

**REPORT OF THE AUDIT OF THE
PULASKI 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 Marshall Todd, Pulaski County Judge/Executive
The Honorable Stephen B. Kelley, Jr., Former Pulaski County Judge/Executive
Members of the Pulaski 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 Pulaski County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Pulaski 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 Pulaski 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 Pulaski 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 Pulaski 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

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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 Pulaski 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

Pulaski 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 Pulaski 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 Pulaski 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
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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 Pulaski County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 and Schedule of Expenditures of Federal Awards 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 and the Schedule of Expenditures of Federal Awards 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

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Members of the Pulaski County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, on our consideration of the Pulaski 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 Pulaski County Fiscal Court's internal control over financial reporting and compliance.

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

- 2023-001 The Pulaski County Fiscal Court Lacks Adequate Segregation Of Duties Over Cash, Receipts, And Reconciliations
- 2023-002 The Pulaski County Fiscal Court Lacks Adequate Controls Over Occupational Tax Receipts
- 2023-003 The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly
- 2023-004 The Pulaski County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements
- 2023-005 The Pulaski County Fiscal Court Did Not Properly Budget And Include All Debt Activity In The Financial Statement
- 2023-006 The Pulaski County Fiscal Court Did Not Maintain Proper Records For The Public Properties Corporation Fund And General Obligation Bond Funds
- 2023-007 The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements
- 2023-008 The Pulaski County Fiscal Court Did Not Follow Proper Procurement Procedures For Purchases Over \$20,000
- 2023-009 The Pulaski County Fiscal Court Did Not Maintain Complete And Accurate Capital Asset Schedules

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 27, 2024

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

Stephen B. Kelley, Jr. (July 1, 2022 through December 31, 2022)	County Judge/Executive
Marshall Todd (January 1, 2023 through June 30, 2023)	County Judge/Executive
Jason Turpen	Magistrate
Mike Wilson	Magistrate
Jimmy Wheeldon	Magistrate
Mark Ranshaw	Magistrate
Mike Strunk	Magistrate

Other Elected Officials:

Martin Hatfield	County Attorney
Anthony McCullum	Jailer
Linda Burnett (July 1, 2022 through December 31, 2022)	County Clerk
Tim Price (January 1, 2023 through June 30, 2023)	County Clerk
J.S. Flynn	Circuit Court Clerk
Greg Speck (July 1, 2022 through December 31, 2022)	Sheriff
Bobby Jones (January 1, 2023 through June 30, 2023)	Sheriff
TW Todd	Property Valuation Administrator
Clyde Strunk	Coroner

Appointed Personnel:

Joan Isaacs (July 1, 2022 through February 28, 2023)	County Treasurer
Crissa Morris (March 1, 2023 through June 30, 2023)	County Treasurer
Ross Corder (July 1, 2022 through December 31, 2022)	Chief Financial Officer
Natasha Duncan (January 1, 2023 June 30, 2023)	Chief Financial Officer

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

For The Year Ended June 30, 2023

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

For The Year Ended June 30, 2023

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	\$ 16,271,789	\$	\$
In Lieu Tax Payments	316,694	45,493	
Excess Fees	1,577,592		
Licenses and Permits	286,723		
Intergovernmental	2,949,413	4,109,558	3,661,584
Charges for Services	573,283		45,648
Miscellaneous	451,514	27,627	398,424
Interest	24,350	2,741	1,090
Total Receipts	<u>22,451,358</u>	<u>4,185,419</u>	<u>4,106,746</u>
DISBURSEMENTS			
General Government	7,887,455		
Protection to Persons and Property	1,319,760		3,896,688
General Health and Sanitation	1,681,670		
Social Services			
Recreation and Culture	492,917		
Roads		3,788,579	
Other Transportation Facilities and Services			
Debt Service	1,077,987	1,020,525	
Capital Projects	1,745,484	2,785,481	
Administration	1,636,819	946,843	1,613,587
Total Disbursements	<u>15,842,092</u>	<u>8,541,428</u>	<u>5,510,275</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>6,609,266</u>	<u>(4,356,009)</u>	<u>(1,403,529)</u>
Other Adjustments to Cash (Uses)			
Financing Obligation Proceeds		2,226,337	
Transfers From Other Funds	5,859,727	1,937,500	1,454,689
Transfers To Other Funds	(5,603,053)		
Total Other Adjustments to Cash (Uses)	<u>256,674</u>	<u>4,163,837</u>	<u>1,454,689</u>
Net Change in Fund Balance	6,865,940	(192,172)	51,160
Fund Balance - Beginning	<u>4,026,703</u>	<u>344,113</u>	<u>(5,045)</u>
Fund Balance - Ending	<u>\$ 10,892,643</u>	<u>\$ 151,941</u>	<u>\$ 46,115</u>
Composition of Fund Balance			
Bank Balance	\$ 11,040,865	\$ 270,264	\$ 152,032
Plus: Deposits In Transit		33,788	3,782
Less: Outstanding Checks	(148,222)	(152,111)	(109,699)
Fund Balance - Ending	<u>\$ 10,892,643</u>	<u>\$ 151,941</u>	<u>\$ 46,115</u>

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

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

Budgeted Funds					
Local Government Economic Assistance Fund	Grant Fund	Fire Fund	911 Fund	American Relief Plan Fund	Clerk Storage Fee Fund
\$	\$	\$ 4,606,574	\$	\$	\$
416,886	311,479	1,602	422,032	250,902	
		12,012			
		1,291,476			103,578
935		9,334	932	17,377	144
<u>417,821</u>	<u>311,479</u>	<u>5,920,998</u>	<u>422,964</u>	<u>268,279</u>	<u>103,722</u>
10,000					4,877
5,950		3,870,024	1,370,666	456,745	
81,485					
49,558					
127,042					
		1,362,534			
	160,100	1,339,939	60,724	905,908	
	168,521	483,351	673,416	18,000	7,227
<u>274,035</u>	<u>328,621</u>	<u>7,055,848</u>	<u>2,104,806</u>	<u>1,380,653</u>	<u>12,104</u>
143,786	(17,142)	(1,134,850)	(1,681,842)	(1,112,374)	91,618
		2,072	1,787,500		18,270
		(1,000,000)		(4,859,727)	
		(997,928)	1,787,500	(4,859,727)	18,270
143,786	(17,142)	(2,132,778)	105,658	(5,972,101)	109,888
174,201	574,044	3,433,878	142,473	5,972,753	
<u>\$ 317,987</u>	<u>\$ 556,902</u>	<u>\$ 1,301,100</u>	<u>\$ 248,131</u>	<u>\$ 652</u>	<u>\$ 109,888</u>
\$ 321,259	\$ 556,902	\$ 1,244,187	\$ 265,095	\$ 652	\$ 91,618
		280,531	1,416		18,270
(3,272)		(223,618)	(18,380)		
<u>\$ 317,987</u>	<u>\$ 556,902</u>	<u>\$ 1,301,100</u>	<u>\$ 248,131</u>	<u>\$ 652</u>	<u>\$ 109,888</u>

