

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

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



**ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS  
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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

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

**Report on the Audit of the Financial Statement**

***Opinions***

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

*Unmodified Opinion on Regulatory Basis of Accounting*

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

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

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

***Basis for Opinions***

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



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

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

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

### ***Responsibilities of Management for the Financial Statement***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

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

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

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

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

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

**Other Matters**

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Logan County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

***Other Information***


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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2024, on our consideration of the Logan County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Logan County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

May 2, 2024



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

Phillip Baker	County Judge/Executive
Tyler Davenport	Magistrate
Jamie Goodwin	Magistrate
Chris Wilcutt	Magistrate
Jason Harper	Magistrate
Anne Crawford	Magistrate
Thomas Bouldin	Magistrate

**Other Elected Officials:**

Joe Ross	County Attorney
Joshua Toomey	Jailer
Stacy Watkins	County Clerk
Mary Orange	Circuit Court Clerk
Stephen Stratton	Sheriff
Timothy Rainwaters	Property Valuation Administrator
Ben Kemplin	Coroner

**Appointed Personnel:**

Amanda Stratton	County Treasurer
Karen Taylor	Finance Officer

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

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

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

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

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
<b>RECEIPTS</b>			
Taxes	\$ 2,866,063	\$	\$
In Lieu Tax Payments	219,362		
Licenses and Permits	22,100		
Intergovernmental	2,610,677	2,026,101	1,091,211
Charges for Services			11,951
Miscellaneous	183,000	499	216,935
Interest	4,595	1,929	542
Total Receipts	<u>5,905,797</u>	<u>2,028,529</u>	<u>1,320,639</u>
<b>DISBURSEMENTS</b>			
General Government	5,734,657	465	
Protection to Persons and Property	571,155		2,442,958
General Health and Sanitation	300		
Social Services			
Recreation and Culture	46,740		
Roads		2,469,223	
Airports			
Debt Service			
Capital Projects		100,000	
Administration	824,594	348,850	748,578
Total Disbursements	<u>7,177,446</u>	<u>2,918,538</u>	<u>3,191,536</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,271,649)</u>	<u>(890,009)</u>	<u>(1,870,897)</u>
<b>Other Adjustments to Cash (Uses)</b>			
Transfers From Other Funds	665,000	860,000	2,125,000
Transfers To Other Funds			(327,638)
Total Other Adjustments to Cash (Uses)	<u>665,000</u>	<u>860,000</u>	<u>1,797,362</u>
Net Change in Fund Balance	(606,649)	(30,009)	(73,535)
Fund Balance - Beginning (Restated)	<u>1,286,668</u>	<u>141,523</u>	<u>131,160</u>
Fund Balance - Ending	<u>\$ 680,019</u>	<u>\$ 111,514</u>	<u>\$ 57,625</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 718,584	\$ 755,136	\$ 115,400
Plus: Deposits In Transit			
Less: Outstanding Checks	(38,565)	(643,622)	(57,775)
Investments			
Fund Balance - Ending	<u>\$ 680,019</u>	<u>\$ 111,514</u>	<u>\$ 57,625</u>

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

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

Budgeted Funds						
Local Government Economic Assistance Fund	Federal Grants Fund	Solid Waste Fund	Parks and Recreation Fund	Occupational Tax Fund	Lifeskills Revolving Loan Fund	911 Fund
\$	\$	\$	\$	\$ 5,580,195	\$	\$ 324,402
367,789	19,200	109,717 78,661				
380		16,286				14,524
195		1,713	2,504	26,730	538	209
<u>368,364</u>	<u>19,200</u>	<u>206,377</u>	<u>2,504</u>	<u>5,606,925</u>	<u>538</u>	<u>339,135</u>
641,540				208,796		752,009
124,967		200,616				
20,300	19,200					
94,609						
19,000						
1,888		55,725		39,282		249,603
<u>902,304</u>	<u>19,200</u>	<u>256,341</u>		<u>248,078</u>		<u>1,001,612</u>
(533,940)		(49,964)	2,504	5,358,847	538	(662,477)
525,000			250,000			650,000
				(5,075,550)		
<u>525,000</u>			<u>250,000</u>	<u>(5,075,550)</u>		<u>650,000</u>
(8,940)		(49,964)	252,504	283,297	538	(12,477)
18,070	55	501,515	500,731	7,658,481	153,626	47,541
<u>\$ 9,130</u>	<u>\$ 55</u>	<u>\$ 451,551</u>	<u>\$ 753,235</u>	<u>\$ 7,941,778</u>	<u>\$ 154,164</u>	<u>\$ 35,064</u>
\$ 25,130	\$ 55	\$ 452,567	\$ 753,235	\$ 7,945,153	\$ 154,164	\$ 35,402
(16,000)		(1,016)		(3,375)		(338)
<u>\$ 9,130</u>	<u>\$ 55</u>	<u>\$ 451,551</u>	<u>\$ 753,235</u>	<u>\$ 7,941,778</u>	<u>\$ 154,164</u>	<u>\$ 35,064</u>

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

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

	<u>Budgeted Funds</u>			
	<u>County Clerk Storage Fees Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>National Opioid Settlement Fund</u>	<u>Special Reserve Fund</u>
<b>RECEIPTS</b>				
Taxes	\$	\$	\$	\$
In Lieu Tax Payments				
Licenses and Permits				
Intergovernmental				
Charges for Services				
Miscellaneous	46,200		136,666	
Interest	62	18,302	242	5,816
Total Receipts	<u>46,262</u>	<u>18,302</u>	<u>136,908</u>	<u>5,816</u>
<b>DISBURSEMENTS</b>				
General Government	10,427			
Protection to Persons and Property				
General Health and Sanitation				
Social Services				
Recreation and Culture				
Roads				
Airports				
Debt Service				
Capital Projects		178,340		
Administration				
Total Disbursements	<u>10,427</u>	<u>178,340</u>		
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>35,835</u>	<u>(160,038)</u>	<u>136,908</u>	<u>5,816</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds				550
Transfers To Other Funds				
Total Other Adjustments to Cash (Uses)				<u>550</u>
Net Change in Fund Balance	35,835	(160,038)	136,908	6,366
Fund Balance - Beginning (Restated)		5,268,470		4,186,333
Fund Balance - Ending	<u>\$ 35,835</u>	<u>\$ 5,108,432</u>	<u>\$ 136,908</u>	<u>\$ 4,192,699</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 35,835	\$ 5,108,432	\$ 136,908	\$ 349,617
Plus: Deposits In Transit				3,843,082
Less: Outstanding Checks				
Investments				
Fund Balance - Ending	<u>\$ 35,835</u>	<u>\$ 5,108,432</u>	<u>\$ 136,908</u>	<u>\$ 4,192,699</u>

