

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

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



**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
auditor.ky.gov**

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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, 2024, 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, 2024, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Logan County Fiscal Court, for the year ended June 30, 2024, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Logan County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

To the People of Kentucky
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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)

- 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.

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
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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 November 25, 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.

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

- 2024-001 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements
- 2024-002 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 25, 2024

LOGAN COUNTY OFFICIALS**For The Year Ended June 30, 2024****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, 2024

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

For The Year Ended June 30, 2024

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
RECEIPTS			
Taxes	\$ 3,009,396	\$	\$
In Lieu Tax Payments	253,373		
Licenses and Permits	18,637		
Intergovernmental	2,504,767	2,263,690	1,231,447
Charges for Services			38,126
Miscellaneous	283,211	5,142	217,564
Interest	44,164	36,414	6,850
Total Receipts	<u>6,113,548</u>	<u>2,305,246</u>	<u>1,493,987</u>
DISBURSEMENTS			
General Government	6,466,494	737	
Protection to Persons and Property	724,612		2,812,354
General Health and Sanitation	300		
Social Services	400		
Recreation and Culture	56,050		
Roads		2,140,945	
Airports			
Debt Service			
Capital Projects	100,964	79,750	
Administration	905,906	331,481	950,646
Total Disbursements	<u>8,254,726</u>	<u>2,552,913</u>	<u>3,763,000</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,141,178)</u>	<u>(247,667)</u>	<u>(2,269,013)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	2,452,638	250,000	2,640,000
Transfers To Other Funds	(686,449)		(325,238)
Total Other Adjustments to Cash (Uses)	<u>1,766,189</u>	<u>250,000</u>	<u>2,314,762</u>
Net Change in Fund Balance	(374,989)	2,333	45,749
Fund Balance - Beginning (Restated)	680,528	111,514	58,584
Fund Balance - Ending	<u>\$ 305,539</u>	<u>\$ 113,847</u>	<u>\$ 104,333</u>
Composition of Fund Balance			
Bank Balance	\$ 418,819	\$ 391,120	\$ 227,001
Less: Outstanding Checks	(113,280)	(277,273)	(122,668)
Fund Balance - Ending	<u>\$ 305,539</u>	<u>\$ 113,847</u>	<u>\$ 104,333</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, 2024
(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
\$	\$	\$	\$	\$ 5,081,925	\$	\$ 319,365
		137,794				
282,426		131,922				
6,668						
291		16,055				12,409
1,858		18,197	54,768	271,677	6,311	9,229
<u>291,243</u>		<u>303,968</u>	<u>54,768</u>	<u>5,353,602</u>	<u>6,311</u>	<u>341,003</u>
226,213				469,160		
						724,752
194,475		215,636				
23,660						
549,584			1,500			
28,601						
76,630		61,314		45,108		330,769
<u>1,099,163</u>		<u>276,950</u>	<u>1,500</u>	<u>514,268</u>		<u>1,055,521</u>
(807,920)		27,018	53,268	4,839,334	6,311	(714,518)
824,000			850,000			929,449
				(6,573,739)		
<u>824,000</u>			<u>850,000</u>	<u>(6,573,739)</u>		<u>929,449</u>
16,080		27,018	903,268	(1,734,405)	6,311	214,931
9,130	55	451,551	753,235	7,941,778	154,164	35,064
<u>\$ 25,210</u>	<u>\$ 55</u>	<u>\$ 478,569</u>	<u>\$ 1,656,503</u>	<u>\$ 6,207,373</u>	<u>\$ 160,475</u>	<u>\$ 249,995</u>
\$ 145,256	\$ 55	\$ 482,000	\$ 1,658,003	\$ 6,209,981	\$ 160,475	\$ 253,098
(120,046)		(3,431)	(1,500)	(2,608)		(3,103)
<u>\$ 25,210</u>	<u>\$ 55</u>	<u>\$ 478,569</u>	<u>\$ 1,656,503</u>	<u>\$ 6,207,373</u>	<u>\$ 160,475</u>	<u>\$ 249,995</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, 2024
(Continued)

