

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

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



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

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable John Ogburn, Jr., Trimble County Judge/Executive
Members of the Trimble 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 Trimble County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Trimble 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 Trimble 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 Trimble 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 Trimble 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 John Ogburn, Jr., Trimble County Judge/Executive
Members of the Trimble 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 Trimble 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

Trimble 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 Trimble 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 Trimble 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 John Ogburn, Jr., Trimble County Judge/Executive
Members of the Trimble 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 Trimble County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the Trimble 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 Trimble County Fiscal Court's internal control over financial reporting and compliance.

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable John Ogburn, Jr., Trimble County Judge/Executive
Members of the Trimble County Fiscal Court

Other Reporting Required by *Government Auditing Standards* (Continued)

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

2023-001 The Trimble County Fiscal Court Did Not Have Adequate Internal Controls Over Procurement Processes

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

December 14, 2023

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

John D. Ogburn, Jr.	County Judge/Executive
Chris Liter	Magistrate
J.D. Jones	Magistrate
Melissa Gibson Cornish	Magistrate
Crystal Whitice	Magistrate

Other Elected Officials:

Crystal Heinz	County Attorney
Bobby Temple	Jailer
Tina Browning	County Clerk
Stacy Bruner	Circuit Court Clerk
Charles Kelton	Sheriff
Jill Mahoney	Property Valuation Administrator
Frederica Congleton	Coroner

Appointed Personnel:

Regina Rand	County Treasurer
Lisa Mosley	Deputy Judge/Executive
Tasha Wright	Administrative Assistant
Barry Sherrell	Road Supervisor
Susan Barnes	Fiscal Court Clerk

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

For The Year Ended June 30, 2023

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

For The Year Ended June 30, 2023

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
RECEIPTS			
Taxes	\$ 2,024,384	\$	\$
Excess Fees	8,279		
Licenses and Permits	820,004	850	
Intergovernmental	218,308	1,044,980	82,633
Charges for Services	442,905		
Miscellaneous	432,550	887	
Interest	8,902	1,695	
Total Receipts	<u>3,955,332</u>	<u>1,048,412</u>	<u>82,633</u>
DISBURSEMENTS			
General Government	1,003,335		
Protection to Persons and Property	800,589		275,916
General Health and Sanitation	224,768	300	
Social Services			
Recreation and Culture	57,928		
Transportation Facility and Services	4,000		
Roads		1,485,738	
Debt Service		56,398	
Administration	1,146,887	146,697	55,102
Total Disbursements	<u>3,237,507</u>	<u>1,689,133</u>	<u>331,018</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>717,825</u>	<u>(640,721)</u>	<u>(248,385)</u>
Other Adjustments to Cash (Uses)			
Change in Payroll Revolving Account	13,737		
Other Financing Sources		208,500	
Transfers From Other Funds			242,653
Transfers To Other Funds	(441,653)		
Total Other Adjustments to Cash (Uses)	<u>(427,916)</u>	<u>208,500</u>	<u>242,653</u>
Net Change in Fund Balance	289,909	(432,221)	(5,732)
Fund Balance - Beginning (Restated)	<u>3,109,194</u>	<u>843,518</u>	<u>20,777</u>
Fund Balance - Ending	<u>\$ 3,399,103</u>	<u>\$ 411,297</u>	<u>\$ 15,045</u>
Composition of Fund Balance			
Bank Balance	\$ 2,417,002	\$ 413,672	\$ 25,540
Plus: Receivables	25		
Less: Outstanding Checks	(46,796)	(2,375)	(10,495)
Certificates of Deposit	1,028,872		
Fund Balance - Ending	<u>\$ 3,399,103</u>	<u>\$ 411,297</u>	<u>\$ 15,045</u>