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

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

<u>Unbudgeted Funds</u>				<u>Internal Service Fund</u>
<u>Public Properties Corporation Detention Center Fund</u>	<u>Public Properties Corporation Justice Center Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>	<u>Health Insurance Fund</u>
\$	\$	\$	\$ 8,770,660	\$
			219,362	
			131,817	
	1,066,200		7,259,839	
			12,331	
		167,510	781,620	871,700
10,707			74,084	2,592
<u>10,707</u>	<u>1,066,200</u>	<u>167,510</u>	<u>17,249,713</u>	<u>874,292</u>
			6,595,885	
			3,766,122	
			325,883	461,845
			39,500	
		342,265	483,614	
			2,469,223	
			19,000	
336,900	1,064,700		1,401,600	
			278,340	
	1,500		2,270,020	
<u>336,900</u>	<u>1,066,200</u>	<u>342,265</u>	<u>17,649,187</u>	<u>461,845</u>
(326,193)		(174,755)	(399,474)	412,447
327,638			5,403,188	
			(5,403,188)	
<u>327,638</u>				
1,445		(174,755)	(399,474)	412,447
342,280	3,856	458,015	20,698,324	551,603
<u>\$ 343,725</u>	<u>\$ 3,856</u>	<u>\$ 283,260</u>	<u>\$ 20,298,850</u>	<u>\$ 964,050</u>
\$ 42,813	\$ 3,856	\$ 293,051	\$ 16,925,338	\$ 964,050
			3,843,082	
		(9,791)	(770,482)	
300,912			300,912	
<u>\$ 343,725</u>	<u>\$ 3,856</u>	<u>\$ 283,260</u>	<u>\$ 20,298,850</u>	<u>\$ 964,050</u>

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

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TO THE FINANCIAL STATEMENT**

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**LOGAN COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

The Logan County Tourist and Convention Commission would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, it no longer is a required component of the reporting entity. An audit of the entity referenced above can be obtained from the Logan County Fiscal Court: 200 West Fourth Street, Russellville, KY 42276.

**B. Basis of Accounting**

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

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

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

**C. Basis of Presentation**

**Budgeted Funds**

The fiscal court reports the following budgeted funds:

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation (Continued)**

**Budgeted Funds (Continued)**

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

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

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

Federal Grants Fund - The primary purpose of this fund is to account for Coronavirus Relief Fund and related disbursements. The primary sources of receipts for this fund are grants from the federal government.

Solid Waste Fund - The primary purpose of this fund is to account for solid waste management receipts and related disbursements. The primary source of receipts for this fund is the off-site waste management fees.

Parks and Recreation Fund - The primary purpose of this fund is to account for parks and recreation projects and their revenues and related disbursements. The primary source of receipts for this fund was a transfer in from the Occupational Tax Fund.

Occupational Tax Fund - The primary purpose of this fund is to account for occupational and net profit taxes. The primary sources of receipts for this fund are taxes collected for occupational license fees and net profit taxes. These receipts are transferred to other funds as needed.

Lifeskills Revolving Loan Fund - The primary purpose of this fund is to account for the proceeds of specific revenue sources and related disbursements that are legally restricted for specific purposes. These funds were received as a repayment of a revolving loan connected to a federal grant. Under the grant agreement, these funds must be used for community or economic development activities.

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

County Clerk Storage Fees Fund - The primary purpose of this fund is to account for the receipts and disbursements associated with the preservation of records within the county clerk's recording department. The primary source of receipts of this fund is the county clerk's collection of storage fees.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for activity related to American Rescue Plan Act passed in 2021. The primary sources of receipts for this fund are federal grant monies.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation (Continued)**

**Budgeted Funds (Continued)**

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

Special Reserve Fund - The primary purpose of this fund is to account for special revenue sources and related disbursements. The primary source of receipts for this fund is interest earned.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

Public Properties Corporation Detention Center Fund - The primary purpose of this fund is to account for debt service requirements of the revenue refunding bonds issued to advance refund revenue bonds that funded the construction of the detention center. The Department for Local Government does not require the fiscal court to budget these funds.

Public Properties Corporation Justice Center Fund - The primary purpose of this fund is to account for debt service requirements of the revenue refunding bonds issued to advance refund revenue bonds that funded the construction of the justice center. The Department for Local Government does not require the fiscal court to budget these funds.

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

**Internal Service Fund**

The fiscal court reports the following internal service fund:

Health Insurance Fund - The primary purpose of this fund is to account for contributions, claims, and fees for self-insured employee health insurance.

**D. Budgetary Information**

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

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Information (Continued)**

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

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

The state local finance officer does not require the public properties corporation detention center fund and the public properties corporation justice center fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

**E. Logan County Elected Officials**

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

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

**F. Deposits and Investments**

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

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**G. Long-term Obligations**

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

**H. Related Obligations and Joint Ventures**

Related organizations are associated or affiliated with, have control over, or are controlled by, each other. However, a related organization can be an entity for which a primary government is not financially accountable, but the primary government is still accountable because it appoints a voting majority of the board. The Logan County Fiscal Court appoints all of the members for the following boards, thus making them related organizations.

East Logan Water District  
 North Logan Water District  
 South Logan Water District  
 Logan County Search and Rescue Squad

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. The Logan County Fiscal Court entered an agreement with four cities to form the following commission agreeing to pay costs, on a prorated basis, not covered by state or federal funds, thus creating a joint venture.

