

**REPORT OF THE AUDIT OF THE  
WEBSTER 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 Stephen Henry, Webster County Judge/Executive  
Members of the Webster 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 Webster County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Webster 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 Webster 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 Webster 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 Webster 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 Stephen Henry, Webster County Judge/Executive  
Members of the Webster 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 Webster 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***

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

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

***Other Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024, on our consideration of the Webster 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 Webster 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 Stephen Henry, Webster County Judge/Executive  
Members of the Webster 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 findings:

- 2023-001 Internal Control Deficiencies Exist Over The Reporting Of Leases, Liabilities, And Debt
- 2023-002 The Webster County Fiscal Court Had Inadequate Controls Over Disbursements
- 2023-003 Internal Control Deficiencies And Noncompliances Exist Over The Collection Of Receipts At Off-Site Locations

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

April 15, 2024



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

Stephen R. Henry	County Judge/Executive
Chad Townsend	Magistrate
Bob Hardison	Magistrate
Tony Felker	Magistrate

**Other Elected Officials:**

Clint Prow	County Attorney
Greg Sauls	Jailer
Valerie Newell	County Clerk
Janet Cole	Circuit Court Clerk
Billy Braden	Sheriff
Jeff Kelley	Property Valuation Administrator
Darin Townsend	Coroner

**Appointed Personnel:**

Tonia Duncan	County Treasurer
Leesa Russell	Financial Officer

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

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

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

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

	<b>Budgeted Funds</b>			
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>
<b>RECEIPTS</b>				
Taxes	\$ 1,594,383	\$	\$	\$
In Lieu Tax Payments	3,859			
Licenses and Permits	17,013			
Intergovernmental	1,395,233	1,799,746	2,217,927	220,834
Charges for Services	240,868		65,605	
Miscellaneous	310,888	671,216	220,589	18,460
Interest	4,086	7,444	475	3,722
Total Receipts	<u>3,566,330</u>	<u>2,478,406</u>	<u>2,504,596</u>	<u>243,016</u>
<b>DISBURSEMENTS</b>				
General Government	2,582,104			
Protection to Persons and Property	591,441		1,819,630	1,159
General Health and Sanitation	560,218			11,529
Social Services	4,316			117,511
Recreation and Culture	36,890			3,034
Roads		1,697,551		790
Debt Service		11,005	340,787	
Administration	230,536	254,345	491,953	
Total Disbursements	<u>4,005,505</u>	<u>1,962,901</u>	<u>2,652,370</u>	<u>134,023</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(439,175)</u>	<u>515,505</u>	<u>(147,774)</u>	<u>108,993</u>
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds	41,623	356,963		
Total Other Adjustments to Cash (Uses)	<u>41,623</u>	<u>356,963</u>		
Net Change in Fund Balance	(397,552)	872,468	(147,774)	108,993
Fund Balance - Beginning (Restated)	752,908	173,366	177,701	642,765
Fund Balance - Ending	<u>\$ 355,356</u>	<u>\$ 1,045,834</u>	<u>\$ 29,927</u>	<u>\$ 751,758</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 375,850	\$ 1,152,452	\$ 34,940	\$ 753,277
Less: Outstanding Checks	(20,494)	(106,618)	(5,013)	(1,519)
Fund Balance - Ending	<u>\$ 355,356</u>	<u>\$ 1,045,834</u>	<u>\$ 29,927</u>	<u>\$ 751,758</u>

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

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

<b>Budgeted Funds</b>					
<b>State Grants Fund</b>	<b>Federal Grant Fund</b>	<b>Sanitation Fund</b>	<b>Animal Shelter Fund</b>	<b>Clerk's Storage Of Records Fund</b>	<b>American Rescue Plan Act Fund</b>
\$	\$	\$	\$	\$	\$
970,979	227,248	186,172		20,240	
513		43	34		10,388
<u>971,492</u>	<u>227,248</u>	<u>186,215</u>	<u>34</u>	<u>20,240</u>	<u>10,388</u>
265,192	225,741			4,043	
		178,400			
315,124	1,507				
		3,772			
<u>580,316</u>	<u>227,248</u>	<u>182,172</u>		<u>4,043</u>	
391,176		4,043	34	16,197	10,388
391,176		4,043	34	16,197	10,388
88,055	1,271	42,058	34,342		1,414,856
<u>\$ 479,231</u>	<u>\$ 1,271</u>	<u>\$ 46,101</u>	<u>\$ 34,376</u>	<u>\$ 16,197</u>	<u>\$ 1,425,244</u>
\$ 504,251	\$ 1,271	\$ 46,101	\$ 34,376	\$ 16,197	\$ 1,425,244
(25,020)					
<u>\$ 479,231</u>	<u>\$ 1,271</u>	<u>\$ 46,101</u>	<u>\$ 34,376</u>	<u>\$ 16,197</u>	<u>\$ 1,425,244</u>

