

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

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



**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
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CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
RUSSELL COUNTY OFFICIALS	5
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS.....	8
NOTES TO FINANCIAL STATEMENT.....	13
BUDGETARY COMPARISON SCHEDULES.....	29
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES.....	46
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	49
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	50
SCHEDULE OF CAPITAL ASSETS.....	53
NOTES TO OTHER INFORMATION - REGULATORY BASIS SCHEDULE OF CAPITAL ASSETS.....	54
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	57
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE	61
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	67
APPENDIX A: CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	

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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 Randy Marcum, Russell County Judge/Executive
Members of the Russell 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 Russell County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Russell 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 Russell 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 Russell 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 Russell County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the Russell 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

Russell 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 Russell 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 Russell County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Russell 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
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the Russell 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 Russell County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 26, 2024

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

Gary Robertson	County Judge/Executive (July 1, 2022 to December 31, 2022)
Randy Marcum	County Judge/Executive (January 1, 2023 to June 30, 2023)
Terry Waddell	Magistrate
Mickey Garner	Magistrate
Ronald Johnson	Magistrate (July 1, 2022 to December 31, 2022)
Zach Wilson	Magistrate (January 1, 2023 to June 30, 2023)
Steve Richardson	Magistrate
Larry Holt	Magistrate (July 1, 2022 to December 31, 2022)
Larry Skaggs	Magistrate (January 1, 2023 to June 30, 2023)

Other Elected Officials:

Kevin Shearer	County Attorney
Bobby Dunbar	Jailer
Patti Glover	County Clerk
Tony Kerr	Circuit Court Clerk
Derek Polston	Sheriff
Tim Popplewell	Property Valuation Administrator
Mark Coots	Coroner

Appointed Personnel:

Kim Blanchet	County Treasurer
Bobbie Garner	Occupational Tax Administrator
Luanne Adams	Finance Officer/Administrative Assistant

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

For The Year Ended June 30, 2023

RUSSELL 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	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 3,374,617	\$	\$	\$
In Lieu Tax Payments	163,973			
Excess Fees	116,794			
Licenses and Permits	6,103			
Intergovernmental	915,092	1,511,682	1,092,135	2,451
Charges for Services	230	610	50,496	
Miscellaneous	243,603	11,466	88,129	98
Interest	846	687	577	
Total Receipts	<u>4,821,258</u>	<u>1,524,445</u>	<u>1,231,337</u>	<u>2,549</u>
DISBURSEMENTS				
General Government	1,427,331			25,491
Protection to Persons and Property	191,372		1,531,072	
General Health and Sanitation	389,799			
Social Services	60,078			
Recreation and Culture	72,039			
Roads		1,251,263		
Airports				
Debt Service	31,515		351,773	
Capital Projects		51,869		
Administration	988,943	178,976	597,348	
Total Disbursements	<u>3,161,077</u>	<u>1,482,108</u>	<u>2,480,193</u>	<u>25,491</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>1,660,181</u>	<u>42,337</u>	<u>(1,248,856)</u>	<u>(22,942)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	12,101	164,100	1,403,436	19,593
Transfers To Other Funds	<u>(1,555,681)</u>			
Total Other Adjustments to Cash (Uses)	<u>(1,543,580)</u>	<u>164,100</u>	<u>1,403,436</u>	<u>19,593</u>
Net Change in Fund Balance	116,601	206,437	154,580	(3,349)
Fund Balance - Beginning (Restated)	<u>1,825,079</u>	<u>308,587</u>	<u>227,984</u>	<u>3,931</u>
Fund Balance - Ending	<u>\$ 1,941,680</u>	<u>\$ 515,024</u>	<u>\$ 382,564</u>	<u>\$ 582</u>
Composition of Fund Balance				
Bank Balance	\$ 1,970,280	\$ 515,075	\$ 386,825	\$ 649
Plus: Deposits In Transit				
Less: Outstanding Checks	<u>(28,600)</u>	<u>(51)</u>	<u>(4,261)</u>	<u>(67)</u>
Fund Balance - Ending	<u>\$ 1,941,680</u>	<u>\$ 515,024</u>	<u>\$ 382,564</u>	<u>\$ 582</u>

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

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

Budgeted Funds						
Alcohol Substance Abuse Program Fund	Grants Fund	Emergency Shelter Fund	American Rescue Plan Act Fund	Tourism Fund	Dispatch Fund	Airport Fund
\$	\$	\$	\$	\$ 158,775	\$ 177,115	\$
					1,646	
20,000	10,000	3,000			107,314	
					398	70,598
		2	34,279	8	87	117
<u>20,000</u>	<u>10,000</u>	<u>3,002</u>	<u>34,279</u>	<u>158,783</u>	<u>286,560</u>	<u>70,715</u>
	10,000		608,985			
	33,100				350,111	
16,005		3,042				
				190,147		
						126,303
					20,760	
					122,081	7,578
<u>16,005</u>	<u>43,100</u>	<u>3,042</u>	<u>608,985</u>	<u>190,147</u>	<u>492,952</u>	<u>133,881</u>
3,995	(33,100)	(40)	(574,706)	(31,364)	(206,392)	(63,166)
	33,100	1,500		25,000	173,952	227,520
			(250,000)			
	<u>33,100</u>	<u>1,500</u>	<u>(250,000)</u>	<u>25,000</u>	<u>173,952</u>	<u>227,520</u>
3,995		1,460	(824,706)	(6,364)	(32,440)	164,354
144,409		4,274	2,495,515	20,684	127,959	81,879
<u>\$ 148,404</u>	<u>\$ 0</u>	<u>\$ 5,734</u>	<u>\$ 1,670,809</u>	<u>\$ 14,320</u>	<u>\$ 95,519</u>	<u>\$ 246,233</u>
\$ 148,404	\$	\$ 5,734	\$ 1,670,809	\$ 14,320	\$ 97,549	\$ 246,877
					(2,030)	(644)
<u>\$ 148,404</u>	<u>\$ 0</u>	<u>\$ 5,734</u>	<u>\$ 1,670,809</u>	<u>\$ 14,320</u>	<u>\$ 95,519</u>	<u>\$ 246,233</u>

