

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

**For The Year Ended  
June 30, 2021**



**MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS  
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## CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT .....	1
LESLIE COUNTY OFFICIALS.....	4
FOURTH QUARTER FINANCIAL STATEMENT .....	7
JAIL COMMISSARY FINANCIAL STATEMENT .....	21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	25
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> .....	29
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE .....	33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	39
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM	

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

To the People of Kentucky  
The Honorable Andy Beshear, Governor  
Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
The Honorable 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, 2021.

**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 the 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  
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### **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 Matters**

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2023, 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 effectiveness of 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 audit, we present the accompanying Schedule of Findings and Questioned Costs included herein, which discusses the following report findings:

- 2021-001 The Leslie County Fiscal Court's Fourth Quarter Report Was Materially Misstated
- 2021-002 The Leslie County Fiscal Court Did Not Properly Remit Payroll Liabilities Or Health Insurance Premiums
- 2021-003 The Leslie County Fiscal Court Did Not Perform Bank Reconciliations
- 2021-004 The Leslie County Fiscal Court Did Not Have Adequate Procedures For Reporting County Liabilities
- 2021-005 The Leslie County Treasurer Did Not Prepare An Accurate Schedule Of Expenditures Of Federal Awards
- 2021-006 The Leslie County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements
- 2021-007 The Leslie County Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2021-008 The Leslie County Fiscal Court And Leslie County Jailer Did Not Comply With Bidding Requirements Set Forth In KRS 424.260

To the People of Kentucky  
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**Other Reporting Required by *Government Auditing Standards (Continued)***

- 2021-009 The Leslie County Jail Commissary Did Not Transfer Profits From The Inmate Account To The Commissary Account
- 2021-010 The Leslie County Jail Commissary Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Bank Reconciliations
- 2021-011 The Leslie County Jail Commissary Operated Accounts With Funds That Belong To The Fiscal Court
- 2021-012 The Leslie County Jailer Has Entered Into Contracts That Were Not Approved By The Fiscal Court
- 2021-013 The Leslie County Fiscal Court Did Not Reconcile The Payroll Revolving Account To Zero
- 2021-014 The Leslie County Fiscal Court Did Not Have Adequate Controls Over The Budget
- 2021-015 The Leslie County Fiscal Court Failed To Monitor Prevailing Wage Compliance As Required By The FEMA-State Agreement

Respectfully submitted,

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

Mike Harmon  
Auditor of Public Accounts

January 5, 2023

**LESLIE COUNTY OFFICIALS**  
**For The Year Ended June 30, 2021**

**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
Nicole Napier	Finance Officer
Selena Miller	Occupational Tax Administrator



**LESLIE COUNTY  
FOURTH QUARTER FINANCIAL STATEMENT**

**For The Year Ended June 30, 2021**

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# LESLIE COUNTY FOURTH QUARTER FINANCIAL STATEMENT

For The Year Ended June 30, 2021



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 R Lewis	Shirley Laura Bowling	07/20/2021	08/16/2021	EISFCA03

### Disbursements file

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	4209	331		LEASE PAYMENT	\$0.00	\$0.00	\$3,699.95	\$3,699.95	\$4,599.95	(\$900.00)
01	5001	101		JUDGE EXECUTIVE	\$86,249.97	\$0.00	\$0.00	\$86,249.97	\$90,551.78	(\$4,301.81)
01	5001	104		FINANCE OFFICER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5001	106		CJE STAFF	\$85,000.00	\$0.00	\$0.00	\$85,000.00	\$99,819.86	(\$14,819.86)
01	5001	129		Computer Services	\$0.00	\$0.00	\$1,620.00	\$1,620.00	\$1,620.00	\$0.00
01	5001	212		INCENTIVE CJE	\$2,156.30	\$0.00	\$0.00	\$2,156.30	\$2,156.30	\$0.00
01	5001	425		CJE FOOD	\$0.00	\$0.00	\$641.79	\$641.79	\$942.59	(\$300.80)
01	5001	443		CJE VEHICLE PARTS AND SUP	\$0.00	\$0.00	\$1,437.57	\$1,437.57	\$1,634.54	(\$196.97)
01	5001	445		OFFICE SUPPLIES	\$15,000.00	\$0.00	\$17,109.90	\$32,109.90	\$37,698.25	(\$5,588.35)
01	5001	563		POSTAGE	\$6,000.00	\$0.00	\$130.28	\$6,130.28	\$7,149.23	(\$1,018.95)
01	5001	576		CJE TRAVEL	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$57.99	\$7,942.01
01	5001	599		MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,044.30	(\$44.30)
01	5001	739		CJE EQUIPMENT	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$2,041.72	\$2,958.28
01	5005	101		COUNTY ATTORNEY	\$18,700.00	\$0.00	\$0.00	\$18,700.00	\$19,419.21	(\$719.21)
01	5005	105		ASSISTANT COUNTY ATTORNEY	\$48,000.00	\$0.00	\$0.00	\$48,000.00	\$49,846.32	(\$1,846.32)
01	5005	364		COUNTY ATTORNEY RENT	\$7,440.00	\$0.00	\$0.00	\$7,440.00	\$7,820.00	(\$380.00)
01	5010	101		COUNTY CLERK-FCM	\$2,400.00	\$0.00	\$0.00	\$2,400.00	\$3,000.00	(\$600.00)
01	5010	143		CLERK PAYROLL EXPENSE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$18,304.54	\$1,695.46
2021		4Q								

Page 1 of 12

Monday, August 1, 2022

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

01	5010	349	COUNTY RECORD BOOK BIND	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$0.00	\$4,000.00
01	5010	368	PRINTING TAX BILLS	\$3,800.00	\$0.00	\$0.00	\$3,800.00	\$1,264.65	\$2,535.35
01	5010	431	VOTING BOOTH EXPENSE	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$50.00	\$950.00
01	5010	445	COUNTY CLERK OFFICE SUPP	\$12,000.00	\$0.00	\$0.00	\$12,000.00	\$6,400.03	\$5,599.97
01	5010	566	COUNTY CLERK REIMBURSEM	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$0.00	\$4,000.00
01	5010	739	COUNTY CLERK OFFICE EQUI	\$7,000.00	\$0.00	\$0.00	\$7,000.00	\$4,520.05	\$2,479.95
01	5015	212	SHERIFF INCENTIVE	\$0.00	\$0.00	\$2,156.30	\$2,156.30	\$2,156.30	\$0.00
01	5015	592	VEHICLE REPAIR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5025	101	MAGISTRATES	\$84,578.00	\$0.00	\$0.00	\$84,578.00	\$87,831.00	(\$3,253.00)
01	5025	191	MAGISTRATES COMMITTEE FE	\$14,400.00	\$0.00	\$0.00	\$14,400.00	\$14,401.00	(\$1.00)
01	5025	212	INCENTIVE MAGISTRATES	\$8,625.20	\$0.00	\$2,307.20	\$10,932.40	\$10,932.40	\$0.00
01	5030	367	PVA STATUTORY	\$27,000.00	\$0.00	\$0.00	\$27,000.00	\$14,422.00	\$12,578.00
01	5035	199	BOARD OF ASSESSMENTS	\$1,500.00	\$0.00	\$0.00	\$1,500.00	\$300.00	\$1,200.00
01	5040	102	COUNTY TREASURER	\$62,481.00	\$0.00	\$0.00	\$62,481.00	\$64,884.24	(\$2,403.24)
01	5047	142	OLF ADMINISTRATOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5060	101	CIRCUIT CLERK, LAW LIBRARY	\$1,200.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00	\$0.00
01	5063	398	GRAND JURY REPORTER	\$5,500.00	\$0.00	\$0.00	\$5,500.00	\$4,742.10	\$757.90
01	5065	192	ELECTION OFFICERS	\$39,000.00	\$0.00	\$0.00	\$39,000.00	\$11,109.25	\$27,890.75
01	5065	193	ELECTION COMMISSIONERS	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$2,625.00	\$375.00
01	5065	302	ELECTION ADVERTISING	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$7,702.80	\$2,297.20
01	5065	364	ELECTION VOTING PLACES RE	\$750.00	\$0.00	\$0.00	\$750.00	\$0.00	\$750.00
01	5065	445	ELECTION PRINTING AND SUP	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$31,780.98	\$18,219.02
01	5065	573	ELECTION DAY TELEPHONE E	\$800.00	\$0.00	\$0.00	\$800.00	\$0.00	\$800.00
01	5075	107	ECONOMIC DEVELOPMENT DI	\$24,000.00	\$0.00	\$0.00	\$24,000.00	\$24,923.16	(\$923.16)
01	5080	175	COURTHOUSE CUSTODIAL ST	\$54,000.00	\$0.00	\$0.00	\$54,000.00	\$57,240.00	(\$3,240.00)
01	5080	333	FIRE ALARM MAINTENANCE	\$600.00	\$0.00	\$0.00	\$600.00	\$350.00	\$250.00
01	5080	352	ELEVATOR MAINTENANCE	\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$2,657.01	\$842.99
01	5080	411	COURTHOUSE SUPPLIES and	\$95,000.00	\$0.00	\$0.00	\$95,000.00	\$42,735.66	\$52,264.34
01	5080	548	ADF PROJECT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	5080	573	TELEPHONE SERVICE	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$49,527.58	\$472.42
01	5080	578	UTILITIES	\$55,000.00	\$0.00	\$0.00	\$55,000.00	\$38,595.74	\$16,404.26
01	5081	445	SUPPLIES	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
01	5081	578	UTILITIES	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00
01	5085	334	CONTRACT LABOR	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$29,551.00	(\$4,551.00)
01	5085	406	BUILDING MAINTENACE SUPP	\$0.00	\$0.00	\$0.00	\$0.00	\$118.51	(\$118.51)
01	5085	499	SUPPLIES and OTHER MATERI	\$0.00	\$0.00	\$1,961.94	\$1,961.94	\$1,961.94	\$0.00
01	5085	578	UTILITIES	\$20,000.00	\$0.00	\$592.59	\$20,592.59	\$29,867.50	(\$9,274.91)
01	5121	902	FIRE TAX	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$3,999.00	\$1.00
2021			4Q	Page 2 of 12			Monday, August 1, 2022		