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

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

	<u>Unbudgeted Funds</u>			<u>Total Funds</u>
	<u>Opioid Settlement Fund</u>	<u>Public Properties Corporation Fund</u>	<u>Jail Commissary Fund</u>	
<b>RECEIPTS</b>				
Taxes	\$	\$	\$	\$ 1,594,383
In Lieu Tax Payments				3,859
Licenses and Permits				17,013
Intergovernmental		205,873		7,037,840
Charges for Services				492,645
Miscellaneous	109,544		407,737	1,758,674
Interest		64		26,769
Total Receipts	<u>109,544</u>	<u>205,937</u>	<u>407,737</u>	<u>10,931,183</u>
<b>DISBURSEMENTS</b>				
General Government				3,077,080
Protection to Persons and Property				2,412,230
General Health and Sanitation				750,147
Social Services				123,334
Recreation and Culture			411,042	766,090
Roads				1,698,341
Debt Service		204,872		556,664
Administration		1,100		981,706
Total Disbursements		<u>205,972</u>	<u>411,042</u>	<u>10,365,592</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>109,544</u>	<u>(35)</u>	<u>(3,305)</u>	<u>565,591</u>
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds				398,586
Total Other Adjustments to Cash (Uses)				<u>398,586</u>
Net Change in Fund Balance	109,544	(35)	(3,305)	964,177
Fund Balance - Beginning (Restated)		1,397	50,153	3,378,872
Fund Balance - Ending	<u>\$ 109,544</u>	<u>\$ 1,362</u>	<u>\$ 46,848</u>	<u>\$ 4,343,049</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 109,544	\$ 1,362	\$ 46,848	\$ 4,501,713
Less: Outstanding Checks				(158,664)
Fund Balance - Ending	<u>\$ 109,544</u>	<u>\$ 1,362</u>	<u>\$ 46,848</u>	<u>\$ 4,343,049</u>

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

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TO THE FINANCIAL STATEMENT**

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**WEBSTER COUNTY**  
**NOTES TO FINANCIAL STATEMENT**

**June 30, 2023**

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

**A. Reporting Entity**

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

**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.



**WEBSTER 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.

State Grants Fund - The primary purpose of this fund is to account for grants and related disbursements received from the state.

Federal Grant Fund - The primary purpose of this fund is to account for federal receipts and disbursements related to federal grant disbursements.

Sanitation Fund - The primary purpose of this fund is to account for sanitation receipts and related disbursements. The primary source of receipts for this fund is charges for services.

Animal Shelter Fund - The primary purpose of this fund is to account for animal shelter receipts and related disbursements. The primary source of receipts for this fund is charges for services.

Clerk Storage of Records Fund - The primary purpose of this fund is to account for the receipts and disbursements associated with the preservation of records within the county clerk's recording department. The primary source of receipts of this fund is the county clerk's collection of storage fee.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for receipts and disbursements from the American Rescue Plan Act (ARPA).

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

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

Public Properties Corporation Fund - The primary purpose of this fund is to account for debt service payments. The Department for Local Government does not require the fiscal court to report or budget these funds.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund.

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

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

**D. Budgetary Information**

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

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

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

The state local finance officer does not require the jail commissary fund to be budgeted because the fiscal court does not approve the expenses of this fund.

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

**E. Webster County Elected Officials**

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

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

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

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

**F. Deposits and Investments**

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

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

**G. Long-term Obligations**

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

**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.

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

**Note 3. Custodial Funds**

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

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2023, was \$42,581.

**Note 4. Assets Held For Resale**

During the current fiscal year, Webster County purchased trucks to resale at a later date.

	Beginning Balance	Additions	Reductions	Ending Balance
Trucks	\$	\$ 356,963	\$	\$ 356,963
Total	\$ 0	\$ 356,963	\$ 0	\$ 356,963

**Note 5. Leases**

**1. Lessor**

During the current fiscal year, the Webster County Fiscal Court began leasing office space to the Department of Juvenile Justice. This lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed seven extension periods unless the Commonwealth shall give the lessor written notice 30 days prior to the expiration of the term or any extension that the lease will not be extended. Webster County recognized \$110,534 in lease revenue during the current fiscal year related to the lease. As of June 30, 2023, Webster County's receivable for lease payments were \$0.