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

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

	Budgeted Funds			
	Airport Project Fund	Drug Free Community Fund	Airport Board Fund	Airport Terminal Project Fund
RECEIPTS				
Taxes	\$	\$	\$	\$
In Lieu Tax Payments				
Excess Fees				
Licenses and Permits				
Intergovernmental	2,713,681			
Charges for Services				
Miscellaneous	4,000		75,654	
Interest			80	
Total Receipts	<u>2,717,681</u>		<u>75,734</u>	
DISBURSEMENTS				
General Government				
Protection to Persons and Property				
General Health and Sanitation				
Social Services				
Recreation and Culture				
Roads				
Airports			73,354	
Debt Service				
Capital Projects	2,292,704			
Administration				
Total Disbursements	<u>2,292,704</u>		<u>73,354</u>	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>424,977</u>		<u>2,380</u>	
Other Adjustments to Cash (Uses)				
Transfers From Other Funds				
Transfers To Other Funds	(212,520)	(12,101)		
Total Other Adjustments to Cash (Uses)	<u>(212,520)</u>	<u>(12,101)</u>		
Net Change in Fund Balance	212,457	(12,101)	2,380	
Fund Balance - Beginning (Restated)	<u>9,613</u>	<u>12,101</u>	<u>65,831</u>	
Fund Balance - Ending	<u>\$ 222,070</u>	<u>\$ 0</u>	<u>\$ 68,211</u>	<u>\$ 0</u>
Composition of Fund Balance				
Bank Balance	\$ 222,070	\$	\$ 68,211	\$
Plus: Deposits In Transit				
Investments				
Fund Balance - Ending	<u>\$ 222,070</u>	<u>\$ 0</u>	<u>\$ 68,211</u>	<u>\$ 0</u>

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

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

Budgeted Funds		Unbudgeted Funds					Total Funds
Alcohol Beverage Control Fund	Opioid Settlement Fund	Local Assistance And Tribal Consistency Fund	County Clerk Storage Fee Fund	Public Properties Corporation Fund	Jail Commissary Fund		
\$ 99,139	\$	\$	\$	\$	\$	\$ 3,809,646	
						163,973	
						116,794	
						7,749	
		151,629		856,656		7,383,640	
			19,533			70,869	
25	256,254				309,214	1,059,439	
98	62	2,239	3			39,085	
<u>99,262</u>	<u>256,316</u>	<u>153,868</u>	<u>19,536</u>	<u>856,656</u>	<u>309,214</u>	<u>12,651,195</u>	
84,340			1,128			2,157,275	
						2,105,655	
						389,799	
						79,125	
					308,613	570,799	
						1,251,263	
						199,657	
				856,656		1,239,944	
						2,365,333	
4,930	6					1,899,862	
<u>89,270</u>	<u>6</u>		<u>1,128</u>	<u>856,656</u>	<u>308,613</u>	<u>12,258,712</u>	
9,992	256,310	153,868	18,408		601	392,483	
						2,060,302	
(30,000)						(2,060,302)	
(30,000)							
(20,008)	256,310	153,868	18,408		601	392,483	
106,166				10,804	242,163	5,686,979	
<u>\$ 86,158</u>	<u>\$ 256,310</u>	<u>\$ 153,868</u>	<u>\$ 18,408</u>	<u>\$ 10,804</u>	<u>\$ 242,764</u>	<u>\$ 6,079,462</u>	
\$ 86,158	\$ 256,310	\$ 153,868	\$ 18,408	\$ 10,804	\$ 245,462	\$ 6,117,813	
					691	691	
					(3,389)	(39,042)	
<u>\$ 86,158</u>	<u>\$ 256,310</u>	<u>\$ 153,868</u>	<u>\$ 18,408</u>	<u>\$ 10,804</u>	<u>\$ 242,764</u>	<u>\$ 6,079,462</u>	

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

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

NOTE 1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	13
NOTE 2.	DEPOSITS	17
NOTE 3.	TRANSFERS.....	17
NOTE 4.	CUSTODIAL FUND.....	18
NOTE 5.	LEASES	18
NOTE 6.	LONG-TERM DEBT	20
NOTE 7.	EMPLOYEE RETIREMENT SYSTEM	23
NOTE 8.	DEFERRED COMPENSATION.....	26
NOTE 9.	INSURANCE.....	26
NOTE 10.	SUBSEQUENT EVENTS – DETENTION CENTER DEBT LEASE	26
NOTE 11.	PRIOR PERIOD ADJUSTMENTS	26

**RUSSELL COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Russell County includes all budgeted and unbudgeted funds under the control of the Russell 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.

Lake Cumberland Tourism Commission would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, they no longer are required components of the reporting entity.

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

Alcohol Substance Abuse Program Fund - The primary purpose of this fund is to account for receipts and disbursements in association with drug abuse prevention. The primary sources of receipts for this fund are grants from the state and federal governments.

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

Emergency Shelter Fund - The primary purpose of this fund is to account receipts and disbursements associated with the emergency shelter needs for the county. The primary sources of receipts for this fund are contributions from city governments and transfers from the general fund.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for federal receipts and disbursements associated with the American Rescue Plan Act.