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

01	5217	446	RECYCLING PROGRAM	\$28,000.00	\$0.00	\$0.00	\$28,000.00	\$24,956.71	\$3,043.29
01	5405	179	POOL WORKERS	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$2,373.79	\$1,626.21
01	5405	571	POOL REPAIRS and RENEWAL	\$12,000.00	\$0.00	\$0.00	\$12,000.00	\$2,574.79	\$9,425.21
01	5405	599	MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$3,000.00	(\$2,000.00)
01	8005	730	STREETS and HIGHWAYS	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00	\$0.00
01	9100	302	ADVERTISING EXPENSES	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$35,267.53	\$24,732.47
01	9100	307	AUDIT EXPENSES	\$80,000.00	\$0.00	\$60,460.41	\$140,460.41	\$127,290.58	\$13,169.83
01	9100	503	BANK CHARGES	\$50.00	\$0.00	\$32.09	\$82.09	\$82.09	\$0.00
01	9100	521	PROPERTY and LIABILITY INSU	\$268,751.00	\$0.00	\$0.00	\$268,751.00	\$0.00	\$268,751.00
01	9100	531	PUBLIC OFFICIAL BONDS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	\$6,044.88	(\$44.88)
01	9100	551	MEMBERSHIP DUES	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$21,000.82	(\$1,000.82)
01	9100	567	REFUNDS	\$18,500.00	\$0.00	\$0.00	\$18,500.00	\$4,285.37	\$14,214.63
01	9100	574	MEETINGS	\$9,000.00	\$0.00	\$0.00	\$9,000.00	\$6,235.00	\$2,765.00
01	9100	576	TRAVEL	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$2,242.44	(\$1,242.44)
01	9200	999	BUDGET RESERVE	\$68,909.53	\$462,054.55	(\$95,853.09)	\$435,110.99	\$0.00	\$435,110.99
01	9300	999	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	9400	201	SOCIAL SECURITY	\$74,000.00	\$0.00	\$0.00	\$74,000.00	\$0.00	\$74,000.00
01	9400	202	RETIREMENT	\$252,000.00	\$0.00	\$0.00	\$252,000.00	\$253,015.54	(\$1,015.54)
01	9400	204	LIFE INSURANCE	\$2,000.00	\$0.00	\$1,203.07	\$3,203.07	\$3,203.07	\$0.00
01	9400	205	HEALTH INSURANCE	\$160,000.00	\$0.00	\$0.00	\$160,000.00	\$201,036.22	(\$41,036.22)
01	9400	208	UNEMPLOYMENT INSURANCE	\$70,000.00	\$0.00	\$0.00	\$70,000.00	\$0.00	\$70,000.00
01	9400	209	WORKERS COMPENSATION IN	\$153,109.00	\$0.00	\$0.00	\$153,109.00	\$19,099.00	\$134,010.00
02	5240	311	DR 4540 PROJECT	\$0.00	\$0.00	\$232,582.93	\$232,582.93	\$238,380.43	(\$5,797.50)
02	5240	311	DR 4420 PROJECT	\$0.00	\$0.00	\$146,494.90	\$146,494.90	\$146,494.90	\$0.00
02	5240	548	DR 4428 PROJECT	\$0.00	\$0.00	\$338,446.81	\$338,446.81	\$361,192.60	(\$22,745.79)
02	5240	548	DR 4358 PROJECT	\$0.00	\$0.00	\$133,257.55	\$133,257.55	\$160,818.41	(\$27,560.86)
02	6103	102	ROAD FOREMAN	\$43,000.00	\$0.00	\$0.00	\$43,000.00	\$18,507.29	\$24,492.71
02	6105	143	ROAD WORKERS	\$400,000.00	\$0.00	\$0.00	\$400,000.00	\$406,077.46	(\$6,077.46)
02	6105	311	CONTRACT ROAD WORK	\$297,000.00	\$0.00	\$0.00	\$297,000.00	\$30,771.00	\$266,229.00
02	6105	312	CONTRACT BRIDGE WORK	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$900.00	\$49,100.00
02	6105	334	CONTRACT LABOR	\$60,000.00	\$0.00	\$173,455.51	\$233,455.51	\$363,521.15	(\$130,065.64)
02	6105	405	BLACKTOP	\$50,000.00	\$0.00	\$851,693.94	\$901,693.94	\$961,693.94	(\$60,000.00)
02	6105	407	CONCRETE	\$40,000.00	\$0.00	\$0.00	\$40,000.00	\$435.40	\$39,564.60
02	6105	409	GRAVEL	\$150,000.00	\$0.00	\$0.00	\$150,000.00	\$125,453.42	\$24,546.58
02	6105	415	FUEL	\$90,000.00	\$0.00	\$0.00	\$90,000.00	\$93,998.16	(\$3,998.16)
02	6105	443	PARTS AND SUPPLIES	\$150,000.00	\$0.00	\$0.00	\$150,000.00	\$195,040.97	(\$45,040.97)
02	6105	447	ROAD MATERIALS	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00
02	6105	455	PETROLEUM	\$0.00	\$0.00	\$12,523.58	\$12,523.58	\$12,912.01	(\$388.43)
2021			4Q	Page 3 of 12			Monday, August 1, 2022		

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

02	6105	457	ROAD TILES	\$75,000.00	\$0.00	\$12,787.50	\$87,787.50	\$113,809.33	(\$26,021.83)
02	6105	479	TIRES AND TUBES	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$12,325.12	\$17,674.88
02	6105	482	LUMBER	\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
02	6105	721	ROAD EQUIPMENT	\$80,000.00	\$0.00	\$36,804.05	\$116,804.05	\$144,180.53	(\$27,376.48)
02	9100	567	REFUNDS	\$0.00	\$0.00	\$197.96	\$197.96	\$197.96	\$0.00
02	9200	999	BUDGET RESERVE	\$76,467.59	\$818,821.21	(\$1,938,299.61)	(\$1,043,010.81)	\$0.00	(\$1,043,010.81)
02	9300	999	BUDGET RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02	9400	201	SOCIAL SECURITY	\$45,000.00	\$0.00	\$0.00	\$45,000.00	\$0.00	\$45,000.00
02	9400	202	RETIREMENT	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$89,245.80	\$10,754.20
02	9400	204	LIFE INSURANCE	\$600.00	\$0.00	\$0.00	\$600.00	\$0.00	\$600.00
02	9400	205	HEALTH INSURANCE	\$90,000.00	\$0.00	\$54.88	\$90,054.88	\$105,050.10	(\$14,995.22)
02	9500	902	NATIONAL FOREST RECEIPTS	\$41,000.00	\$0.00	\$0.00	\$41,000.00	\$0.00	\$41,000.00
03	4701	100	VENDING	\$0.00	\$0.00	\$11,547.24	\$11,547.24	\$13,598.23	(\$2,050.99)
03	5101	101	JAILER	\$90,562.47	\$0.00	\$0.00	\$90,562.47	\$91,270.20	(\$707.73)
03	5101	107	CLASS D COORDINATOR	\$38,480.00	\$0.00	\$0.00	\$38,480.00	\$38,480.00	\$0.00
03	5101	123	JAIL WORKERS	\$990,000.00	\$0.00	\$0.00	\$990,000.00	\$906,413.68	\$83,586.32
03	5101	133	COMMISSARY STAFF	\$30,160.00	\$0.00	\$79,380.04	\$109,540.04	\$63,709.92	\$45,830.12
03	5101	177	MAINTENANCE WORKERS	\$47,320.00	\$0.00	\$0.00	\$47,320.00	\$58,860.00	(\$11,540.00)
03	5101	212	TRAINING BENEFITS	\$4,312.60	\$0.00	\$0.00	\$4,312.60	\$3,530.60	\$782.00
03	5101	334	BUILDING MAINTENANCE	\$68,500.00	\$0.00	\$0.00	\$68,500.00	\$16,858.76	\$51,641.24
03	5101	336	EQUIPMENT MAINTENANCE	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$4,371.69	\$15,628.31
03	5101	340	VEHICLE MAINTENANCE	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$0.00	\$15,000.00
03	5101	406	BUILDING MAINTENANCE SUP	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$70,734.29	(\$10,734.29)
03	5101	423	FOOD PREPARATION SUPPLIE	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$195.24	\$804.76
03	5101	425	FOOD	\$325,000.00	\$0.00	\$0.00	\$325,000.00	\$360,170.33	(\$35,170.33)
03	5101	435	LAW ENFORCEMENT SUPPLIE	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00
03	5101	437	LINENS	\$5,000.00	\$0.00	\$2,996.71	\$7,996.71	\$7,996.71	\$0.00
03	5101	443	VEHICLE PARTS and SUPPLIE	\$8,000.00	\$0.00	\$0.00	\$8,000.00	\$4,484.89	\$3,515.11
03	5101	445	OFFICE SUPPLIES	\$10,000.00	\$0.00	\$1,728.52	\$11,728.52	\$14,425.25	(\$2,696.73)
03	5101	453	PRISONER HYGIENE	\$8,000.00	\$0.00	\$4,098.50	\$12,098.50	\$18,095.44	(\$5,996.94)
03	5101	465	PRISONER CLOTHING	\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$1,780.29	\$1,719.71
03	5101	467	RECREATIONAL SUPPLIES and	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$447.57	\$552.43
03	5101	481	UNIFORMS	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$31.80	\$2,968.20
03	5101	549	JAIL MEDICAL SERVICES	\$300,000.00	\$0.00	\$0.00	\$300,000.00	\$345,001.61	(\$45,001.61)
03	5101	550	JAIL MEDICAL SUPPLIES	\$6,000.00	\$0.00	\$10,194.70	\$16,194.70	\$17,004.50	(\$809.80)
03	5101	551	MEMBERSHIP DUES	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$825.00	\$175.00
03	5101	573	TELEPHONE SERVICE	\$15,000.00	\$0.00	\$2,433.03	\$17,433.03	\$20,689.73	(\$3,256.70)
03	5101	574	MEETINGS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	\$895.00	\$5,105.00
2021			4Q	Page 4 of 12			Monday, August 1, 2022		

