

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

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



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

Independent Auditor's Report

To the People of Kentucky  
The Honorable Andy Beshear, Governor  
Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
The Honorable Mitchell Page, Monroe County Judge/Executive  
Members of the Monroe 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 Monroe County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Monroe 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 Monroe County Fiscal Court, for the year ended June 30, 2023, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

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

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

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

**Other Matters**

***Supplementary Information***

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

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2024, on our consideration of the Monroe 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 Monroe County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

August 20, 2024



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

Mitchell Page	County Judge/Executive
Jamie Veach	Magistrate
Roger Deckard	Magistrate (July 1, 2022 to December 31, 2022)
Ronnie Page	Magistrate (January 1, 2023 to June 30, 2023)
Ricky Bartley	Magistrate
Ricky Graves	Magistrate (July 1, 2022 to December 31, 2022)
Nathan Fox	Magistrate (January 1, 2023 to June 30, 2023)
Mark Williams	Magistrate

**Other Elected Officials:**

Wesley Stephens	County Attorney
Robbie Hutcherson	Jailer
Brandi Kirkpatrick Birge	County Clerk
Kimberly Hagan	Circuit Court Clerk
Dale Ford	Sheriff
Shawn Guffey	Property Valuation Administrator
Maxey Gentry	Coroner

**Appointed Personnel:**

Ricky Graves	Deputy Judge/Executive
Renea Crowe	County Treasurer
Brittany Pennington	Finance Officer
Sheryl Conkin	Occupational Tax Administrator

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

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

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

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

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
<b>RECEIPTS</b>			
Taxes	\$ 2,220,511	\$	\$
In Lieu Tax Payments	49,300		
Excess Fees	171,334		
Licenses and Permits	18,644		
Intergovernmental	716,574	1,507,393	87,139
Miscellaneous	47,515	35,547	15,354
Interest	4,354	2,468	256
Total Receipts	<u>3,228,232</u>	<u>1,545,408</u>	<u>102,749</u>
<b>DISBURSEMENTS</b>			
General Government	1,114,216		
Protection to Persons and Property	404,355		503,332
General Health and Sanitation	93,472		
Social Services	13,092		
Recreation and Culture	10,517		
Roads		1,419,222	
Airports			
Debt Service			
Capital Projects	36,564		
Administration	760,764	83,990	12,033
Total Disbursements	<u>2,432,980</u>	<u>1,503,212</u>	<u>515,365</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>795,252</u>	<u>42,196</u>	<u>(412,616)</u>
<b>Other Adjustments to Cash (Uses)</b>			
Transfers From Other Funds			475,000
Transfers To Other Funds	(481,193)		
Total Other Adjustments to Cash (Uses)	<u>(481,193)</u>		<u>475,000</u>
Net Change in Fund Balance	314,059	42,196	62,384
Fund Balance - Beginning	<u>2,024,354</u>	<u>577,527</u>	<u>61,501</u>
Fund Balance - Ending	<u>\$ 2,338,413</u>	<u>\$ 619,723</u>	<u>\$ 123,885</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 2,357,250	\$ 627,478	\$ 150,970
Less: Outstanding Checks	<u>(18,837)</u>	<u>(7,755)</u>	<u>(27,085)</u>
Fund Balance - Ending	<u>\$ 2,338,413</u>	<u>\$ 619,723</u>	<u>\$ 123,885</u>