Tourism Fund - The primary purpose of this fund is to account for tourism taxes collected and the passed through to the Tourism Commission.

Dispatch 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.

Airport Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the operation of the airport. The primary source of receipts for this fund is rentals on hangers.

Airport Project Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the projects at the airport. The primary sources of receipts for this fund are grants from the state and federal governments.

Drug Free Community Fund - The primary purpose of this fund is to account for receipts and disbursements associated with community drug prevention.

Airport Board Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the airport board. The primary source of receipts for this fund is sale of fuel.

Airport Terminal Project Fund - The primary purpose of this fund is to account for federal and state receipts associated with the building of the airport terminal. During fiscal year 2023, this fund was budgeted but had no financial activity.

RUSSELL 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)

Alcohol Beverage Control Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the distribution of alcohol within the county. The primary source of receipts for this fund is regulatory license fees.

Opioid Settlement Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the funds received from the state's settlement with three major pharmaceutical distributors in the United States.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Local Assistance and Tribal Consistency Fund - The primary purpose of this fund is to account for federal receipts and disbursements associated with funds received from the federal Local Assistance and Tribal Consistency Fund as an eligible revenue sharing county under the American Rescue Plan Act. An eligible revenue sharing county has federal lands within their jurisdiction.

County Clerk Storage Fee Fund - The primary purpose of this fund is to account for storage fees collected by the county clerk and disbursements related to permanent storage for the county clerk's office. These funds are required to be held and budgeted by the county treasurer for the use of the county clerk. However, the fiscal court did not budget this fund as required by the Department for Local Government.

Public Properties Corporation Fund - The primary purpose of this fund is to account for the debt service requirements of the revenue bond that was issued to fund construction of the Russell County Judicial Center.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

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.

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.

E. Russell County Elected Officials

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

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

F. Deposits and Investments

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

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

G. Long-term Obligations

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

H. Jointly Governed Organizations

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on this criteria, the following is considered a joint venture of the Russell County Fiscal Court:

Russell County Industrial Development Authority

Note 2. Deposits

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

Custodial Credit Risk - Deposits

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

Note 3. Transfers

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

	General Fund	ARPA Fund	Airport Project Fund	Drug Free Community Fund	Alcohol Beverage Control Fund	Total Transfers In
General Fund	\$	\$	\$	\$ 12,101	\$	\$ 12,101
Road Fund	164,100					164,100
Jail Fund	1,138,436	250,000			15,000	1,403,436
LGEA Fund	19,593					19,593
Grants Fund	33,100					33,100
Emergency Shelter Fund	1,500					1,500
Tourism Fund	25,000					25,000
Dispatch Fund	158,952				15,000	173,952
Airport Fund	15,000		212,520			227,520
Total Transfers Out	<u>\$ 1,555,681</u>	<u>\$ 250,000</u>	<u>\$ 212,520</u>	<u>\$ 12,101</u>	<u>\$ 30,000</u>	<u>\$ 2,060,302</u>

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

Note 3. Transfers (Continued)

Reason for transfers:

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

Note 4. Custodial Fund

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 \$1,999.

Note 5. Leases

1. Lessor - Administrative Office of the Courts - Judicial Center

In November 2009, the Russell County Public Properties Corporation, a blended component unit of the fiscal court, began leasing the judicial center to the Administrative Office of the Courts (AOC). The lease is for two year periods and the rental payments shall agree to the annual principal and interest costs on the bonds issued for the financing of the building construction. On July 1 of each even numbered year, the lease may be renewed by AOC, for another biennial period of two years. The lease renewal shall automatically be considered to have affirmatively exercised each even numbered year by AOC, unless notice of its election not to exercise the option for the biennial period be given by AOC to the corporation, the trustee, and the fiscal court in writing at least 60 days prior to the renewal date hereof. The corporation recognized \$856,656 in lease revenue during the current fiscal year. As of June 30, 2023, the corporation's receivable for lease payments was \$5,138,809.

2. Lessee - Postage Meter – County Judge/Executive's Office

In March 2022, the Russell County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a postage meter. An initial lease liability was recorded in the amount of \$3,271 in fiscal year 2022. As of June 30, 2023, the value of the lease liability was \$2,453. The Russell County Fiscal Court is required to make monthly principal payments of \$164. The future lease payments as of June 30, 2023, were as follows:

Fiscal Year Ended June 30	Amount
2024	\$ 654
2025	654
2026	654
2027	491
Total Minimum Lease Payments	<u>\$ 2,453</u>

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

Note 5. Leases (Continued)

3. Lessee - Copier - County Judge/Executive's Office

In June 2023, the Russell County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier for the county judge/executive's office. An initial lease liability was recorded in the amount of \$13,578 in the current fiscal year. As of June 30, 2023, the value of the lease liability was \$13,580. The Russell County Fiscal Court is required to make monthly principal payments of \$226. The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year Ended June 30</u>	<u>Amount</u>
2024	\$ 2,716
2025	2,716
2026	2,716
2027	2,715
2028	<u>2,715</u>
Total Minimum Lease Payments	<u>\$ 13,578</u>

4. Lessee - Copier - DES

In November 2018, the Russell County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier for disaster and emergency services. An initial lease liability was recorded in the amount of \$5,811 in the 2019 fiscal year. As of June 30, 2023, the value of the lease liability was \$291. The Russell County Fiscal Court is required to make monthly principal payments of \$97. The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year Ended June 30</u>	<u>Amount</u>
2024	<u>\$ 291</u>
Total Minimum Lease Payments	<u>\$ 291</u>