	Budgeted Funds			
	County Clerk Storage Fees Fund	America Rescue Plan Act Fund	National Opioid Settlement Fund	Special Reserve Fund
RECEIPTS				
Taxes	\$	\$	\$	\$
In Lieu Tax Payments				
Licenses and Permits				
Intergovernmental				
Charges for Services				
Miscellaneous	48,960		170,728	
Interest	2,505	163,888	7,163	205,663
Total Receipts	<u>51,465</u>	<u>163,888</u>	<u>177,891</u>	<u>205,663</u>
DISBURSEMENTS				
General Government	98			
Protection to Persons and Property				
General Health and Sanitation				
Social Services				
Recreation and Culture				
Roads				
Airports				
Debt Service				
Capital Projects		1,185,417		
Administration			1,000	
Total Disbursements	<u>98</u>	<u>1,185,417</u>	<u>1,000</u>	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>51,367</u>	<u>(1,021,529)</u>	<u>176,891</u>	<u>205,663</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds				550
Transfers To Other Funds		(686,449)		
Total Other Adjustments to Cash (Uses)		<u>(686,449)</u>		<u>550</u>
Net Change in Fund Balance	51,367	(1,707,978)	176,891	206,213
Fund Balance - Beginning (Restated)	35,835	5,108,432	136,908	4,192,699
Fund Balance - Ending	<u>\$ 87,202</u>	<u>\$ 3,400,454</u>	<u>\$ 313,799</u>	<u>\$ 4,398,912</u>
Composition of Fund Balance				
Bank Balance	\$ 87,202	\$ 3,402,223	\$ 313,799	\$ 4,398,912
Less: Outstanding Checks		(1,769)		
Fund Balance - Ending	<u>\$ 87,202</u>	<u>\$ 3,400,454</u>	<u>\$ 313,799</u>	<u>\$ 4,398,912</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, 2024
(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>
\$	\$	\$	\$ 8,410,686	\$
			253,373	
			156,431	
	1,068,200		7,482,452	
			44,794	
		260,128	1,014,488	551,659
15,169			843,856	28,965
<u>15,169</u>	<u>1,068,200</u>	<u>260,128</u>	<u>18,206,080</u>	<u>580,624</u>
			7,162,702	
			4,261,718	
			410,411	1,141,277
			24,060	
		284,221	891,355	
			2,140,945	
			28,601	
334,500	1,068,200		1,402,700	
			1,366,131	
15,912			2,718,766	
<u>350,412</u>	<u>1,068,200</u>	<u>284,221</u>	<u>20,407,389</u>	<u>1,141,277</u>
<u>(335,243)</u>		<u>(24,093)</u>	<u>(2,201,309)</u>	<u>(560,653)</u>
325,238			8,271,875	
			(8,271,875)	
<u>325,238</u>				
(10,005)		(24,093)	(2,201,309)	(560,653)
<u>343,725</u>	<u>3,856</u>	<u>283,821</u>	<u>20,300,879</u>	<u>964,050</u>
<u>\$ 333,720</u>	<u>\$ 3,856</u>	<u>\$ 259,728</u>	<u>\$ 18,099,570</u>	<u>\$ 403,397</u>
\$ 333,720	\$ 3,856	\$ 265,932	\$ 18,751,452	\$ 403,397
		(6,204)	(651,882)	
<u>\$ 333,720</u>	<u>\$ 3,856</u>	<u>\$ 259,728</u>	<u>\$ 18,099,570</u>	<u>\$ 403,397</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, 2024

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, they no longer are required components 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, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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

Federal 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 were transfers in from the General Fund and 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, 2024
(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, 2024
(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 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, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

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

H. 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 the member for the following board, thus making them related organizations.

East Logan Water District
 North 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

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.

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

Note 2. 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, 2024, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

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

	General Fund	Occupational Tax Fund	ARPA Fund	Jail Fund	Total Transfers In
General Fund	\$	\$ 1,766,189	\$ 686,449	\$	\$ 2,452,638
Road Fund		250,000			250,000
Jail Fund		2,640,000			2,640,000
LGEA Fund		824,000			824,000
Parks and Recreation Fund	500,000	350,000			850,000
911 Fund	186,449	743,000			929,449
Special Reserve Fund		550			550
PPC - Detention Center Fund				325,238	325,238
Total Transfers Out	<u>\$ 686,449</u>	<u>\$ 6,573,739</u>	<u>\$ 686,449</u>	<u>\$ 325,238</u>	<u>\$ 8,271,875</u>

Reason for transfers:

To move resources from and to 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, 2024, was \$149,693.

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

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 \$13,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Logan County Fiscal Court's receivable for lease payments was \$0.

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 \$5,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, 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, 2024, the Logan County Fiscal Court's receivable for lease payments was \$0.

D. Administrative Office of the Courts (AOC)

On April 26, 2023, the Logan County Fiscal Court entered into a lease agreement with Administrative Office of the Courts (AOC) for occupancy of office space in the Logan County courthouse. The lease was for one fiscal year and Logan County would receive quarterly payments. Logan County recognized \$275,600 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, 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, 2024, the value of the lease liability was \$900. The Logan County Fiscal Court is required to make monthly principal payments of \$75.

B. 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, 2024, the value of the lease liability was \$1,500. The Logan County Fiscal Court is required to make monthly principal payments of \$125.

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

Note 5. Leases (Continued)

2. Lessee (Continued)

C. 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 \$31,206 during the current fiscal year. As of June 30, 2024, the value of the lease liability was \$14,901. The Logan County Fiscal Court is required to make monthly payment of \$532. The remaining lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 6,386
2026	6,386
2027	<u>2,129</u>
Total	<u>\$ 14,901</u>

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

A. SBITA – Accounting Subscription

The Logan County Fiscal Court entered into a subscription-based information technology arrangement for accounting software in the finance department. The subscription terms are 20 years totaling \$16,990, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$0.

B. SBITA – Accounting Subscription

The Logan County Fiscal Court entered into a subscription-based information technology arrangement for accounting software in the occupational tax department. The subscription terms are 20 years totaling \$9,995, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$0.

C. SBITA – Accounting Subscription

The Logan County Fiscal Court entered into a subscription-based information technology arrangement for accounting software in the finance department. The subscription terms are 20 years totaling \$13,560, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$0.

D. SBITA – Accounting Subscription

The Logan County Fiscal Court entered into a subscription-based information technology arrangement for accounting software in the finance department. The subscription terms are 20 years totaling \$11,000, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$0.