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

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

Budgeted Funds					
Local Government Economic Assistance Fund	CDBG Fund	County Clerk Storage Fee Fund	Opioid Settlement Fund	American Rescue Plan Act Fund	Total Funds
\$	\$	\$	\$	\$	\$ 2,024,384
					8,279
					820,854
6,750	8,060		54,256	822,696	2,237,683
					442,905
9,732		14,840			458,009
59		14	49	1,518	12,237
<u>16,541</u>	<u>8,060</u>	<u>14,854</u>	<u>54,305</u>	<u>824,214</u>	<u>6,004,351</u>
					3,328
		2,999		500,000	1,509,662
					1,076,505
23,050					248,118
24,939					24,939
224,825					282,753
					4,000
					1,485,738
					56,398
	10,578				1,359,264
<u>276,142</u>	<u>10,578</u>	<u>2,999</u>		<u>500,000</u>	<u>6,047,377</u>
					(259,601)
	(2,518)	11,855	54,305	324,214	(43,026)
					13,737
					208,500
199,000					441,653
					(441,653)
<u>199,000</u>					<u>222,237</u>
(60,601)	(2,518)	11,855	54,305	324,214	179,211
63,481	2,518			54,046	4,093,534
<u>\$ 2,880</u>	<u>\$ 0</u>	<u>\$ 11,855</u>	<u>\$ 54,305</u>	<u>\$ 378,260</u>	<u>\$ 4,272,745</u>
					\$ 33,436
		\$ 11,855	\$ 54,305	\$ 378,260	\$ 3,334,070
					25
(30,556)					(90,222)
					1,028,872
<u>\$ 2,880</u>	<u>\$ 0</u>	<u>\$ 11,855</u>	<u>\$ 54,305</u>	<u>\$ 378,260</u>	<u>\$ 4,272,745</u>

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

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TRIMBLE COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Trimble County includes all budgeted and unbudgeted funds under the control of the Trimble 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 that 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 the quarterly reports submitted to the Department for Local Government.

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.

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.

TRIMBLE 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)

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

Community Development Block Grant Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are federal grants received under the Community Development Block Grant program.

County Clerk Storage Fee Fund - The primary purpose of this fund is to account for storage fees received by the county clerk and disbursed to the county treasurer, to be held in a fund for the county clerk's use and the county to disburse on the county clerk's behalf.

Opioid Settlement Fund - The primary purpose of this fund is to account for funds provided to the county as a result of the state opioid settlement. These funds are to be used to support opioid addiction assistance in the county.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are federal grants received under the American Recovery Plan Act.

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.

E. Trimble County Elected Officials

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

E. Trimble County Elected Officials (Continued)

- 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.

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.

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

Note 3. Transfers

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

	<u>General Fund</u>	<u>Total Transfers In</u>
Jail Fund	\$ 242,653	\$ 242,653
LGEA Fund	199,000	199,000
Total Transfers Out	<u>\$ 441,653</u>	<u>\$ 441,653</u>

Reason for transfers:

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

Note 4. Long-term Debt

A. Direct Borrowings

Financing Obligation – Road Equipment – 2023

On May 12, 2023, the fiscal court entered into a lease agreement with Huntington Bank in the amount of \$208,500 at a 5.52% fixed interest rate. The financing obligation was used to purchase road equipment. The agreement is secured by the equipment purchased. The maturity date of the obligation is May 12, 2026. The ending balance for the financing obligation was \$152,102 as of June 30, 2023. The future principal and interest lease payments were as follows:

Fiscal Year Ended <u>June 30</u>	<u>Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 48,002	\$ 8,396
2025	50,652	5,746
2026	53,448	2,950
Totals	<u>\$ 152,102</u>	<u>\$ 17,092</u>

B. Changes In Long-term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct Borrowings:	\$	\$ 208,500	\$ 56,398	\$ 152,102	\$ 48,002
Total Long-term Debt	<u>\$ 0</u>	<u>\$ 208,500</u>	<u>\$ 56,398</u>	<u>\$ 152,102</u>	<u>\$ 48,002</u>

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

Note 4. Long-term Debt (Continued)

C. Aggregate Debt Schedule

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

Fiscal Year Ended June 30	Direct Borrowings	
	Principal	Interest
2024	\$ 48,002	\$ 8,396
2025	50,652	5,746
2026	53,448	2,950
Totals	<u>\$ 152,102</u>	<u>\$ 17,092</u>

Note 5. Commitments and Contingencies

The county is involved in a lawsuit. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

Note 6. Employee Retirement System

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

The county's contribution for FY 2021 was \$345,983, FY 2022 was \$403,171, and FY 2023 was \$466,128.

Nonhazardous

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

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

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

Note 6. 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.

Hazardous

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

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan.

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8 percent of their annual creditable compensation and also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

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

The county's contribution rate for hazardous employees was 49.59 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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

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

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

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

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

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

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

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

D. Cost of Living Adjustments - Tier 1

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

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

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

F. Death Benefit

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

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

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

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

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

Note 7. Deferred Compensation

The Trimble 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 8. Health Reimbursement Account/Flexible Spending Account

The Trimble County Fiscal Court established a health reimbursement account (HRA) and a flexible spending account (FSA) on May 1, 2012, to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The HRA plan provides a debit card to each eligible employee providing \$1,500 and \$3,000, depending upon the type of insurance plan the employee has, each year to pay for qualified medical expenses. Employees may also contribute additional pre-tax funds to the FSA through payroll deduction.