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

PULASKI 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>Total Funds</u>
	<u>Opioid Fund</u>	<u>Public Properties Corporation Fund</u>	<u>Jail Commissary Fund</u>	
RECEIPTS				
Taxes	\$	\$	\$	\$ 20,878,363
In Lieu Tax Payments				362,187
Excess Fees				1,577,592
Licenses and Permits				286,723
Intergovernmental		1,918,243		14,041,699
Charges for Services				630,943
Miscellaneous			847,966	3,120,585
Interest	265			57,168
Total Receipts	<u>265</u>	<u>1,918,243</u>	<u>847,966</u>	<u>40,955,260</u>
DISBURSEMENTS				
General Government				7,902,332
Protection to Persons and Property				10,919,833
General Health and Sanitation				1,681,670
Social Services				81,485
Recreation and Culture			1,069,113	1,611,588
Roads				3,915,621
Other Transportation Facilities and Services				1,362,534
Debt Service		1,916,043		4,075,279
Capital Projects				6,936,912
Administration		2,200		5,549,964
Total Disbursements		<u>1,918,243</u>	<u>1,069,113</u>	<u>44,037,218</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	265		(221,147)	(3,081,958)
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds				2,226,337
Transfers From Other Funds	403,022			11,462,780
Transfers To Other Funds				(11,462,780)
Total Other Adjustments to Cash (Uses)	<u>403,022</u>			<u>2,226,337</u>
Net Change in Fund Balance	403,287		(221,147)	(855,621)
Fund Balance - Beginning		4,264	687,110	15,354,494
Fund Balance - Ending	<u>\$ 403,287</u>	<u>\$ 4,264</u>	<u>\$ 465,963</u>	<u>\$ 14,498,873</u>
Composition of Fund Balance				
Bank Balance	\$ 403,287	\$ 4,264	\$ 456,728	\$ 14,807,153
Plus: Deposits In Transit			66,216	404,003
Less: Outstanding Checks			(56,981)	(712,283)
Fund Balance - Ending	<u>\$ 403,287</u>	<u>\$ 4,264</u>	<u>\$ 465,963</u>	<u>\$ 14,498,873</u>

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

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TO THE FINANCIAL STATEMENT**

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**PULASKI COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Pulaski County includes all budgeted and unbudgeted funds under the control of the Pulaski 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 Somerset-Pulaski County Airport Board would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, it no longer is a required component of the reporting entity. Audits can be obtained from the Pulaski County Fiscal Court, P.O. Box 712, Somerset, Kentucky 42502.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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

Grant Fund - The primary purpose of this fund is to account for grant expenses of the county. The primary source of receipts for this fund is federal and state grants.

Fire Fund - The primary purpose of this fund is to account fire protection expenses, purchases of buildings and fire equipment of the county including annual allotment payments and expenses of the various county fire departments and the expenses of the Hal Rogers Fire Training Center. The primary source of receipts for this fund is fire insurance premium tax.

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.

American Relief Plan Fund - The purpose of this fund is to account for coronavirus state and local fiscal recovery funds and related disbursements. The primary source of receipts for this fund are federal coronavirus grant funds.

Clerk Storage Fee Fund - The purpose of this fund is to account for receipts and disbursements related to the county clerk's permanent storage of county records. The funds are used for maintenance of records and for the facilities used to store those records.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Opioid Fund - The primary purpose of this fund is to account for revenues received as a result of the opioid settlement related to Oxycontin. Funds received under this settlement are to be used in efforts to reduce the illicit use of opioids.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Unbudgeted Funds (Continued)

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.

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.

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 fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Pulaski County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Pulaski 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 Pulaski County Fiscal Court.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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.

H. Related Obligations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of the Pulaski County Fiscal Court:

Southeastern Water Association
 Western Pulaski County Water District
 Pulaski County Solid Waste Board

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 not met for the Jail Commissary Fund.

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 pledged collateral securities.

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

Note 3. Transfers

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

	General Fund	Fire Fund	American Relief Plan Fund	Total Transfers In
General Fund	\$	\$ 1,000,000	\$ 4,859,727	\$ 5,859,727
Road Fund	1,937,500			1,937,500
Jail Fund	1,454,689			1,454,689
Fire Fund	2,072			2,072
911 Fund	1,787,500			1,787,500
Clerk Storage Fee Fund	18,270			18,270
Opioid Settlement Fund	403,022			403,022
Total Transfers Out	<u>\$ 5,603,053</u>	<u>\$ 1,000,000</u>	<u>\$ 4,859,727</u>	<u>\$ 11,462,780</u>

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. Custodial Funds

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

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2023 was \$170,560.

Note 5. Leases

1. Lessor

A. Kentucky Community and Technical College System – Fire Training Center

During fiscal year 2020, the Pulaski County Fiscal Court began leasing a fire training center to Kentucky Community and Technical College System. The lease is for three years and the Pulaski County Fiscal Court will receive monthly payments of \$2,072. The Pulaski County Fiscal Court recognized \$12,432 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Pulaski County Fiscal Court's receivable for lease payments was \$0.

B. Administrative Office of the Courts (AOC)

On April 28, 2022, the Pulaski County Fiscal Court entered into a leasing agreement with the Administrative Office of the Courts (AOC) for occupancy space in the Pulaski County Judicial Center. The lease was for one fiscal year and Pulaski County would receive quarterly payments. Pulaski County recognized \$347,400 in lease revenue related to this lease. As of June 30, 2023, the Pulaski County Fiscal Court's receivable for lease payments was \$0.

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

Note 5. Leases (Continued)

2. Lessee

A. Equipment

During fiscal year 2017, the Pulaski County Fiscal Court entered into a ten-year lease agreement as lessee for the acquisition and use of equipment. The Pulaski County Fiscal Court is required to make monthly principal payments of \$800. A lease liability was recorded in the amount of \$9,600 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$43,542.

B. Equipment

During fiscal year 2021, the Pulaski County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of equipment. As of June 30, 2022, the lease liability was \$511,639. The Pulaski County Fiscal Court chose to remit the entire lease liability in July 2022. As of June 30, 2023, the balance was zero.

C. Office Equipment

During fiscal year 2020, the Pulaski County Fiscal Court entered into a four-year lease agreement as lessee for the acquisition and use of office equipment for the 911 center. The Pulaski County Fiscal Court is required to make monthly principal payments of \$175. A lease liability was recorded in the amount of \$2,097 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$175.

D. Vehicles

During fiscal years 2020, 2021, and 2022, the Pulaski County Fiscal Court entered into multiple three-year lease agreements as lessee for the acquisition and use of vehicles. The Pulaski County Fiscal Court is required to make monthly principal payments of \$14,501. A lease liability was recorded in the amount of \$74,828 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$37,920.

Note 6. Long-term Debt

A. Direct Borrowings and Direct Placements

1. 911 Project

On December 23, 2013, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of 911 equipment. The principle was \$730,000 at a variable rate from three percent to 4.4 percent interest for a period of 20 years. The agreement requires monthly payments of principal and interest.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) By appropriate court action, enforce the pledge set forth in section 2 of the ordinance and section 11 of this lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (b) take legal title to, and sell or re-lease the project or any portion thereof; (c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under this lease (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

1. 911 Project (Continued)

dispose of the project in accordance with applicable law); and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under this lease (subject, however, to the limitations thereon contained in this lease) and to recover damages for the breach thereof.

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred. The principal outstanding as of June 30, 2023, was \$442,500. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	32,083	18,190
2025	35,000	18,581
2026	37,083	17,195
2027	40,000	15,619
2028	40,000	13,903
2029-2033	229,167	41,138
2034	29,167	1,590
Totals	<u>\$ 442,500</u>	<u>\$ 126,216</u>

2. General Obligation Lease

On October 6, 2016, the Pulaski County Fiscal Court entered into an agreement with a local bank for a general obligation lease for the purpose of road improvements, land acquisition and improvement, and acquisition of ambulances. The principal was \$1,332,000 at 1.99 percent interest for a period of ten years. The agreement requires payments of interest due March 1 and September 1, and the principal is due annually on September 1.

Upon the occurrence of an event of default, and as long as the event of default is continuing, lessor may, at its option, exercise any one or more of the following remedies as to the project, to whichever the event of default pertains: (a) By appropriate court action, enforce the pledge set forth in section 4 of the Ordinance and section 9 of this lease so that during the remaining lease term there is levied on all the taxable property in the county, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (b) By written notice to lessee, enter and take immediate possession of the project; and (c) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project.

