apply other procedures to mitigate this risk. The significance of these issues, in the aggregate, prevents us from placing reliance on the financial activities contained in the Leslie County Fiscal Court's Fourth Quarter Financial Statement and from expressing an opinion on the financial statement of the Leslie County Fiscal Court.

Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statement of the Leslie County Fiscal Court, we considered Leslie 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 Leslie County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Leslie County Fiscal Court's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2020-001, 2020-002, 2020-003, 2020-004, 2020-005, 2020-006, 2020-007, 2020-008, and 2020-009 to be material weaknesses.



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

Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2020-010, 2020-011, 2020-012, and 2020-013 to be significant deficiencies.

Compliance And Other Matters

In connection with our engagement to audit the financial statement of Leslie County Fiscal Court, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Responses as items 2020-001, 2020-002, 2020-003, 2020-004, 2020-006, 2020-007, 2020-008, 2020-011, and 2020-013. Additionally, if the scope of our work had been sufficient to enable us to express an opinion on the financial statement, other instances of noncompliance or other matters may have been identified and reported herein.

Views of Responsible Officials and Planned Corrective Action

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an engagement 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,

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

Mike Harmon
Auditor of Public Accounts

November 14, 2022

**LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2020

THIS PAGE LEFT BLANK INTENTIONALLY

**LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2020

FINANCIAL STATEMENT FINDINGS:

2020-001 The Leslie County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated

The Leslie County Fiscal Court's fourth quarter financial statement was not an accurate representation of the financial activity of the fiscal court for fiscal year ending June 30, 2020. Multiple items were incorrectly classified, and multiple transactions were missing from the financial statement. The receipts and appropriations ledgers as well as the bank reconciliations provided by the county treasurer did not support the amounts on the financial statement due to multiple inaccuracies. As a result:

- The fourth quarter financial statement had \$4,503,454 more receipts and \$421,928 more disbursements than the ledgers for all funds.
- The fourth quarter financial statement had \$12,414 less ending cash balance than the bank reconciliations for all funds.
- The fourth quarter financial statement was submitted to the Department for Local Government (DLG) on August 24, 2020; however, it was not presented to DLG within 20 days after the quarter ended as required.
- The county treasurer did not present the fourth quarter financial statement to the fiscal court for review.
- Receipts for federal payment in lieu of taxes of \$121,148 were deposited to the wrong fund on June 30, 2020, but not corrected until November 2020. This amount was not included in the receipts or fund balance on the fourth quarter financial statement.
- Receipts for state grants of \$934,771 were deposited to the wrong fund. \$400,000 of this amount was not included in the receipts and \$434,771 was included in the wrong receipts line item on the fourth quarter financial statement.

Due to the material errors we identified and the potential unidentified material errors due to lack of strong internal controls over the financial reporting process, we cannot overcome the significant risks with additional audit procedures; therefore, we are unable to provide the fiscal court with an opinion on whether the financial statement is free from material misstatement. A disclaimer of opinion will be issued.

The county treasurer used a complex accounting system that was subsequently replaced by the fiscal court. The misstatements noted above were the result of this complex accounting system and a weak internal control system over the financial reporting system. The county treasurer failed to receive proper training on how to correctly use the software. Also, the county treasurer has not received the training needed to maintain accurate accounting records, prepare accurate quarterly financial statements, and prepare bank reconciliations that are complete and correct. The fiscal court failed to realize the importance of strong internal controls over reporting financial information, and instead relied on a single employee without sufficient oversight. The errors were not detected because the fourth quarter financial statement was not reviewed by another employee to ensure accuracy. As a result, the fiscal court's fourth quarter financial statement and supporting financial records were materially misstated. Because of the weak internal control system, the amounts reported on the fourth quarter financial statement were not in agreement with the actual transaction amounts. When the amounts reported on the quarterly financial statements do not agree with the actual transaction amounts, the risk of material misstatement due to errors and fraud increases substantially.