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

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

E. SBITA – County Clerk

The Logan County Fiscal Court entered into a subscription-based information technology arrangement for the county clerk's office. The subscription terms are five years totaling \$83,850, and the Logan County Fiscal Court will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$0.

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.

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, 2024, was \$330,000. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 330,000	\$ 6,600
Totals	\$ 330,000	\$ 6,600

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

Note 7. Long-term Debt (Continued)

A. Other Debt (Continued)

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.

Total principal balance outstanding as of June 30, 2024, was \$3,970,000. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 950,000	\$ 119,100
2026	980,000	90,600
2027	1,005,000	61,200
2028	1,035,000	31,050
Totals	<u>\$ 3,970,000</u>	<u>\$ 301,950</u>

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

Note 7. Long-term Debt (Continued)

B. Changes In Long-term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
First Mortgage Revenue Refunding Bonds	\$ 5,535,000	\$	\$ 1,235,000	\$ 4,300,000	\$ 1,280,000
Total Long-term Debt	<u>\$ 5,535,000</u>	<u>\$ 0</u>	<u>\$ 1,235,000</u>	<u>\$ 4,300,000</u>	<u>\$ 1,280,000</u>

C. Aggregate Debt Schedule

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

<u>Fiscal Year Ended June 30</u>	<u>Other Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,280,000	\$ 125,700
2026	980,000	90,600
2027	1,005,000	61,200
2028	<u>1,035,000</u>	<u>31,050</u>
Totals	<u>\$ 4,300,000</u>	<u>\$ 308,550</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. Commitment Debt

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.

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

Note 10. Employee Retirement System

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

The county's contribution for FY 2022 was \$1,089,275, FY 2023 was \$1,292,036, and FY 2024 was \$1,267,772.

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

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

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

The county's contribution rate for nonhazardous employees was 23.34%.

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:

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

Note 10. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

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

Once members reach a minimum vesting period of 15 years, they earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5%. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

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

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%. 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.

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

Note 10. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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.

F. Annual Financial Report and Proportionate Share Audit Report

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

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

Note 11. 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.

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

Note 12. 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, 2024, was \$172,861. The balance of the flexible spending account as of June 30, 2024, was \$7,049.

Note 13. Insurance

For the fiscal year ended June 30, 2024, 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 14. 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 2024, the Logan County Fiscal Court's health insurance fund had a beginning balance of \$964,050. The fund received \$580,623 and disbursed \$1,141,277. The health insurance fund had a balance of \$403,396 as of June 30, 2024.

Note 15. Subsequent Event

On August 27, 2024, the Logan County Fiscal Court approved to move forward with securing financing in the amount of \$6,000,000 at a projected 6.25% interest rate for a 24-month term, 5 years fixed then adjustable for the construction of a new spec building located on Shelton Lane. Principal and interest payments will be made by the Logan County Fiscal Court at 90% and the City of Russellville at 10% until such time as the building is sold; at which time, the county will be made whole.

Note 16. Related Party Transactions

- A. 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 \$13,000 for rent; respectively to the fiscal court for fiscal year June 30, 2024.
- B. One of Logan County Fiscal Court's magistrates used another business to bill purchases or labor performed by his business. There was a total of \$3,429 for fiscal year June 30, 2024, paid that appears to be a result of this activity.

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

Note 17. Conduit Debt

From time to time, the county has issued bonds 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. As of June 30, 2024, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 18. 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, 2024, the Logan County Fiscal Court abated \$100,079.

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 was suspended from this incentive program during fiscal year June 30, 2023, and did not obtain good standing status until April 9, 2024. For fiscal year ended June 30, 2024, the 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. For fiscal year ended June 30, 2024, the Logan County Fiscal Court abated \$119,574.

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

Note 18. Tax Abatements (Continued)

D. 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. For fiscal year ended June 30, 2024, the Logan County Fiscal Court abated \$91,054.

Note 19. Prior Period Adjustments

	General Fund	Jail Fund	Jail Commissary Fund
Ending Fund Balances Prior Year	\$ 680,019	\$ 57,625	\$ 283,260
Rounding	1		
Prior Year Voided Checks	508	959	561
Beginning Fund Balances Restated	<u>\$ 680,528</u>	<u>\$ 58,584</u>	<u>\$ 283,821</u>

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

For The Year Ended June 30, 2024

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LOGAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 2,504,300	\$ 2,504,300	\$ 3,009,396	\$ 505,096
In Lieu Tax Payments	215,500	215,500	253,373	37,873
Licenses and Permits	30,000	30,000	18,637	(11,363)
Intergovernmental	2,052,217	2,052,217	2,504,767	452,550
Miscellaneous	209,595	220,655	283,211	62,556
Interest	4,676	4,676	44,164	39,488
Total Receipts	<u>5,016,288</u>	<u>5,027,348</u>	<u>6,113,548</u>	<u>1,086,200</u>
DISBURSEMENTS				
General Government	7,798,115	7,719,132	6,466,494	1,252,638
Protection to Persons and Property	926,608	931,603	724,612	206,991
General Health and Sanitation	300	300	300	
Social Services	1,000	1,000	400	600
Recreation and Culture	58,000	58,000	56,050	1,950
Capital Projects	97,981	100,964	100,964	
Administration	1,216,587	1,195,500	905,906	289,594
Total Disbursements	<u>10,098,591</u>	<u>10,006,499</u>	<u>8,254,726</u>	<u>1,751,773</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(5,082,303)</u>	<u>(4,979,151)</u>	<u>(2,141,178)</u>	<u>2,837,973</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	4,282,303	4,282,303	2,452,638	(1,829,665)
Transfers To Other Funds			(686,449)	(686,449)
Total Other Adjustments to Cash (Uses)	<u>4,282,303</u>	<u>4,282,303</u>	<u>1,766,189</u>	<u>(2,516,114)</u>
Net Change in Fund Balance	(800,000)	(696,848)	(374,989)	321,859
Fund Balance - Beginning (Restated)	<u>800,000</u>	<u>800,000</u>	<u>680,528</u>	<u>(119,472)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 103,152</u>	<u>\$ 305,539</u>	<u>\$ 202,387</u>