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

2. General Obligation Lease (Continued)

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in this section; provided that the remedies set forth in clauses (a), (b), and (c) of this section shall only be available for an event of default described in section I 8(a) and any satisfaction of lease rental payments as a result of actions taken under clauses (b) and (c) of this section shall reduce the amount of the direct annual tax required to be levied under clause (a) of this section. The principal outstanding as of June 30, 2023, was \$564,794. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	137,012	9,876
2025	139,766	7,122
2026	142,575	4,313
2027	145,441	1,447
Totals	<u>\$ 564,794</u>	<u>\$ 22,758</u>

3. Road Department – Heavy Equipment

On October 30, 2020, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of road equipment. The principal was \$689,375 at a rate of 3.360 percent interest for a period of five years. The agreement requires monthly payments of principal and interest. Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) By appropriate court action, enforce the pledge set forth in section 2 of the authorizing legislation and section 9 of the lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease payments when and as due; (b) By written notice to lessee, enter and take immediate possession of the project; (c) Sell or lease the project or sublease it for the account of lessee, holding lessee liable for all lease payments and other payments due during the remaining lease term to the extent that such selling, leasing or subleasing fails to provide amounts which are sufficient to pay the remaining lease payments when due, with any proceeds of the sale of the project being applied first to all past due lease payments and then to the portion of lease payment applicable to the principal component in inverse order of their due date; and (d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. Road Department – Heavy Equipment (Continued)

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The principal outstanding as of June 30, 2023, was \$334,943.

Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 128,840	\$ 8,522
2025	144,593	4,711
2026	61,520	517
Totals	<u>\$ 334,953</u>	<u>\$ 13,750</u>

4. Road Department Trucks

On August 5, 2022, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of four heavy equipment trucks for the road department. The principal was \$652,734 at a rate of 4.28 percent interest for a period of 18 months ending on February 20, 2024. The agreement requires a monthly interest payment and a final principal payment.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) By appropriate court action, enforce the pledge set forth in section 2 of the authorizing legislation and section 9 of the lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease payments when and as due;
- (b) By written notice to lessee, enter and take immediate possession of the project;
- (c) Sell or lease the project or sublease it for the account of lessee, holding lessee liable for all lease payments and other payments due during the remaining lease term to the extent that such selling, leasing or subleasing fails to provide amounts which are sufficient to pay the remaining lease payments when due, with any proceeds of the sale of the project being applied first to all past due lease payments and then to the portion of lease payment applicable to the principal component in inverse order of their due date; and
- (d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

4. Road Department Trucks (Continued)

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The principal outstanding as of June 30, 2023, was \$652,734. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 652,734	\$ 16,297
Totals	\$ 652,734	\$ 16,297

5. Road Department Truck

On September 22, 2022, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of a heavy equipment truck for the road department. The principal was \$169,423 at a rate of 3.74 percent interest for a period of 17 months ending on March 20, 2024. The agreement requires a monthly interest payment and a final principal payment.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) Terminate the lease term and give notice to the lessee to vacate or surrender the project within seven days from the date of such notice; (b) Exercise all rights and remedies of a secured party under the Kentucky Uniform Commercial Code, with respect to the projects assets, and may otherwise repossess and liquidate or realize foreclose upon the project assets in lawful manner; (c) Sell or re-lease the project or any portion of thereof; (d) Recover from the lessee lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the projects assets.

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The principal outstanding as of June 30, 2023, was \$169,423. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 169,423	\$ 4,752
Totals	\$ 169,423	\$ 4,752

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

6. Road Department Boom Mowers

On December 15, 2022, the Pulaski County Fiscal Court entered into an agreement with Leasing 2, Inc. for the purchase of five boom mowers for the road department. The principal was \$1,131,116 at a rate of 4.81 percent interest for a period of five years. The agreement requires monthly principal & interest payments.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) Declare all rental payments due or become due during the original term or renewal term then in effect to be immediately due and payable; whereupon such rental payments shall be immediately due and payable.
- (b) With or without terminating this agreement, retake possession of the equipment and sell, lease or sublease the equipment for the account of the lessee, and apply the proceeds of such sale, lease or sublease to pay the following items in the following order: (i) all cost and expenses of the lessor relating to the implementation of remedies under this agreement as further provided herein; (ii) the applicable purchase price of the equipment and (iii) the rental payments due during the original term or renewal term then in effect; and
- (c) Take whatever action under the Uniform Commercial Code or under other law or in equity as may appear necessary or desirable to enforce its rights as the owner of the secured creditor of the equipment.

The lessee further agrees that the lessee shall pay to the lessor such further amounts as may be sufficient to reimburse the lessor fully for its costs and expenses as incurred as a result of the lessee's default including, without limitation, the lessors costs and expenses in enforcing or endeavoring to enforce its right and remedies under the agreement or incident thereto, including without limitation and to the extent not prohibited by applicable law, the lessor's reasonable attorney's fees and expenses for enforcing the lessee's obligations hereunder.

The principal outstanding as of June 30, 2023, was \$904,630. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 210,483	\$ 43,499
2025	220,605	33,378
2026	231,212	22,771
2027	<u>242,330</u>	<u>11,653</u>
Totals	<u>\$ 904,630</u>	<u>\$ 111,301</u>

7. Road Department Trucks

On June 23, 2023, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of two heavy equipment trucks for the road department. The principal was \$273,064 at a rate of 5.51 percent interest for a period of three years. The agreement requires monthly principal and interest payments.

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

7. Road Department Trucks (Continued)

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) Terminate the lease term and give notice to the lessee to vacate or surrender the project within 60 days from the date of such notice;
- (b) By written notice to lessee, enter and take immediate possession of the project;
- (c) Recover from the lessee the lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the project and lease payments which would otherwise have been payable hereunder after the lessee vacates or surrenders the project during the remainder of the fiscal year in which such event of default occurs;
- (d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease.

The principal outstanding as of June 30, 2023, was \$273,064. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 44,594	\$ 14,273
2025	47,167	11,408
2026	181,303	8,750
Totals	<u>\$ 273,064</u>	<u>\$ 34,431</u>

B. Other Debt

1. First Mortgage Refunding Revenue Bonds – Series 2015

In July 2015, the Pulaski County Kentucky Public Properties Corporation issued \$8,655,000 in First Mortgage Refunding Revenue Bonds - Series 2015 for the purpose of partial advance refunding of the First Mortgage Revenue Bonds - Series 2008. Annual interest payments at a variable rate from 2 percent to 3.375 percent are due on June 30 of each year. Principal is due annually on June 30, beginning December 1, 2019. The bonds mature in 2029.

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

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

1. First Mortgage Refunding Revenue Bonds – Series 2015 (Continued)

(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:

(a) 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 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;

(b) By mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of the bonds, including the right to require the corporation to enforce fully the lease and to charge, collect and fully account for the pledged receipts, and to require the corporation to carry out any and all other covenants or agreements with the bondholders and to perform its duties under the act;

(c) By bringing suit upon the bonds;

(d) By action or suit in equity, require the corporation to account as if it were the trustee of an express trust for the owners of the bonds;

(e) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the bonds:

(f) 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 or the outstanding bonds, by annulling such declaration and its consequences; and

(g) In the event that all bonds are declared due and payable, by selling investment obligations of the corporation to the extent not theretofore set aside for redemption of the bonds for which call has been made and enforcing all chooses in action of the corporation to the fullest legal extent in the name of the corporation for the use and benefit of the owners of the bonds.

(2) In the enforcement of any rights and remedies under the mortgage, the trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the corporation for principal, interest or otherwise, under any provision of the mortgage or of the bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under the bonds, without prejudice to any other right or remedy of the trustee or of the bondholders, and to recover and enforce a judgment or decree against the corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable. The principal outstanding as of June 30, 2023, was \$6,380,000.

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

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

1. First Mortgage Refunding Revenue Bonds – Series 2015 (Continued)

Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 980,000	\$ 190,494
2025	1,015,000	160,569
2026	1,045,000	128,362
2027	1,075,000	93,913
2028	1,115,000	57,628
2029	<u>1,150,000</u>	<u>19,406</u>
Totals	<u>\$ 6,380,000</u>	<u>\$ 650,372</u>

2. First Mortgage Refunding Revenue Bonds – Series 2017

In March 2017, the Pulaski County Kentucky, Public Properties Corporation issued \$5,868,011 in First Mortgage Refunding Revenue Bonds, Series 2017, for the purpose of partial advance refunding of the First Mortgage Revenue Bonds, Series 2009. Annual interest payments at a rate of 2.25 percent are due on December 1 and June 1 of each year. Principal is due annually on June 1.