Planning and Zoning

Regional governments or other multi-governmental arrangements that are governed by representatives from each of the governments that created the organizations but are not joint ventures because the participants do not retain an ongoing financial interest or responsibility is a jointly governed organization. The Logan County Fiscal Court, along with four cities, appoints members to the following boards but have no financial interest, thus creating joint governed organizations.

Logan Industrial Development Authority, Inc.  
 Russellville-Logan County Airport

**Note 2. Deposits and Investments**

**A. Deposits**

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

must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

## Note 2. Deposits and Investments (Continued)

### A. Deposits (Continued)

#### Custodial Credit Risk - Deposits

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

### B. Investments

As of June 30, 2023, the fiscal court had the following investments and maturities:

Type	Cost Basis	Maturities (In Years)	
		Less Than 1	1-5
Cash Equivalents	\$ 42,813	\$ 42,813	\$
Investments:			
U.S. Government and U.S. Agencies Bonds	300,912		300,912
Total Investments	<u>300,912</u>		<u>300,912</u>
Total Fund Balance	<u>\$ 343,725</u>	<u>\$ 42,813</u>	<u>\$ 300,912</u>

**Custodial Credit Risk** is the risk that, in the event of failure of the counterparty, the fiscal court will not be able to recover the value of its certificates of deposit, investments, or collateral securities that are in the possession of an outside party. The fiscal court's investment policy requires counterparties to provide sufficient collateral or other insurance if any investments or deposits exceed the insurance provided by Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). All certificates of deposit and investments must be held by the counterparty in the fiscal court's name. The fiscal court has \$343,725 of investments in securities held by the counterparties' trust departments in the fiscal court's name. The SIPC provides up to \$500,000 coverage for securities and cash (limit of \$250,000 for cash) per client and the counterparties maintain additional insurance coverage for loss of securities and cash above the coverage provided by FDIC and SIPC.

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The fiscal court is statutorily limited as to credit ratings, at the time of purchase. KRS 66.480 and the fiscal court's investment policy define the following items as permissible investments:

- 1) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;

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

**Note 2. Deposits and Investments (Continued)**

**B. Investments (Continued)**

- 2) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
  - a. United States Treasury;
  - b. Export-Import Bank of the United States;
  - c. Farmers Home Administration;
  - d. Government National Mortgage Corporation; and
  - e. Merchant Marine bonds.
- 3) Obligations of any corporation of the United States government, including but not limited to:
  - a. Federal Home Loan Mortgage Corporation;
  - b. Federal Farm Credit Banks;
  - c. Bank for Cooperatives;
  - d. Federal Intermediate Credit Banks;
  - e. Federal Land Banks;
  - f. Federal Home Loan Banks;
  - g. Federal National Mortgage Association; and
  - h. Tennessee Valley Authority.
- 4) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- 5) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;
- 6) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;
- 7) Commercial paper rated in the highest category by a competent rating agency;
- 8) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- 9) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;
- 10) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:
  - a. The mutual funds shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended.
  - b. The management company of the investment company shall have been in operation for at least five years; and
  - c. All of the securities in the mutual fund shall be eligible investments pursuant to this section.
- 11) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and
- 12) Individual high-quality corporate bonds that are managed by a professional investment manager that:
  - a. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
  - b. Have a standard maturity of no more than ten years; and
  - c. Are rated in the three highest rating categories by at least two competent credit rating agencies.

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

**Note 2. Deposits and Investments (Continued)**

**B. Investments (Continued)**

According to KRS 66.480, the fiscal court is limited to investing no more than 20 percent in categories 5, 6, 7, 9, and 10 above per state statute and the fiscal court's investment policy. As of June 30, 2023, the fiscal court does not have any investments in these categories.

The fiscal court's rated investments, as of June 30, 2023, and the ratings are presented in the table below. All issuers of the municipal bonds are located in the Commonwealth of Kentucky.

Type	Moody's Credit Ratings		Cost Basis
	AAA/Aaa	Unrated/NA	
Cash Equivalents	\$	\$ 42,813	\$ 42,813
Investments:			
U.S. Government and U.S. Agencies Bonds	300,912		300,912
Total Investments	300,912		300,912
Total Fund Balance	\$ 300,912	\$ 42,813	\$ 343,725

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the fiscal court's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk. The fiscal court does not have 5 percent or more of the fiscal court's investments invested in any single security.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The fiscal court's policy provides that, to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. See table above for investments listed by type and duration.

**Foreign Currency Risk** is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The fiscal court's policy historically has been to invest only in securities in U.S. denominations.



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

**Note 3. Transfers**

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

	Occupational Tax Fund	Jail Fund	Total Transfers In
General Fund	\$ 665,000	\$	\$ 665,000
Road Fund	860,000		860,000
Jail Fund	2,125,000		2,125,000
LGEA Fund	525,000		525,000
Parks and Recreation Fund	250,000		250,000
911 Fund	650,000		650,000
Special Reserve Fund	550		550
PPC Fund - Detention Center		327,638	327,638
Total Transfers Out	<u>\$ 5,075,550</u>	<u>\$ 327,638</u>	<u>\$ 5,403,188</u>

Reason for transfers:

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

**Note 4. Custodial Funds**

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

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2023 was \$114,763.

**Note 5. Leases**

**1. Lessor**

**A. Logan County Child Support Office Space**

On January 1, 2011, the Logan County Fiscal Court began leasing office space in the Logan County Courthouse to Logan County Title IVD Child Support. The lease is on a month-to-month basis and the Logan County Fiscal Court will receive monthly payments of \$1,000. The Logan County Fiscal Court recognized \$12,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Logan County Fiscal Court's receivable for lease payments was \$0.