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

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

<b>Budgeted Funds</b>				
<b>Local Government Economic Assistance Fund</b>	<b>Community Development Block Grant Fund</b>	<b>Health Reimbursement Account Fund</b>	<b>County Clerk Storage Fee Fund</b>	<b>American Rescue Plan Act Fund</b>
\$	\$	\$	\$	\$
41,537	19,200			1,034,319
			16,148	74,200
171			6	2,964
<u>41,708</u>	<u>19,200</u>		<u>16,154</u>	<u>1,111,483</u>
5,000			9,682	45,495
44,598				22,900
	19,200			
3,000				
		4,541		504,137
<u>52,598</u>	<u>19,200</u>	<u>4,541</u>	<u>9,682</u>	<u>572,532</u>
<u>(10,890)</u>		<u>(4,541)</u>	<u>6,472</u>	<u>538,951</u>
		6,193		
		<u>6,193</u>		
(10,890)		1,652	6,472	538,951
77,546		6,307		642,447
<u>\$ 66,656</u>	<u>\$ 0</u>	<u>\$ 7,959</u>	<u>\$ 6,472</u>	<u>\$ 1,181,398</u>
\$ 68,906	\$	\$ 7,959	\$ 6,472	\$ 1,181,398
(2,250)				
<u>\$ 66,656</u>	<u>\$ 0</u>	<u>\$ 7,959</u>	<u>\$ 6,472</u>	<u>\$ 1,181,398</u>

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

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

	<u>Unbudgeted Funds</u>		
	<u>Opioid Settlement Fund</u>	<u>Public Properties Corporation Fund</u>	<u>Total Funds</u>
<b>RECEIPTS</b>			
Taxes	\$	\$	\$ 2,220,511
In Lieu Tax Payments			49,300
Excess Fees			171,334
Licenses and Permits			18,644
Intergovernmental		735,575	4,141,737
Miscellaneous	125,244		314,008
Interest		771	10,990
Total Receipts	<u>125,244</u>	<u>736,346</u>	<u>6,926,524</u>
<b>DISBURSEMENTS</b>			
General Government			1,174,393
Protection to Persons and Property			975,185
General Health and Sanitation			93,472
Social Services			32,292
Recreation and Culture			10,517
Roads			1,419,222
Airports			3,000
Debt Service		735,575	735,575
Capital Projects			36,564
Administration			1,365,465
Total Disbursements		<u>735,575</u>	<u>5,845,685</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>125,244</u>	<u>771</u>	<u>1,080,839</u>
<b>Other Adjustments to Cash (Uses)</b>			
Transfers From Other Funds			481,193
Transfers To Other Funds			(481,193)
Total Other Adjustments to Cash (Uses)			<u>                    </u>
Net Change in Fund Balance	125,244	771	1,080,839
Fund Balance - Beginning		12,367	3,402,049
Fund Balance - Ending	<u>\$ 125,244</u>	<u>\$ 13,138</u>	<u>\$ 4,482,888</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 125,244	\$ 13,138	\$ 4,538,815
Less: Outstanding Checks			(55,927)
Fund Balance - Ending	<u>\$ 125,244</u>	<u>\$ 13,138</u>	<u>\$ 4,482,888</u>

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

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TO THE FINANCIAL STATEMENT**

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**MONROE COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2023**

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

**A. Reporting Entity**

The financial statement of Monroe County includes all budgeted and unbudgeted funds under the control of the Monroe 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 Monroe County Fire and Rescue Squad and the Monroe County Recreation, 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.

**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.

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.



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

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

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

**Budgeted Funds (Continued)**

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.

Community Development Block Grant Fund (CDBG) - The primary purpose of this fund is to account for Community Development Block Grant proceeds and expenditures.

Health Reimbursement Account Fund - The primary purpose of this fund is to account for health benefits for eligible employees. The source of receipts is \$500 per eligible employee and expenditures are automatically debited by the health insurance company.

County Clerk Storage Fee 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 receipt and disbursement of these federal funds. The primary source of this fund is federal money for the coronavirus recovery fund.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

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

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

**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.

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

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

**D. Budgetary Information (Continued)**

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

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

**E. Monroe County Elected Officials**

Kentucky law provides for election of the officials listed below from the geographic area constituting Monroe 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 Monroe 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).

**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.

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

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

**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 Monroe County Fiscal Court appoints board members and commissioners to the Monroe County Ambulance Service District, Monroe County Water District, Fountain Run Water District, and Industrial Development Board, thus making them related organizations.