The bonds mature in 2029. The principal outstanding as of June 30, 2023, was \$4,156,637. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 654,744	\$ 86,159
2025	668,116	71,276
2026	684,966	56,054
2027	700,307	40,470
2028	719,159	24,501
2029	<u>729,345</u>	<u>8,205</u>
Totals	<u>\$ 4,156,637</u>	<u>\$ 286,665</u>

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

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

3. General Obligation Improvement Bonds – Series 2013A

In May 2013, the Pulaski County Fiscal Court issued \$2,135,000 in General Obligation Improvement Bonds, Series 2013A, for the construction of a new senior citizens center. Semiannual interest payments at a variable rate from 2.5 percent to 3.5 percent are due on December 1 and June 1 of each year. Principal is due annually on June 1, beginning June 1, 2021. The bonds constitute valid obligations of the issuer in accordance with their terms, which unless paid from other sources, are payable from taxes to be levied by the issuer without limitation as to rate and amount. The bonds mature in 2033. The principal outstanding as of June 30, 2023, was \$1,775,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 155,000	\$ 55,919
2025	160,000	51,850
2026	165,000	47,650
2027	165,000	42,700
2028	175,000	37,750
2029-2033	<u>955,000</u>	<u>100,525</u>
Totals	<u>\$ 1,775,000</u>	<u>\$ 336,394</u>

4. General Obligation Bonds – Series 2016

In June 2016, the Pulaski County Fiscal Court issued \$5,000,000 in General Obligation Improvement Bonds, Series 2016, for the energy project for the courthouse. Semiannual interest payments at a variable rate from 2.5 percent to 3.5 percent are due on December 1 and June 1 of each year. Principal is due annually on December 1. The bonds mature in 2032. The bonds constitute valid obligations of the issuer in accordance with their terms, which unless paid from other sources, are payable from taxes to be levied by the Issuer without limitation as to rate and amount. The principal outstanding as of June 30, 2023, was \$3,255,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	320,000	80,625
2025	335,000	70,800
2026	345,000	60,600
2027	355,000	50,100
2028	360,000	41,175
2029-2032	<u>1,540,000</u>	<u>77,788</u>
Totals	<u>\$ 3,255,000</u>	<u>\$ 381,088</u>

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

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

5. General Obligation Bonds – Series 2019

On October 8, 2019, the Pulaski County Fiscal Court issued \$5,025,000 in General Obligation Improvement Bonds, Series 2019, for infrastructure improvements and related costs. Semiannual interest payments at a variable rate from 2 percent to 5 percent are due on March 1 and September 1 of each year. Principal is due annually on September 1. The bonds mature in 2040. The bonds constitute valid obligations of the issuer in accordance with their terms, which unless paid from other sources, are payable from taxes to be levied by the issuer without limitation as to rate and amount. The principal outstanding as of June 30, 2023, was \$4,480,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	200,000	121,738
2025	210,000	111,487
2026	225,000	100,613
2027	235,000	89,112
2028	245,000	80,788
2029-2033	1,290,000	326,344
2034-2038	1,445,000	171,162
2039-2040	630,000	16,475
Totals	<u>\$ 4,480,000</u>	<u>\$ 1,017,719</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	\$ 2,229,132	\$ 2,226,337	\$ 1,113,370	\$ 3,342,099	\$ 1,375,170
General Obligation Bonds	10,160,000		650,000	9,510,000	675,000
Revenue Bonds	12,136,563		1,599,926	10,536,637	1,634,744
Total Long-term Debt	<u>\$ 24,525,695</u>	<u>\$ 2,226,337</u>	<u>\$ 3,363,296</u>	<u>\$23,388,736</u>	<u>\$ 3,684,914</u>

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

Note 6. 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	Direct Borrowing and Direct Placement		Other Debt	
	Principal	Interest	Principal	Interest
2024	\$ 1,375,169	\$ 115,409	\$ 2,309,744	\$ 534,935
2025	587,131	75,200	2,388,116	465,982
2026	653,693	53,546	2,464,966	393,279
2027	427,772	28,719	2,530,307	316,295
2028	40,000	13,903	2,614,159	241,842
2029-2033	229,167	41,138	5,664,345	532,268
2034-2038	29,167	1,590	1,445,000	171,162
2039-2040			630,000	16,475
Totals	<u>\$ 3,342,099</u>	<u>\$ 329,505</u>	<u>\$ 20,046,637</u>	<u>\$ 2,672,238</u>

Note 7. Commitments and 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 8. Conduit Debt

From time to time the county has issued bonds to provide financial assistance to East Kentucky Power Cooperative, Inc. 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 Pulaski 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 of repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2023, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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

Note 9. Employee Retirement System

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

The county's contribution for FY 2021 was \$2,683,180, FY 2022 was \$3,767,511, and FY 2023 was \$3,448,862.

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.

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.

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent 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.

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

Note 9. Employee Retirement System (Continued)

Hazardous (Continued)

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8 percent of their annual creditable compensation and 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 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 hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 49.59 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:

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 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.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. 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.

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

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

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

C. Health Insurance Coverage - Tier 2 and Tier 3 - Hazardous

Once members reach a minimum vesting period of 15 years, they earn fifteen 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. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. 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 COLA since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

D. 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.

E. 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.

F. 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.

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

Note 9. Employee Retirement System (Continued)

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

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

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

Note 10. Deferred Compensation

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

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

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

Note 11. Insurance

For the fiscal year ended June 30, 2023, the Pulaski 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.

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

For The Year Ended June 30, 2023

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PULASKI COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 13,700,000	\$ 14,013,105	\$ 16,271,789	\$ 2,258,684
In Lieu Tax Payments	290,000	457,000	316,694	(140,306)
Excess Fees	700,000	1,600,000	1,577,592	(22,408)
Licenses and Permits	175,000	287,000	286,723	(277)
Intergovernmental	1,028,400	2,519,060	2,949,413	430,353
Charges for Services	368,000	617,510	573,283	(44,227)
Miscellaneous	248,500	369,500	451,514	82,014
Interest	2,000	6,550	24,350	17,800
Total Receipts	<u>16,511,900</u>	<u>19,869,725</u>	<u>22,451,358</u>	<u>2,581,633</u>
DISBURSEMENTS				
General Government	7,349,950	8,305,511	7,887,455	418,056
Protection to Persons and Property	1,323,010	1,323,250	1,319,760	3,490
General Health and Sanitation	1,655,208	1,719,618	1,681,670	37,948
Recreation and Culture	400,312	541,587	492,917	48,670
Debt Service	1,078,127	1,078,127	1,077,987	140
Capital Projects	2,934,900	3,180,000	1,745,484	1,434,516
Administration	1,841,550	5,426,848	1,636,819	3,790,029
Total Disbursements	<u>16,583,057</u>	<u>21,574,941</u>	<u>15,842,092</u>	<u>5,732,849</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(71,157)</u>	<u>(1,705,216)</u>	<u>6,609,266</u>	<u>8,314,482</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,000,000	1,000,000	5,859,727	4,859,727
KACo Leasing Trust	2,000,000	2,000,000		(2,000,000)
Transfers To Other Funds	(4,106,250)	(5,000,000)	(5,603,053)	(603,053)
Total Other Adjustments to Cash (Uses)	<u>(1,106,250)</u>	<u>(2,000,000)</u>	<u>256,674</u>	<u>2,256,674</u>
Net Change in Fund Balance	(1,177,407)	(3,705,216)	6,865,940	10,571,156
Fund Balance - Beginning	<u>1,177,407</u>	<u>3,705,216</u>	<u>4,026,703</u>	<u>321,487</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,892,643</u>	<u>\$ 10,892,643</u>