In addition, actual transaction amounts recorded inaccurately could result in overspending budgeted line items as reported in finding 2020-014. The weak internal control system has also resulted in receipts and disbursements being posted to the wrong line items reducing the usefulness of the financial statements to the public as well as to the fiscal court. The fiscal court needs accurate financial information to oversee the financial condition of the

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-001 The Leslie County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated
 (Continued)

government as well as to prepare future budgets. A materially inaccurate and untimely fourth quarter financial statement was submitted to DLG and relied upon by third parties. Furthermore, the fiscal court was not provided with a copy of the fourth quarter financial statement.

Proper accounting procedures and internal controls require that the financial statement is supported with accurate underlying accounting records such as receipt and disbursement ledgers with the financial statement being submitted to the fiscal court for review. Strong internal controls over financial reporting are vital in ensuring the fiscal court's financial statement accurately reflects the financial activity of the fiscal court. These controls should include an individual independent of the accounting function reviewing the financial statements for accuracy and compliance with DLG's reporting requirements. KRS 68.020(4) states the county treasurer, "shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by the uniform system of accounting prescribed by the state local finance officer." KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in DLG's *County Budget Preparation and State Local Finance Officer Policy Manual* which requires the county treasurer to, "[p]repare a quarterly financial statement for the State Local Finance Officer." The manual provides the format to be used when preparing the quarterly financial statement. This format includes reporting original budget estimates, budget amendments, actual receipts and disbursements and total available in each line item. In addition, the manual provides a chart of accounts and states, "[a]ll counties must use the account numbers from the chart of accounts." Furthermore, the manual states the quarterly financial statements are required to be submitted to DLG by the 20th of the month following the close of the quarter.

We recommend the county treasurer receive training to ensure she maintains accurate accounting records, prepares accurate quarterly financial statements, and completes bank reconciliations. Additionally, we recommend the county treasurer maintain accurate accounting records and prepare accurate quarterly financial statements. We also recommend the fiscal court implement stronger internal controls and management oversight over the financial reporting process. Internal controls such as a thorough review of the quarterly financial statements by someone independent of the accounting function can help detect misstatements and errors that have occurred. This review should also include tracing transactions posted to the receipts and disbursements ledgers to actual bank statement transactions. It should also include agreeing fund balances between the quarterly financial statements and bank reconciliations, agreeing bank balances per the bank statements to the quarterly financial statements and bank reconciliations, checking for mathematical accuracy, and verification of bank reconciliation amounts. Ledgers should also be reviewed to verify transactions have been recorded in the correct account codes. Once the ledgers and reconciliations are deemed accurate, the reviewer should document their review and submit the quarterly financial statement to the fiscal court for review. By implementing these procedures, the fiscal court can strengthen its internal control system, and help ensure accurate financial reporting. We further recommend the fourth quarterly financial statement be submitted to DLG timely. This finding will be referred to the Kentucky Department for Local Government.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Additional training has been scheduled to implement stronger controls and accuracy of maintaining records.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-002 The Leslie County Fiscal Court Did Not Have Adequate Procedures For Reporting County Liabilities

The Leslie County Fiscal Court's liabilities schedule presented with the fiscal court's fourth quarter financial statement, which serves as the fiscal court's year-end financial statement, was misstated. Principal and interest on lease agreements were misstated by \$591,994 and \$86,283, respectively. In addition, interest on general obligation leases was misstated by \$100,020. The liabilities schedule presented to the fiscal court and Department for Local Government (DLG) was understated by these amounts.

The fiscal court does not have internal controls in place to ensure debt balances were reported properly. This deficiency has resulted in inaccurate financial reporting to the fiscal court and DLG making it difficult for management and DLG to easily determine where the fiscal court's liability balances stand.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. The manual requires officials to report all liabilities of the fiscal court, even when related to unbudgeted funds. The schedules should be reported with correct balances. Internal control procedures should be in place to ensure that all liabilities held at fiscal year-end are reported on the liabilities schedule and have accurate ending balances.

We recommend the fiscal court improve procedures to ensure proper reporting of all the fiscal court's liabilities on the financial statement. This finding will be referred to the Kentucky Department for Local Government.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Leslie County Fiscal Court will improve procedures for proper reporting for all financial liabilities.