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 Monroe County Fiscal Court entered an interlocal agreement with City of Tompkinsville for operation of Monroe County/Tompkinsville Airport Board. Joint control and financial interest/responsibility exists between entities within each of this agreement, thus creating a joint venture.

**Note 2. Deposits**

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

**Custodial Credit Risk - Deposits**

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

	General Fund	Total Transfers In
Jail Fund	\$ 475,000	\$ 475,000
Health Reimbursement Account Fund	6,193	6,193
Total Transfers Out	<u>\$ 481,193</u>	<u>\$ 481,193</u>

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

**Note 3. Transfers (Continued)**

Reason for transfers:

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

**Note 4. Leases**

**1. Lessor**

**A. Office Space**

On January 3, 2019, the Monroe County Fiscal Court began leasing office space upstairs in the courthouse to U.S. House of Representatives. The lease was for two years and extended to January 2, 2025, and the Monroe County Fiscal Court will receive monthly payments of \$1,500. The Monroe County Fiscal Court recognized \$18,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Monroe County Fiscal Court's receivable for lease payments was \$27,000.

**B. Administrative Office of the Courts**

On December 1, 2009, the Monroe County Public Properties Corporation (the corporation), a blended component unit of the fiscal court, began leasing the judicial center to the Administrative Office of the Courts (AOC). The lease is for two years, and the rental payments shall agree to the annual principal and interest costs on the bonds issued for the construction of the building. On July 1 of each even numbered year, the lease may be renewed by AOC, for another biennial period of two years. The lease renewal shall automatically be considered to have been affirmatively exercised each even numbered year by AOC, unless notice of its election not to exercise the option for the biennial period be given by AOC to the corporation, the trustee, and the county in writing at least 60 days prior to the renewal date hereof. The corporation recognized \$735,575 in lease revenue during the current fiscal year. As of June 30, 2023, the corporation's receivable for lease payments was \$4,425,000.

**2. Lessee - Vehicle**

During the current fiscal year, the Monroe County Fiscal Court entered into a two-year lease agreement as lessee for the acquisition and use of a vehicle for the sheriff's office. An initial lease liability was recorded in the amount of \$26,059 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$13,029. The Monroe County Fiscal Court is required to make monthly principal payments of \$1,086.

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

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Amount</u>
2024	<u>\$ 13,029</u>
Total Minimum Lease Payments	<u>\$ 13,029</u>

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

**Note 5. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Financing Obligation - Road Equipment**

On March 27, 2019, the Monroe County Fiscal Court entered into an agreement with the Kentucky Association Counties Leasing Trust Program (KACoLT) in the amount of \$150,000. The funds were used to purchase a road patcher, oil tank storage, and tank pad, for the road department. Interest is paid annually at a rate of 4.05%. Principal and interest payments are due on March 20 each year through fiscal year 2024. The agreement is secured by the road equipment. In the event of default, the road equipment will be repossessed by KACoLT. The outstanding principal balance as of June 30, 2023, was \$32,205. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 32,205	\$ 1,304
Totals	<u>\$ 32,205</u>	<u>\$ 1,304</u>

**2. Finance Obligation - Property For Community Park**

On August 20, 2020, the Monroe County Fiscal Court entered into a general obligation lease with KACoLT in the amount of \$425,000 with \$5,000 premium. The funds of \$430,000 were used on August 26, 2020, to make payment on a short term unsecured promissory note with a local financial institution that was used to purchase property for a community park. Interest is paid annually at a rate of 1.71%. Principal and interest payments are due on December 20 and June 20 each year until December 20, 2035. The agreement is secured by the property on Columbia Avenue. In the event of default, the property will be repossessed by KACoLT. The outstanding principal balance as of June 30, 2023, was \$375,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 25,000	\$ 10,502
2025	25,000	9,440
2026	25,000	8,377
2027	25,000	7,315
2028	30,000	6,152
2029-2033	150,000	20,484
2034-2036	<u>95,000</u>	<u>5,818</u>
Totals	<u>\$ 375,000</u>	<u>\$ 68,088</u>