Note 9. Insurance

For the fiscal year ended June 30, 2023, the Trimble 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. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to a power plant for pollution control and the Trimble County Industrial Authority that is deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Trimble County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2023, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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

Note 11. Prior Period Adjustments

The general fund beginning balance was restated and decreased by \$40,028, which includes an addition of \$84 in prior year voided checks and a decrease for \$40,112 in prior year payroll revolving account liabilities that were not included in the prior balance.

The road fund beginning balance was restated and increased by \$162 for prior year voided checks.

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

For The Year Ended June 30, 2023

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TRIMBLE 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	\$ 1,936,500	\$ 1,936,500	\$ 2,024,384	\$ 87,884
Excess Fees			8,279	8,279
Licenses and Permits	725,600	725,600	820,004	94,404
Intergovernmental	115,686	115,686	218,308	102,622
Charges for Services	345,000	345,000	442,905	97,905
Miscellaneous	383,500	383,500	432,550	49,050
Interest	4,200	4,200	8,902	4,702
Total Receipts	<u>3,510,486</u>	<u>3,510,486</u>	<u>3,955,332</u>	<u>444,846</u>
DISBURSEMENTS				
General Government	1,022,521	1,149,975	1,003,335	146,640
Protection to Persons and Property	1,350,100	1,477,100	800,589	676,511
General Health and Sanitation	255,106	295,732	224,768	70,964
Social Services	12,000	12,000		12,000
Recreation and Culture	62,000	62,000	57,928	4,072
Transportation Facilities and Services	8,000	8,000	4,000	4,000
Administration	2,064,728	1,969,648	1,146,887	822,761
Total Disbursements	<u>4,774,455</u>	<u>4,974,455</u>	<u>3,237,507</u>	<u>1,736,948</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,263,969)</u>	<u>(1,463,969)</u>	<u>717,825</u>	<u>2,181,794</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(585,542)</u>	<u>(585,542)</u>	<u>(441,653)</u>	<u>143,889</u>
Total Other Adjustments to Cash (Uses)	<u>(585,542)</u>	<u>(585,542)</u>	<u>(441,653)</u>	<u>143,889</u>
Net Change in Fund Balance	(1,849,511)	(2,049,511)	276,172	2,325,683
Fund Balance - Beginning (Restated)	<u>1,849,511</u>	<u>2,049,511</u>	<u>3,082,668</u>	<u>1,033,157</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,358,840</u>	<u>\$ 3,358,840</u>

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

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Licenses and Permits	\$ 1,000	\$ 1,000	\$ 850	\$ (150)
Intergovernmental	945,414	945,414	1,044,980	99,566
Miscellaneous	3,000	3,000	887	(2,113)
Interest	600	600	1,695	1,095
Total Receipts	<u>950,014</u>	<u>950,014</u>	<u>1,048,412</u>	<u>98,398</u>
DISBURSEMENTS				
General Health and Sanitation	2,000	2,000	300	1,700
Roads	1,381,000	1,498,710	1,485,738	12,972
Debt Service		56,398	56,398	
Administration	244,579	170,471	146,697	23,774
Total Disbursements	<u>1,627,579</u>	<u>1,727,579</u>	<u>1,689,133</u>	<u>38,446</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(677,565)</u>	<u>(777,565)</u>	<u>(640,721)</u>	<u>136,844</u>
Other Adjustments to Cash (Uses)				
Other Financing Sources			<u>208,500</u>	<u>208,500</u>
Total Other Adjustments to Cash (Uses)			<u>208,500</u>	<u>208,500</u>
Net Change in Fund Balance	(677,565)	(777,565)	(432,221)	345,344
Fund Balance - Beginning (Restated)	<u>677,565</u>	<u>777,565</u>	<u>843,518</u>	<u>65,953</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 411,297</u>	<u>\$ 411,297</u>