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 2,566,573	\$ 2,566,573	\$ 2,263,690	\$ (302,883)
Miscellaneous	600	600	5,142	4,542
Interest	2,317	2,317	36,414	34,097
Total Receipts	<u>2,569,490</u>	<u>2,569,490</u>	<u>2,305,246</u>	<u>(264,244)</u>
DISBURSEMENTS				
General Government	500	742	737	5
Roads	3,111,076	3,111,678	2,140,945	970,733
Capital Projects	200,000	200,000	79,750	120,250
Administration	443,967	443,123	331,481	111,642
Total Disbursements	<u>3,755,543</u>	<u>3,755,543</u>	<u>2,552,913</u>	<u>1,202,630</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,186,053)</u>	<u>(1,186,053)</u>	<u>(247,667)</u>	<u>938,386</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>1,014,053</u>	<u>1,014,053</u>	<u>250,000</u>	<u>(764,053)</u>
Total Other Adjustments to Cash (Uses)	<u>1,014,053</u>	<u>1,014,053</u>	<u>250,000</u>	<u>(764,053)</u>
Net Change in Fund Balance	(172,000)	(172,000)	2,333	174,333
Fund Balance - Beginning	<u>172,000</u>	<u>172,000</u>	<u>111,514</u>	<u>(60,486)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 113,847</u>	<u>\$ 113,847</u>

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,203,860	\$ 1,203,860	\$ 1,231,447	\$ 27,587
Charges for Services	11,100	11,100	38,126	27,026
Miscellaneous	55,200	139,964	217,564	77,600
Interest	550	550	6,850	6,300
Total Receipts	<u>1,270,710</u>	<u>1,355,474</u>	<u>1,493,987</u>	<u>138,513</u>
DISBURSEMENTS				
Protection to Persons and Property	2,835,299	2,986,399	2,812,354	174,045
Debt Service	325,238			
Administration	1,220,914	1,154,578	950,646	203,932
Total Disbursements	<u>4,381,451</u>	<u>4,140,977</u>	<u>3,763,000</u>	<u>377,977</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,110,741)</u>	<u>(2,785,503)</u>	<u>(2,269,013)</u>	<u>516,490</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	2,980,741	2,980,741	2,640,000	(340,741)
Transfers To Other Funds		(325,238)	(325,238)	
Total Other Adjustments to Cash (Uses)	<u>2,980,741</u>	<u>2,655,503</u>	<u>2,314,762</u>	<u>(340,741)</u>
Net Change in Fund Balance	(130,000)	(130,000)	45,749	175,749
Fund Balance - Beginning (Restated)	<u>130,000</u>	<u>130,000</u>	<u>58,584</u>	<u>(71,416)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,333</u>	<u>\$ 104,333</u>

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

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 100,000	\$ 3,868,139	\$ 282,426	\$ (3,585,713)
Charges for Services	424	424	6,668	6,244
Miscellaneous			291	291
Interest	229	229	1,858	1,629
Total Receipts	<u>100,653</u>	<u>3,868,792</u>	<u>291,243</u>	<u>(3,577,549)</u>
DISBURSEMENTS				
General Government	233,700	4,001,839	226,213	3,775,626
General Health and Sanitation	126,000	210,687	194,475	16,212
Social Services	41,500	25,956	23,660	2,296
Recreation and Culture	552,527	552,966	549,584	3,382
Airports	40,000	40,000	28,601	11,399
Administration	2,122	76,630	76,630	
Total Disbursements	<u>995,849</u>	<u>4,908,078</u>	<u>1,099,163</u>	<u>3,808,915</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(895,196)</u>	<u>(1,039,286)</u>	<u>(807,920)</u>	<u>231,366</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>885,196</u>	<u>885,196</u>	<u>824,000</u>	<u>(61,196)</u>
Total Other Adjustments to Cash (Uses)	<u>885,196</u>	<u>885,196</u>	<u>824,000</u>	<u>(61,196)</u>
Net Change in Fund Balance	(10,000)	(154,090)	16,080	170,170
Fund Balance - Beginning	<u>10,000</u>	<u>10,000</u>	<u>9,130</u>	<u>(870)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (144,090)</u>	<u>\$ 25,210</u>	<u>\$ 169,300</u>