2020-003 The Leslie County Treasurer Did Not Prepare An Accurate Schedule Of Expenditures Of Federal Awards

The county treasurer prepared a schedule of expenditures of federal awards (SEFA) for fiscal year 2020 dated October 30, 2020. The original SEFA reported federal expenditures totaling \$415,575; however, the original SEFA was materially inaccurate. The county treasurer reported federal receipts as federal expenditures on this SEFA. Auditors reviewed invoices and cleared checks, and noted \$714,254 for federal expenditures; however, due to the issues noted in report finding 2020-001, we cannot determine the accuracy of this amount. In addition, the following supporting information was inaccurate on the original SEFA:

- Grants listed were not accurate and two grants were not included.
- Pass-through grantor was not listed.
- Pass-through identifying numbers were not listed.
- Amounts were not calculated correctly.

The county treasurer was not aware that the SEFA should be prepared using federal expenditures not federal receipts. Furthermore, the fiscal court did not have adequate internal controls and procedures in place to ensure that the SEFA was accurately prepared and accounted for all federal expenditures properly.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-003 The Leslie County Treasurer Did Not Prepare An Accurate Schedule Of Expenditures Of Federal Awards (Continued)

The fiscal court's failure to prepare an accurate SEFA misrepresented the fiscal court's federal expenditure activity for the fiscal year and understated federal expenditures by approximately \$298,679.

2 C.F.R. § 200.510(b) states, "[t]he auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended...." At a minimum, the schedule must include the following if applicable:

- (1) List individual Federal programs by Federal agency.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity.
- (3) Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the ALN information is not available.
- (4) The total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Notes that describe the significant accounting policies used in preparing the schedule.

Good internal controls dictate the fiscal court have procedures in place to review the SEFA prepared by the county treasurer for accuracy and to ensure all federal expenditures for the fiscal year are included on the SEFA.

We recommend the fiscal court implement internal controls to ensure that the SEFA is properly prepared and federal expenditures are reported accurately. This finding will be referred to the Kentucky Department for Local Government and U.S. Department of Homeland Security, Federal Emergency Management Administration.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Since these Audit process began; the Treasurer now understands the proper method of preparing a SEFA and will report an accurate SEFA.

2020-004 The Leslie County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2019-006. Proper procedures for disbursements were not followed. The following exceptions were noted:

- Sixty-nine of 84 purchase orders were not signed and/or approved.
- Seven of 84 disbursements lacked supporting documentation.
- Four of 84 disbursements were not paid within 30 working days of receipt.
- Two of 84 disbursements were not presented to fiscal court.
- Two of 84 disbursements included late fees/charges totaling \$252.

As a result of not monitoring internal controls in place, the fiscal court allowed for the exceptions to occur. These exceptions could result in inaccurate financial reporting and misappropriation of assets.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-004 The Leslie County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements
 (Continued)

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*, which states in part, "[p]urchases shall not be made without approval by the judge/executive (or designee) and/or a department head" and "[p]urchase requests shall not be approved in an amount that exceeds the available line item appropriation unless the necessary and appropriate transfers have been made." Good internal controls require original supporting documentation be maintained for all disbursements and that purchase orders be created and approved only when sufficient funds are available.

KRS 65.140 states that local governments are required to pay for purchases within 30 working days of receipt of a vendor's invoice. Additionally, late fees/charges are not a good use of taxpayer dollars.

KRS 68.275(2) states, "[t]he county judge/executive shall present all claims to the fiscal court for review prior to payment and the court, for good cause shown, may order that a claim not be paid."

We recommend the fiscal court implement proper internal controls over disbursements and ensure they are operating effectively. The fiscal court should also ensure that purchase orders are issued for all disbursements and sufficient funds are available prior to issuing a purchase order.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Leslie County Fiscal Court will work to strengthen internal controls to ensure accuracy.

2020-005 The Leslie County Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations

This is a repeat finding and was included in the prior year audit report as finding 2019-004. The Leslie County Fiscal Court does not have adequate segregation of duties over receipts, disbursements, and reconciliations. The county treasurer is responsible for preparing deposits, posting to the receipts and disbursements ledgers, signing checks, reconciling all bank accounts, preparing monthly reports for the fiscal court and quarterly reports for the Department for Local Government (DLG) with little or no documented review.