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

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
In Lieu Tax Payments	\$ 50,000	\$ 50,000	\$ 45,493	\$ (4,507)
Intergovernmental	3,390,573	5,237,225	4,109,558	(1,127,667)
Miscellaneous	10,000	28,000	27,627	(373)
Interest	3,000	3,000	2,741	(259)
Total Receipts	<u>3,453,573</u>	<u>5,318,225</u>	<u>4,185,419</u>	<u>(1,132,806)</u>
DISBURSEMENTS				
Roads	3,990,147	3,821,322	3,788,579	32,743
Debt Service	176,426	1,010,426	1,020,525	(10,099)
Capital Projects	50,000	610,000	2,785,481	(2,175,481)
Administration	1,187,000	1,902,405	946,843	955,562
Total Disbursements	<u>5,403,573</u>	<u>7,344,153</u>	<u>8,541,428</u>	<u>(1,197,275)</u>
Excess (Deficiency) of Receipts Over				
Disbursements Before Other				
Adjustments to Cash (Uses)	<u>(1,950,000)</u>	<u>(2,025,928)</u>	<u>(4,356,009)</u>	<u>(2,330,081)</u>
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds			2,226,337	2,226,337
Transfers From Other Funds	1,650,000	1,692,928	1,937,500	244,572
Transfers To Other Funds				
Total Other Adjustments to Cash (Uses)	<u>1,650,000</u>	<u>1,692,928</u>	<u>4,163,837</u>	<u>2,470,909</u>
Net Change in Fund Balance	(300,000)	(333,000)	(192,172)	140,828
Fund Balance - Beginning	<u>300,000</u>	<u>333,000</u>	<u>344,113</u>	<u>11,113</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 151,941</u>	<u>\$ 151,941</u>

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 4,022,490	\$ 4,803,890	\$ 3,661,584	\$ (1,142,306)
Charges for Services	195,895	214,000	45,648	(168,352)
Miscellaneous	288,893	507,893	398,424	(109,469)
Interest	1,500	1,500	1,090	(410)
Total Receipts	<u>4,508,778</u>	<u>5,527,283</u>	<u>4,106,746</u>	<u>(1,420,537)</u>
DISBURSEMENTS				
Protection to Persons and Property	3,459,218	4,245,027	3,896,688	348,339
Administration	1,955,810	3,037,256	1,613,587	1,423,669
Total Disbursements	<u>5,415,028</u>	<u>7,282,283</u>	<u>5,510,275</u>	<u>1,772,008</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(906,250)</u>	<u>(1,755,000)</u>	<u>(1,403,529)</u>	<u>351,471</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	806,250	1,655,000	1,454,689	(200,311)
Total Other Adjustments to Cash (Uses)	<u>806,250</u>	<u>1,655,000</u>	<u>1,454,689</u>	<u>(200,311)</u>
Net Change in Fund Balance	(100,000)	(100,000)	51,160	151,160
Fund Balance - Beginning	<u>100,000</u>	<u>100,000</u>	<u>(5,045)</u>	<u>(105,045)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,115</u>	<u>\$ 46,115</u>

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

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 300,000	\$ 450,000	\$ 416,886	\$ (33,114)
Interest	300	1,000	935	(65)
Total Receipts	<u>300,300</u>	<u>451,000</u>	<u>417,821</u>	<u>(33,179)</u>
DISBURSEMENTS				
General Government	10,000	10,000	10,000	
Protection to Persons and Property	5,950	5,950	5,950	
Social Services	93,350	101,350	81,485	19,865
Recreation and Culture	45,275	67,525	49,558	17,967
Roads	200,000	200,000	127,042	72,958
Administration	45,725	240,375		240,375
Total Disbursements	<u>400,300</u>	<u>625,200</u>	<u>274,035</u>	<u>351,165</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(100,000)</u>	<u>(174,200)</u>	<u>143,786</u>	<u>317,986</u>
Net Change in Fund Balance	(100,000)	(174,200)	143,786	317,986
Fund Balance - Beginning	<u>100,000</u>	<u>174,200</u>	<u>174,201</u>	<u>1</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 317,987</u>	<u>\$ 317,987</u>

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

	GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 0	\$ 1,063,072	\$ 311,479	\$ (751,593)
Total Receipts		1,063,072	311,479	(751,593)
DISBURSEMENTS				
Capital Projects		1,040,000	160,100	879,900
Administration	350,000	597,115	168,521	428,594
Total Disbursements	350,000	1,637,115	328,621	1,308,494
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(350,000)	(574,043)	(17,142)	556,901
Net Change in Fund Balance	(350,000)	(574,043)	(17,142)	556,901
Fund Balance - Beginning	350,000	574,043	574,044	1
Fund Balance - Ending	\$ 0	\$ 0	\$ 556,902	\$ 556,902

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

	FIRE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 3,950,000	\$ 3,950,000	\$ 4,606,574	\$ 656,574
Intergovernmental		1,602	1,602	
Charges for Services	25,000	25,000	12,012	(12,988)
Miscellaneous	197,000	1,297,000	1,291,476	(5,524)
Interest	5,000	5,000	9,334	4,334
Total Receipts	<u>4,177,000</u>	<u>5,278,602</u>	<u>5,920,998</u>	<u>642,396</u>
DISBURSEMENTS				
Protection to Persons and Property	2,760,604	3,769,629	3,870,024	(100,395)
Other Transportation Facilities and Services	1,034,812	1,325,712	1,362,534	(36,822)
Capital Projects	210,000	1,361,950	1,339,939	22,011
Administration	571,584	1,257,260	483,351	773,909
Total Disbursements	<u>4,577,000</u>	<u>7,714,551</u>	<u>7,055,848</u>	<u>658,703</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(400,000)</u>	<u>(2,435,949)</u>	<u>(1,134,850)</u>	<u>1,301,099</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		2,072	2,072	
Transfers To Other Funds	(1,000,000)	(1,000,000)	(1,000,000)	
Total Other Adjustments to Cash (Uses)	<u>(1,000,000)</u>	<u>(997,928)</u>	<u>(997,928)</u>	
Net Change in Fund Balance	(1,400,000)	(3,433,877)	(2,132,778)	1,301,099
Fund Balance - Beginning	<u>1,400,000</u>	<u>3,433,877</u>	<u>3,433,878</u>	<u>1</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,301,100</u>	<u>\$ 1,301,100</u>

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

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 309,500	\$ 521,814	\$ 422,032	\$ (99,782)
Interest	700	1,000	932	(68)
Total Receipts	<u>310,200</u>	<u>522,814</u>	<u>422,964</u>	<u>(99,850)</u>
DISBURSEMENTS				
Protection to Persons and Property	1,469,262	1,449,262	1,370,666	78,596
Debt Service	56,110	56,110	60,724	(4,614)
Administration	734,828	967,442	673,416	294,026
Total Disbursements	<u>2,260,200</u>	<u>2,472,814</u>	<u>2,104,806</u>	<u>368,008</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,681,842)</u>	<u>268,158</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,650,000	1,650,000	1,787,500	137,500
Total Other Adjustments to Cash (Uses)	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,787,500</u>	<u>137,500</u>
Net Change in Fund Balance	(300,000)	(300,000)	105,658	405,658
Fund Balance - Beginning	<u>300,000</u>	<u>300,000</u>	<u>142,473</u>	<u>(157,527)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 248,131</u>	<u>\$ 248,131</u>

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

AMERICAN RELIEF PLAN FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$	\$	250,902	250,902
Interest			17,377	17,377
Total Receipts			<u>268,279</u>	<u>268,279</u>
DISBURSEMENTS				
Protection to Persons and Property		565,000	456,745	108,255
Capital Projects		2,184,830	905,908	1,278,922
Administration	7,810,700	5,060,870	18,000	5,042,870
Total Disbursements	<u>7,810,700</u>	<u>7,810,700</u>	<u>1,380,653</u>	<u>6,430,047</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(7,810,700)</u>	<u>(7,810,700)</u>	<u>(1,112,374)</u>	<u>6,698,326</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(4,859,727)	(4,859,727)
Total Other Adjustments to Cash (Uses)			<u>(4,859,727)</u>	<u>(4,859,727)</u>
Net Change in Fund Balance	(7,810,700)	(7,810,700)	(5,972,101)	1,838,599
Fund Balance - Beginning	7,810,700	7,810,700	5,972,753	(1,837,947)
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 652</u>	<u>\$ 652</u>

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

CLERK STORAGE FEE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 80,000	\$ 80,000	\$ 103,578	\$ 23,578
Interest			144	144
Total Receipts	<u>80,000</u>	<u>80,000</u>	<u>103,722</u>	<u>23,722</u>
DISBURSEMENTS				
General Government			4,877	(4,877)
Administration	80,000	80,000	7,227	72,773
Total Disbursements	<u>80,000</u>	<u>80,000</u>	<u>12,104</u>	<u>67,896</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>91,618</u>	<u>91,618</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			18,270	18,270
Total Other Adjustments to Cash (Uses)			<u>18,270</u>	<u>18,270</u>
Net Change in Fund Balance			109,888	109,888
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 109,888</u>	<u>\$ 109,888</u>

PULASKI 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.