5. Lessee - Copier - County Attorney's Office

In November 2022, the Russell County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier for the county attorney's office. An initial lease liability was recorded in the amount of \$10,070 in the current fiscal year. As of June 30, 2023, the value of the lease liability was \$8,559. The Russell County Fiscal Court is required to make monthly principal payments of \$168. The future lease payments as of June 30, 2023, were as follows:

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

Note 5. Leases (Continued)

5. Lessee - Copier – County Attorney’s Office (Continued)

Fiscal Year Ended June 30	Amount
2024	\$ 2,014
2025	2,014
2026	2,014
2027	2,014
2028	<u>503</u>
Total Minimum Lease Payments	<u>\$ 8,559</u>

Note 6. Long-term Debt

A. Other Debt

1. General Obligation Refunding Bonds, Series 2017

On September 6, 2017, the Russell County Fiscal Court issued general obligation refunding bonds, series 2017 in the amount of \$3,885,000 to retire part of the general obligation bonds, series 2010 that were used to construct the detention center and fund the detention center project. Under Resolution No. 17-02, the fiscal court authorized the refunding at a fixed interest rate of 2.05%. The fiscal court utilized \$2,900,000 of the principal to place in an escrow account for the Series 2010 bonds to be paid as of December 2019. Principal is payable annually in December and interest is payable semiannually in December and June. The final maturity date of the 2017 series bonds is December 1, 2029. The bonds are guaranteed by the general revenues of the fiscal court. Principal outstanding as of June 30, 2023, was \$2,200,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 295,000	\$ 42,076
2025	300,000	35,978
2026	310,000	29,725
2027	315,000	23,319
2028	320,000	16,810
2029-2030	<u>660,000</u>	<u>13,632</u>
Totals	<u>\$ 2,200,000</u>	<u>\$ 161,540</u>

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

Note 6. Long-term Debt (Continued)

A. Other Debt (Continued)

2. First Mortgage Refunding Revenue Bonds, Series 2016

On September 13, 2016, the Russell County Public Properties Corporation issued first mortgage refunding revenue bonds, series 2016 in the amount of \$6,585,000 to retire part of the first mortgage revenue bonds, series 2009 used to construct the judicial center and complete the judicial center project. Under Resolution No. 15-01, the fiscal court authorized the refunding at a variable interest rate between 2.00% and 2.50%. The fiscal court utilized \$5,840,000 of the principal to place in an escrow account for the Series 2009 bonds to be paid as of November 2020. Principal is payable annually in November and interest is payable semiannually in November and May. The final maturity date of the 2016 series bonds is November 1, 2028. A mortgage has been issued secured by the judicial center. In the event of default, the judicial center will be repossessed by the financial institution. The Russell County Public Properties Corporation has entered into an agreement to lease the Russell County Judicial Center to the Administrative Office of the Courts, Commonwealth of Kentucky, for the amount of the bond payments. Principal outstanding as of June 30, 2023, was \$4,830,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 765,000	\$ 91,506
2025	780,000	76,056
2026	795,000	60,306
2027	815,000	44,206
2028	830,000	27,757
2029	845,000	8,978
Totals	<u>\$ 4,830,000</u>	<u>\$ 308,809</u>

B. Direct Borrowings

1. Detention Center Debt Lease

On November 24, 2010, the Russell County Fiscal Court entered into an agreement with the Kentucky Area Development Districts Financing Trust in the amount of \$260,000. The lease proceeds were used to pay the Russell County Detention Center General Obligation Bonds, Series 2010 principal and interest payment for November 2010. Interest rate is 4.8% and due on May 20th and November 20th each year through fiscal year 2031. One principal payment is due November 30, 2030; however, the fiscal court made this principal payment on October 19, 2023. In the event of default, the detention center will be repossessed by the financial institution. Principal outstanding as of June 30, 2023, was \$260,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 260,000	\$ 5,683
Totals	<u>\$ 260,000</u>	<u>\$ 5,683</u>

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

Note 6. Long-term Debt (Continued)

B. Direct Borrowings (Continued)

2. Roll Off Truck

On July 19, 2019, the Russell County Fiscal Court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the amount of \$158,760. The funds were used to purchase a roll off truck. Interest rate was 4.95% and was paid monthly. Principal payment was due in a lump sum at the maturity date of the lease, February 20, 2021. On June 29, 2020, the roll off truck was refinanced and the Russell County Fiscal Court entered into a new agreement with the Kentucky Association of Counties Leasing Trust Program in the amount of \$158,760. Interest rate is 3.07% and is paid monthly. Principal payments are due monthly on the 20th of the month. The final payment is scheduled for July 20, 2025. The lease is secured by the truck and upon default of the lease, the lessor has the option to reclaim the truck. Principal outstanding as of June 30, 2023, was \$71,566. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 35,267	\$ 1,839
2025	33,469	645
2026	2,830	7
Totals	<u>\$ 71,566</u>	<u>\$ 2,491</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
Other Debt	\$ 8,070,000	\$	\$1,040,000	\$ 7,030,000	\$ 1,060,000
Direct Borrowings and Direct Placements	360,623		29,057	331,566	295,267
Total Long-term Debt	<u>\$ 8,430,623</u>	<u>\$ 0</u>	<u>\$ 1,069,057</u>	<u>\$ 7,361,566</u>	<u>\$ 1,355,267</u>

RUSSELL 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	Other Debt		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 1,060,000	\$ 133,582	\$ 295,267	\$ 7,522
2025	1,080,000	112,034	33,469	645
2026	1,105,000	90,031	2,830	7
2027	1,130,000	67,525		
2028	1,150,000	44,567		
2029-2030	1,505,000	22,610		
Totals	<u>\$ 7,030,000</u>	<u>\$ 470,349</u>	<u>\$ 331,566</u>	<u>\$ 8,174</u>

Note 7. 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 \$625,928, FY 2022 was \$736,948, and FY 2023 was \$760,680.