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

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
DISBURSEMENTS				
Administration	\$ 55	\$ 55	\$	\$ 55
Total Disbursements	55	55		55
Net Change in Fund Balance	(55)	(55)		55
Fund Balance - Beginning	55	55	55	
Fund Balance - Ending	\$ 0	\$ 0	\$ 55	\$ 55

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

	SOLID WASTE FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Licenses and Permits	\$ 80,000	\$ 80,000	\$ 137,794	\$ 57,794
Intergovernmental	61,204	61,204	131,922	70,718
Miscellaneous	18,100	18,100	16,055	(2,045)
Interest	1,500	1,500	18,197	16,697
Total Receipts	<u>160,804</u>	<u>160,804</u>	<u>303,968</u>	<u>143,164</u>
DISBURSEMENTS				
General Health and Sanitation	305,486	306,846	215,636	91,210
Administration	295,318	207,309	61,314	145,995
Total Disbursements	<u>600,804</u>	<u>514,155</u>	<u>276,950</u>	<u>237,205</u>
Net Change in Fund Balance	(440,000)	(353,351)	27,018	380,369
Fund Balance - Beginning	<u>440,000</u>	<u>440,000</u>	<u>451,551</u>	<u>11,551</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 86,649</u>	<u>\$ 478,569</u>	<u>\$ 391,920</u>

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

PARKS AND RECREATION FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$ 2,463	\$ 2,463	\$ 54,768	\$ 52,305
Total Receipts	<u>2,463</u>	<u>2,463</u>	<u>54,768</u>	<u>52,305</u>
DISBURSEMENTS				
Recreation and Culture	1,105,657	1,605,657	1,500	1,604,157
Total Disbursements	<u>1,105,657</u>	<u>1,605,657</u>	<u>1,500</u>	<u>1,604,157</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,103,194)</u>	<u>(1,603,194)</u>	<u>53,268</u>	<u>1,656,462</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	350,000	350,000	850,000	500,000
Total Other Adjustments to Cash (Uses)	<u>350,000</u>	<u>350,000</u>	<u>850,000</u>	<u>500,000</u>
Net Change in Fund Balance	(753,194)	(1,253,194)	903,268	2,156,462
Fund Balance - Beginning	<u>753,194</u>	<u>753,194</u>	<u>753,235</u>	<u>41</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (500,000)</u>	<u>\$ 1,656,503</u>	<u>\$ 2,156,503</u>

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

	OCCUPATIONAL TAX FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,969,000	\$ 3,969,000	\$ 5,081,925	\$ 1,112,925
Interest	25,000	25,000	271,677	246,677
Total Receipts	<u>3,994,000</u>	<u>3,994,000</u>	<u>5,353,602</u>	<u>1,359,602</u>
DISBURSEMENTS				
General Government	399,175	485,824	469,160	16,664
Administration	88,043	47,106	45,108	1,998
Total Disbursements	<u>487,218</u>	<u>532,930</u>	<u>514,268</u>	<u>18,662</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>3,506,782</u>	<u>3,461,070</u>	<u>4,839,334</u>	<u>1,378,264</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(11,068,332)</u>	<u>(11,068,332)</u>	<u>(6,573,739)</u>	<u>4,494,593</u>
Total Other Adjustments to Cash (Uses)	<u>(11,068,332)</u>	<u>(11,068,332)</u>	<u>(6,573,739)</u>	<u>4,494,593</u>
Net Change in Fund Balance	(7,561,550)	(7,607,262)	(1,734,405)	5,872,857
Fund Balance - Beginning	<u>7,561,550</u>	<u>7,561,550</u>	<u>7,941,778</u>	<u>380,228</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (45,712)</u>	<u>\$ 6,207,373</u>	<u>\$ 6,253,085</u>

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

LIFESKILLS REVOLVING LOAN FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$ 539	\$ 539	\$ 6,311	\$ 5,772
Total Receipts	539	539	6,311	5,772
DISBURSEMENTS				
General Government	154,704	154,704		154,704
Total Disbursements	154,704	154,704		154,704
Net Change in Fund Balance	(154,165)	(154,165)	6,311	160,476
Fund Balance - Beginning	154,165	154,165	154,164	(1)
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 160,475</u>	<u>\$ 160,475</u>

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

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 298,824	\$ 298,824	\$ 319,365	\$ 20,541
Miscellaneous	100	100	12,409	12,309
Interest	223	223	9,229	9,006
Total Receipts	<u>299,147</u>	<u>299,147</u>	<u>341,003</u>	<u>41,856</u>
DISBURSEMENTS				
Protection to Persons and Property	1,515,888	1,520,783	724,752	796,031
Administration	408,748	590,302	330,769	259,533
Total Disbursements	<u>1,924,636</u>	<u>2,111,085</u>	<u>1,055,521</u>	<u>1,055,564</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,625,489)</u>	<u>(1,811,938)</u>	<u>(714,518)</u>	<u>1,097,420</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,555,489	1,555,489	929,449	(626,040)
Total Other Adjustments to Cash (Uses)	<u>1,555,489</u>	<u>1,555,489</u>	<u>929,449</u>	<u>(626,040)</u>
Net Change in Fund Balance	(70,000)	(256,449)	214,931	471,380
Fund Balance - Beginning	<u>70,000</u>	<u>70,000</u>	<u>35,064</u>	<u>(34,936)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (186,449)</u>	<u>\$ 249,995</u>	<u>\$ 436,444</u>