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

**Note 5. Long-term Debt (Continued)**

**B. Other Debt**

**1. First Mortgage Refunding Revenue Bonds, Series 2016**

On November 17, 2016, the Monroe County Public Properties Corporation issued \$4,760,000 of first mortgage refunding revenue bonds to advance refund a portion to the series 2009 bonds, which were originally issued for the construction of the judicial center. Principal payments are due annually on November 1, with final payment being due November 1, 2028. Interest is payable semi-annually on May 1 and November 1 of each year at interest rate of 3%. Bonds maturing on or after November 1, 2027, are subject to redemption, in whole or in part, by the corporation prior to their state maturities, at any time on or after November 1, 2026, upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. A mortgage has been issued secured by the judicial center. In the event of default, the judicial center will be repossessed by the financial institution. The corporation has entered into an agreement to lease the Monroe County Judicial Center to the Administrative Office of the Courts, Commonwealth of Kentucky, for the amount of the bond payments. The bonds outstanding on June 30, 2023, totaled \$4,050,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 625,000	\$ 112,125
2025	645,000	93,075
2026	665,000	73,425
2027	685,000	53,175
2028	705,000	32,325
2029	725,000	10,875
Totals	<u>\$ 4,050,000</u>	<u>\$ 375,000</u>

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 463,276	\$	\$ 56,071	\$ 407,205	\$ 57,205
Revenue Bonds	4,655,000		605,000	4,050,000	625,000
Total Long-term Debt	<u>\$ 5,118,276</u>	<u>\$ 0</u>	<u>\$ 661,071</u>	<u>\$ 4,457,205</u>	<u>\$ 682,205</u>

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

**Note 5. Long-term Debt (Continued)**

**D. Aggregate Debt Schedule**

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

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 57,205	\$ 11,806	\$ 625,000	\$ 112,125
2025	25,000	9,440	645,000	93,075
2026	25,000	8,377	665,000	73,425
2027	25,000	7,315	685,000	53,175
2028	30,000	6,152	705,000	32,325
2029-2033	150,000	20,484	725,000	10,875
2034-2036	95,000	5,818		
Totals	<u>\$ 407,205</u>	<u>\$ 69,392</u>	<u>\$ 4,050,000</u>	<u>\$ 375,000</u>

**Note 6. Employee Retirement System**

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

The county's contribution for FY 2021 was \$249,963, FY 2022 was \$277,831, and FY 2023 was \$290,260.

Nonhazardous

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

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

**Note 6. Employee Retirement System (Continued)**

Nonhazardous (Continued)

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

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Benefits are covered under KRS 78.5536.



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

**Note 6. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB)

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

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

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

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

C. Cost of Living Adjustments - Tier 1

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

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

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

E. Death Benefit

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

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.

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

**Note 7. Health Reimbursement Account**

The Monroe County Fiscal Court, in Fiscal Court Order No. 12, established a health reimbursement account on June 30, 2021, to provide employees an additional health benefit. The county provides each eligible employee with \$500 plan during the year to be used on health insurance claims. The health insurance company will automatically deduct from the bank account for employee's health care claims up to \$500 per year. This money is not rolled over and funds not used are forfeited. At the beginning of each fiscal year, the fiscal court will replenish the fund in accordance with the number of eligible employees. As of June 30, 2023, the account balance was \$7,959.

**Note 8. Insurance**

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

**Note 9. Related Party Transaction**

The Monroe County Fiscal Court conducted business with a local vendor owned by the sister-in-law of the county judge/executive for payroll services. For fiscal year ended June 30, 2023, the fiscal court expended \$11,200 from the General Fund for payroll services.