Nonhazardous

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

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

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

Note 7. Employee Retirement System (Continued)

Nonhazardous (Continued)

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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.

Benefits are covered under KRS 78.5536.

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

Once members reach a minimum vesting period of 15 years, they earn 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.

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

Note 7. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

B. Health Insurance Coverage - Tier 2 and Tier 3 – Nonhazardous (Continued)

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

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

C. Cost of Living Adjustments - Tier 1

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

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

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

E. Death Benefit

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

F. Annual Financial Report and Proportionate Share Audit Report

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

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

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

Note 8. Deferred Compensation

The Russell 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 9. Insurance

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

Note 10. Subsequent Events – Detention Center Debt Lease

On October 19, 2023, the Russell County Fiscal Court paid the one principal payment in the amount of \$260,000 that was due November 30, 2030 per their agreement dated November 24, 2010 with the Kentucky Area Development Districts Financing Trust related to the detention center.

Note 11. Prior Period Adjustments

	General Fund	Emergency Shelter Fund	Airport Fund	Drug Free Community Fund
Ending Fund Balance Prior Year	\$ 2,063,114	\$ 4,032	\$ 81,696	\$ 12,102
Prior Year Payroll Account Balance	(238,555)			
Prior Year Voided Checks	483	242		
FY 2021 Voided Checks	38		184	
Rounding	(1)		(1)	(1)
Beginning Fund Balance Restated	<u>\$ 1,825,079</u>	<u>\$ 4,274</u>	<u>\$ 81,879</u>	<u>\$ 12,101</u>

RUSSELL COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2023

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RUSSELL 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	\$ 2,754,572	\$ 2,754,572	\$ 3,374,617	\$ 620,045
In Lieu Tax Payments	151,950	151,950	163,973	12,023
Excess Fees	131,880	131,880	116,794	(15,086)
Licenses and Permits	3,675	3,675	6,103	2,428
Intergovernmental	627,762	787,142	915,092	127,950
Charges for Services	300	300	230	(70)
Miscellaneous	64,150	104,861	243,603	138,742
Interest	900	900	846	(54)
Total Receipts	<u>3,735,189</u>	<u>3,935,280</u>	<u>4,821,258</u>	<u>885,978</u>
DISBURSEMENTS				
General Government	1,289,433	1,596,240	1,427,331	168,909
Protection to Persons and Property	144,392	220,700	191,372	29,328
General Health and Sanitation	417,865	437,081	389,799	47,282
Social Services	78,775	81,471	60,078	21,393
Recreation and Culture	49,075	77,913	72,039	5,874
Debt Service	34,376	34,376	31,515	2,861
Administration	1,666,326	1,536,778	988,943	547,835
Total Disbursements	<u>3,680,242</u>	<u>3,984,559</u>	<u>3,161,077</u>	<u>823,482</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>54,947</u>	<u>(49,279)</u>	<u>1,660,181</u>	<u>1,709,460</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			12,101	12,101
Transfers To Other Funds	(1,731,817)	(1,731,817)	(1,555,681)	176,136
Total Other Adjustments to Cash (Uses)	<u>(1,731,817)</u>	<u>(1,731,817)</u>	<u>(1,543,580)</u>	<u>188,237</u>
Net Change in Fund Balance	(1,676,870)	(1,781,096)	116,601	1,897,697
Fund Balance - Beginning (Restated)	<u>1,676,870</u>	<u>1,824,596</u>	<u>1,825,079</u>	<u>483</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 43,500</u>	<u>\$ 1,941,680</u>	<u>\$ 1,898,180</u>

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,599,905	\$ 1,641,817	\$ 1,511,682	\$ (130,135)
Charges for Services	200	200	610	410
Miscellaneous	2,500	10,231	11,466	1,235
Interest	500	500	687	187
Total Receipts	<u>1,603,105</u>	<u>1,652,748</u>	<u>1,524,445</u>	<u>(128,303)</u>
DISBURSEMENTS				
Roads	1,235,890	1,423,443	1,251,263	172,180
Capital Projects	60,000	60,000	51,869	8,131
Administration	379,019	482,393	178,976	303,417
Total Disbursements	<u>1,674,909</u>	<u>1,965,836</u>	<u>1,482,108</u>	<u>483,728</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(71,804)</u>	<u>(313,088)</u>	<u>42,337</u>	<u>355,425</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	4,501	4,501	164,100	159,599
Total Other Adjustments to Cash (Uses)	<u>4,501</u>	<u>4,501</u>	<u>164,100</u>	<u>159,599</u>
Net Change in Fund Balance	(67,303)	(308,587)	206,437	515,024
Fund Balance - Beginning	<u>67,303</u>	<u>308,587</u>	<u>308,587</u>	<u>308,587</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 515,024</u>	<u>\$ 515,024</u>