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

03	5101	576	TRAVEL	\$6,000.00	\$0.00	\$0.00	\$6,000.00	\$1,698.33	\$4,301.67
03	5101	578	UTILITIES	\$210,000.00	\$0.00	\$0.00	\$210,000.00	\$287,995.25	(\$77,995.25)
03	5101	739	JAIL EQUIPMENT	\$8,000.00	\$0.00	\$755.83	\$8,755.83	\$9,976.87	(\$1,221.04)
03	5102	314	JUVENILE HOUSING	\$500.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00
03	7700	602	JAIL LEASE PRINCIPAL SERIE	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$60,000.00	\$0.00
03	7700	602	JAIL LEASE PRINCIPAL SERIE	\$200,000.00	\$0.00	\$0.00	\$200,000.00	\$195,000.00	\$5,000.00
03	7700	606	JAIL LEASE INTEREST SERIES	\$36,137.50	\$0.00	\$0.00	\$36,137.50	\$40,237.50	(\$4,100.00)
03	7700	606	JAIL LEASE INTEREST SERIES	\$108,687.50	\$0.00	\$0.00	\$108,687.50	\$122,432.50	(\$13,745.00)
03	9100	503	BANK CHARGES	\$0.00	\$0.00	\$27.34	\$27.34	\$51.58	(\$24.24)
03	9100	567	REFUNDS	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$1,631.84	\$868.16
03	9200	999	BUDGET RESERVE	\$527,426.93	\$143,495.76	(\$113,161.91)	\$557,760.78	\$0.00	\$557,760.78
03	9400	201	SOCIAL SECURITY	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$22,623.13	\$77,376.87
03	9400	202	RETIREMENT	\$280,000.00	\$0.00	\$0.00	\$280,000.00	\$246,771.48	\$33,228.52
03	9400	204	LIFE INSURANCE	\$1,800.00	\$0.00	\$0.00	\$1,800.00	\$21,122.71	(\$19,322.71)
03	9400	205	HEALTH INSURANCE	\$260,000.00	\$0.00	\$0.00	\$260,000.00	\$218,068.88	\$41,931.12
04	5020	101	CORONER	\$11,527.00	\$0.00	\$0.00	\$11,527.00	\$928.24	\$10,598.76
04	5020	103	DEPUTY CORONER	\$3,601.00	\$0.00	\$0.00	\$3,601.00	\$277.00	\$3,324.00
04	5020	308	AUTOPSIES	\$5,950.00	\$0.00	\$0.00	\$5,950.00	\$3,105.00	\$2,845.00
04	5020	445	CORONERS SUPPLIES	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$740.00	\$3,260.00
04	5075	548	TELEWORKS PROJECT	\$45,000.00	\$0.00	\$0.00	\$45,000.00	\$36,908.41	\$8,091.59
04	5110	101	CONSTABLES	\$20,161.00	\$0.00	\$0.00	\$20,161.00	\$2,000.88	\$18,160.12
04	5175	903	PUBLIC DEFENDER STATUTO	\$1,550.00	\$0.00	\$0.00	\$1,550.00	\$0.00	\$1,550.00
04	5205	102	DOG WARDEN	\$19,000.00	\$0.00	\$0.00	\$19,000.00	\$3,076.92	\$15,923.08
04	5205	172	ASSISTANT DOG WARDENS	\$30,000.00	\$0.00	\$0.00	\$30,000.00	\$2,818.17	\$27,181.83
04	5205	403	ANIMAL SHELTER SUPPLIES a	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$7,424.68	\$7,575.32
04	5205	578	UTILITIES	\$8,500.00	\$0.00	\$4,407.25	\$12,907.25	\$16,448.31	(\$3,541.06)
04	5212	106	SOLID WASTE STAFF	\$19,000.00	\$0.00	\$0.00	\$19,000.00	\$3,107.38	\$15,892.62
04	5305	107	HSC DIRECTOR	\$21,320.00	\$0.00	\$0.00	\$21,320.00	\$25,690.80	(\$4,370.80)
04	5305	155	HSC DRIVERS	\$17,000.00	\$0.00	\$0.00	\$17,000.00	\$21,821.01	(\$4,821.01)
04	5305	173	HSC COOKES	\$36,000.00	\$0.00	\$0.00	\$36,000.00	\$37,677.92	(\$1,677.92)
04	5305	177	HSC WORKERS	\$60,000.00	\$0.00	\$115,757.26	\$175,757.26	\$238,469.15	(\$62,711.89)
04	5305	571	HSC REPAIRS and RENEWALS	\$0.00	\$0.00	\$4,535.40	\$4,535.40	\$4,912.49	(\$377.09)
04	5305	571	HSC REPAIRS and RENEWALS	\$0.00	\$0.00	\$69,689.79	\$69,689.79	\$100,151.41	(\$30,461.62)
04	5305	571	HSC REPAIRS and RENEWALS	\$0.00	\$0.00	\$0.00	\$0.00	\$420.00	(\$420.00)
04	5305	571	HSC REPAIRS and RENEWALS	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$6,142.75	\$43,857.25
04	5305	578	HSC UTILITIES	\$35,000.00	\$0.00	\$0.00	\$35,000.00	\$32,243.34	\$2,756.66
04	5405	578	RECREATION GROUNDS, ETC.	\$35,000.00	\$0.00	\$0.00	\$35,000.00	\$77,714.09	(\$42,714.09)
04	6105	578	ROAD DEPARTMENT UTILITIES	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00
2021			4Q	Page 5 of 12			Monday, August 1, 2022		

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

04	6106	578	ROAD DEPARTMENT UTILITIES	\$0.00	\$0.00	\$13,553.97	\$13,553.97	\$18,084.27	(\$4,530.30)
04	9100	567	REFUND	\$0.00	\$0.00	\$5,761.28	\$5,761.28	\$6,645.78	(\$884.50)
04	9200	999	BUDGET RESERVE	\$654,541.00	\$0.00	(\$213,704.95)	\$440,836.05	\$0.00	\$440,836.05
04	9300	999	TRANSFER OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04	9400	201	SOCIAL SECURITY	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00
04	9400	202	RETIREMENT	\$83,250.00	\$0.00	\$0.00	\$83,250.00	\$63,565.10	\$19,684.90
04	9400	204	LIFE INSURANCE	\$200.00	\$0.00	\$0.00	\$200.00	\$0.00	\$200.00
04	9400	205	HEALTH INSURANCE	\$65,000.00	\$0.00	\$0.00	\$65,000.00	\$72,572.29	(\$7,572.29)
07	4503	566	CARES ACT	\$0.00	\$0.00	\$265,071.17	\$265,071.17	\$265,071.17	\$0.00
07	5305	425	SENIOR CITIZENS FOOD PRO	\$0.00	\$0.00	\$13,457.39	\$13,457.39	\$18,140.89	(\$4,683.50)
07	5305	425	SENIOR CITIZENS PROGRAM F	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$70,587.20	(\$10,587.20)
07	5305	445	SENIOR CITIZENS OFFICE SUP	\$74,000.00	\$0.00	\$0.00	\$74,000.00	\$67.17	\$73,932.83
07	5305	576	SENIOR CITIZENS PROGRAM T	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07	5305	578	SENIOR CITIZENS T.V. SERVIC	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07	5305	592	SENIOR CITIZENS VEHICLE RE	\$0.00	\$0.00	\$0.00	\$0.00	\$684.16	(\$684.16)
07	5305	592	SENIOR CITIZENS VEHICLE RE	\$1,600.00	\$0.00	\$0.00	\$1,600.00	\$1,940.91	(\$340.91)
07	5305	599	SENIOR CITIZENS MISCELLAN	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07	5305	739	SENIOR CITIZENS EQUIPMENT	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07	9200	999	BUDGET RESERVE	\$10,337.00	\$450,173.00	(\$278,528.56)	\$181,981.44	\$0.00	\$181,981.44
08	9200	999	BUDGET RESERVE	\$1,236,000.00	\$83,986.27	\$0.00	\$1,319,986.27	\$0.00	\$1,319,986.27
08	9300	999	TRANSFER TO OTHER FUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	5140	548	AMBULANCE PROJECT	\$0.00	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00
31	5212	548	OPEN DUMP PROJECT	\$0.00	\$0.00	\$9,243.82	\$9,243.82	\$9,243.82	\$0.00
31	5212	548	LITTER ABATEMENT PROJECT	\$14,000.00	\$0.00	\$0.00	\$14,000.00	\$3,129.23	\$10,870.77
31	5217	548	HHW PROJECT	\$3,400.00	\$0.00	\$0.00	\$3,400.00	\$5,400.93	(\$2,000.93)
31	5217	548	RECYCLING GRANT	\$4,000.00	\$0.00	\$1,830.34	\$5,830.34	\$5,830.34	\$0.00
31	5232	548	DRUG AWARENESS COUNCIL	\$26,550.60	\$0.00	\$313.19	\$26,863.79	\$29,476.69	(\$2,612.90)
31	9200	999	BUDGET RESERVE	\$32,099.40	\$39,000.00	(\$21,387.35)	\$49,712.05	\$0.00	\$49,712.05
31	9300	999	TRANSFER TO OTHER FUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
76	5145	106	E911 STAFF	\$45,000.00	\$0.00	\$0.00	\$45,000.00	\$40,370.82	\$4,629.18
76	5145	159	DISPATCHERS	\$188,000.00	\$0.00	\$1,406.87	\$189,406.87	\$236,837.82	(\$47,430.95)
76	5145	445	OFFICE SUPPLIES	\$8,000.00	\$0.00	\$17,605.30	\$25,605.30	\$27,421.54	(\$1,816.24)
76	5145	571	E911 REPAIRS and RENEWALS	\$35,000.00	\$0.00	\$0.00	\$35,000.00	\$34,264.55	\$735.45
76	5145	573	TELEPHONE SERVICE	\$42,000.00	\$0.00	\$0.00	\$42,000.00	\$21,787.80	\$20,212.20
76	5145	574	E911 MEETINGS	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$1,182.00	\$1,818.00
76	5145	576	E911 TRAVEL	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00
76	5145	578	E911 UTILITIES	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$16,134.48	\$3,865.52
76	5145	739	E911 EQUIPMENT	\$6,500.00	\$0.00	\$0.00	\$6,500.00	\$20,798.81	(\$14,298.81)
2021	4Q					Page 6 of 12		Monday, August 1, 2022	