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

COUNTY CLERK STORAGE FEES FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 50,508	\$ 50,508	\$ 48,960	\$ (1,548)
Interest	100	100	2,505	2,405
Total Receipts	<u>50,608</u>	<u>50,608</u>	<u>51,465</u>	<u>857</u>
DISBURSEMENTS				
General Government	85,028	85,028	98	84,930
Total Disbursements	<u>85,028</u>	<u>85,028</u>	<u>98</u>	<u>84,930</u>
Net Change in Fund Balance	(34,420)	(34,420)	51,367	85,787
Fund Balance - Beginning	<u>34,420</u>	<u>34,420</u>	<u>35,835</u>	<u>1,415</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,202</u>	<u>\$ 87,202</u>

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

	AMERICA RESCUE PLAN ACT FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Interest	\$ 18,451	\$ 18,451	\$ 163,888	\$ 145,437
Total Receipts	<u>18,451</u>	<u>18,451</u>	<u>163,888</u>	<u>145,437</u>
DISBURSEMENTS				
Capital Projects	4,400,626	4,400,626	1,185,417	3,215,209
Administration	726,406	39,956		39,956
Total Disbursements	<u>5,127,032</u>	<u>4,440,582</u>	<u>1,185,417</u>	<u>3,255,165</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(5,108,581)</u>	<u>(4,422,131)</u>	<u>(1,021,529)</u>	<u>3,400,602</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(686,449)	(686,449)
Total Other Adjustments to Cash (Uses)			<u>(686,449)</u>	<u>(686,449)</u>
Net Change in Fund Balance	(5,108,581)	(4,422,131)	(1,707,978)	2,714,153
Fund Balance - Beginning	<u>5,108,581</u>	<u>5,108,581</u>	<u>5,108,432</u>	<u>(149)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 686,450</u>	<u>\$ 3,400,454</u>	<u>\$ 2,714,004</u>

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

NATIONAL OPIOID SETTLEMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 22,627	\$ 22,627	\$ 170,728	\$ 148,101
Interest	475	475	7,163	6,688
Total Receipts	<u>23,102</u>	<u>23,102</u>	<u>177,891</u>	<u>154,789</u>
DISBURSEMENTS				
Administration	160,011	160,011	1,000	159,011
Total Disbursements	<u>160,011</u>	<u>160,011</u>	<u>1,000</u>	<u>159,011</u>
Net Change in Fund Balance	(136,909)	(136,909)	176,891	313,800
Fund Balance - Beginning	<u>136,909</u>	<u>136,909</u>	<u>136,908</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 313,799</u>	<u>\$ 313,799</u>

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

	SPECIAL RESERVE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$ 5,850	\$ 5,850	\$ 205,663	\$ 199,813
Total Receipts	<u>5,850</u>	<u>5,850</u>	<u>205,663</u>	<u>199,813</u>
DISBURSEMENTS				
Administration	4,198,147	4,198,147		4,198,147
Total Disbursements	<u>4,198,147</u>	<u>4,198,147</u>		<u>4,198,147</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,192,297)</u>	<u>(4,192,297)</u>	<u>205,663</u>	<u>4,397,960</u>
Other Adjustments to Cash (Uses)				
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	(4,191,747)	(4,191,747)	206,213	4,397,960
Fund Balance - Beginning	<u>4,191,747</u>	<u>4,191,747</u>	<u>4,192,699</u>	<u>952</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,398,912</u>	<u>\$ 4,398,912</u>

LOGAN COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2024

Note 1. Budgetary Information

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

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

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

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

For The Year Ended June 30, 2024

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LOGAN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

The fiscal court reports the following Schedule of Capital Assets:

	(Restated*) Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 3,113,898	\$ 56,850	\$	\$ 3,170,748
Construction In Progress		1,500		1,500
Building and Building Improvements	20,570,614	224,350		20,794,964
Equipment*	5,101,516	327,390	198,929	5,229,977
Vehicles*	2,542,336	367,465	122,874	2,786,927
Infrastructure	15,458,500	623,710	1,886,220	14,195,990
 Total Capital Assets	 <u>\$ 46,786,864</u>	 <u>\$ 1,601,265</u>	 <u>\$ 2,208,023</u>	 <u>\$ 46,180,106</u>

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

June 30, 2024

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 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

Note 2. Restatement of Capital Assets Beginning Balances

Equipment and vehicles beginning balances were restated by \$2,389,052 and \$(2,389,052) respectively for misclassification.

**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, 2024, 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 November 25, 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-001 to be a material weakness.



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

Report on Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-002 to be a significant deficiency.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2024-001.

Views of Responsible Officials and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Logan County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The county's response was not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 25, 2024

**LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2024

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**LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2024

FINANCIAL STATEMENT FINDINGS:

2024-001 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements

The Logan County Fiscal Court did not implement adequate internal controls over procurement and purchasing to ensure that statutory requirements were being met, which allowed the following noncompliances and issues to occur:

- Fourteen of 53 transactions tested totaling \$117,495 were not paid within 30 working days.
- A contract for maintenance and monitoring of the emergency communication system was not properly advertised for bids. The bid solicitation failed to include renewal language that was added to the approved bid contract.
- The contract for maintenance and monitoring of the emergency communication system included language that the county would pay 18% over the costs for parts and shipping, but documentation of the actual costs for parts and shipping was not obtained.
- Billings for parts and labor performed by a magistrate's company appear to have been submitted on invoices by a third-party vendor which may be a violation of the county's adopted ethics code.