**2. Lessee**

During the current fiscal year, the Webster County Fiscal Court entered into a three-year lease agreement as lessee for the acquisition and use of office equipment. As of June 30, 2023, the value of the lease liability was \$1,128. The Webster County Fiscal Court is required to make annual principal payments of \$564.

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

Fiscal Year Ended June 30	Amount
2024	\$ 564
2025	564
Total Lease Payments	\$ 1,128

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

**Note 6. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Webster County Detention Center Expansion Series 2017C**

On September 19, 2017, the Webster County Fiscal Court entered into a lease-purchase agreement with Kentucky Association of Counties Leasing Trust (KaCOLT) in the amount of \$4,810,000. Monthly principal and interest payments are due beginning October 1, 2017. The final installment is due January 1, 2037. The effective interest rate is 2.94%. The purpose of the agreement is to refund a portion of the outstanding lease agreement by and between the Kentucky Association of Counties Finance Corporation and the County of Webster, Kentucky, dated December 16, 2010, the proceeds of which were used to refinance a lease dated February 14, 2008, that was used to finance the construction, acquisition, and equipping of an expansion to the current Webster County detention facility. In order to secure all obligations noted in the lease, Webster County granted the Kentucky Association of Counties Finance Corporation a first and prior security interest in any and all right, title, and interest of Webster County in the portions of the project that constitute personal property and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom. Webster County shall immediately surrender possession of the project to the Kentucky Association of Counties Finance Corporation upon the occurrence of an event of default. Principal outstanding as of June 30, 2023, totaled \$3,676,667. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 206,250	\$ 133,357
2025	219,167	122,529
2026	231,250	111,023
2027	244,167	98,882
2028	252,083	88,928
2029-2033	1,383,750	329,859
2034-2037	1,140,000	89,345
Totals	<u>\$ 3,676,667</u>	<u>\$ 973,923</u>

**2. County Vehicle - 2022**

On January 12, 2023, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$41,623 at a 4.99 percent effective interest rate. The financing obligation was used to purchase a vehicle for the Christian County Fiscal Court. The agreement is secured by the vehicle purchased. Upon the happening and continuance of any event of default as defined in the agreement, the lease may be terminated, project sold, repossessed, or re-leased, or lease rental payments may be declared due and payable. The maturity date of the obligation is January 20, 2027. The balance of the financing obligation at June 30, 2023, was \$41,623. Annual debt service requirements to maturity are as follows:

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

**Note 6. Long-term Debt (Continued)**

**A. Direct Borrowings and Direct Placements (Continued)**

**2. County Vehicle - 2022 (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 9,578	\$ 2,187
2025	10,166	1,599
2026	10,673	1,092
2027	<u>11,206</u>	<u>559</u>
Totals	<u>\$ 41,623</u>	<u>\$ 5,437</u>

**3. 2023 Mack Granite Dump Truck**

On January 20, 2023, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$173,589 at a 6.18 percent effective interest rate. The financing obligation was used to purchase a dump truck for the Webster County Fiscal Court. The agreement is secured by the equipment purchased. Upon the occurrence of an event of default, and as long as the event of default is continuing, the lessor may terminate the lease term or take immediate possession of the project. The maturity date of the obligation is July 20, 2024. The balance of the financing obligation at June 30, 2023, was \$173,589. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$	\$ 10,719
2025	<u>173,589</u>	<u>893</u>
Totals	<u>\$ 173,589</u>	<u>\$ 11,612</u>

**4. 2023 Mack Granite Roll Off**

On August 5, 2022, the fiscal court entered into an agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$183,374 at a 3.74 percent effective interest rate. The financing obligation was used to purchase a roll off truck for the Webster County Fiscal Court. The agreement is secured by the equipment purchased. Upon the occurrence of an event of default, the lessor may terminate the lease term or take immediate possession of the project. The maturity date of the obligation is January 20, 2024. The balance of the financing obligation at June 30, 2023, was \$183,374. Annual debt service requirements to maturity are as follows:

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

**Note 6. Long-term Debt (Continued)**

**A. Direct Borrowings and Direct Placements (Continued)**

**4. 2023 Mack Granite Roll Off (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 183,374	\$ 4,001
Totals	<u>\$ 183,374</u>	<u>\$ 4,001</u>