**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

76	9100	567	REFUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$95.50	(\$95.50)
76	9200	999	BUDGET RESERVE	\$16,573.00	\$43,152.85	(\$33,196.67)	\$26,529.18	\$0.00	\$26,529.18
76	9400	201	SOCIAL SECURITY	\$21,000.00	\$0.00	\$0.00	\$21,000.00	\$0.00	\$21,000.00
76	9400	202	RETIREMENT	\$63,200.00	\$0.00	\$0.00	\$63,200.00	\$45,735.92	\$17,464.08
76	9400	204	LIFE INSURANCE	\$800.00	\$0.00	\$0.00	\$800.00	\$0.00	\$800.00
76	9400	205	HEALTH INSURANCE	\$48,000.00	\$0.00	\$14,184.50	\$62,184.50	\$68,691.94	(\$6,507.44)
78	9200	999	Reserve for Transfer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
78	9300	999	Transfers to other accounty	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
99	5405	548	RECREATION PROPERTY PRO	\$1.00	\$0.00	\$40,000.00	\$40,001.00	\$40,000.00	\$1.00
99	5425	419	COUNTY FESTIVALS	\$25,000.00	\$0.00	\$0.00	\$25,000.00	\$16,334.86	\$8,665.14
99	6105	429	GAS	\$98,000.00	\$0.00	\$0.00	\$98,000.00	\$63,232.17	\$34,767.83
99	9100	307	AUDIT EXPENSES	\$0.00	\$0.00	\$11,131.25	\$11,131.25	\$11,131.25	\$0.00
99	9100	521	PROPERTY and LIABILITY INSU	\$0.00	\$0.00	\$4,648.35	\$4,648.35	\$4,648.35	\$0.00
99	9100	567	REFUNDS	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00	\$100.00
99	9200	999	BUDGET RESERVE	\$402,025.00	\$0.00	(\$55,779.60)	\$346,245.40	\$0.00	\$346,245.40
99	9300	999	TRANSFER TO OTHER FUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
99	9400	209	WORKERS COMPENSATION IN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTALS</b>				<b>\$11,842,740.59</b>	<b>\$2,040,683.64</b>	<b>\$0.00</b>	<b>\$13,883,424.23</b>	<b>\$10,329,435.80</b>	<b>\$3,553,988.43</b>

## Receipts file

Fund	Maj	Suf1	Suf2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
01	4101	01		GAS and OIL TAX	\$0.00	\$46,353.80	\$9,239.39	\$46,499.69	(\$145.89)
01	4101	00		REAL PROPERTY TAX	\$322,000.00	\$1,437.78	\$23,765.36	\$331,606.93	(\$8,169.15)
01	4102	00		PERSONAL PROPERTY TAX	\$47,000.00	\$10,731.56	\$0.00	\$57,731.56	\$0.00
01	4103	00		MOTOR VEHICLE TAX	\$134,000.00	\$0.00	\$32,207.76	\$111,245.22	\$22,754.78
01	4104	00		DELINQUENT PROPERTY TAX	\$72,000.00	\$0.00	\$8,685.37	\$35,929.43	\$36,070.57
01	4104	01		DELINQUENT FIRE TAX	\$0.00	\$0.00	\$0.00	\$0.34	(\$0.34)
01	4107	00		UNMINED COAL TAX	\$500.00	\$7,999.55	\$575.48	\$9,075.03	(\$575.48)
01	4112	00		FIRE TAX	\$4,800.00	\$0.00	\$178.26	\$4,989.58	(\$189.58)
01	4130	00		BANK DEPOSIT TAX	\$25,000.00	\$0.00	\$0.00	\$0.00	\$25,000.00
01	4131	00		FRANCHISE TAX	\$30,000.00	\$54,952.99	\$9,657.89	\$84,952.99	\$0.00
01	4135	00		DEED TRANSFER TAX	\$14,000.00	\$0.00	\$520.60	\$5,167.05	\$8,832.95
01	4204	00		LIEU TAX PAYMENT	\$0.00	\$0.00	\$0.00	\$3,155.67	(\$3,155.67)
01	4302	00		EXCESS CLERK FEES	\$26,000.00	\$12,310.90	\$0.00	\$38,310.90	\$0.00
01	4302	01		EXCESS SHERIFF FEES	\$7,000.00	\$242,953.17	\$4,227.46	\$254,180.63	(\$4,227.46)

2021

4Q

Page 7 of 12

Monday, August 1, 2022

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

01	4417 00	TELECOMMUNICATIONS TAX	\$12,000.00	\$0.00	\$0.00	\$0.00	\$12,000.00
01	4418 00	SOLID WASTE FRANCHISE FE	\$61,000.00	\$0.00	\$13,558.94	\$59,908.21	\$1,091.79
01	4501 00	OMITTED TAX	\$400.00	\$0.00	\$0.00	\$531.65	(\$131.65)
01	4505 00	MOTOR VEHICLE TAX (OTHER	\$4,000.00	\$0.00	\$0.00	\$1,967.77	\$2,032.23
01	4520 00	ELECTION REIMBURSEMENT	\$10,200.00	\$0.00	\$3,400.00	\$6,800.00	\$3,400.00
01	4521 00	BOARD OF ASSESSMENT APP	\$200.00	\$0.00	\$0.00	\$200.00	\$0.00
01	4522 00	LEGAL PROCESS RECEIPTS	\$50.00	\$2,099.30	\$0.00	\$2,149.30	\$0.00
01	4526 00	STRIP MINE PERMIT FEES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01	4532 00	AOC LEASE COURTHOUSE	\$50,000.00	\$0.00	\$13,279.98	\$41,675.23	\$8,324.77
01	4532 01	AOC LEASE COURTHOUSE AN	\$55,000.00	\$0.00	\$18,531.26	\$68,559.77	(\$13,559.77)
01	4541 00	DEM REIMBURSEMENT	\$0.00	\$4,178.22	\$3,160.12	\$8,391.64	(\$4,213.42)
01	4561 00	COURT FACILITY FILING FEES	\$11,000.00	\$0.00	\$1,700.00	\$7,725.00	\$3,275.00
01	4701 00	VENDING MACHINES	\$600.00	\$0.00	\$0.00	\$481.20	\$118.80
01	4708 00	WATER DISTRICT FUEL REFU	\$2,000.00	\$0.00	\$0.00	\$370.93	\$1,629.07
01	4711 00	RENT	\$1,000.00	\$0.00	\$1,850.00	\$3,050.00	(\$2,050.00)
01	4713 00	RECYCLING RECEIPTS	\$6,000.00	\$13,301.71	\$2,981.20	\$22,282.91	(\$2,981.20)
01	4727 00	REFUNDS	\$25,000.00	\$53,396.53	\$12,227.35	\$90,623.88	(\$12,227.35)
01	4727 02	REFUNDS- CLERK	\$0.00	\$8,873.04	\$0.00	\$8,873.04	\$0.00
01	4728 00	DONATION	\$3,000.00	\$3,466.00	\$531.00	\$6,466.00	\$0.00
01	4731 00	MISCELLANEOUS RECEIPTS	\$1,000.00	\$0.00	\$0.00	(\$935.77)	\$1,935.77
01	4801 00	INTEREST	\$250.00	\$0.00	\$55.94	\$194.32	\$55.68
01	4901 00	PRIOR YEAR CARRYOVER	\$750,000.00	\$0.00	\$0.00	\$206,976.02	\$543,023.98
01	4910 00	IFT IN	\$600,000.00	\$0.00	\$12,538.45	\$333,686.45	\$266,313.55
02	4205 00	NATIONAL FORESTRY RECEIP	\$80,959.00	\$0.00	\$66,647.10	\$66,647.10	\$14,311.90
02	4513 00	EMERGENCY ROAD AID 3%	\$30,949.59	\$0.00	\$0.00	\$0.00	\$30,949.59
02	4514 00	KYTC FUNDS	\$0.00	\$818,821.21	\$0.00	\$818,821.21	\$0.00
02	4516 00	TRUCK LICENSE RECEIPTS	\$233,870.00	\$0.00	\$0.00	\$219,226.88	\$14,643.12
02	4517 00	DRIVERS LICENSE RECEIPTS	\$1,000.00	\$0.00	\$0.00	\$692.25	\$307.75
02	4518 00	COUNTY ROAD AID	\$1,000,689.00	\$0.00	\$132,239.34	\$1,055,857.52	(\$55,168.52)
02	4801 00	INTEREST	\$600.00	\$0.00	\$136.29	\$345.42	\$254.58
02	4901 00	PRIOR YEAR CARRYOVER	\$700,000.00	\$0.00	\$0.00	\$448,361.90	\$251,638.10
02	4909 00	TRANSFER OUT	(\$150,000.00)	\$0.00	\$0.00	\$0.00	(\$150,000.00)
02	4910 00	IFT IN	\$0.00	\$0.00	\$735,968.41	\$1,699,870.41	(\$1,699,870.41)
03	4506 00	STATE REIMBURSEMENT (KYT	\$30,000.00	\$70,000.00	\$0.00	\$100,000.00	\$0.00
03	4506 01	LITTER ABATEMENT GRANT	\$22,800.00	\$0.00	\$0.00	\$0.00	\$22,800.00
03	4533 00	JAIL ALLOTMENT	\$34,598.00	\$2,707.29	\$0.00	\$37,305.29	\$0.00
03	4534 00	MEDICAL ALLOTMENT	\$4,500.00	\$0.00	\$0.00	\$0.00	\$4,500.00
03	4535 00	CIRCUIT CLERK FEES (HB 452)	\$1,000.00	\$0.00	\$249.91	\$1,029.02	(\$29.02)
2021	4Q			Page 8 of 12			Monday, August 1, 2022