Per inquiry with the county staff, the invoices were paid late due to the fiscal court not receiving the invoices in a timely manner from the jail where invoices are directly sent from the vendors. Also, there was a lack of understanding of the requirements of bid solicitations for contracts and what documentation should be obtained from the vendor to support costs paid in accordance with contract terms. Additionally, county staff stated that they were unaware of the business relationship involving billings between the magistrate and the third party until a part was erroneously purchased from the magistrate's company.

Interest penalties can accrue for amounts unpaid 30 working days after receipt of the vendor's invoice. Additionally, the county may not be receiving the best contract when the length of the contract is not included in the bid request. The county may also be overpaying on the contract if support for actual parts and shipping paid by the vendor is not reviewed. Also, any official found to be in violation of the county's ethics code would be subject to a civil fine and shall forfeit the economic gain realized as a result of the violation.

KRS 65.140(2) states, "[u]nless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor's subcontractor."

KRS 424.260(1) states, "[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for: (a) Materials; (b) Supplies, except perishable foods such as meat, poultry, fish, egg products, fresh vegetables, and fresh fruits; (c) Equipment; or (d) Contractual services other than professional; involving an expenditure of more than forty thousand dollars (\$40,000) without first making newspaper advertisement for bids." The bid solicitation advertised under this statute should include all components of the requested contract to allow a basis for exact comparison of the bids received. *See* KRS 424.140; OAG 94-20.

**LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2024
(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-001 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements (Continued)

The Logan County Code of Ethics section II Standards of Conduct states, “A. No County government officer or employees or member of his immediate family shall have an interest in a business organization or engage in any business, transaction, or professional capacity, which is a substantial conflict with the proper discharge of his duties in the public interest; B. No government officer or employee shall use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others; C. No County government officer or employee shall act in his official capacity in any matter where he, a member of his immediate family, or a business organization in which he has an interest, has a direct or indirect financial or personal involvement that might reasonably be expected to impair his objectivity or independence or judgment.”

We recommend the fiscal court implement internal controls to ensure all invoices are paid within 30 days to comply with KRS 65.140. The fiscal court should also implement proper procurement procedures to be certain that bid requests include all pertinent information in order for the fiscal court to receive the best bids. Additionally, the fiscal court should require supporting documentation when contracts specify percentage amounts over cost to verify the county is not overpaying for such items. The fiscal court should also investigate invoices that come from companies that include charges for items the company does not provide. Catalogs or a price list should be compared to items and services purchased. Also, the fiscal court should obtain a ruling from the applicable board of ethics regarding the possible ethics violation. The third-party billing issue will be referred to the Kentucky Attorney General’s Office for review.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive’s Response:

- *Logan County Fiscal Court’s accounts payable makes every effort to ensure all invoices are paid within 30 days to comply with KRS 65.140. As outlined in Logan County’s Administrative Code, Page 15, Claims Against Logan County, C. Each claim shall be recorded by date, receipt and purchases order number and presented to the Fiscal Court at its next meeting. Page 23, Small Purchase Procedures, Item C. The deadline for purchase orders to be turned in for payment is the Wednesday preceding the following Tuesday’s Fiscal Court meeting. All departments have been provided a copy of the Administrative Code. Only bills received by accounts payable can be processed timely.*
- *Logan County Fiscal Court will ensure all bid requests include all pertinent information in order for the fiscal to receive the best bid.*
- *Notification has been sent to all contracted vendors that supporting documentation is required when a contract specifically states a percentage amount over cost for parts and shipping in order for the county to verify that we are not overpaying for these items.*
- *Most members of the Logan County Fiscal Court were unaware that billings for parts and labor performed by a magistrate’s company were submitted on invoices by a third-party vendor which is in violation of the county’s adopted ethics code. At this time, the Logan Count Judge/Executive is consulting with the County Attorney in reference to proper action regarding this finding.*

LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2024
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-002 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts

The Logan County Jail failed to establish and implement adequate controls over the commissary and inmate accounts. The following findings were noted during the audit as a result of the inadequate internal controls:

- The jail commissary annual financial statement was incorrect and not timely filed with the county treasurer.
- The Inmate Account was not being properly reconciled to the total inmate individual balances. As a result, there is a significant amount of funds remaining in the Inmate Account that should no longer be in the account and jail personnel cannot offer an explanation for the variance.
- Receipts are not being issued for items received by the Commissary Account nor are daily checkout sheets being prepared for the deposits.
- Inmate account deposits are not being made on a daily basis.
- Additionally, the following issues were noted with jail commissary disbursements:
 - Two invoices totaling \$4,208 were not itemized.
 - Four transactions totaling \$9,988 did not have invoices to support the payment.
 - One disbursement in the amount of \$527 was not paid within 30 days.
 - The jailer failed to follow proper bidding procedures for the purchase of a camera system in the amount of \$47,075.
- Lastly, there was a lack of segregation of duties over jail commissary activity. While the jailer tried to implement some compensating controls, they were not sufficient to prevent the findings noted above from occurring.