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

**Note 5. Leases (Continued)**

**1. Lessor (Continued)**

**B. Logan County Tourism Office Space**

On March 1, 2012, the Logan County Fiscal Court began leasing office space in the Logan County Courthouse to the Logan County Tourism. The lease is on a month-to-month basis and the Logan County Fiscal Court will receive monthly payments of \$500. The Logan County Fiscal Court recognized \$6,500 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Logan County Fiscal Court's receivable for lease payments was \$0.

**C. Ross & Teel, LLP Office Space**

On July 27, 2021, the Logan County Fiscal Court began leasing office space in the Logan County Courthouse to Ross & Teel, LLP. The lease is on a year-to-year basis and the Logan County Fiscal Court will receive a yearly payment of \$1,000. The Logan County Fiscal Court recognized \$1,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Logan County Fiscal Court's receivable for lease payments was \$0.

**2. Lessee**

**A. Logan Telephone Cooperative – Equipment Space**

On June 25, 2013, the Logan County Fiscal Court entered into a lease agreement as lessee for the use of space on the tower and space in the equipment room. A lease liability was recorded in the amount of \$900 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$900. The Logan County Fiscal Court is required to make monthly principal payments of \$75.

**B. Young Funeral Home - Coroner Space**

On April 4, 2014, the Logan County Fiscal Court entered into a lease agreement as lessee for the use of office space in Young Funeral Home, Inc. A lease liability was recorded in the amount of \$2,450 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$0. The Logan County Fiscal Court is required to make monthly principal payments of \$350.

**C. Logan Todd Baptist Association – Equipment Space**

On June 12, 2014, the Logan County Fiscal Court entered into a lease agreement as lessee for storage space in the Baptist Building located at 198 West Third Street, Russellville. A lease liability was recorded in the amount of \$1,500 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$1,500. The Logan County Fiscal Court is required to make monthly principal payments of \$125.

**D. Great America Financial – Office Equipment**

On April 12, 2018, the Logan County Fiscal Court entered into a lease agreement a five-year three-month lease agreement as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of \$8,209. As of June 30, 2023, the value of the lease liability was \$0. The Logan County Fiscal Court is required to make monthly payment of \$132.

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

**Note 5. Leases (Continued)**

**2. Lessee (Continued)**

**E. Crosspath Telecom Network – Office Equipment**

On September 14, 2021, the Logan County Fiscal Court entered into a five-year lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$30,820 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$20,767. The Logan County Fiscal Court is required to make monthly payment of \$519.

The remaining lease payments as of June 30, 2023, were as follows:

Fiscal Year Ended June 30	Amount
2024	\$ 6,230
2025	6,230
2026	6,230
2027	<u>2,077</u>
Total Lease Payments	<u>\$ 20,767</u>

**Note 6. Subscription-Based Information Technology Arrangements (SBITA)**

**A. SBITA – Accounting Subscription**

The Logan County Fiscal Court entered into a subscription-based technology arrangement for accounting software in the finance department. The subscription terms are twenty years totaling \$16,990, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2023, the value of the subscription liability was \$0.

**B. SBITA – Accounting Subscription**

The Logan County Fiscal Court entered into a subscription-based technology arrangement for accounting software in the occupational tax department. The subscription terms are twenty years totaling \$9,995, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2023, the value of the subscription liability was \$0.

**C. SBITA – Accounting Subscription**

The Logan County Fiscal Court entered into a subscription-based technology arrangement for accounting software in the finance department. The subscription terms are twenty years totaling \$13,560, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2023, the value of the subscription liability was \$0.

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

**Note 6. Subscription-Based Information Technology Arrangements (SBITA) (Continued)**

**D. SBITA – Accounting Subscription**

The Logan County Fiscal Court entered into a subscription-based technology arrangement for accounting software in the finance department. The subscription terms are twenty years totaling \$11,000, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2023, the value of the subscription liability was \$0.

**E. SBITA – County Clerk**

The Logan County Fiscal Court entered into a subscription-based technology arrangement for the county clerk's office. The subscription terms are five years totaling \$77,400, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2023, the value of the subscription liability was \$9,030. The Logan County Fiscal Court is required to make monthly payments of \$1,290.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ended June 30	Amount
2024	\$ 9,030
Total	\$ 9,030

**Note 7. Long-term Debt**

**A. Other Debt**

**1. First Mortgage Revenue Refunding Bonds (Detention Facilities Project), Series 2010**

On March 4, 2010, the Logan County Public Properties Corporation issued first mortgage revenue refunding bonds (detention facilities project), series 2010, to refund the first mortgage revenue bonds (detention facility project), series 1998. The total bond issue was in the amount of \$3,835,000, with interest rates varying between 2% and 4%. Interest is payable on March 1 and September 1 of each year. Principal is payable annually on September 1.

Upon the happening and continuance of any event of default to protect and enforce its rights and the rights of the owners of the bonds by such of the following remedies, as the trustee, being advised by counsel, will deem most effectual to protect and enforce such rights.

By enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, and in such event the trustee will take over possession, custody and control of the project site and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds. Provided, however, that no such foreclosure sale will result in a deficiency judgment of any type or in any amount against AOC, the county, or the corporation, and until such sale the county may at any time by the discharge of the bonds and interest and any premium thereon receive an unencumbered fee simple title to the mortgaged facilities; provided that in the event of any such enforcement of said lien by the trustee, there will first be paid all expenses incident to said document, and thereafter the bonds then outstanding will be paid and retired.

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

**Note 7. Long-term Debt (Continued)**

**A. Other Debt (Continued)**

**1. First Mortgage Revenue Refunding Bonds (Detention Facilities Project), Series 2010 (Continued)**

By declaring all bonds due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 50% in a principal amount of the outstanding bonds, by annulling such declaration and its consequences.

Total principal balance outstanding as of June 30, 2023, was \$645,000. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 315,000	\$ 19,500
2025	330,000	6,600
Totals	<u>\$ 645,000</u>	<u>\$ 26,100</u>

**2. First Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2016**

On March 9, 2016, the Logan County Public Properties Corporation issued first mortgage revenue refunding bonds (justice center project), series 2016, to refund the first mortgage revenue bonds (justice center project), series 2008. The total bond issue was in the amount of \$7,595,000, with interest rates varying between 3.5% and 4%. Interest is payable on March 1 and September 1 of each year. Principal is payable annually on February 1 beginning February 1, 2020.