TRIMBLE 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	\$ 82,200	\$ 82,200	\$ 82,633	\$ 433
Total Receipts	<u>82,200</u>	<u>82,200</u>	<u>82,633</u>	<u>433</u>
DISBURSEMENTS				
Protection to Persons and Property	329,302	334,500	275,916	58,584
General Health and Sanitation	500	500		500
Administration	78,450	73,252	55,102	18,150
Total Disbursements	<u>408,252</u>	<u>408,252</u>	<u>331,018</u>	<u>77,234</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(326,052)</u>	<u>(326,052)</u>	<u>(248,385)</u>	<u>77,667</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	294,252	294,252	242,653	(51,599)
Total Other Adjustments to Cash (Uses)	<u>294,252</u>	<u>294,252</u>	<u>242,653</u>	<u>(51,599)</u>
Net Change in Fund Balance	(31,800)	(31,800)	(5,732)	26,068
Fund Balance - Beginning	<u>31,800</u>	<u>31,800</u>	<u>20,777</u>	<u>(11,023)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,045</u>	<u>\$ 15,045</u>

TRIMBLE 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	\$ 5,000	\$ 5,000	\$ 6,750	\$ 1,750
Miscellaneous	700	700	9,732	9,032
Interest	10	10	59	49
Total Receipts	<u>5,710</u>	<u>5,710</u>	<u>16,541</u>	<u>10,831</u>
DISBURSEMENTS				
General Government	2,000	7,000	3,328	3,672
General Health and Sanitation	26,000	26,000	23,050	2,950
Social Services	38,000	38,000	24,939	13,061
Recreation and Culture	230,000	283,901	224,825	59,076
Administration	11,000	2,099		2,099
Total Disbursements	<u>307,000</u>	<u>357,000</u>	<u>276,142</u>	<u>80,858</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(301,290)</u>	<u>(351,290)</u>	<u>(259,601)</u>	<u>91,689</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>291,290</u>	<u>291,290</u>	<u>199,000</u>	<u>(92,290)</u>
Total Other Adjustments to Cash (Uses)	<u>291,290</u>	<u>291,290</u>	<u>199,000</u>	<u>(92,290)</u>
Net Change in Fund Balance	(10,000)	(60,000)	(60,601)	(601)
Fund Balance - Beginning	<u>10,000</u>	<u>60,000</u>	<u>63,481</u>	<u>3,481</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,880</u>	<u>\$ 2,880</u>

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

	CDBG FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 50,000	\$ 50,500	\$ 8,060	\$ (42,440)
Total Receipts	<u>50,000</u>	<u>50,500</u>	<u>8,060</u>	<u>(42,440)</u>
DISBURSEMENTS				
Administration	52,518	53,018	10,578	42,440
Total Disbursements	<u>52,518</u>	<u>53,018</u>	<u>10,578</u>	<u>42,440</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,518)</u>	<u>(2,518)</u>	<u>(2,518)</u>	
Net Change in Fund Balance	(2,518)	(2,518)	(2,518)	
Fund Balance - Beginning	<u>2,518</u>	<u>2,518</u>	<u>2,518</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

	COUNTY CLERK STORAGE FEE FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Miscellaneous	\$ 16,000	\$ 16,000	\$ 14,840	\$ (1,160)
Interest	100	100	14	(86)
Total Receipts	<u>16,100</u>	<u>16,100</u>	<u>14,854</u>	<u>(1,246)</u>
DISBURSEMENTS				
General Government	16,100	16,100	2,999	13,101
Total Disbursements	<u>16,100</u>	<u>16,100</u>	<u>2,999</u>	<u>13,101</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>11,855</u>	<u>11,855</u>
Net Change in Fund Balance			11,855	11,855
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,855</u>	<u>\$ 11,855</u>

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

OPIOID SETTLEMENT FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$	\$	\$ 54,256	\$ 54,256
Interest			49	49
Total Receipts			54,305	54,305
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			54,305	54,305
Net Change in Fund Balance			54,305	54,305
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 54,305	\$ 54,305

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

AMERICAN RESCUE PLAN ACT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 822,696	\$ 822,696	\$ 822,696	\$
Interest	100	100	1,518	1,418
Total Receipts	<u>822,796</u>	<u>822,796</u>	<u>824,214</u>	<u>1,418</u>
DISBURSEMENTS				
Administration	872,796	872,796	500,000	372,796
Total Disbursements	<u>872,796</u>	<u>872,796</u>	<u>500,000</u>	<u>372,796</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>324,214</u>	<u>374,214</u>
Net Change in Fund Balance	(50,000)	(50,000)	324,214	374,214
Fund Balance - Beginning	50,000	50,000	54,046	4,046
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 378,260</u>	<u>\$ 378,260</u>