RUSSELL 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	\$ 607,108	\$ 739,680	\$ 1,092,135	\$ 352,455
Charges for Services	29,000	29,000	50,496	21,496
Miscellaneous	51,200	51,200	88,129	36,929
Interest	660	660	577	(83)
Total Receipts	<u>687,968</u>	<u>820,540</u>	<u>1,231,337</u>	<u>410,797</u>
Protection to Persons and Property	1,599,299	1,648,816	1,531,072	117,744
Debt Service	351,773	351,773	351,773	
Administration	698,510	781,565	597,348	184,217
Total Disbursements	<u>2,649,582</u>	<u>2,782,154</u>	<u>2,480,193</u>	<u>301,961</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,961,614)</u>	<u>(1,961,614)</u>	<u>(1,248,856)</u>	<u>712,758</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,532,914	1,532,914	1,403,436	(129,478)
Total Other Adjustments to Cash (Uses)	<u>1,532,914</u>	<u>1,532,914</u>	<u>1,403,436</u>	<u>(129,478)</u>
Net Change in Fund Balance	(428,700)	(428,700)	154,580	583,280
Fund Balance - Beginning	<u>428,700</u>	<u>428,700</u>	<u>227,984</u>	<u>(200,716)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 382,564</u>	<u>\$ 382,564</u>

RUSSELL 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	\$ 2,000	\$ 2,000	\$ 2,451	\$ 451
Miscellaneous	50	50	98	48
Total Receipts	<u>2,050</u>	<u>2,050</u>	<u>2,549</u>	<u>499</u>
DISBURSEMENTS				
General Government	10,500	27,434	25,491	1,943
Administration	4,000	997	997	997
Total Disbursements	<u>14,500</u>	<u>28,431</u>	<u>25,491</u>	<u>2,940</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(12,450)</u>	<u>(26,381)</u>	<u>(22,942)</u>	<u>3,439</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	8,950	8,950	19,593	10,643
Total Other Adjustments to Cash (Uses)	<u>8,950</u>	<u>8,950</u>	<u>19,593</u>	<u>10,643</u>
Net Change in Fund Balance	(3,500)	(17,431)	(3,349)	14,082
Fund Balance - Beginning	<u>3,500</u>	<u>3,931</u>	<u>3,931</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (13,500)</u>	<u>\$ 582</u>	<u>\$ 14,082</u>

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

ALCOHOL SUBSTANCE ABUSE PROGRAM (ASAP) FUND

	<u>Budgeted Amounts</u>		<u>Actual Amounts, (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 22,000	\$ 22,000	\$ 20,000	\$ (2,000)
Total Receipts	<u>22,000</u>	<u>22,000</u>	<u>20,000</u>	<u>(2,000)</u>
DISBURSEMENTS				
Social Services	22,000	22,000	16,005	5,995
Administration	125,720	125,720		125,720
Total Disbursements	<u>147,720</u>	<u>147,720</u>	<u>16,005</u>	<u>131,715</u>
Net Change in Fund Balance	(125,720)	(125,720)	3,995	129,715
Fund Balance - Beginning	<u>125,720</u>	<u>125,720</u>	<u>144,409</u>	<u>18,689</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 148,404</u>	<u>\$ 148,404</u>

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

	GRANTS FUND			
	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 40,000	\$ 83,100	\$ 10,000	\$ (73,100)
Total Receipts	<u>40,000</u>	<u>83,100</u>	<u>10,000</u>	<u>(73,100)</u>
DISBURSEMENTS				
General Government	40,000	50,000	10,000	40,000
Protection to Persons and Property		33,100	33,100	
Total Disbursements	<u>40,000</u>	<u>83,100</u>	<u>43,100</u>	<u>40,000</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>(33,100)</u>	<u>(33,100)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			33,100	33,100
Total Other Adjustments to Cash (Uses)			<u>33,100</u>	<u>33,100</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

	EMERGENCY SHELTER FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 3,000	\$
Miscellaneous	1,000	1,000		(1,000)
Interest	6	6	2	(4)
Total Receipts	<u>4,006</u>	<u>4,006</u>	<u>3,002</u>	<u>(1,004)</u>
DISBURSEMENTS				
Social Services	5,500	5,500	3,042	2,458
Administration	<u>1,006</u>	<u>4,038</u>	<u>3,042</u>	<u>4,038</u>
Total Disbursements	<u>6,506</u>	<u>9,538</u>	<u>3,042</u>	<u>6,496</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,500)</u>	<u>(5,532)</u>	<u>(40)</u>	<u>5,492</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,500	1,500	1,500	
Total Other Adjustments to Cash (Uses)	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	
Net Change in Fund Balance	(1,000)	(4,032)	1,460	5,492
Fund Balance - Beginning (Restated)	<u>1,000</u>	<u>4,032</u>	<u>4,274</u>	<u>242</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,734</u>	<u>\$ 5,734</u>

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

	AMERICAN RESCUE PLAN ACT (ARPA) FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,740,667	\$ 1,740,667	\$	\$ (1,740,667)
Interest	21,651	21,651	34,279	12,628
Total Receipts	<u>1,762,318</u>	<u>1,762,318</u>	<u>34,279</u>	<u>(1,728,039)</u>
DISBURSEMENTS				
General Government		608,985	608,985	
Administration	2,986,409	3,648,848		3,648,848
Total Disbursements	<u>2,986,409</u>	<u>4,257,833</u>	<u>608,985</u>	<u>3,648,848</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,224,091)</u>	<u>(2,495,515)</u>	<u>(574,706)</u>	<u>1,920,809</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(250,000)	(250,000)
Total Other Adjustments to Cash (Uses)			<u>(250,000)</u>	<u>(250,000)</u>
Net Change in Fund Balance	(1,224,091)	(2,495,515)	(824,706)	1,670,809
Fund Balance - Beginning	1,224,091	2,495,515	2,495,515	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,670,809</u>	<u>\$ 1,670,809</u>