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

03	4536	02	TRANSPORT FEES (COUNTIES)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4536	00	HOUSING FEES (COUNTIES)	\$1,401,639.00	\$0.00	\$180,295.48	\$400,842.48	\$1,000,796.52
03	4536	01	MEDICAL FEES (COUNTIES)	\$0.00	\$14,155.58	\$10,857.42	\$15,924.14	(\$1,768.56)
03	4537	00	HOUSING FEES (STATE)	\$1,525,000.00	\$0.00	\$464,000.90	\$1,796,358.32	(\$271,358.32)
03	4537	01	MEDICAL FEES (STATE)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4538	00	DUI FEES	\$600.00	\$0.00	\$82.91	\$451.02	\$148.98
03	4559	00	FICA INCENTIVE PAY	\$2,000.00	\$0.00	\$600.00	\$1,400.00	\$600.00
03	4567	00	COURT COST SUPPLEMENT (H	\$7,000.00	\$0.00	\$1,182.76	\$4,439.65	\$2,560.35
03	4569	00	LOCAL CORRECTIONS ASSIST	\$45,000.00	\$0.00	\$10,717.07	\$42,868.28	\$2,131.72
03	4633	00	JAIL BOOKING FEES	\$7,500.00	\$0.00	\$2,200.07	\$6,692.89	\$807.11
03	4634	00	MEDICAL REIMBURSEMENT IN	\$5,000.00	\$0.00	\$0.00	\$0.00	\$5,000.00
03	4699	00	OTHER CHARGES FOR SERVI	\$0.00	\$0.00	\$0.00	\$128.78	(\$128.78)
03	4701	00	VENDING	\$0.00	\$4,660.25	\$0.00	\$4,660.25	\$0.00
03	4702	00	TELEPHONE COMMISSIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4727	00	REFUNDS	\$80,000.00	\$0.00	\$1,395.44	\$13,574.10	\$66,425.90
03	4727	01	COMMISSARY PAYROLL REFU	\$0.00	\$51,972.64	\$22,593.52	\$68,441.53	(\$16,468.89)
03	4731	00	MISCELLANEOUS RECEIPTS	\$1,000.00	\$0.00	\$0.00	(\$365.49)	\$1,365.49
03	4801	00	INTEREST	\$250.00	\$0.00	\$23.74	\$105.26	\$144.74
03	4901	00	PRIOR YEAR CARRYOVER	\$300,000.00	\$0.00	\$0.00	\$338,855.08	(\$38,855.08)
03	4909	00	IFT OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03	4910	00	IFT IN	\$400,000.00	\$0.00	\$75,782.65	\$493,214.65	(\$93,214.65)
04	4527	00	LGEA (COAL)	\$690,000.00	\$0.00	\$142,544.36	\$650,454.02	\$39,545.98
04	4529	00	LGEA (MINERAL)	\$400,000.00	\$0.00	\$25,616.81	\$98,433.71	\$301,566.29
04	4801	00	INTEREST	\$600.00	\$0.00	\$26.12	\$229.74	\$370.26
04	4901	00	PRIOR YEAR CARRYOVER	\$600,000.00	\$0.00	\$0.00	\$705,177.93	(\$105,177.93)
04	4909	00	IFT OUT	(\$400,000.00)	\$0.00	\$0.00	(\$511,246.60)	\$111,246.60
04	4910	00	IFT IN	\$0.00	\$0.00	\$28,000.00	\$28,000.00	(\$28,000.00)
07	4503	00	KRADD-USDA (NSIP)	\$11,642.00	\$0.00	\$546.70	\$6,762.22	\$4,879.78
07	4503	01	FEDERAL REIMBURSEMENT -	\$0.00	\$450,173.00	\$812.02	\$293,916.98	\$156,256.02
07	4504	00	KRADD-AGING	\$72,295.00	\$0.00	\$11,177.69	\$54,784.54	\$17,510.46
07	4901	00	PRIOR YEAR CARRYOVER	\$66,000.00	\$0.00	\$0.00	\$65,966.12	\$33.88
07	4909	00	TRANSFER OUT	\$0.00	\$0.00	(\$17,679.60)	(\$17,679.60)	\$17,679.60
08	4503	02	FEMA DR 4358	\$900,000.00	\$0.00	\$0.00	\$351,875.05	\$548,124.95
08	4503	03	FEMA DR 4540	\$0.00	\$0.00	\$505,403.30	\$505,403.30	(\$505,403.30)
08	4503	01	FEMA DR 4428	\$0.00	\$83,986.27	\$0.00	\$356,502.64	(\$272,516.37)
08	4901	00	PRIOR YEAR CARRYOVER	\$336,000.00	\$0.00	\$0.00	\$336,726.95	(\$726.95)
08	4909	00	IFT OUT	\$0.00	\$0.00	(\$735,968.41)	(\$1,506,055.81)	\$1,506,055.81
31	4510	00	RECYCLING GRANT FY2019	\$0.00	\$9,000.00	\$0.00	\$9,000.00	\$0.00
2021	4Q				Page 9 of 12		Monday, August 1, 2022	

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

31	4510	01	DRUG AWARENESS COUNCIL	\$0.00	\$20,000.00	\$10,000.00	\$20,000.00	\$0.00
31	4510	02	AMBULANCE GRANT	\$0.00	\$10,000.00	\$0.00	\$10,000.00	\$0.00
31	4510	03	LITTER ABATEMENT	\$25,000.00	\$0.00	\$0.00	\$22,279.88	\$2,720.12
31	4510	04	EMERGENCY FLOOD CLEAN U	\$25,000.00	\$0.00	\$25,000.00	\$25,000.00	\$0.00
31	4801	00	INTEREST	\$50.00	\$0.00	\$10.06	\$31.85	\$18.15
31	4901	00	PRIOR YEAR CARRYOVER	\$80,000.00	\$0.00	\$0.00	\$54,217.79	\$25,782.21
31	4909	00	IFT OUT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
76	4140	02	MISCELLANEOUS RECEIPTS	\$1,000.00	\$0.00	\$13,036.61	\$13,036.61	(\$12,036.61)
76	4140	00	E911 SURCHARGE	\$80,000.00	\$43,152.85	\$51,608.69	\$174,761.54	(\$51,608.69)
76	4140	01	WIRELESS E911 SURCHARGE	\$138,923.00	\$0.00	\$0.00	\$43,437.87	\$95,485.13
76	4801	00	INTEREST	\$150.00	\$0.00	\$15.75	\$57.63	\$92.37
76	4901	00	PRIOR YEAR CARRYOVER	\$130,000.00	\$0.00	\$0.00	\$164,005.97	(\$34,005.97)
76	4910	00	TRANSFER IN	\$150,000.00	\$0.00	\$159,527.02	\$259,527.02	(\$109,527.02)
78	4504	00	AMERICAN RESCUE PLAN ACT	\$0.00	\$0.00	\$959,245.50	\$959,245.50	(\$959,245.50)
78	4731	00	Miscellaneous	\$0.00	\$0.00	\$125,196.00	\$125,196.00	(\$125,196.00)
78	4901	00	Prior Year Carryover	\$0.00	\$0.00	\$0.00	\$121,148.00	(\$121,148.00)
78	4909	00	IFT OUT	\$0.00	\$0.00	\$0.00	(\$121,148.00)	\$121,148.00
99	4134	00	OCCUPATIONAL LICENSE FEE	\$600,000.00	\$0.00	\$165,335.85	\$484,774.26	\$115,225.74
99	4801	00	INTEREST	\$125.00	\$0.00	\$62.95	\$251.89	(\$126.89)
99	4901	00	PRIOR YEAR CARRYOVER	\$525,000.00	\$0.00	\$0.00	\$661,590.04	(\$136,590.04)
99	4909	00	IFT OUT	(\$600,000.00)	\$0.00	(\$101,912.50)	(\$501,912.50)	(\$98,087.50)
<b>TOTALS</b>				<b>\$11,872,739.59</b>	<b>\$2,040,683.64</b>	<b>\$3,245,449.74</b>	<b>\$13,432,323.05</b>	<b>\$481,100.18</b>