According to the county judge/executive, a limited budget places restrictions on the number of employees the fiscal court can hire. When faced with a limited number of staff, strong compensating controls should have been implemented to offset the lack of segregation of duties.

A lack of oversight could result in undetected misappropriation of assets and inaccurate financial reporting to external agencies such as DLG. The lack of adequate segregation of duties, coupled with a lack of adequate management oversight, provides an environment in which an individual could manipulate financial records and misappropriate or misdirect county funds.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-005 The Leslie County Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations (Continued)

The following deficiencies occurred due to the lack of segregation of duties:

- The fiscal court did not accurately report or record financial information on the fourth quarter financial statement as reported in finding 2020-001.
- The fiscal court did not prepare an accurate schedule of expenditures of federal awards as reported in finding 2020-003.
- The fiscal court did not have strong internal controls over disbursements as reported in finding 2020-004.
- The fiscal court did not properly reconcile the payroll revolving account as reported in finding 2020-012.
- The fiscal court did not have adequate controls over the budget as reported in finding 2020-013.

Segregation of duties over various accounting functions, such as opening mail, collecting receipts, preparing bank deposits, posting receipts and disbursements, preparing reports and reconciliations, or the implementation of compensating controls, when needed because the number of staff is limited, is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the fiscal court separate the duties involving receipts, disbursements, and reconciliations which includes the opening of mail, collecting and depositing of receipts, posting receipts and disbursements, and preparation of reports and reconciliations. If this is not feasible due to a limited budget, strong oversight over these areas should occur and involve an employee that isn't currently performing any of those functions. Additionally, the county judge/executive could provide this oversight and document it on the appropriate source documents.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Leslie County Fiscal Court will work to strengthen internal controls to ensure accuracy.

2020-006 The Leslie County Jailer Did Not Submit A Financial Statement To The County Treasurer For Commissary Activity

The Leslie County Jailer did not present a financial statement to the county treasurer for fiscal year 2020 concerning commissary activity. The jailer did not have sufficient internal controls over the financial reporting process that would ensure that the financial statement was presented to the county treasurer. As a result, the county treasurer was not made aware of the financial activity of the jail's commissary fund.

KRS 441.135(2) states, in part, "[t]he jailer shall keep books of accounts of all receipts and disbursements from the canteen and shall annually report to the county treasurer on the canteen account." Good internal controls dictate that procedures are put in place to ensure the annual report is turned over timely to the county treasurer.

We recommend the jailer submit an accurate annual commissary report to the county treasurer at year-end that includes all receipts and disbursements and reconciles to the receipts and disbursements ledgers.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-006 The Leslie County Jailer Did Not Submit A Financial Statement To The County Treasurer For Commissary Activity (Continued)

Views of Responsible Officials 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.

2020-007 The Leslie County Fiscal Court And Leslie County Jailer Did Not Comply With Bidding Requirements Set Forth In KRS 424.260

This is a repeat finding and was included in the prior year audit report as findings 2019-002 and 2019-005. The fiscal court and the jailer did not comply with bidding requirements. The following noncompliances were noted:

- The fiscal court purchased a vehicle for \$51,803 without bidding or purchasing via state price contract.
- The fiscal court purchased food service (prepared meals) and commissary service for the detention center totaling \$473,696 without obtaining bids.
- The jailer purchased electronic cigarettes for use as commissary inventory from three vendors totaling \$155,209 in fiscal year ending June 30, 2020, without obtaining bids.

The fiscal court was unaware of the requirement to bid food service, commissary service, and the purchase of a vehicle. Furthermore, the jailer was unaware of the requirement to obtain bids for electronic cigarettes that were purchased from three separate vendors. The fiscal court and jailer cannot be sure that the items mentioned above were procured at the best price available due to their failure to obtain bids or to purchase via the state price contract.