Note 2. Excess of Disbursements Over Appropriations

The road fund, debt service line-item, exceeded budgeted appropriations by \$10,099.

The road fund, capital projects line-item, exceeded budgeted appropriations by \$2,175,481.

The fire fund, protection to persons and property line-item, exceeded budgeted appropriations by \$100,395.

The fire fund, other transportation facilities and services line-item, exceeded budgeted appropriations by \$36,822.

The 911 fund, debt service line-item, exceeded budgeted appropriations by \$4,614.

The clerk storage fund, general government line-item, exceeded budgeted appropriations by \$4,877.

**PULASKI COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2023

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**PULASKI COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of the Treasury</u>				
<i>Passed-Through Kentucky Department for Local Government</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$	\$ 1,380,653
Total U.S. Department of the Treasury			<u>\$ 0</u>	<u>1,380,653</u>
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through Kentucky Department for Local Government</i>				
CDBG/State's Program - Multi Unit Senior Housing Project	14.228	19-052	\$	\$ 45,000
Total U.S. Department of Housing and Urban Development			<u>\$ 0</u>	<u>45,000</u>
Total Expenditures of Federal Awards			<u>\$ 0</u>	<u>\$1,425,653</u>

The accompanying notes are an integral part of this schedule.

PULASKI COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Pulaski County, Kentucky under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pulaski County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Pulaski County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Pulaski County has not adopted an indirect cost rate and has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

For The Year Ended June 30, 2023

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**PULASKI COUNTY
OTHER INFORMATION - REGULATORY BASIS
SCHEDULE OF CAPITAL ASSETS**

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	\$ 7,617,447	\$	\$	\$ 7,617,447
Construction In Progress	4,101,342			4,101,342
Buildings and Building Improvements	39,151,801			39,151,801
Other Equipment	10,620,634			10,620,634
Vehicles and Equipment	20,754,395			20,754,395
Infrastructure	199,359,799			199,359,799
 Total Capital Assets	 <u>\$281,605,418</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 281,605,418</u>

PULASKI 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.

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE 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 Marshall Todd, Pulaski County Judge/Executive
The Honorable Stephen B. Kelley, Jr., Former Pulaski County Judge/Executive
Members of the Pulaski 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 Pulaski County Fiscal Court for the fiscal year ended June 30, 2023, and the related notes to the financial statement which collectively comprise the Pulaski County Fiscal Court's financial statement and have issued our report thereon dated March 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Pulaski 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 Pulaski County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pulaski 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 Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002, 2023-003, and 2023-004 to be material weaknesses.



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

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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2023-006 and 2023-007 to be significant deficiencies.

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Pulaski 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-005, 2023-008 and 2023-009.

Views of Responsible Officials and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Pulaski County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. 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

March 27, 2024

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

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Marshall Todd, Pulaski County Judge/Executive
The Honorable Stephen B. Kelley, Jr., Former Pulaski County Judge/Executive
Members of the Pulaski County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pulaski County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Pulaski County Fiscal Court's major federal programs for the year ended June 30, 2023. The Pulaski County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Pulaski County Fiscal Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pulaski County Fiscal Court and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pulaski County Fiscal Court's compliance with the compliance requirements referred to above.



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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Pulaski County Fiscal Court's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pulaski County Fiscal Court's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pulaski County Fiscal Court's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Pulaski County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pulaski County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pulaski County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 27, 2024

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

For The Year Ended June 30, 2023

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

For The Year Ended June 30, 2023

Section I: Summary of Auditor’s Results

Financial Statement

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP:
Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-001 The Pulaski County Fiscal Court Lacks Adequate Segregation Of Duties Over Cash, Receipts, And Reconciliations

This is a repeat finding and was included in the prior year audit report as finding 2022-001. The Pulaski County Fiscal Court lacks adequate segregation of duties over cash, receipts, and reconciliations. The county treasurer records receipts, prepares deposits, and reconciles the bank accounts. The fiscal court has implemented some compensating controls such as the county judge/executive or deputy judge reviewing the bank reconciliations. However, these controls are insufficient to reduce the risk of material misstatement.

According to the county treasurer and county judge/executive, they thought they had sufficient controls in place to reduce the risk of material misstatement. The lack of segregation of duties increases the risk of misappropriation of assets, errors, and inaccurate financial reporting.

Adequate segregation of duties would prevent the same person from having a significant role in these incompatible functions. In addition, proper segregation of duties protects employees in the normal course of performing their daily responsibilities. If segregation of duties is not feasible due to limited staff or budget, the implementation of compensating controls can reduce the risk that a misstatement could occur and go undetected.

We recommend the fiscal court separate duties over cash, receipts, and reconciliations. If these duties cannot be separated due to limited staff or limited budget, then strong oversight over those areas should occur by an employee not currently performing any of those functions. The individual providing this oversight should initial source documents as evidence of review.

County Judge/Executive's Response: PCFC added an additional person in the finance office. The finance officer will receive all monies and log receipts. This will be verified by another person in the office, verification will be signed and dated. Another person will deposit all monies.

2023-002 The Pulaski County Fiscal Court Lacks Adequate Controls Over Occupational Tax Receipts

This is a repeat finding and was included in the prior year audit report as finding 2022-002. The Pulaski County Fiscal Court lacks adequate controls and segregation of duties over occupational tax collections. The occupational tax employees have the ability to change amounts collected in the software program and the ability to wave interest and penalty without approval. In addition, the employees have failed to compare actual tax returns to the amount posted. This material deficiency caused a material misstatement of \$1,627,734 in occupational tax receipts on the financial statement.

The treasurer was new to how Pulaski County accounts for occupational tax receipts. Therefore, revenues did not get transferred, posted to the financial statement, or reported to the state local finance officer (DLG). The lack of controls allowed a material misstatement and could result in misappropriation or fraud.

Good and effective internal control procedures would dictate confirmation of all reports of cash receipts.

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-002 The Pulaski County Fiscal Court Lacks Adequate Controls Over Occupational Tax Receipts
 (Continued)

We recommend the fiscal court contact the computer software company to alleviate the ability to change the amount collected and the ability to remove penalties and interest charged to taxpayers. We also recommend the fiscal court segregate duties and, when that is not possible, implement necessary compensating internal controls over receipts such as comparison of the report to the amount deposited and amount posted, as well as comparison of total receipts to the quarterly financial statement. This should be documented by the signature or initials of both the person preparing the report and the individual reviewing the reports.

County Judge/Executive's Response: The software company will limit editing privileges to the tax administrator. All monies received are logged and verified by the finance officer and then deposited.

2023-003 The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly

This is a repeat finding and was included in the prior year audit report as finding 2022-003. The Pulaski County Fiscal Court did not prepare or review the budget properly and the following occurred:

- Several line-item accounts exceeded the budgeted amounts on the fourth quarter report.
- The Opioid Fund was not budgeted originally but was documented on the fourth quarter financial report without approved budget amendments.
- The Road Fund overspent its budgeted debt service line item by \$10,099 and the capital projects line item by \$2,175,481.
- The Fire Fund overspent their budgeted protection to persons and property line item by \$100,395 and the other facilities line item by \$36,822.
- The 911 Fund overspent its budgeted debt services by \$4,614.
- The Clerk Storage Fund overspent their budgeted general government by \$4,877.

This was allowed to occur due to no review of the quarterly budget.

As a result of not reviewing the budget to actual expenditures, the Road Fund, Fire Fund, 911 Fund, and Clerk Storage Fund exceeded the total budgeted amounts for debt services, protection to persons and property, and general government.