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

	TOURISM FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 160,000	\$ 160,000	\$ 158,775	\$ (1,225)
Interest	100	100	8	(92)
Total Receipts	<u>160,100</u>	<u>160,100</u>	<u>158,783</u>	<u>(1,317)</u>
DISBURSEMENTS				
Recreation and Culture	160,000	210,000	190,147	19,853
Administration	40,100	25,783	25,783	25,783
Total Disbursements	<u>200,100</u>	<u>235,783</u>	<u>190,147</u>	<u>45,636</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(40,000)</u>	<u>(75,683)</u>	<u>(31,364)</u>	<u>44,319</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	25,000	25,000	25,000	
Total Other Adjustments to Cash (Uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	
Net Change in Fund Balance	(15,000)	(50,683)	(6,364)	44,319
Fund Balance - Beginning	<u>15,000</u>	<u>20,683</u>	<u>20,684</u>	<u>1</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 14,320</u>	<u>\$ 44,320</u>

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

	DISPATCH FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 164,325	\$ 164,325	\$ 177,115	\$ 12,790
Licenses and Permits	1,645	1,645	1,646	1
Intergovernmental	95,000	102,674	107,314	4,640
Miscellaneous	300	300	398	98
Interest	130	130	87	(43)
Total Receipts	<u>261,400</u>	<u>269,074</u>	<u>286,560</u>	<u>17,486</u>
DISBURSEMENTS				
Protection to Persons and Property	375,863	409,410	350,111	59,299
Capital Projects		20,760	20,760	
Administration	178,256	140,876	122,081	18,795
Total Disbursements	<u>554,119</u>	<u>571,046</u>	<u>492,952</u>	<u>78,094</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(292,719)</u>	<u>(301,972)</u>	<u>(206,392)</u>	<u>95,580</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>173,952</u>	<u>173,952</u>	<u>173,952</u>	
Total Other Adjustments to Cash (Uses)	<u>173,952</u>	<u>173,952</u>	<u>173,952</u>	
Net Change in Fund Balance	(118,767)	(128,020)	(32,440)	95,580
Fund Balance - Beginning	<u>118,767</u>	<u>127,959</u>	<u>127,959</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (61)</u>	<u>\$ 95,519</u>	<u>\$ 95,580</u>

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

	AIRPORT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 57,100	\$ 57,100	\$ 70,598	\$ 13,498
Interest	40	40	117	77
Total Receipts	<u>57,140</u>	<u>57,140</u>	<u>70,715</u>	<u>13,575</u>
DISBURSEMENTS				
Airports	84,286	155,233	126,303	28,930
Administration	96,609	228,701	7,578	221,123
Total Disbursements	<u>180,895</u>	<u>383,934</u>	<u>133,881</u>	<u>250,053</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(123,755)</u>	<u>(326,794)</u>	<u>(63,166)</u>	<u>263,628</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	15,000	215,000	227,520	12,520
Total Other Adjustments to Cash (Uses)	<u>15,000</u>	<u>215,000</u>	<u>227,520</u>	<u>12,520</u>
Net Change in Fund Balance	(108,755)	(111,794)	164,354	276,148
Fund Balance - Beginning (Restated)	<u>108,755</u>	<u>108,755</u>	<u>81,879</u>	<u>(26,876)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (3,039)</u>	<u>\$ 246,233</u>	<u>\$ 249,272</u>

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

	AIRPORT PROJECT FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 2,592,591	\$ 2,592,591	\$ 2,713,681	\$ 121,090
Miscellaneous			4,000	4,000
Total Receipts	<u>2,592,591</u>	<u>2,592,591</u>	<u>2,717,681</u>	<u>125,090</u>
DISBURSEMENTS				
Capital Projects	2,592,591	2,592,591	2,292,704	299,887
Administration	9,614	6,514		6,514
Total Disbursements	<u>2,602,205</u>	<u>2,599,105</u>	<u>2,292,704</u>	<u>306,401</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(9,614)</u>	<u>(6,514)</u>	<u>424,977</u>	<u>431,491</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(212,520)	(212,520)
Total Other Adjustments to Cash (Uses)			<u>(212,520)</u>	<u>(212,520)</u>
Net Change in Fund Balance	(9,614)	(6,514)	212,457	218,971
Fund Balance - Beginning	<u>9,614</u>	<u>9,614</u>	<u>9,613</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 3,100</u>	<u>\$ 222,070</u>	<u>\$ 218,970</u>

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

DRUG FREE COMMUNITY (DFC) FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
DISBURSEMENTS				
Administration	\$ 12,102	\$ 12,102	\$	\$ 12,102
Total Disbursements	<u>12,102</u>	<u>12,102</u>	<u>\$</u>	<u>12,102</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(12,102)</u>	<u>(12,102)</u>	<u>\$</u>	<u>12,102</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u></u>	<u></u>	<u>(12,101)</u>	<u>(12,101)</u>
Total Other Adjustments to Cash (Uses)	<u></u>	<u></u>	<u>(12,101)</u>	<u>(12,101)</u>
Net Change in Fund Balance	(12,102)	(12,102)	(12,101)	1
Fund Balance - Beginning (Restated)	<u>12,102</u>	<u>12,102</u>	<u>12,101</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

	AIRPORT BOARD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 50,000	\$ 53,154	\$ 75,654	\$ 22,500
Interest	45	45	80	35
Total Receipts	<u>50,045</u>	<u>53,199</u>	<u>75,734</u>	<u>22,535</u>
DISBURSEMENTS				
Airports	59,000	102,571	73,354	29,217
Administration	26,706	16,459	73,354	16,459
Total Disbursements	<u>85,706</u>	<u>119,030</u>	<u>73,354</u>	<u>45,676</u>
Net Change in Fund Balance	(35,661)	(65,831)	2,380	68,211
Fund Balance - Beginning	<u>35,661</u>	<u>65,831</u>	<u>65,831</u>	<u>65,831</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,211</u>	<u>\$ 68,211</u>