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

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

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

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

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 1,719,900	\$ 1,719,900	\$ 2,220,511	\$ 500,611
In Lieu Tax Payments	48,000	48,000	49,300	1,300
Excess Fees	100,000	100,000	171,334	71,334
Licenses and Permits	18,020	18,020	18,644	624
Intergovernmental	368,560	675,164	716,574	41,410
Miscellaneous	15,000	15,000	47,515	32,515
Interest	3,000	3,000	4,354	1,354
Total Receipts	<u>2,272,480</u>	<u>2,579,084</u>	<u>3,228,232</u>	<u>649,148</u>
<b>DISBURSEMENTS</b>				
General Government	956,158	1,156,286	1,114,216	42,070
Protection to Persons and Property	85,454	414,382	404,355	10,027
General Health and Sanitation	57,580	97,455	93,472	3,983
Social Services	16,000	16,500	13,092	3,408
Recreation and Culture	8,300	10,541	10,517	24
Capital Projects	36,565	36,565	36,564	1
Administration	1,112,423	847,355	760,764	86,591
Total Disbursements	<u>2,272,480</u>	<u>2,579,084</u>	<u>2,432,980</u>	<u>146,104</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>795,252</u>	<u>795,252</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds	<u>(565,340)</u>	<u>(565,340)</u>	<u>(481,193)</u>	<u>84,147</u>
Total Other Adjustments to Cash (Uses)	<u>(565,340)</u>	<u>(565,340)</u>	<u>(481,193)</u>	<u>84,147</u>
Net Change in Fund Balance	(565,340)	(565,340)	314,059	879,399
Fund Balance - Beginning	<u>565,340</u>	<u>565,340</u>	<u>2,024,354</u>	<u>1,459,014</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,338,413</u>	<u>\$ 2,338,413</u>

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

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,488,615	\$ 1,488,615	\$ 1,507,393	\$ 18,778
Miscellaneous	30,000	30,000	35,547	5,547
Interest	1,000	1,000	2,468	1,468
Total Receipts	<u>1,519,615</u>	<u>1,519,615</u>	<u>1,545,408</u>	<u>25,793</u>
<b>DISBURSEMENTS</b>				
Roads	1,387,715	1,432,166	1,419,222	12,944
Administration	131,900	87,449	83,990	3,459
Total Disbursements	<u>1,519,615</u>	<u>1,519,615</u>	<u>1,503,212</u>	<u>16,403</u>
Net Change in Fund Balance			42,196	42,196
Fund Balance - Beginning			<u>577,527</u>	<u>577,527</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 619,723</u>	<u>\$ 619,723</u>

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

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 81,700	\$ 81,700	\$ 87,139	\$ 5,439
Miscellaneous	5,000	5,000	15,354	10,354
Interest			256	256
Total Receipts	<u>86,700</u>	<u>86,700</u>	<u>102,749</u>	<u>16,049</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	615,120	615,076	503,332	111,744
Administration	23,920	23,964	12,033	11,931
Total Disbursements	<u>639,040</u>	<u>639,040</u>	<u>515,365</u>	<u>123,675</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(552,340)</u>	<u>(552,340)</u>	<u>(412,616)</u>	<u>139,724</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	552,340	552,340	475,000	(77,340)
Total Other Adjustments to Cash (Uses)	<u>552,340</u>	<u>552,340</u>	<u>475,000</u>	<u>(77,340)</u>
Net Change in Fund Balance			62,384	62,384
Fund Balance - Beginning			<u>61,501</u>	<u>61,501</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 123,885</u>	<u>\$ 123,885</u>

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

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 41,537	\$ 6,537
Interest			171	171
Total Receipts	<u>35,000</u>	<u>35,000</u>	<u>41,708</u>	<u>6,708</u>
<b>DISBURSEMENTS</b>				
General Government	5,000	5,000	5,000	
Protection to Persons and Property	45,000	45,000	44,598	402
Airports	3,000	3,000	3,000	
Total Disbursements	<u>53,000</u>	<u>53,000</u>	<u>52,598</u>	<u>402</u>
Net Change in Fund Balance	(18,000)	(18,000)	(10,890)	7,110
Fund Balance - Beginning	<u>18,000</u>	<u>18,000</u>	<u>77,546</u>	<u>59,546</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,656</u>	<u>\$ 66,656</u>