KRS 424.260(1) states, "[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for: (a) Materials; (b) Supplies, except perishable foods such as meat, poultry, fish, egg products, fresh vegetables, and fresh fruits; (c) Equipment; or (d) Contractual services other than professional; involving an expenditure of more than thirty thousand dollars (\$30,000) without first making newspaper advertisement for bids." Strong internal controls require that all contracts, leases, or other agreements be properly bid to ensure that the county is paying the best and lowest price for goods or services.

We recommend the fiscal court and the jailer comply with KRS 424.260 by obtaining bids for contracts, leases, or other agreements as required. The fiscal court and the jailer should also review proposed contracts to ensure whether any state price contracts may be used.

Views of Responsible Officials and Planned Corrective Action:

County Judge/Executive's Response: The County Judge and the Leslie County Fiscal Court will consult with the County Attorney to ensure all bidding requirements are met.

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

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-008 The Leslie County Jail Commissary Did Not Transfer Profits From The Inmate Account To The Commissary Account

The Leslie County Jailer failed to account for profits from commissary sales in the correct account. The jailer operates two bank accounts for commissary activity. One account is for lawful receipts and disbursements of commissary proceeds, and the other account is used as a trust fund for inmate funds. As of June 30, 2020, the jailer had \$63,850 in the inmate account that should have been transferred to the commissary account. According to the jail, they had not transferred profits because they were unsure of the correct amount to be transferred and did not want to inappropriately transfer funds that belonged to inmates. As a result, a large balance was in the inmate account that could have been used for lawful commissary purchases. This deficiency also allows an opportunity for cash to be diverted or misappropriated.

Strong internal controls require that the jail commissary use its two accounts properly and transfer proceeds from commissary sales to the appropriate account on a timely basis. The inmate account should be used for all inmate moneys received, disbursed as refunds, transferred to the commissary account for commissary purchases by the inmates, and jail fees collected from the inmates for payment to the county treasurer. No other receipts should be deposited into this account and no other disbursements should be made from it. Deposits to the commissary account should only consist of transfers from inmate accounts for commissary purchases and any other monies relating to commissary activity.

We recommend the jailer ensure that the correct amount of proceeds from commissary sales be transferred monthly. In addition, we recommend the jailer transfer \$63,850 from commissary sales from the inmate account to the commissary account.

Views of Responsible Officials 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.

2020-009 The Leslie County Jail Commissary Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Bank Reconciliations

This is a repeat finding and was included in the prior year audit report as finding 2019-003. The Leslie County Jail Commissary bookkeeper's duties include posting receipts, preparing and posting disbursements, and completing the bank reconciliations. Per the jailer, due to a limited number of staff in the jail commissary, segregation of duties is not feasible. As a result, undetected misappropriation of assets or incorrect financial reporting could occur. When one employee is responsible for the receipt, disbursement, and reconciliation of funds, the risk of misappropriation of assets, errors, and inaccurate financial reporting increases.

Effective internal controls require proper segregation of duties over accounting functions, such as making deposits, preparing disbursements, and reconciling the bank account. Segregation of duties, or the implementation of compensating controls is essential for providing protection to employees in the normal course of performing their daily responsibilities.

We recommend the Leslie County Jailer segregate duties over receipts, disbursements, and the reconciliation process. If segregation of duties is not possible, then the Leslie County Jailer should implement compensating controls by monitoring the financial activities of the jail commissary and documenting his review.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-009 The Leslie County Jail Commissary Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Bank Reconciliations (Continued)

Views of Responsible Officials 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.

2020-010 The Leslie County Jail Commissary Operated Accounts With Funds That Belong To The Fiscal Court

The Leslie County Jail operated two accounts with funds that belonged to the fiscal court. The jail operated an account with funds received from the Kentucky State Treasurer for jail employees transporting inmates. These funds were deposited into a separate account maintained by the jailer and used for costs incurred while transporting inmates. The jailer also operated an account with funds received from vending sales to jail employees on-site. These accounts were closed at the end of fiscal year 2020, but were not closed properly. The remaining funds in these accounts were to be paid to the county treasurer to be deposited to the jail fund. Instead, the jailer transferred the remaining balance of these accounts to his jail commissary operating account. The transport account balance was \$6,679 and the vending account balance was \$26, resulting in \$6,705 that is due to the county treasurer from the jail commissary operating account.