## Liabilities file

Fund	Maj	Min	Suffix	Description	Total	Balance	Issue Information		Payments Due	
<b>03</b>							Term	20	Total	
<b>PRI</b>	7700	602		LEASE	\$1,540,000.00	\$1,120,000.00	Rate	03.5300	Res. Earn.	\$1,960.99
<b>INT</b>	7700	606		2014B	\$625,562.22	\$310,768.77	Issued	08/28/2014	Outstand.	\$1,428,807.78
									Next	12/20/2021
									Final	12/20/2034
<b>03</b>							Term	20	Total	
<b>PRI</b>	7700	602		LEASE	\$4,785,000.00	\$3,465,000.00	Rate	03.4700	Res. Earn.	\$8,329.93
<b>INT</b>	7700	606		2014C	\$1,896,255.70	\$933,162.51	Issued	08/28/2014	Outstand.	\$4,389,832.58
									Next	12/20/2021
									Final	12/20/2034

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

TOTALS-PRI	\$6,325,000.00	\$4,585,000.00
TOTALS-INT	\$2,521,817.92	\$1,243,931.28

Issues	\$8,846,817.92
Res. Earn.	\$10,290.92
Outstand.	\$5,818,640.36

### Short Term Liabilities file

Fund	Maj	Min	Suffix	Description	Total	Balance	Term	Rate	Issue Information	Payments Due
00										
PRI	0	0			\$0.00	\$0.00		00.0000	Total	\$0.00
INT	0	0			\$0.00	\$0.00	Issued	01/01/1900	Res. Earn.	
									Outstand.	\$0.00
									Next	01/01/1900
									Final	01/01/1900

TOTALS-PRI	\$0.00	\$0.00
TOTALS-INT	\$0.00	\$0.00

Issues	\$0.00
Res. Earn.	
Outstand.	\$0.00

### Total Liabilities file

Long Term	Short Term	Total
	\$17,455,921.08	\$0.00
		\$17,455,921.08

### Reconciliation file

Fund	Description	Bank Balance	Dep. in Transit	Checks	Other	Cash Balance
01	GENERAL	\$343,143.75	\$0.00	\$102,515.59	(\$237.06)	\$240,391.10
02	ROAD	\$879,877.77	\$0.00	\$151,061.06	\$0.00	\$728,816.71
03	JAIL	\$171,324.05	\$0.00	\$119,834.60	(\$13,045.00)	\$38,444.45
04	LGEA	\$199,963.54	\$0.00	\$11,860.13	\$0.00	\$188,103.41
07	SR CIT	\$54,351.69	\$0.00	\$7,092.93	\$0.00	\$47,258.76
08	FEMA	\$185,616.37	\$0.00	\$0.00	\$0.00	\$185,616.37
31	LGED	\$80,363.51	\$0.00	\$2,415.00	\$0.00	\$77,948.51
76	E911	\$146,358.36	\$0.00	\$4,852.90	\$0.00	\$141,505.46
78	USDA RD	\$146,358.36	\$0.00	\$0.00	\$0.00	\$146,358.36
99	DEBT	\$516,489.34	\$0.00	\$7,638.69	\$0.00	\$508,850.65
	<b>TOTALS</b>	<b>\$2,723,846.74</b>	<b>\$0.00</b>	<b>\$407,270.90</b>	<b>(\$13,282.06)</b>	<b>\$2,303,293.78</b>

**LESLIE COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Summary file**

Fund	Description	Receipts	Disbursements	Cash Balance	Encumb	Unencum
01	GENERAL	\$1,852,822.57	\$1,609,763.31	\$243,059.26	\$286,955.08	(\$43,895.82)
02	ROAD	\$4,309,822.69	\$3,581,005.98	\$728,816.71	\$495,384.59	\$233,432.12
03	JAIL	\$3,325,925.25	\$3,287,480.80	\$38,444.45	\$610,006.39	(\$571,561.94)
04	LGEA	\$971,048.80	\$782,945.39	\$188,103.41	\$83,596.82	\$104,506.59
07	SR CIT	\$403,750.26	\$356,491.50	\$47,258.76	\$58,631.25	(\$11,372.49)
08	FEMA	\$44,452.13	\$0.00	\$44,452.13	\$0.00	\$44,452.13
31	LGED	\$140,529.52	\$63,081.01	\$77,448.51	\$32,073.97	\$45,374.54
76	E911	\$654,826.64	\$513,321.18	\$141,505.46	\$47,081.99	\$94,423.47
78	USDA RD	\$1,084,441.50	\$0.00	\$1,084,441.50	\$0.00	\$1,084,441.50
99	DEBT	\$644,703.69	\$135,346.63	\$509,357.06	\$49,406.35	\$459,950.71
<b>TOTALS</b>		<b>\$13,432,323.05</b>	<b>\$10,329,435.80</b>	<b>\$3,102,887.25</b>	<b>\$1,663,136.44</b>	<b>\$1,439,750.81</b>

**LESLIE COUNTY  
JAIL COMMISSARY FINANCIAL STATEMENT**

**For The Year Ended June 30, 2021**

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**LESLIE COUNTY  
JAIL COMMISSARY FINANCIAL STATEMENT**

For The Year Ended June 30, 2021

<b>758</b>	<b>Cash Flow Summary - JAIL OPERATING FUNDS ACCOUNT (COMMISSARY) 07/01/2020 to 06/30/2021</b>
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**INFLOW**

COMMISSARY FEES COLLECTED	\$1,110.50
COMMISSARY PURCHASES	\$25,864.67
COMMISSARY SALES	\$99,931.00
COMMISSION INCOME	\$502,591.14
INMATE BENEFITS	\$325.00
KELLWELL COMISSARY COMMISSION	\$3,672.40
MEDICAL FEES ASSESSED	\$97.14
MEDICAL FEES COLLECTED	\$256.18
MISCELLANEOUS EXPENSE	\$727.15
MISCELLANEOUS INCOME	\$8,043.71
ROAD CREW EXPENSES	\$1,614.41
SAFETY AND SECURITY OF JAIL	\$2,550.00
TELATE PHONE COMMISSION	\$9,188.92
WORK RELEASE FUND	\$148.00
<b>TOTAL: INFLOW</b>	<b>\$656,320.22</b>

**OUTFLOW**

CABLE TV	\$806.91
COMMISSARY PURCHASES	\$305,249.61
COMMISSION INCOME	\$544.68
EMPLOYEE WAGES	\$82,190.54
INMATE BENEFITS	\$14,924.72
MEDICAL FEES ASSESSED	\$28,901.34
MISCELLANEOUS EXPENSE	\$63,227.83
ROAD CREW EXPENSES	\$43,167.29
SAFETY AND SECURITY OF JAIL	\$22,035.10
WORK RELEASE FUND	\$18,939.25
<b>TOTAL: OUTFLOW</b>	<b>\$579,987.27</b>

<b>INFLOW - OUTFLOW TOTAL:</b>	<b>\$76,332.95</b>
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**LESLIE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For The Year Ended June 30, 2021**

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# LESLIE COUNTY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## For The Year Ended June 30, 2021

Attachment F  
Page 1 of 4

LESLIE COUNTY FEDERAL MONIES WORKSHEET As of 6/30/21								
1	2	3	4	5	6	7	8	9
Name of Federal Agency or Department	CFDA Number	Name of Program	Name of Grant	Grant I.D. No.	Award Amount Received	Total Award Amounts Received Per CFDA Number	Award Amount Expended	Total Awards Expended Per CFDA Number
A	U.S. DEPARTMENT OF HOMELAND SECURITY	97.036 97.036	PUBLIC ASSISTANCE PROGRAM	FEMA-DR-4228-KY	\$361,192.60	\$361,192.60	\$361,192.60	\$361,192.60
				FEMA DR4358-KY	\$160,818.41	\$160,818.41	\$160,818.41	\$160,818.41
				FEMA DR4540-KY	\$232,582.93	\$232,582.93	\$232,582.93	\$232,582.93
				FEMA DR4420-KY	\$146,494.90	\$146,494.90	\$146,494.90	\$146,494.90
								Sub Total Per CFDA Number
								\$801,086.84
B	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	93.043 93.045 95.053	SPECIAL PROGRAMS FOR AGING PART III, PART C&D NUTRITION SERVICES					
					81,348.64	81348.64	81348.64	\$81,348.64
								Sub Total Per CFDA Number
C								
								Per CFDA Number
								\$982,437.48

County Judge's Initials: \_\_\_\_\_

County Treasurer's Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Attachment F  
Page 2 of 4

1	2	3	4	5	6	7	8	9
Name of Federal Agency or Department	CFDA Number	Name of Program	Name of Grant	Grant I.D. No.	Award Amount Received	Total Award Amounts Received Per CFDA Number	Award Amount Expended	Total Awards Expended Per CFDA Number
D								
								Sub Total Per CFDA Number
E								
								Sub Total Per CFDA Number
F								
								Sub Total Per CFDA Number

County Judge's Initials: \_\_\_\_\_

County Treasurer's Initials: \_\_\_\_\_

Date: \_\_\_\_\_

County Judge's Initials: \_\_\_\_\_

County Treasurer's Initials: \_\_\_\_\_

Date: \_\_\_\_\_

QUESTIONS & COMMENTS

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County Judge's Signature: \_\_\_\_\_  
County Treasurer's Signature: Jennifer Laura Bowling  
Date: 8/2/22

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

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

The Honorable 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, 2021, and have issued our report thereon dated January 5, 2023. Our report disclaims an opinion on the Fourth Quarter Financial Statement of the Leslie County Fiscal Court because of ineffective internal controls, management override of controls, and high risk of material misstatement.