KRS 68.240(1) states, in part, "[t]he county judge/executive shall annually prepare a proposed budget for the expenditure of all funds, including those from state and federal sources, which are to be expended by the fiscal court in the next fiscal year[.]"

In addition, the *County Budget Preparation and State Local Officer Policy Manual* issued by the Department for Local Government (DLG) states, "[i]t is necessary to amend the budget to reflect the receipt and expenditure of funds received through a state or federal grant if that grant was not part of the original budget document. An amendment of this nature should be made immediately upon receipt of those funds."

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-003 The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly (Continued)

KRS 68.300 states, “[a]ny appropriation made or claim allowed by the fiscal court in excess of any budget fund, and any warrant or contract not within the budget appropriation, shall be void. No member of the fiscal court shall vote for any such illegal appropriation or claim. The county treasurer shall be liable on his official bond for the amount of any county warrant willfully or negligently signed or countersigned by him in excess of the budget fund out of which the warrant is payable.”

We recommend the Pulaski County Fiscal Court ensure all line items, as well as all funds, are properly budgeted. The budget should be reviewed periodically by management and department heads, and always before a purchase order is approved and the expenditure is completed. Budget transfers or budget amendments should be prepared and reported properly on the fourth quarterly report.

County Judge/Executive's Response: The PCFC has implemented a set of procedures to govern the way the Fiscal Court budget is to be prepared and reviewed. PCFC will follow the standards for preparing and reviewing provided by DLG.

2023-004 The Pulaski County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2022-006. Internal controls over disbursements were not operating as intended during fiscal year 2023. The following exceptions were noted:

- One disbursement tested was not approved by the fiscal court nor appeared to be a valid obligation of the fiscal court which totaled \$53,569.
- Five invoices were paid late.
- Three invoices were recorded in the wrong line items which totaled \$246,717.
- Three fund transfers were improperly recorded as disbursements which totaled \$454,359.
- 63 invoices tested included purchase orders dated after the original invoice dates.
- One credit card invoice tested paid \$3 in finance charges.
- One credit card invoice tested paid \$4 in sales tax.
- Three invoices supporting credit card transactions totaling \$124 were missing.
- One invoice supporting a credit card transaction for \$43 was illegible.
- Five invoices for credit card transactions totaling \$653 were improperly classified.

These deficiencies were allowed to occur due to a lack of oversight and proper review of supporting documentation. Due to a lack of controls over disbursements, the county could incur additional interest and penalties on late payments, incur expenses the county is not obligated for, and exceed available line-item budgets.

Proper internal controls over disbursements are important to ensure invoices are paid within 30-days, to ensure payments are posted correctly, and claims presented to fiscal court include proper supporting documentation.

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-004 The Pulaski County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements
 (Continued)

KRS 68.275 requires the county judge/executive to present all claims to the fiscal court for review prior to payment unless the expenses are included on a standing order adopted by the fiscal court to preapprove the payment of certain claims such as monthly payroll and utility expenses. Furthermore, KRS 65.140 requires invoices to be paid within 30 working days of being received.

We recommend the fiscal court implement proper internal controls over disbursements and ensure they are operating effectively.

County Judge/Executive's Response: New procedures have been implemented to ensure that the purchase order process is initiated prior to purchases being made and invoices are turned in a timely manner for approval by Fiscal Court.

2023-005 The Pulaski County Fiscal Court Did Not Properly Budget And Include All Debt Activity In The
 Financial Statement

This is a repeat finding and was included in the prior year audit report as findings 2202-007 and 2202-012. The fiscal court did not include financing proceeds for the purchases of seven heavy duty trucks and five boom mowers totaling \$2,226,337, nor did the fiscal court properly disclose all required debt information in the liabilities section of the June 30, 2023, quarterly financial report submitted to the Department for Local Government (DLG).

The fiscal court was not aware the proceeds needed to be reported. The fiscal court failed to report the financial activity related to these purchases due to the financing proceeds being paid directly to the vendor from the financial institution. Since these transactions did not run through the fiscal court's bank accounts, they were not included in the budget process or reflected on the fiscal court's financial report. Furthermore, not disclosing all required debt information in the liabilities section of the financial report occurred due to no review of the quarterly statements, and the debt balances were not reconciled to the amortization schedules.

By omitting the liabilities of the fiscal court, the state local finance officer did not have the accurate position of the fiscal court. As a result, the quarterly report understated principal debt obligations by \$21,898,143 and interest obligations of \$2,928,257. In addition, after the financial statement was adjusted to properly account for the debt of \$2,226,337, the county's budget to the actual statement presented as supplementary information accompanying the financial statement shows the capital project line in the road fund to be over budget by \$2,175,481.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* provides requirements and guidance for county government's preparation and presentation of the financial statement and budget. Page 48 of the manual states, "[a]ll borrowed money received and repaid must be reflected in the county budget," page 72 of the manual states, "[a]ll county money is to be reported on the financial statement whether it is included in the budget or not," and page 74 of the manual states, "[a]ny borrowed money that is not reflected in the original budget estimate must be amended into the budget and be properly reflected on the financial report as a receipt as well as an "expenditure" for repayment of borrowed funds."

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-005 The Pulaski County Fiscal Court Did Not Properly Budget And Include All Debt Activity In The Financial Statement (Continued)

We recommend the Pulaski County Fiscal Court take the steps necessary to ensure all financial activity is presented in the financial statement as required by the regulatory basis of accounting. We also recommend the fiscal court properly disclose all debt on the liability section of the quarterly financial reports.

County Judge/Executive's Response: New procedures ensure that all debt has been properly budgeted and listed on the quarterly reports.

2023-006 The Pulaski County Fiscal Court Did Not Maintain Proper Records For The Public Properties Corporation and Activity For General Obligation Bonds Funds

This is a repeat finding and was included in the prior year audit report as finding 2022-008. The Pulaski County Fiscal Court is financially accountable and legally obligated for the debt of the Public Properties Corporation (PPC) and the General Obligation Bond Funds. The fiscal court maintained some of the bank statements that the county received, but not all statements were found. Receipt and disbursement ledgers were not maintained, nor were monthly bank reconciliations and financial statements prepared.

The new county treasurer stated she did not realize the county did not have all the bank statements on hand. Furthermore, the former treasurer did not prepare reconciliations or reports; therefore, the current treasurer did not know of the requirement.

As a result of not maintaining proper records, the county was unaware if funds were used properly, which could lead to the financial statement being materially inaccurate.

Furthermore, adjustments to include financial activity within the PPC fund were required. In total, \$1,918,243 of PPC fund receipts and PPC disbursements had to be adjusted to document PPC fund financial activity for fiscal year ended June 30, 2023. An adjustment of \$321,487 to the prior year's surplus line item in the general fund was also required for the general obligation bond funds not included in the quarterly report.

Good internal controls dictate that adequate reporting be maintained for all receipts and disbursements and book and bank balances be reconciled monthly in order to ensure proper accounting and accurate fund balances. KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual* states the following minimum requirements for handling public funds: "Monthly bank reconciliation" and "Books of original entry for receipts and expenditures..."

We recommend the fiscal court maintain all bank documents. We recommend the fiscal court prepare and maintain ledgers for receipts and disbursements of the PPC and general obligation bond funds. We also recommend monthly bank reconciliations be prepared for all funds. In addition, fiscal court should prepare end of the year financial statements for funds in order to ensure compliance with DLG requirements.

**PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)**

Section II: Financial Statement Findings

2023-006 The Pulaski County Fiscal Court Did Not Maintain Proper Records For The Public Properties Corporation and Activity For General Obligation Bonds Funds (Continued)

County Judge/Executive's Response: The PCFC will prepare and maintain ledgers for receipts and disbursements of the PPC and general obligation bond funds. Monthly reconciliations will be prepared for all funds. Additionally, PCFC will prepare year end financial statement for funds to ensure compliance with DLG requirements.

2023-007 The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2022-010. The Pulaski County Detention Center did not have strong internal controls over disbursements. Supporting documentation was not maintained and appropriate and proper procedures were not followed for exceptions noted during testing.