The jailer was unaware that these funds belonged to the fiscal court. As a result, the fiscal court did not have any internal controls over the receipt or disbursement of these funds. Since these funds were not remitted to the fiscal court when received, the receipt and disbursement of these funds were not handled by the county treasurer and recorded by the jail fund. Therefore, this financial activity was not included with the jail fund in reports to the state local finance officer.

KRS 64.070 allows the jailer to receive reimbursement from the state when he or his employees convey prisoners to the penitentiary. Strong internal controls require the jail to deliver any receipts for operations to the county treasurer. Additionally, KRS 441.235(1) states, "[t]he county treasurer shall keep books of accounts of all receipts and disbursements from the jail budget and make such reports as are required by the state local finance officer." KRS 68.020(1) states, in part, "[t]he county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury..."

We recommend the jailer remit \$6,705 from the jail commissary operating account to the county treasurer for deposit to the jail fund.

Views of Responsible Officials 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.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-011 The Leslie County Jailer Has Entered Into Contracts That Were Not Approved By The Fiscal Court

The Leslie County Jailer entered into contracts for food services (prepared meals) and health care services which were not approved by the Leslie County Fiscal Court. The jailer was unaware that all contracts had to be approved by the fiscal court. By entering into contracts without fiscal court approval, the jailer has obligated county funds without the knowledge of the fiscal court. The fiscal court documented \$474,155 for food services and \$362,091 for health services disbursed from the jail fund for fiscal year ended June 30, 2020.

KRS 441.225(1) states, in part, “the jailer shall have authority to authorize expenditures from the jail budget. Such expenditures shall only be made in accordance with the line item jail budget duly adopted or amended by the fiscal court and the established county procurement code or purchase order procedure of the county.” Food services and health services are both budgeted within the jail fund. KRS 67.710(1) and the fiscal court’s administrative code both state the county judge/executive shall “[p]rovide for the execution of all ordinances and resolutions of the fiscal court, execute all contracts entered into by the fiscal court, and provide for the execution of all laws by the state subject to enforcement by him or by officers who are under his direction and supervision.”

We recommend that the jailer acquire fiscal court approval of all jail contracts.

Views of Responsible Officials 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.

2020-012 The Leslie County Fiscal Court Did Not Reconcile The Payroll Revolving Account To Zero

The fiscal court uses a clearing bank account for payroll processing, but it did not reconcile to a zero balance as of June 30, 2020. Deposits are made into the bank account from the fiscal court’s general, road, jail, LGEA, and E911 funds to pay for salaries, taxes, fiscal court matching portion of taxes, retirement, health insurance, and other payments to benefit vendors. The payroll account is a revolving account; therefore, the account should reconcile to zero every month. As of June 30, 2020, the county treasurer’s reconciliation shows a balance of \$189,970 existed in the account. However, the fiscal court’s records show the reconciled balance in the account at June 30, 2020 was \$26,819. In addition, there is no documented review of the reconciliations. According to the county treasurer, the account has been adjusted based on audit recommendations; however, these adjustments have never corrected the account so that it would reconcile to a zero amount. As a result of not reconciling the account, the fiscal court could be tying up funds that are not required to be in the payroll account or overdraw the payroll account in error. In addition, if the account is not properly reconciled errors can go unnoticed and uncorrected.

Good internal controls require timely, accurate reconciliations for bank accounts and all other reports concerning payroll to ensure all funds are properly accounted for and to prevent misappropriation of funds and inaccurate financial reporting. KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government’s *County Budget Preparation and State Local Finance Officer Policy Manual* which requires the county treasurer to prepare monthly bank reconciliations. Due to the nature of revolving accounts, only the funds necessary to pay employees and government agencies are transferred from other funds.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-012 The Leslie County Fiscal Court Did Not Reconcile The Payroll Revolving Account To Zero (Continued)

Therefore, the reconciled balance each month of the payroll revolving account should be \$0, or possibly a small reserve balance if the fiscal court so chooses. Strong internal controls over the account should be implemented to ensure that proper amounts are transferred timely. Should a balance accrue in the payroll revolving account, the fiscal court should allocate this balance to the appropriate fund(s) or transfer amounts to an escrow account for uncleared payroll checks. KRS 393A.040(12) says payroll checks are presumed to be abandoned if they have not been cashed one year after the amount becomes payable. After a payroll check has been outstanding for a year, the unclaimed payroll checks should be submitted to the Kentucky State Treasurer's Unclaimed Property Division as unclaimed property.