**Internal Control Over Financial Reporting**

In connection with our engagement to audit the financial statement, we considered the 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 have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses 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 Questioned Costs as items 2021-001, 2021-002, 2021-003, 2021-004, 2021-005, 2021-006, 2021-007, 2021-008, 2021-009, and 2021-010 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 Questioned Costs as items 2021-011, 2021-012, 2021-013 and 2021-014 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 Questioned Costs as items 2021-001, 2021-002, 2021-003, 2021-004, 2021-005, 2021-006, 2021-008, 2021-012, 2021-014, and 2021-015. 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 Official 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 Questioned Costs. 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 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,

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Mike Harmon  
Auditor of Public Accounts

January 5, 2023

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

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

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

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

Independent Auditor's Report

**Report on Compliance for Each Major Federal Program**

We were engaged to audit the Leslie County Fiscal Court's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Leslie County Fiscal Court's major federal programs for the year ended June 30, 2021. The Leslie County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Leslie County Fiscal Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Leslie County Fiscal Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. 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 on compliance for major federal programs.



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

**Basis for Disclaimer of Opinion of CFDA #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

Audit evidence indicated that the Leslie County Fiscal Court's financial statement and original schedule of expenditures of federal awards were materially misstated, furthermore, the receipts and disbursements ledgers could not be relied upon. 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 matters, in the aggregate, prevents us from placing reliance on the schedule of expenditures of federal awards and from expressing an opinion on the compliance requirements referred to above related to the major federal programs for the year ended June 30, 2021.

**Disclaimer of Opinion on CFDA #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the compliance requirements referred to above that could have a direct and material effect on the Leslie County Fiscal Court's major federal programs for fiscal year ended June 30, 2021.

**Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-015 that we consider to be a significant deficiency.

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

**Report on Internal Control over Compliance (Continued)**

Leslie County Fiscal Court's response to the internal control over compliance finding identified in our engagement is described in the accompanying Schedule of Findings and Questioned Costs. Leslie County Fiscal Court's response was not subjected to the auditing procedures applied in the engagement audit the compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,

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Mike Harmon  
Auditor of Public Accounts

January 5, 2023

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

**For The Year Ended June 30, 2021**

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

**For The Year Ended June 30, 2021**

**Section I: Summary of Auditor's Results**

***Financial Statement***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Disclaimer on GAAP and Disclaimer on Regulatory Basis

Internal control over financial reporting:

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

***Federal Awards***

Internal control over major programs:

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

Identification of major programs:

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

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

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings**

2021-001 The Leslie County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated

This is a repeat finding and was included in the prior year audit report as finding 2020-001. The Leslie County Fiscal Court's fourth quarter financial statement was not an accurate representation of the financial activity of the fiscal court for the fiscal year ending June 30, 2021. Multiple items were incorrectly classified, and several transactions were missing from the financial statement. The receipts and appropriations ledgers did not support the amounts on the financial statement due to multiple inaccuracies. Additionally, the county treasurer was unable to provide bank reconciliations for fiscal year 2021 as reported in finding 2021-003. As a result:

- The reconciliation portion of the fourth quarter financial statement was materially inaccurate. The reported ending balance for all funds was understated by \$795,327 from the ending balance calculated from the fourth quarter financial statement information.
- The ending balance for all funds reported in the reconciliation portion of the fourth quarter financial statement was understated by \$953,533 from the ending bank balance.
- The amount reported as a "Prior Year Carryover" was understated by \$14,624 in total for all funds.
- Receipts were understated by \$405,243 and disbursements were understated by \$261,662 in total for all funds.
- Interfund transfers in do not agree to interfund transfers out by a difference of \$100,000.
- \$141,177 was received by the fiscal court from FEMA in May 2021, but was not posted to the receipts ledger.
- Employer's contribution for FICA was not accurately posted to the appropriations ledger for the entire fiscal year. The only amount recorded for fiscal year 2021 for employer's contribution for FICA was \$22,263 to the jail fund.

Due to the material errors identified and the potential for unidentified material errors due to a lack of strong internal controls over the financial report 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 fiscal court implemented a new software system that was used during fiscal year 2021. The misstatements noted above were the result of the implementation of the software without receiving proper training on how to correctly use the software. Also, the county treasurer does not have the experience and 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 and no documentation was provided that the bank statements had been reconciled to the financial statement and supporting financial records. When the amounts reported on the quarterly financial statements do not agree with the actual transaction amounts and are not reconciled to the bank activity, 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 2021-014.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-001 The Leslie County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated  
 (Continued)

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The weak internal control system also resulted in receipts and disbursements not being posted or being posted to the wrong line items, reducing the usefulness of the financial statements to the public as well as the fiscal court. The fiscal court needs accurate financial information to oversee the financial condition of the government as well as to prepare future budgets. A materially inaccurate 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 the financial statement be supported with accurate underlying accounting records such as bank reconciliations and 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 requires the county treasurer to prepare monthly bank reconciliations.

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, prepare accurate quarterly financial statements, and document bank reconciliations. 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 the treasurer should 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. 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 QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-002 The Leslie County Fiscal Court Did Not Properly Remit Payroll Liabilities Or Health Insurance Premiums

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During fiscal year 2021, the Leslie County Fiscal Court did not properly pay the Internal Revenue Service (IRS) for federal tax withholdings, FICA withholdings, and FICA matching for three months. Also, the fiscal court did not properly pay the health insurance vendor for health insurance coverage for employees for four months. The amount owed for these liabilities could not be determined due to the fiscal court's inaccurate records.

Per county treasurer, this control deficiency occurred due to an issue with the software system used by the fiscal court. The fiscal court failed to implement controls to monitor that payroll liabilities are reported correctly and properly remitted to appropriate parties. Instead, they relied on a single employee to report and remit the amounts due without sufficient oversight. In addition, as reported in finding 2021-013, the payroll revolving account used to process payroll transactions was not properly reconciled to ensure all payroll liabilities were paid timely.

As a result, federal taxes, including Social Security and Medicare, were not remitted in accordance with the federal withholding deposit schedule as determined by employers' tax guidance published by the IRS. In addition, health insurance premiums were not paid timely. The lack of payments to the IRS and the health insurance vendor resulted in the fiscal court being assessed penalty amounts from the IRS and employees having lapses in their health insurance coverage.

Strong internal controls over the payroll process are essential in ensuring that employee withholdings and employer contributions are turned over to the appropriate taxing authorities and vendors. In addition, *Publication 15 Employer's Tax Guide (Circular E) (2022)* issued by the IRS requires employers who are semiweekly schedule depositors to deposit federal taxes accumulated for payroll paid on Wednesday, Thursday, or Friday by the following Wednesday and federal taxes accumulated for payroll paid on Monday or Tuesday by the following Friday.

We recommend the fiscal court implement internal controls over payroll liabilities. Internal controls such as a thorough review of payroll earnings records should be performed by an individual independent of the payroll process and comparison of amounts due to amounts paid. Once completed, the review should be signed by the individual performing the review and submitted to the county judge/executive and the fiscal court. This finding will be referred to the Internal Revenue Service.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: Additional training has been implemented.*

2021-003 The Leslie County Fiscal Court Did Not Perform Bank Reconciliations

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The Leslie County Fiscal Court did not prepare bank reconciliations for the fiscal court's bank accounts for July 2020 to June 2021. Since bank reconciliations were not provided, the accuracy of the cash balances as of June 30, 2021 on the fourth quarter financial statement could not be verified. Also, the fiscal court did not establish relevant review procedures to determine if the county treasurer was preparing an accurate reconciliation monthly.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

**2021-003 The Leslie County Fiscal Court Did Not Perform Bank Reconciliations (Continued)**

---

The fiscal court's failure to establish a review of the county treasurer's bank reconciliations resulted in an inaccurate fourth quarter statement for fiscal year 2021. As reported in finding 2021-001, this deficiency resulted in the ending balances as of June 30, 2021 on the fourth quarter financial statement being materially inaccurate and reported incorrectly to Department for Local Government (DLG).

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 DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. The manual requires officials handling public funds to prepare monthly bank reconciliations. The example of the financial cover sheet of the quarterly financial report included in the manual indicates that the bank reconciliation should include the bank balance and a listing of all outstanding reconciling items (deposits in transit, outstanding checks, investments, etc.). Strong internal controls over the bank reconciliations should be implemented to ensure that proper amounts are reported to the fiscal court monthly and on the financial cover sheet of the financial reports quarterly.

We recommend the fiscal court establish procedures to prepare bank reconciliations and oversight procedures to review the bank reconciliations and financial reports prepared by the county treasurer. The review should be conducted by an independent employee to verify accuracy and completeness. 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 is being scheduled to have individual reports for each account that is reconciled each month. Each month is reconciled on the software for reporting purposes, however, the treasurer did not print and attach each month's reconciliation to the bank statement. From this finding forward the Treasurer will attach a printed reconciliation to the bank statement scanned in for this purpose.*

**2021-004 The Leslie County Fiscal Court Did Not Have Adequate Procedures For Reporting County Liabilities**

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This is a repeat finding and was included in the prior year audit report as finding 2020-002. 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 \$518,972 and \$62,020, respectively. The debt 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 debt 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.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-004 The Leslie County Fiscal Court Did Not Have Adequate Procedures For Reporting County Liabilities (Continued)

---

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.*

2021-005 The Leslie County Treasurer Did Not Prepare An Accurate Schedule Of Expenditures Of Federal Awards

---

This is a repeat finding and was included in the prior year audit report as finding 2020-003. The county treasurer prepared a schedule of expenditures of federal awards (SEFA) for fiscal year 2021 dated August 2, 2022. The SEFA reported federal expenditures totaling \$982,437. The SEFA was materially misstated because the county treasurer failed to include expenditures for coronavirus relief funds (CRF) in the amount of \$317,258, special programs for aging funds in the amount of \$10,072, and FEMA DR4540 funds in the amount of \$5,798. If the SEFA was adjusted for these errors, total federal expenditures would be \$1,315,565. However, due to issues noted in report finding 2021-001, we cannot determine the accuracy of this amount.