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

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 19,200	\$ (230,800)
Total Receipts	<u>250,000</u>	<u>250,000</u>	<u>19,200</u>	<u>(230,800)</u>
<b>DISBURSEMENTS</b>				
Social Services		19,200	19,200	
Recreation and Culture	250,000	230,800		230,800
Total Disbursements	<u>250,000</u>	<u>250,000</u>	<u>19,200</u>	<u>230,800</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

<b>HEALTH REIMBURSEMENT ACCOUNT FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Total Receipts	\$	\$	\$	\$
<b>DISBURSEMENTS</b>				
Administration	13,000	13,000	4,541	8,459
Total Disbursements	13,000	13,000	4,541	8,459
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(13,000)	(13,000)	(4,541)	8,459
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	13,000	13,000	6,193	(6,807)
Total Other Adjustments to Cash (Uses)	13,000	13,000	6,193	(6,807)
Net Change in Fund Balance			1,652	1,652
Fund Balance - Beginning			6,307	6,307
Fund Balance - Ending	\$ 0	\$ 0	\$ 7,959	\$ 7,959

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

**COUNTY CLERK STORAGE FEE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$	\$ 13,000	\$ 16,148	\$ 3,148
Interest			6	6
Total Receipts		13,000	16,154	3,154
<b>DISBURSEMENTS</b>				
General Government		13,000	9,682	3,318
Total Disbursements		13,000	9,682	3,318
Net Change in Fund Balance			6,472	6,472
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 6,472	\$ 6,472

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

<b>AMERICAN RESCUE PLAN ACT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,034,319	\$ 1,034,319	\$ 1,034,319	\$
Miscellaneous			74,200	74,200
Interest			2,964	2,964
Total Receipts	<u>1,034,319</u>	<u>1,034,319</u>	<u>1,111,483</u>	<u>77,164</u>
<b>DISBURSEMENTS</b>				
General Government		45,495	45,495	
Protection to Persons and Property		22,900	22,900	
Administration	1,849,474	1,781,079	504,137	1,276,942
Total Disbursements	<u>1,849,474</u>	<u>1,849,474</u>	<u>572,532</u>	<u>1,276,942</u>
Net Change in Fund Balance	(815,155)	(815,155)	538,951	1,354,106
Fund Balance - Beginning	<u>815,155</u>	<u>815,155</u>	<u>642,447</u>	<u>(172,708)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,181,398</u>	<u>\$ 1,181,398</u>

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

**June 30, 2023**

**Note 1. Budgetary Information**

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

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

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

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

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

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

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

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 862,900	\$	\$	\$ 862,900
Buildings and Building Improvements	13,150,302			13,150,302
Equipment	1,224,715	156,268	19,305	1,361,678
Vehicles	671,564	28,790		700,354
Infrastructure	16,709,357	582,493		17,291,850
 Total Capital Assets	 <u>\$ 32,618,838</u>	 <u>\$ 767,551</u>	 <u>\$ 19,305</u>	 <u>\$ 33,367,084</u>

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

**June 30, 2023**

**Note 1. Capital Assets**

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

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land Improvements	\$ 12,500	10-60
Buildings and Building Improvements	\$ 25,000	10-75
Equipment	\$ 2,500	3-25
Vehicles	\$ 2,500	3-25
Infrastructure	\$ 20,000	10-50

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

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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Mitchell Page, Monroe County Judge/Executive  
Members of the Monroe 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 Monroe County Fiscal Court for the fiscal year ended June 30, 2023 and the related notes to the financial statement which collectively comprise the Monroe County Fiscal Court's financial statement and have issued our report thereon dated August 20, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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



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

**Report on Compliance And Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

August 20, 2024

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

**MONROE COUNTY FISCAL COURT**

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

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

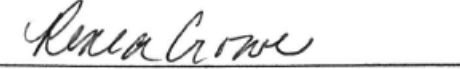
For The Year Ended June 30, 2023

The Monroe 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.



Mitchell Page

County Judge/Executive



Renia Crowe

County Treasurer