We recommend the fiscal court reconcile the payroll revolving account balance to zero each month and an individual independent of the payroll function verify proper payroll amounts are transferred to the payroll revolving account from the corresponding operating funds prior to each pay period. This reconciliation should also include that any accumulated balance in payroll revolving account is properly allocated and reflected on the fiscal court's financial statement. The county treasurer should submit any payroll checks that have been unclaimed for over a year to the Kentucky State Treasurer's Unclaimed Property Division as unclaimed property.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Treasurer will work to correct this issue in the future.

2020-013 The Leslie County Fiscal Court Did Not Have Adequate Controls Over The Budget

Controls over disbursements were not operating as intended during fiscal year ending June 30, 2020. The following control deficiencies were noted:

- One fund was included on the original budget; however, the fund was not included on the fiscal court's fourth quarter financial statement. The fund did not have any activity during the fiscal year.
- One receipt fund was not added and totaled correctly.
- Four disbursement funds (road, jail, FEMA, and LGED) and the overall budget were overspent.

Per the county treasurer, the county treasurer and county judge/executive failed to monitor budget to actual amounts during the process of paying claims. The appropriation ledgers and reports showing the comparison of actual expenditures to amounts budgeted were not reviewed before presenting claims to the fiscal court or signing checks. The deficiencies listed above were able to occur due to lack of monitoring controls. These deficiencies could result in the misappropriation of assets. In addition, for fiscal year ended June 30, 2020, these deficiencies resulted in overall budgeted appropriations being understated by \$1,440,963 on the fourth quarter financial statement; the overall budget being overspent by \$41,600; road fund disbursements exceeding budgeted appropriations by \$177,502; jail fund disbursements exceeding budget appropriations by \$153,077; FEMA fund disbursements exceeding budgeted appropriations by \$329,226; and LGED fund disbursements exceeding budgeted appropriations by \$42,763.

LESLIE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2020
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2020-013 The Leslie County Fiscal Court Did Not Have Adequate Controls Over The Budget (Continued)

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. The manual states the county treasurer should "[c]ountersign checks only if the following conditions exist:

- "Claim reviewed by the fiscal court
- Sufficient fund balance and adequate cash in the bank to cover the check
- Adequate free balance in a **properly budgeted** appropriation account to cover the check."

In addition, KRS 68.275(1) states, "[c]laims against the county that are within the amount of line items of the county budget and arise pursuant to contracts duly authorized by the fiscal court shall be paid by the county judge/executive by a warrant drawn on the county and co-signed by the county treasurer." Furthermore, KRS 68.300 states, "[a]ny appropriation made or claim allowed by the fiscal court in excess of any budget fund, and any warrant or contract not within the budget appropriation, shall be void."

We recommend the fiscal court improve controls over the budget to ensure they are operating effectively.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Leslie County Fiscal Court will work to improve internal controls to ensure proper budgeting and appropriate budget amendments will be made accordingly.

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

LESLIE COUNTY FISCAL COURT

For The Year Ended June 30, 2020

THIS PAGE LEFT BLANK INTENTIONALLY

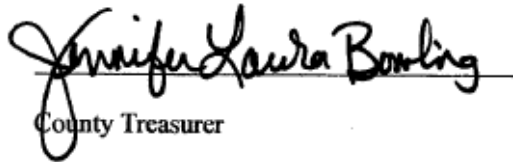
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM
LESLIE COUNTY FISCAL COURT

For The Year Ended June 30, 2020

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

A handwritten signature in black ink, appearing to read "William R. Lewis", written over a horizontal line.

County Judge/Executive

A handwritten signature in black ink, appearing to read "Jennifer Laura Bowling", written over a horizontal line.

County Treasurer