Upon the happening and continuance of any event of default to protect and enforce its rights and the rights of the owners of the bonds by such of the following remedies, as the trustee, being advised by counsel, will deem most effectual to protect and enforce such rights:

By enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, and in such event the trustee will take over possession, custody and control of the project site and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds.

Provided, however, that no such foreclosure sale will result in a deficiency judgment of any type or in any amount against AOC, the county, or the corporation, and until such sale the county may at any time by the discharge of the bonds and interest and any premium thereon receive an unencumbered fee simple title to the mortgaged facilities; provided that in the event of any such enforcement of said lien by the trustee, there will first be paid all expenses incident to said document, and thereafter the Bonds then outstanding will be paid and retired.

By declaring all bonds due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 25% in a principal amount of the outstanding bonds, by annulling such declaration and its consequences.

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

**Note 7. Long-term Debt (Continued)**

**A. Other Debt (Continued)**

**2. First Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2016 (Continued)**

Total principal balance outstanding as of June 30, 2023, was \$4,890,000. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 920,000	\$ 146,700
2025	950,000	119,100
2026	980,000	90,600
2027	1,005,000	61,200
2028	<u>1,035,000</u>	<u>31,050</u>
Totals	<u>\$ 4,890,000</u>	<u>\$ 448,650</u>

**B. Changes In Long-term Debt**

Long-term Debt activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
First Mortgage Revenue Refunding Bonds	<u>\$ 6,740,000</u>	<u>\$</u>	<u>\$1,205,000</u>	<u>\$ 5,535,000</u>	<u>\$ 1,235,000</u>
Total Long-term Debt	<u>\$ 6,740,000</u>	<u>\$ 0</u>	<u>\$ 1,205,000</u>	<u>\$ 5,535,000</u>	<u>\$ 1,235,000</u>

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

**Note 7. Long-term Debt (Continued)**

**C. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations at June 30, 2023, were as follows:

Fiscal Year Ended June 30	Other Debt	
	Principal	Interest
2024	\$ 1,235,000	\$ 166,200
2025	1,280,000	125,700
2026	980,000	90,600
2027	1,005,000	61,200
2028	1,035,000	31,050
Totals	<u>\$ 5,535,000</u>	<u>\$ 474,750</u>

**Note 8. Contingencies**

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

**Note 9. Employee Retirement System**

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

The county's contribution for FY 2021 was \$922,890, FY 2022 was \$1,089,275, and FY 2023 was \$1,292,036.

Nonhazardous

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

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

**Note 9. Employee Retirement System (Continued)**

Nonhazardous (Continued)

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

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Benefits are covered under KRS 78.5536.



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

**Note 9. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

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

**C. Cost of Living Adjustments - Tier 1**

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

**D. Cost of Living Adjustments - Tier 2 and Tier 3**

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

**E. Death Benefit**

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

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

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

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

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

**Note 10. Deferred Compensation**

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

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

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

**Note 11. Health Reimbursement Account/Flexible Spending Account**

The Logan County Fiscal Court has established a health reimbursement account (HRA) and a flexible spending account (FSA) to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides \$2,000 each year to an HRA for employees who choose employee only plans and \$4,000 each year to an HRA for employees with spouse, child, or family plans. The fiscal court contributes \$350 per month in taxable income which can either be added to the employee's biweekly payroll, be used for FSA Funds up to \$2,750, for employees who choose to waive health insurance. Employees may also contribute additional pre-tax funds through payroll deduction. The balance of the health reimbursement account as of June 30, 2023, was \$151,390. The balance of the flexible spending account as of June 30, 2023, was \$9,326.

**Note 12. Insurance**

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

**Note 13. Self-Insurance**

The Logan County Fiscal Court elected to begin a partially self-funded health insurance plan on June 20, 2020. This partially self-funded insurance plan covers all employees. Logan County elected to purchase a stop-loss insurance policy to cover losses from individual and aggregate claims once the county reached the individual and aggregate attachment points. Employees are required to assume liability for claims in excess of maximum lifetime reimbursements established by the insurance company. During fiscal year 2023, the Logan County Fiscal Court's health insurance fund had a beginning balance of \$551,603. The fund received \$874,292 and disbursed \$461,845. The health insurance fund had a balance of \$964,050 as of June 30, 2023.

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

**Note 14. Subsequent Events**

**A. Airport Loan**

On November 20, 2023, the Russellville-Logan County Airport entered into a promissory note in the amount of \$1,900,000. The Logan County Fiscal Court and the City of Russellville each signed as guarantors on this promissory note.

**B. Speculative Building**

The Logan County Fiscal Court, on behalf of the Logan Industrial Development Authority, Inc., seeks to construct a speculative building with an expansion pad at the Shelton Lane Industrial Park. The state will provide \$2 million for the over \$7.7 million site-upgrade project.

**Note 15. Related Party Transactions**

The Logan County Attorney received office space from the fiscal court for his role as county attorney. This space is also shared with his private practice and child support, they each paid \$1,000 and \$12,000 for rent; respectively to the fiscal court for fiscal year June 30, 2023.

**Note 16. Conduit Debt**

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

**Note 17. Tax Abatements**

**A. Champion Petfoods USA, Inc.**

The occupational tax was abated under the authority of the Logan County Fiscal Court. Champion Petfoods USA, Inc. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit in an amount up to 0.33 percent of the county's occupational license fee. Champion Petfoods USA, Inc. made the commitment to create and/or retain jobs by building a new pet food processing, warehousing, and distribution facility. The performance term of the tax abatement is 10 years from the activation of the incentive program. For fiscal year ended June 30, 2023, Logan County Fiscal Court abated zero occupational taxes.