TRIMBLE COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2023

Note 1. Budgetary Information

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

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

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

Note 2. Reconciliation of the General Fund

Reconciliation of the General Fund

Other Adjustments to Cash (Uses) - Budgetary Basis	\$ (441,653)
Adjustments for Change in Payroll Revolving Account	13,737
Total Other Adjustments to Cash (Uses) - Regulatory Basis	<u>\$ (427,916)</u>
Fund Balance - Beginning - Budgetary Basis	\$ 3,082,668
Adjustment for Payroll Revolving Account Balance	26,526
Total Fund Balance - Beginning - Regulatory Basis	<u>\$ 3,109,194</u>
Fund Balance - Ending - Budgetary Basis	\$ 3,358,840
Adjustment for Payroll Revolving Account Balance	40,263
Total Fund Balance - Ending - Regulatory Basis	<u>\$ 3,399,103</u>

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

For The Year Ended June 30, 2023

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TRIMBLE 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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Land	\$ 413,900	\$	\$	\$ 413,900
Land Improvements	567,380			567,380
Buildings	1,672,745			1,672,745
Building Improvements	987,673			987,673
Vehicles and Other Equipment	2,562,676	661,547		3,224,223
Infrastructure	4,670,187	471,327		5,141,514
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets	<u>\$ 10,874,561</u>	<u>\$ 1,132,874</u>	<u>\$ 0</u>	<u>\$ 12,007,435</u>

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

June 30, 2023

Note 1. Capital Assets

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

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

Note 2. Restated Beginning Balance

The beginning balance has been restated for \$13,500 of prior year additions that were not added to the prior year ending balance.

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

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable John Ogburn, Jr., Trimble County Judge/Executive
Members of the Trimble 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 Trimble County Fiscal Court for the fiscal year ended June 30, 2023, and the related notes to the financial statement which collectively comprise the Trimble County Fiscal Court's financial statement and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

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

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

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



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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trimble County Fiscal Court's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2023-001.

Views of Responsible Officials and Planned Corrective Action

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

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

December 14, 2023

**TRIMBLE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2023

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**TRIMBLE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2023

FINANCIAL STATEMENT FINDING:

2023-001 The Trimble County Fiscal Court Did Not Have Adequate Internal Controls Over Procurement Processes

During testing of disbursements, we noted ten purchases that were required to be bid per the county's administrative policy. Upon inquiry for bid files to support those purchases, it was determined a total of eight purchases, totaling \$955,712, were not in compliance with the county's administrative policy for bid requirements:

- Three disbursements totaling \$253,270, were alleged to have been purchased through the state price contract. However, there was no documentation maintained by the county to evidence their verification and prove these vendors were approved on state price contracts.
- Four disbursements totaling \$635,556, were alleged to have been bid out, but there was no evidence of fiscal court approval of advertisements for bids, documentation of bid specifications, bid proposals received, opened, reviewed, and results of bid award. The supporting documentation to evidence these steps was not maintained.
- One disbursement in the amount of \$66,886, was made from state grant funds. County staff indicated they recalled the state grant administrator dictating the vendor used; however, no documentation was maintained to evidence this.

Fiscal court staff did not have controls in place to ensure all pertinent files were maintained related to significant purchases, including files related to all steps of the bid process, verification of state price contracts, or documentation from state grant administrators when they dictate which vendor the county is to use.

When significant purchases are made by the county and supporting documentation for how those purchases were made via bid or state price contract are not maintained, this results in noncompliance with the county's purchasing policies in their administrative code and with state law related to bid requirements.

Per the county's administrative code, purchases of \$20,000 and above are to be bid. Also, per KRS 424.260, purchases of materials, equipment, and services that are not personal services are to be bid. This includes strong controls over the bid process including maintaining documentation for: advertising to request bids, documentation of bid specifications, bids stamped when received, opened, and reviewed, and bid review and award results. Also, these bid procedure steps should be documented and approved in fiscal court minutes.

Strong internal controls dictate supporting documentation related to bidding should be maintained for purchases meeting the bid threshold, including advertising, bid specifications, all bid proposals received, reviews of bids received, bid award documentation, and documentation of significant bid actions in the fiscal court minutes.

We recommend the fiscal court and the county judge/executive implement procedures to ensure bid procedures are followed per state law and the county's administrative code, and that all related documentation for each bid is maintained and approved by the fiscal court as evidenced in the fiscal court minutes.

County Judge/Executive's Response: Trimble County Judge/Executive and Trimble County Fiscal Court are in process of implementing a new Administrative Code and a new bidding/procurement process will be included.

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

TRIMBLE COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
TRIMBLE COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Trimble 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