Internal controls were not strong enough to eliminate the deficiencies in recording disbursements.

During our testing of 39 disbursements from the Jail Commissary Account, Inmate Fund disbursements, and credit card transactions, we noted the following deficiencies:

- Two disbursements were not supported with a detailed invoice.
- One disbursement was not paid within 30 days.
- One disbursement was a duplicate payment for a previously paid invoice.
- The jailer did not bid for a litter vacuum which exceeded the bidding threshold of \$20,000.

Proper internal controls over disbursements are important to ensure invoices are paid timely, correctly, and have adequate supporting documentation. In addition, KRS 65.140 requires invoices to be paid within 30 working days of being received.

In addition, the Pulaski County Fiscal Court Administrative Code states "Any expenditure or contract for materials, supplies (except perishable meat, fish and vegetables), equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) shall be subject to competitive bidding. . . . The County Judge shall open all bids publicly at the time and place stated in the advertisement and shall select the lowest and/or best bid by qualified bidder. If the lowest bid is not selected, the reasons for the selection shall be stated in writing."

We recommend the jailer implement good internal controls over disbursements by ensuring all purchases have an invoice, paying invoices within 30 working days of the invoice received date, and sufficient monitoring of disbursements to ensure duplicate payments do not occur. We further recommend the jailer monitor disbursements to ensure procurement procedures are followed for all purchases and contracts in the future.

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section II: Financial Statement Findings

2023-007 The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements
 (Continued)

County Judge/Executive's Response: The Jailer has implemented stronger internal controls to eliminate these deficiencies, making sure that all invoices are accounted for and paid within the prescribed time. This coincides with personnel changes in the business office of the jail.

2023-008 The Pulaski County Fiscal Court Did Not Follow Proper Procurement Procedures For Purchases
 Over \$20,000

This is a repeat finding and was included in the prior year audit report as finding 2022-011. The Pulaski County Fiscal Court did not advertise for bids on all expenditures exceeding \$20,000. The fiscal court paid for the following items during fiscal year ending June 30, 2023:

- The fiscal court paid \$77,215 for a general contractor for the construction of the coroner's office.
- The fiscal court paid \$29,045 for a road contractor to widen a county road.
- The fiscal court paid \$27,500 for kitchen equipment for the detention center.
- The fiscal court paid \$21,052 for a security system for the special response team (SRT) center.
- The fiscal court paid \$53,569 to a subcontracted vendor for building materials included as an obligation to the primary vendor in another bid for the construction of the SRT center.

The items related to the coroner's office, road, detention center, and SRT center were not bid by the fiscal court.

The fiscal court did not properly maintain all necessary documentation for seven other tested transactions that were bid but could not be verified as following proper procurement procedures due to lack of support. In addition, the fiscal court did not properly accept bids for goods and services. The fiscal court did not document which bidders were selected and approved. The fiscal court voted on June 14, 2022 to approve all 2022-2023 bids.

The fiscal court was not aware the items listed above should have been bid or that acceptance of all bids was not documented properly. As a result, the fiscal court was not in compliance with procurement laws or its administrative code. In addition, the county may not have received the best value for services or products provided.

Pulaski County formally adopted the Commonwealth Model Procurement Code (KRS 45A.343). In addition, the Pulaski County Fiscal Court Administrative Code states, "Any expenditure or contract for materials, supplies (except perishable meat, fish and vegetables), equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) shall be subject to competitive bidding. . . . The County Judge shall open all bids publicly at the time and place stated in the advertisements and shall select the lowest and/or best bid by qualified bidder. If the lowest bid is not selected, the reasons for the selection shall be stated in writing."

We recommend the fiscal court monitor disbursements to ensure procurement procedures are followed properly for all purchases and contracts in the future.

**PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)**

Section II: Financial Statement Findings

2023-008 The Pulaski County Fiscal Court Did Not Follow Proper Procurement Procedures For Purchases Over \$20,000 (Continued)

County Judge/Executive's Response: Department managers have been trained by finance personnel on correct purchasing procedures related to the Model Procurement and the administration code of the county.

2023-009 The Pulaski County Fiscal Court Did Not Maintain Complete And Accurate Capital Asset Schedules

This is a repeat finding and was included in the prior year audit report as finding 2022-013. The Pulaski County Fiscal Court did not have an updated capital asset schedule for fiscal year ended June 30, 2023. The former county judge/executive's administrative assistant was responsible for maintaining the schedule and maintained a workbook to document additions and deletions to the schedule for the fiscal year. Furthermore, there was no evidence that a physical inventory of the fiscal court's capital assets had been completed.

The deficiency occurred due to the fiscal court's lack of adequate controls over the reporting of capital assets. According to the current judge/executive's administrative assistant and the county treasurer, no one in the current administration knew the capital assets list needed to be updated, or a physical inventory completed.

By not maintaining an accurate list of capital assets, assets could be improperly stated, increasing the risk of material misstatement to the capital asset schedule. The fiscal court cannot properly determine insurance needs without proper documentation being maintained.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* which states, "[f]ixed asset records are necessary for proper asset valuation, adequate and accurate insurance coverage, internal control, and long range planning for property replacement." The manual further states that an "annual physical inventory of property and equipment shall be conducted on or before June 30. Physical counts must be compared to the master asset inventory listing. Resulting differences must be reconciled, explained and documented."

We recommend the fiscal court maintain a complete and accurate capital asset schedule to comply with the Department for Local Government requirements. Policies should be implemented that will identify and track additions and deletions for the purpose of the capital asset schedule and required insurance coverage. In addition, the fiscal court should complete a physical inventory at least yearly to ensure all assets meeting the fiscal court's capitalization policy threshold are included.

County Judge/Executive's Response: Since the county has additional personnel, the duty to review for accuracy will be assigned to one individual. We are currently getting the capital assets schedules inventoried and will continue to maintain those schedules. The inventory will be performed annually and maintained on a regular basis.

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023
(Continued)

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

Finding Number	Prior Year Finding Title	Status	Corrective Action
2022-001	The Pulaski County Fiscal Court Lacks Adequate Segregation Of Duties Over Cash, Receipts, And Reconciliations	Unresolved	See corrective action for current year finding 2023-001
2022-002	The Pulaski County Fiscal Court Lacks Adequate Controls Over Occupational Tax Receipts	Unresolved	See corrective action for current year finding 2023-002
2022-003	The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly	Unresolved	See corrective action for current year finding 2023-003
2022-004	The Jail Fund Has A Deficit Fund Balance Of (\$5,045)	Resolved	
2022-005	The Pulaski County Fiscal Court Did Not Correctly Record Interfund Transfers	Resolved	
2022-006	The Pulaski County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements	Unresolved	See corrective action for current year finding 2023-004
2022-007	The Pulaski County Fiscal Court Did Not Properly Disclose Debt Information On The Quarterly Financial Report	Unresolved	See corrective action for current year finding 2023-005
2022-008	The Pulaski County Fiscal Court Did Not Maintain Proper Records For The Public Properties Corporation And General Obligation Bond Funds	Unresolved	See corrective action for current year finding 2023-006
2022-009	The Pulaski County Detention Center Did Not Prepare Daily Checkout Sheets For All Revenue Received	Resolved	
2022-010	The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements	Unresolved	See corrective action for current year finding 2023-007
2022-011	The Pulaski County Fiscal Court Did Not Follow Proper Procurement Procedures For Purchases Over \$20,000	Unresolved	See corrective action for current year finding 2023-008
2022-012	The Pulaski County Fiscal Court Did Not Properly Budget And Include All Debt Activity In The Financial Statement	Unresolved	See corrective action for current year finding 2023-005
2022-013	The Pulaski County Fiscal Court's Capital Asset Listing Had Material Misstatements	Unresolved	See corrective action for current year finding 2023-009

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

PULASKI COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
PULASKI COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Pulaski 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 cursive script, appearing to read "Marshall", is written over a horizontal line.

County Judge/Executive

A handwritten signature in cursive script is written over a horizontal line.

County Treasurer