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

**Note 17. Tax Abatements (Continued)**

**B. Ventra Plastics**

The occupational tax was abated under the authority of the Logan County Fiscal Court. Ventra Plastics is eligible to receive this tax abatement due as a result of its commitment to locate and create jobs and investments regarding an expansion in Logan County. The taxes are abated by granting of a credit of 0.27 percent of the county's occupational license fee for respective salaries and wages for any position created or any new hire resulting directly from the company's planned expansion. Ventra Plastics made the commitment to locate and create jobs and investments regarding an expansion. The performance term of the tax abatement is 10 years from the activation of the incentive program. Ventra Plastics has been suspended from this incentive program as of June 30, 2023. For fiscal year ended June 30, 2023, Logan County Fiscal Court abated zero occupational taxes.

**C. Logan Aluminum, Inc.**

The occupational tax was abated under the authority of the Logan County Fiscal Court. Logan Aluminum, Inc. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit of 0.75 percent of the county's occupational license fee. Logan Aluminum, Inc. made the commitment regarding an expansion which involves a substantial investment in property and equipment and creating new jobs. The performance term of the tax abatement is 10 years from the activation of the incentive program. Logan Aluminum, Inc. has not activated this incentive program as of June 30, 2023. For fiscal year ended June 30, 2023, Logan County Fiscal Court abated \$101,089.

**D. Emerson Electric Co.**

The occupational tax was abated under the authority of the Logan County Fiscal Court. Emerson Electric Co. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit of 0.27 percent of the county's occupational license fee. Emerson Electric Co. made the commitment regarding an expansion which involves a substantial investment in property and equipment and creating new jobs. The performance term of the tax abatement is 10 years from the activation of the incentive program. Emerson Electric Co. has not activated this incentive program as of June 30, 2023. For fiscal year ended June 30, 2023, Logan County Fiscal Court abated zero occupational taxes.

**E. Tri-Arrows Aluminum, Inc.**

The occupational tax was abated under the authority of the Logan County Fiscal Court. Tri-Arrows Aluminum, Inc. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit of 0.75 percent of the county's occupational license fee. Tri-Arrows Aluminum, Inc. made the commitment regarding an expansion which involves a substantial investment in property and equipment and creating new jobs. The performance term of the tax abatement is 10 years from the activation of the incentive program. Tri-Arrows Aluminum, Inc. has not activated this incentive program as of June 30, 2023. For fiscal year ended June 30, 2023, Logan County Fiscal Court abated zero occupational taxes.

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

**Note 18. Prior Period Adjustments**

	Jail Commissary Fund
Ending Fund Balance Prior Year	<u>\$ 505,353</u>
Remove Inmate Fund	<u>(47,338)</u>
Beginning Fund Balance Restated	<u><u>\$ 458,015</u></u>

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

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

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

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

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 2,397,250	\$ 2,397,250	\$ 2,866,063	\$ 468,813
In Lieu Tax Payments	215,500	215,500	219,362	3,862
Licenses and Permits	30,000	30,000	22,100	(7,900)
Intergovernmental	1,839,303	1,840,803	2,610,677	769,874
Miscellaneous	105,179	343,711	183,000	(160,711)
Interest	2,500	2,500	4,595	2,095
Total Receipts	<u>4,589,732</u>	<u>4,829,764</u>	<u>5,905,797</u>	<u>1,076,033</u>
<b>DISBURSEMENTS</b>				
General Government	6,630,392	6,957,885	5,734,657	1,223,228
Protection to Persons and Property	693,992	699,301	571,155	128,146
General Health and Sanitation	300	300	300	
Social Services	1,000	1,000		1,000
Recreation and Culture	58,000	58,000	46,740	11,260
Capital Projects	97,445	97,445		97,445
Administration	1,108,536	1,074,836	824,594	250,242
Total Disbursements	<u>8,589,665</u>	<u>8,888,767</u>	<u>7,177,446</u>	<u>1,711,321</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,999,933)</u>	<u>(4,059,003)</u>	<u>(1,271,649)</u>	<u>2,787,354</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	2,999,933	2,999,933	665,000	(2,334,933)
Total Other Adjustments to Cash (Uses)	<u>2,999,933</u>	<u>2,999,933</u>	<u>665,000</u>	<u>(2,334,933)</u>
Net Change in Fund Balance	(1,000,000)	(1,059,070)	(606,649)	452,421
Fund Balance - Beginning	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,286,668</u>	<u>286,668</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (59,070)</u>	<u>\$ 680,019</u>	<u>\$ 739,089</u>

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

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,313,246	\$ 2,365,966	\$ 2,026,101	\$ (339,865)
Miscellaneous	600	600	499	(101)
Interest	1,000	1,000	1,929	929
Total Receipts	<u>2,314,846</u>	<u>2,367,566</u>	<u>2,028,529</u>	<u>(339,037)</u>
<b>DISBURSEMENTS</b>				
General Government	500	500	465	35
Roads	3,303,946	3,374,152	2,469,223	904,929
Capital Projects	200,000	200,000	100,000	100,000
Administration	415,365	397,879	348,850	49,029
Total Disbursements	<u>3,919,811</u>	<u>3,972,531</u>	<u>2,918,538</u>	<u>1,053,993</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,604,965)</u>	<u>(1,604,965)</u>	<u>(890,009)</u>	<u>714,956</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	<u>1,554,965</u>	<u>1,554,965</u>	<u>860,000</u>	<u>(694,965)</u>
Total Other Adjustments to Cash (Uses)	<u>1,554,965</u>	<u>1,554,965</u>	<u>860,000</u>	<u>(694,965)</u>
Net Change in Fund Balance	(50,000)	(50,000)	(30,009)	19,991
Fund Balance - Beginning	<u>50,000</u>	<u>50,000</u>	<u>141,523</u>	<u>91,523</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 111,514</u>	<u>\$ 111,514</u>