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

AIRPORT TERMINAL PROJECT FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 57,597	\$ 57,597	\$	\$ (57,597)
Total Receipts	<u>57,597</u>	<u>57,597</u>		<u>(57,597)</u>
DISBURSEMENTS				
Capital Projects	57,597	57,597		57,597
Total Disbursements	<u>57,597</u>	<u>57,597</u>		<u>57,597</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

ALCOHOL BEVERAGE CONTROL (ABC) FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 100,000	\$ 100,000	\$ 99,139	\$ (861)
Miscellaneous	210	210	25	(185)
Interest	60	60	98	38
Total Receipts	<u>100,270</u>	<u>100,270</u>	<u>99,262</u>	<u>(1,008)</u>
DISBURSEMENTS				
General Government	96,416	136,075	84,340	51,735
Administration	43,854	40,361	4,930	35,431
Total Disbursements	<u>140,270</u>	<u>176,436</u>	<u>89,270</u>	<u>87,166</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(40,000)</u>	<u>(76,166)</u>	<u>9,992</u>	<u>86,158</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	
Total Other Adjustments to Cash (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	
Net Change in Fund Balance	(70,000)	(106,166)	(20,008)	86,158
Fund Balance - Beginning	<u>70,000</u>	<u>106,166</u>	<u>106,166</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,158</u>	<u>\$ 86,158</u>

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

OPIOID SETTLEMENT FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	256,248	\$ 256,254	\$ 6
Interest			62	62
Total Receipts		256,248	256,316	68
DISBURSEMENTS				
Administration		256,248	6	256,242
Total Disbursements		256,248	6	256,242
Net Change in Fund Balance			256,310	256,310
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 256,310	\$ 256,310

RUSSELL 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.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2023

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RUSSELL 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 Transportation</u>				
<i>Direct Program - Aviation Administration</i>				
Airport Improvement Program - Taxi Way Project	20.106	N/A	\$	\$ 2,226,942
Total U.S. Department of Transportation				<u>2,226,942</u>
<u>U. S. Department of Justice</u>				
<i>Passed-Through Kentucky Justice and Public Safety Cabinet</i>				
Crime Victims Assistance	16.575	OCA-FR-2022-Russell-00061	\$	\$ 6,137
Crime Victims Assistance	16.575	OCA-FR-2022-Russell-00088		<u>15,633</u>
Total U.S. Department of Justice				<u>21,770</u>
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through Kentucky Department of Homeland Security</i>				
Homeland Security Grant Program	97.067	SC 094 2300001091	\$	\$ 33,100
<i>Passed-Through Kentucky Department of Military Affairs</i>				
Emergency Management Performance Grant	97.042	EMA-2021-EP-00012		<u>8,186</u>
Total U.S. Department of Homeland Security				<u>41,286</u>
<u>U. S. Department of Treasury</u>				
<i>Direct Program</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund - American Rescue Plan Act	21.027	N/A		<u>\$ 858,984</u>
Total U.S. Department of Treasury				<u>858,984</u>
Total Expenditures of Federal Awards			\$ 0	<u>\$3,148,982</u>

The accompanying notes are an integral part of this schedule.

RUSSELL 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 Russell 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 Russell County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Russell 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

Russell 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.

Note 4. Pertaining to Novel Coronavirus Pandemic Relief

In order to identify COVID-19 funds on Schedule of Expenditures of Federal Awards, the prefix will precede the Program Title on the Grantor Schedule.

COVID-19 – Coronavirus State and Local Fiscal Recovery Fund

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

For The Year Ended June 30, 2023

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RUSSELL COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2023

The fiscal court reports the following Schedule of Capital Assets:

	(*Restated) Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 644,500	\$ 15,000	\$	\$ 659,500
Buildings and Building Improvements *	22,804,532			22,804,532
Construction In Progress *	1,236,224	1,143,896		2,380,120
Machinery and Equipment	2,113,161	253,088	550,840	1,815,409
Vehicles	2,399,333	110,426	75,309	2,434,450
Infrastructure	15,827,320	1,227,970		17,055,290
 Total Capital Assets	 <u>\$ 45,025,070</u>	 <u>\$ 2,750,380</u>	 <u>\$ 626,149</u>	 <u>\$ 47,149,301</u>

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

June 30, 2023

Note 1. Capital Assets

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

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

Note 2. Prior Period Adjustments

The beginning balances reported on the Schedule of Capital Assets for buildings and building improvements and construction in progress have been restated. Construction in progress of \$1,008,562 was erroneously included in buildings and building improvements in the prior year.

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

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Randy Marcum, Russell County Judge/Executive
Members of the Russell 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 Russell County Fiscal Court for the fiscal year ended June 30, 2023 and the related notes to the financial statement which collectively comprise the Russell County Fiscal Court's financial statement and have issued our report thereon dated March 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

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



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

Report on Compliance And Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 26, 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 Randy Marcum, Russell County Judge/Executive
Members of the Russell County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Russell 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 Russell County Fiscal Court's major federal programs for the year ended June 30, 2023. The Russell 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, Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 26, 2024

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

For The Year Ended June 30, 2023

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**RUSSELL 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" 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>
20.106	Airport Improvement Program – Taxi Way Project
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Fund – American Rescue Plan Act

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

Section II: Financial Statement Findings

None.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

None.

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

RUSSELL COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
RUSSELL COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Russell 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.



County Judge/Executive



County Treasurer