In addition, the following supporting information was inaccurate on the SEFA:

- Grants listed were not accurate and one grant was not included.
- Pass-through grantor was not listed.
- Pass-through identifying numbers were not listed.

The fiscal court did not have adequate internal controls and procedures in place to ensure the SEFA was accurately prepared and accounted for all federal expenditures properly. The failure to prepare the SEFA accurately, misrepresented the fiscal court's federal expenditure activity for the fiscal year and understated federal expenditures by \$333,128.

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 (ALN) 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.



**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-005 The Leslie County Treasurer Did Not Prepare An Accurate Schedule Of Expenditures Of Federal Awards (Continued)

---

Good internal controls dictate that 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, Kentucky Division of Emergency Management (KYEM).

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.*

2021-006 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 2020-004. Proper procedures for disbursements were not followed. The following exceptions were noted:

- All 24 purchase orders tested were either not signed, approved, and/or issued after invoice date.
- Thirteen of 24 disbursements were not paid within 30 working days of receipt. Three of these disbursements were paid four months late and the other ten were paid nine months late.

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.

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.

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.*

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-007 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 2020-005. 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 restriction 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 the 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. 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 2021-001.
- The fiscal court did not properly remit payroll liabilities or health insurance premiums as reported in finding 2021-002.
- The fiscal court did not perform bank reconciliations for fiscal year 2021 as reported in finding 2021-003.
- The fiscal court did not prepare an accurate schedule of expenditures of federal awards as reported in finding 2021-005.
- The fiscal court did not have strong internal controls over disbursements as reported in finding 2021-006.
- The fiscal court did not properly reconcile the payroll revolving account as reported in finding 2021-013.
- The fiscal court did not have adequate controls over the budget as reported in finding 2021-014.

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 could 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.*

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-008 The Leslie County Fiscal Court And Leslie County Jailer Did Not Comply With Bidding Requirements Set Forth In KRS 424.260

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This is a repeat finding and was included in the prior year audit report as finding 2020-007. The fiscal court and the jailer did not comply with bidding requirements. The following noncompliances were noted:

- The fiscal court paid a contractor \$34,600 for labor for road cleanup without obtaining bids.
- The fiscal court purchased food service (prepared meals) and commissary service for the detention center totaling \$359,575 without obtaining bids.
- The jailer purchased electronic cigarettes as commissary inventory from three vendors totaling \$188,191 in the fiscal year ending June 30, 2021 without obtaining bids.

The fiscal court was unaware of the requirement to bid food services, commissary service, and the contracted labor. 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.

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.

Views of Responsible Official 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.*

2021-009 The Leslie County Jail Commissary Did Not Transfer Profits From The Inmate Account To The Commissary Account

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This is a repeat finding and was included in the prior year audit report as finding 2020-008. The Leslie County Jailer failed to account for profits from commissary sales in the correct account. The jailer operated 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, 2021, the jailer had \$63,850 for fiscal year 2020 and \$137,031 for fiscal year 2021 for a total of \$200,881 in the inmate account that should have been transferred to the commissary account.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-009 The Leslie County Jail Commissary Did Not Transfer Profits From The Inmate Account To The Commissary Account (Continued)

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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 \$200,881 profits from commissary sales from the inmate account to the commissary account.

Views of Responsible Official and Planned Corrective Action:

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

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

2021-010 The Leslie County Jail Commissary Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Bank Reconciliations

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This is a repeat finding and was included in the prior year audit report as finding 2020-009. 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 document his review.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-010 The Leslie County Jail Commissary Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Bank Reconciliations (Continued)

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Views of Responsible Official and Planned Corrective Action:

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

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

2021-011 The Leslie County Jail Commissary Operated Accounts With Funds That Belong To The Fiscal Court

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This is a repeat finding and was included in the prior year audit report as finding 2020-010. 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 on-site jail employees. 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 control 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 to 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." Further, 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 Official and Planned Corrective Action:

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

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

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-012 The Leslie County Jailer Entered Into Contracts That Were Not Approved By The Fiscal Court

This is a repeat finding and was included in the prior year audit report as finding 2020-011. 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 \$360,170 for food services and \$345,002 for health services disbursed from the jail fund for fiscal year ended June 30, 2021.

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 the jailer acquire fiscal court approval of all jail contracts.

Views of Responsible Official and Planned Corrective Action:

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

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

2021-013 The Leslie County Fiscal Court Did Not Reconcile The Payroll Revolving Account To Zero

This is a repeat finding and was included in the prior year audit report as finding 2020-012.

The fiscal court uses a clearing bank account for payroll processing, but it did not reconcile to a zero balance as of June 30, 2021. Deposits are made into the bank account from the fiscal court’s general, road, jail, LGEA, and E-911 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. The county treasurer was unable to provide reconciliations of the account for fiscal year 2021 as reported in finding 2021-003. However, the fiscal court’s records show the reconciled balance in the account at June 30, 2021 was \$61,351. The accuracy of this reconciled balance could not be verified since liabilities at June 30, 2021, could not be determined since the fiscal court has not properly remitted payroll liabilities to the appropriate parties as reported in finding 2021-002. The amount of payroll liabilities owed as of June 30, 2021 is unknown.

According to the fiscal court, the payroll revolving account had a running balance from the previous administration, and it is unclear where the balance originated. As a result of not reconciling the account, the fiscal court could tie 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.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-013 The Leslie County Fiscal Court Did Not Reconcile The Payroll Revolving Account To Zero  
 (Continued)

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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. 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. We also recommend internal controls over the payroll revolving account include that any accumulated balance in the 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.*

2021-014 The Leslie County Fiscal Court Did Not Have Adequate Controls Over The Budget

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This is a repeat finding and was included in the prior year audit report as finding 2020-013. Controls over disbursements were not operating as intended during fiscal year ending June 30, 2021. The fiscal court overspent the budget in the road fund. 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. As a result, the disbursements for the road fund exceeded the approved budgeted amounts by \$864,117.

**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

**Section II: Financial Statement Findings (Continued)**

2021-014 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 internal 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.*

**Section III: Federal Award Findings And Questioned Costs**

2021-015 The Leslie County Fiscal Court Failed To Monitor Prevailing Wage Compliance As Required By The FEMA-State Agreement

*Federal Program: ALN 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)*

*Award Number and Year: FEMA-4428DRKYP00000001 2019; FEMA-4540DRKYP00000001 2020; FEMA-4358DRKYP000000012.*

*Name of Federal Agency: U.S. Department of Homeland Security, Federal Emergency Management Administration (FEMA)*

*Pass-Thru Agency: Commonwealth of Kentucky Department of Military Affairs, Kentucky Division of Emergency Management*

*Compliance Requirements: Special Tests and Provisions*

*Type of Finding: Significant Deficiency; Noncompliance of Major Program*

*Amount of Questioned Costs: None*

*Opinion Modification (if applicable): Disclaimer*

*COVID Related: No*

The Leslie County Fiscal Court failed to implement adequate monitoring controls over the DR 4428, DR 4540, and DR 4358 FEMA projects. The fiscal court has assigned a grant administrator to oversee the planning, design, inspection services, environmental services, and administration for the FEMA projects. The fiscal court failed to monitor whether the contractors paid laborers at prevailing wages determined by the U.S. Secretary of Labor. When work was performed on the contracts, the fiscal court did not ensure that the contractors submitted weekly a copy of the payroll and a statement of compliance to the fiscal court.



**LESLIE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2021**  
**(Continued)**

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

2021-015 The Leslie County Fiscal Court Failed To Monitor Prevailing Wage Compliance As Required By The FEMA-State Agreement (Continued)

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The grant administrator stated the reason the fiscal court was not monitoring the payroll for the Davis Bacon Act requirement was the state grant agreements did not require the payroll documentation within the reimbursement requests. When grantees do not implement internal controls to properly oversee administration of federal programs, they cannot ensure they are adhering to federal grant compliance requirements. This deficiency could result in noncompliance with the federal grant agreements and affect the fiscal court's ability to receive federal funds in the future.

The FEMA grant agreements with the Commonwealth of Kentucky require compliance with Davis Bacon Act.

Per the grant agreement, "[t]he Davis-Bacon Act requires contractors pay laborers and mechanics at prevailing wages determined by the Secretary of Labor, and to make payment at least once per week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

No questioned costs were noted.

This is not a repeat finding.

We recommend the fiscal court implement adequate monitoring controls and obtain certified payroll records to ensure compliance with the Davis Bacon Act compliance requirement.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: The Leslie County Fiscal Court has taken action on this matter, this was a criteria that we were not aware of. Now, after reading all requirements set forth in terms and conditions of the federal award, this matter has been resolved for the future.*

**Section IV: Summary Schedule of Prior Audit Findings**

Not Applicable.

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

**LESLIE COUNTY FISCAL COURT**

**For The Year Ended June 30, 2021**

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

For The Year Ended June 30, 2021

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 blue ink, appearing to read "Jennifer Laura Bowling", written over a horizontal line.

County Treasurer