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

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,138,859	\$ 1,138,859	\$ 1,091,211	\$ (47,648)
Charges for Services	11,100	11,100	11,951	851
Miscellaneous	55,800	69,748	216,935	147,187
Interest	190	190	542	352
Total Receipts	<u>1,205,949</u>	<u>1,219,897</u>	<u>1,320,639</u>	<u>100,742</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	2,554,807	2,615,964	2,442,958	173,006
Debt Service	327,638			
Administration	1,080,847	1,033,638	748,578	285,060
Total Disbursements	<u>3,963,292</u>	<u>3,649,602</u>	<u>3,191,536</u>	<u>458,066</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,757,343)</u>	<u>(2,429,705)</u>	<u>(1,870,897)</u>	<u>558,808</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	2,632,343	2,632,343	2,125,000	(507,343)
Transfers To Other Funds		(327,638)	(327,638)	
Total Other Adjustments to Cash (Uses)	<u>2,632,343</u>	<u>2,304,705</u>	<u>1,797,362</u>	<u>(507,343)</u>
Net Change in Fund Balance	(125,000)	(125,000)	(73,535)	51,465
Fund Balance - Beginning	<u>125,000</u>	<u>125,000</u>	<u>131,160</u>	<u>6,160</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 57,625</u>	<u>\$ 57,625</u>

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

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 435,361	\$ 437,261	\$ 367,789	\$ (69,472)
Charges for Services	350	350	380	30
Interest	100	100	195	95
Total Receipts	<u>435,811</u>	<u>437,711</u>	<u>368,364</u>	<u>(69,347)</u>
<b>DISBURSEMENTS</b>				
General Government	819,561	819,561	641,540	178,021
General Health and Sanitation	126,000	127,900	124,967	2,933
Social Services	41,500	32,985	20,300	12,685
Recreation and Culture	491,934	500,449	94,609	405,840
Airports	29,000	29,000	19,000	10,000
Administration	2,313	2,313	1,888	425
Total Disbursements	<u>1,510,308</u>	<u>1,512,208</u>	<u>902,304</u>	<u>609,904</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,074,497)</u>	<u>(1,074,497)</u>	<u>(533,940)</u>	<u>540,557</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	<u>1,072,796</u>	<u>1,072,796</u>	<u>525,000</u>	<u>(547,796)</u>
Total Other Adjustments to Cash (Uses)	<u>1,072,796</u>	<u>1,072,796</u>	<u>525,000</u>	<u>(547,796)</u>
Net Change in Fund Balance	(1,701)	(1,701)	(8,940)	(7,239)
Fund Balance - Beginning	<u>1,701</u>	<u>1,701</u>	<u>18,070</u>	<u>16,369</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,130</u>	<u>\$ 9,130</u>

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

	<b>FEDERAL GRANTS FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 19,200	\$ (180,800)
Total Receipts	<u>200,000</u>	<u>200,000</u>	<u>19,200</u>	<u>(180,800)</u>
<b>DISBURSEMENTS</b>				
Social Services	200,000	200,000	19,200	180,800
Administration	55	55		55
Total Disbursements	<u>200,055</u>	<u>200,055</u>	<u>19,200</u>	<u>180,855</u>
Net Change in Fund Balance	(55)	(55)		55
Fund Balance - Beginning	<u>55</u>	<u>55</u>	<u>55</u>	
Fund Balance - Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 55</u></u>	<u><u>\$ 55</u></u>

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

	<b>SOLID WASTE FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Licenses and Permits	\$ 50,000	\$ 50,000	\$ 109,717	\$ 59,717
Intergovernmental	56,072	73,757	78,661	4,904
Miscellaneous	18,100	18,100	16,286	(1,814)
Interest	800	800	1,713	913
Total Receipts	<u>124,972</u>	<u>142,657</u>	<u>206,377</u>	<u>63,720</u>
<b>DISBURSEMENTS</b>				
General Health and Sanitation	268,367	298,944	200,616	98,328
Administration	346,605	333,713	55,725	277,988
Total Disbursements	<u>614,972</u>	<u>632,657</u>	<u>256,341</u>	<u>376,316</u>
Net Change in Fund Balance	(490,000)	(490,000)	(49,964)	440,036
Fund Balance - Beginning	490,000	490,000	501,515	11,515
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 451,551</u>	<u>\$ 451,551</u>

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

**PARKS AND RECREATION FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 700	\$ 700	\$ 2,504	\$ 1,804
Total Receipts	700	700	2,504	1,804
<b>DISBURSEMENTS</b>				
Recreation and Culture	751,424	751,424		751,424
Total Disbursements	751,424	751,424		751,424
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(750,724)	(750,724)	2,504	753,228
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	250,000	250,000	250,000	
Total Other Adjustments to Cash (Uses)	250,000	250,000	250,000	
Net Change in Fund Balance	(500,724)	(500,724)	252,504	753,228
Fund Balance - Beginning	500,724	500,724	500,731	7
Fund Balance - Ending	\$ 0	\$ 0	\$ 753,235	\$ 753,235

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

	<b>OCCUPATIONAL TAX FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,356,500	\$ 3,356,500	\$ 5,580,195	\$ 2,223,695
Interest	10,000	10,000	26,730	16,730
Total Receipts	<u>3,366,500</u>	<u>3,366,500</u>	<u>5,606,925</u>	<u>2,240,425</u>
<b>DISBURSEMENTS</b>				
General Government	399,400	401,115	208,796	192,319
Administration	234,836	174,051	39,282	134,769
Total Disbursements	<u>634,236</u>	<u>575,166</u>	<u>248,078</u>	<u>327,088</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>2,732,264</u>	<u>2,791,334</u>	<u>5,358,847</u>	<u>2,567,513</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds	<u>(9,840,353)</u>	<u>(9,840,353)</u>	<u>(5,075,550)</u>	<u>4,764,803</u>
Total Other Adjustments to Cash (Uses)	<u>(9,840,353)</u>	<u>(9,840,353)</u>	<u>(5,075,550)</u>	<u>4,764,803</u>
Net Change in Fund Balance	(7,108,089)	(7,049,019)	283,297	7,332,316
Fund Balance - Beginning	<u>7,108,089</u>	<u>7,108,089</u>	<u>7,658,481</u>	<u>550,392</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 59,070</u>	<u>\$ 7,941,778</u>	<u>\$ 7,882,708</u>