The above findings were a result of multiple reasons. The bookkeeper did not receive adequate training on the commissary accounting procedures and financial software. In addition, the bookkeeper was unaware of the requirement to submit an annual commissary report to the county treasurer, nor did she know she should be reconciling the Inmate Account to the trust balances held for inmates. Furthermore, her lack of knowledge on daily checkout requirements per the *County Budget Preparation and State Local Finance Office Policy Manual* resulted in multiple findings. Lastly, the disbursement findings were caused by a lack of oversight and understanding of requirements for supporting documentation and bidding procedures.

By not submitting a complete and accurate financial statement to the county treasurer annually, the fiscal court is unaware of the activity of the commissary account. Additionally, proper reconciliation of the inmate account is necessary to ensure that funds being held in trust for the inmates are available at all times, as well as all other funds have been properly disbursed to the jail commissary account. Lastly, receipts were left vulnerable to misappropriation and loss, disbursements have an increased risk of paying invoices for goods or services that are not allowable or were not provided to the jail, and by not properly following bidding procedures the jailer may not have received the best price value for services or products provided.

KRS 46.010(2) requires, “each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements.” KRS 46.010(3) requires, “all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires.” Segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports.

**LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2024
(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-002 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts (Continued)

In addition, all financial personnel should be provided adequate training to perform their job duties. Without adequate training, segregation of duties will fail to catch the mistakes and potential fraud that it is designed to prevent. Another basic internal control that is necessary is maintaining accurate and itemized invoices for all disbursements to prove they are valid expenses and for allowable purposes.

KRS 441.135(2) states, in part, “[t]he jailer shall keep books of accounts of all receipts and disbursements from the canteen and shall annually report to the county treasurer on the canteen account.”

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* requires officials make daily deposits into a federally insured banking institution. In addition, KRS 64.840 requires that a receipt be created in triplicate for any funds received by the jail, including by its commissary. One of those receipts should be attached to the daily checkout sheet and deposit to help support the total.

KRS 65.140(2) states, “[u]nless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor's subcontractor.”

KRS 424.260 requires that county officials advertise and obtain bids for materials, supplies, equipment, and contractual services for all expenditures exceeding \$40,000.

We recommend the Logan County Jail implement sufficient internal controls over the jail commissary account and financial statements, as well as the inmate account to ensure complete and accurate records are maintained, in addition, to being in compliant with applicable statutes.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response:

- *Emails were sent to the Office Staff on 08/02/2023, 8/10/2023, and to the Administrative Assistant and Jailer on 12/11/2023 by the county treasurer regarding the jail commissary annual financial statement requirements and supplied copies of previous reports for reference.*
- *Reconciliation of the inmate bank account is the responsibility of the jailer and his staff. Logan County Fiscal Court has not oversight of this account.*
- *A copy of the Department for Local Government's County Budget Preparation and State Local Finance Officer Policy Manual which contains all requirements regarding receipts for the commissary account was provided to the Jailer when he was elected to office by the County Judge's office. Logan County Fiscal Court had no oversight of the receipts of the commissary account.*
- *Logan County Fiscal Court has no oversight of the inmate account deposits.*
- *Logan County Fiscal Court has no oversight on jail commissary disbursements.*

LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2024
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-002 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts (Continued)

Views of Responsible Official and Planned Corrective Action: (Continued)

County Jailer's Response:

The financial statement is not something the bookkeeper can get on her own. She must go through their software company with specifics on what is needed.

Corrective action plan- bookkeeper plans to go through emails with the auditor and [software name redacted] to see what exactly was needed to be better equipped for next year.

The inmate account is reconciled monthly between the bank statements and the software company and must equal out before it is closed. Regarding the extra funds in the account, different funds get put in different accounts to be paid out. In August, the jail called someone in to go through these accounts to make sure the right things were being paid out of the right accounts. All funds have been held in this account until this process is complete and back taxes have been paid. All that has been pulled from this account is what's being paid to the county treasurer monthly.

Corrective action plan- Continue to go through this account to get things moved around and the back taxes paid.

There were several missing receipts and invoices from before the new bookkeeper took over. She tried to go through all paperwork to find them. Checkout sheets were always only done on the inmate account.

Corrective action plan- The bookkeeper will make sure there is itemized receipts and invoices on all through the commissary account. When a deposit is made through the commissary account a checkout sheet will be made for all transactions.

Deposits are not made daily when we do not have enough people to do them correctly.

Corrective action plan- Try to make sure we have enough people to do them correctly.

Additional issues noted with the jail commissary account.

Corrective action plan- The bookkeeper will try to make sure all invoices are itemized. All invoices will have invoices attached. A date stamp has been purchased so the invoices can be stamped and paid in the correct time frame. The jailer will make sure to get the proper bids on all purchases and document why he went with the purchase he chose.

Auditor's Reply: Per KRS 441.135, the jailer shall keep books of accounts of all receipts and disbursements from the canteen and shall annually report to the county treasurer on the canteen account. An example of this report is provided in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*.

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

LOGAN COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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

A handwritten signature in blue ink, appearing to read "Billy E. Bui", written over a horizontal line.

County Judge/Executive

A handwritten signature in blue ink, appearing to read "Amanda Strout", written over a horizontal line.

County Treasurer