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

**LIFESKILLS REVOLVING LOAN FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 210	\$ 210	\$ 538	\$ 328
Total Receipts	210	210	538	328
<b>DISBURSEMENTS</b>				
General Government	153,836	153,836		153,836
Total Disbursements	153,836	153,836		153,836
Net Change in Fund Balance	(153,626)	(153,626)	538	154,164
Fund Balance - Beginning	153,626	153,626	153,626	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 154,164</u>	<u>\$ 154,164</u>

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

	<b>911 FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 309,300	\$ 309,300	\$ 324,402	\$ 15,102
Miscellaneous			14,524	14,524
Interest	70	70	209	139
Total Receipts	<u>309,370</u>	<u>309,370</u>	<u>339,135</u>	<u>29,765</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	1,276,343	1,276,343	752,009	524,334
Administration	412,793	412,793	249,603	163,190
Total Disbursements	<u>1,689,136</u>	<u>1,689,136</u>	<u>1,001,612</u>	<u>687,524</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,379,766)</u>	<u>(1,379,766)</u>	<u>(662,477)</u>	<u>717,289</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,329,766	1,329,766	650,000	(679,766)
Total Other Adjustments to Cash (Uses)	<u>1,329,766</u>	<u>1,329,766</u>	<u>650,000</u>	<u>(679,766)</u>
Net Change in Fund Balance	(50,000)	(50,000)	(12,477)	37,523
Fund Balance - Beginning	<u>50,000</u>	<u>50,000</u>	<u>47,541</u>	<u>(2,459)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,064</u>	<u>\$ 35,064</u>

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

**COUNTY CLERK STORAGE FEES FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 46,200	\$ (3,800)
Interest	100	100	62	(38)
Total Receipts	<u>50,100</u>	<u>50,100</u>	<u>46,262</u>	<u>(3,838)</u>
<b>DISBURSEMENTS</b>				
General Government	50,100	50,100	10,427	39,673
Total Disbursements	<u>50,100</u>	<u>50,100</u>	<u>10,427</u>	<u>39,673</u>
Net Change in Fund Balance			35,835	35,835
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,835</u>	<u>\$ 35,835</u>

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

**AMERICAN RESCUE PLAN ACT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 3,950	\$ 3,950	\$ 18,302	\$ 14,352
Total Receipts	<u>3,950</u>	<u>3,950</u>	<u>18,302</u>	<u>14,352</u>
<b>DISBURSEMENTS</b>				
Capital Projects	4,578,964	4,578,964	178,340	4,400,624
Administration	693,233	693,233		693,233
Total Disbursements	<u>5,272,197</u>	<u>5,272,197</u>	<u>178,340</u>	<u>5,093,857</u>
Net Change in Fund Balance	(5,268,247)	(5,268,247)	(160,038)	5,108,209
Fund Balance - Beginning	<u>5,268,247</u>	<u>5,268,247</u>	<u>5,268,470</u>	<u>223</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,108,432</u>	<u>\$ 5,108,432</u>

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

**NATIONAL OPIOID SETTLEMENT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$	\$ 136,666	\$ 136,666	\$
Interest			242	242
Total Receipts		136,666	136,908	242
<b>DISBURSEMENTS</b>				
Administration		136,666		136,666
Total Disbursements		136,666		136,666
Net Change in Fund Balance			136,908	136,908
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 136,908	\$ 136,908

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

	<b>SPECIAL RESERVE FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Interest	\$ 3,200	\$ 3,200	\$ 5,816	\$ 2,616
Total Receipts	<u>3,200</u>	<u>3,200</u>	<u>5,816</u>	<u>2,616</u>
<b>DISBURSEMENTS</b>				
Administration	4,189,940	4,189,940		4,189,940
Total Disbursements	<u>4,189,940</u>	<u>4,189,940</u>		<u>4,189,940</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,186,740)</u>	<u>(4,186,740)</u>	<u>5,816</u>	<u>4,192,556</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	550	550	550	
Total Other Adjustments to Cash (Uses)	<u>550</u>	<u>550</u>	<u>550</u>	
Net Change in Fund Balance	(4,186,190)	(4,186,190)	6,366	4,192,556
Fund Balance - Beginning	<u>4,186,190</u>	<u>4,186,190</u>	<u>4,186,333</u>	<u>143</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,192,699</u>	<u>\$ 4,192,699</u>

**LOGAN COUNTY**  
**NOTES TO REGULATORY SUPPLEMENTARY**  
**INFORMATION - BUDGETARY COMPARISON SCHEDULES**

**June 30, 2023**

**Note 1. Budgetary Information**

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

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

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

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

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

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

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

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 2,925,643	\$ 188,255	\$	\$ 3,113,898
Construction In Progress	3,205		3,205	
Buildings and Building Improvements	20,579,544	29,762	38,692	20,570,614
Equipment	2,278,515	509,243	75,294	2,712,464
Vehicles	4,667,567	263,821		4,931,388
Infrastructure	15,128,430	1,230,115	900,045	15,458,500
 Total Capital Assets	 <u>\$ 45,582,904</u>	 <u>\$ 2,221,196</u>	 <u>\$ 1,017,236</u>	 <u>\$ 46,786,864</u>

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

**June 30, 2023**

**Note 1. Capital Assets**

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

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land Improvements	\$ 25,000	10-60
Buildings and Building Improvements	\$ 50,000	10-75
Equipment	\$ 5,000	3-25
Vehicles	\$ 5,000	3-25
Infrastructure	\$ 25,000	10-50

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

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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Phillip Baker, Logan County Judge/Executive  
Members of the Logan County Fiscal Court

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Logan County Fiscal Court for the fiscal year ended June 30, 2023 and the related notes to the financial statement which collectively comprise the Logan County Fiscal Court's financial statement and have issued our report thereon dated May 2, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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



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

**Report on Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Logan County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

May 2, 2024



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

**LOGAN COUNTY FISCAL COURT**

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

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Logan 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.



County Judge/Executive



County Treasurer