**B. Other Debt**

**1. First Mortgage Refunding Revenue Bonds (Judicial Center Project), Series 2011**

On May 5, 2011, the Webster County, Kentucky, Public Properties Corporation issued First Mortgage Refunding Revenue Bonds, Series 2011 to refund First Mortgage Revenue Bonds (Judicial Center Project), Series 2002. The total bond issue was \$2,195,000, with interest rates from 4.00 percent to 4.5 percent. Interest is payable on February 1 and August 1 of each year. As of June 2023, bonds outstanding were \$555,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 175,000	\$ 23,310
2025	185,000	15,960
2026	<u>195,000</u>	<u>8,190</u>
Totals	<u>\$ 555,000</u>	<u>\$ 47,460</u>

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 3,873,750	\$ 398,585	\$ 197,083	\$ 4,075,252	\$ 399,202
Other Debt	<u>730,000</u>		<u>175,000</u>	<u>555,000</u>	<u>175,000</u>
Total Long-term Debt	<u>\$ 4,603,750</u>	<u>\$ 398,585</u>	<u>\$ 372,083</u>	<u>\$ 4,630,252</u>	<u>\$ 574,202</u>

**WEBSTER 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 and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 175,000	\$ 23,310	\$ 399,202	\$ 150,264
2025	185,000	15,960	402,922	125,021
2026	195,000	8,190	241,923	112,115
2027			255,372	99,441
2028			252,083	88,928
2029-2033			1,383,750	329,859
2034-2037			1,140,000	89,346
Totals	<u>\$ 555,000</u>	<u>\$ 47,460</u>	<u>\$ 4,075,252</u>	<u>\$ 994,974</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 \$633,634, FY 2022 was \$723,459, and FY 2023 was \$749,015.

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.



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

**Note 7. Employee Retirement System (Continued)**

Nonhazardous (Continued)

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

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

Benefits are covered under KRS 78.5536.

**WEBSTER 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**

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

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

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

**C. Cost of Living Adjustments - Tier 1**

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

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

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

**E. Death Benefit**

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

**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.

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

**Note 8. Deferred Compensation**

The Webster 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. Health Reimbursement Account**

The Webster County Fiscal Court established a health reimbursement account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The balance of the plan is \$37,761.

**Note 10. Insurance**

For the fiscal year ended June 30, 2023, the Webster 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 11. Prior Period Adjustments**

	General Fund	Road Fund	Jail Fund	LGEA Fund
Ending Cash Balance Prior Year	\$ 753,012	\$ 170,721	\$ 177,684	\$ 642,558
Adjustments:				
Prior Year Voided Checks	(104)	2,644	18	206
Rounding		1	(1)	1
Beginning Fund Balance - Restated	<u>\$ 752,908</u>	<u>\$ 173,366</u>	<u>\$ 177,701</u>	<u>\$ 642,765</u>

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

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

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

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

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 1,503,131	\$ 1,503,131	\$ 1,594,383	\$ 91,252
In Lieu Tax Payments	4,630	4,630	3,859	(771)
Licenses and Permits	12,350	12,350	17,013	4,663
Intergovernmental	1,978,245	1,978,245	1,395,233	(583,012)
Charges for Services	240,000	240,000	240,868	868
Miscellaneous	307,900	375,200	310,888	(64,312)
Interest	4,000	4,000	4,086	86
Total Receipts	<u>4,050,256</u>	<u>4,117,556</u>	<u>3,566,330</u>	<u>(551,226)</u>
<b>DISBURSEMENTS</b>				
General Government	2,624,091	2,840,972	2,582,104	258,868
Protection to Persons and Property	624,476	682,784	591,441	91,343
General Health and Sanitation	583,173	615,073	560,218	54,855
Social Services	2,500	4,317	4,316	1
Recreation and Culture	218,962	160,699	36,890	123,809
Roads	34,000	34,000		34,000
Capital Projects	400,000	272,542		272,542
Administration	491,853	435,968	230,536	205,432
Total Disbursements	<u>4,979,055</u>	<u>5,046,355</u>	<u>4,005,505</u>	<u>1,040,850</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(928,799)</u>	<u>(928,799)</u>	<u>(439,175)</u>	<u>489,624</u>
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds			41,623	41,623
Total Other Adjustments to Cash (Uses)			<u>41,623</u>	<u>41,623</u>
Net Change in Fund Balance	(928,799)	(928,799)	(397,552)	531,247
Fund Balance - Beginning (Restated)	<u>928,799</u>	<u>928,799</u>	<u>752,908</u>	<u>(175,891)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 355,356</u>	<u>\$ 355,356</u>

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

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,953,838	\$ 1,953,838	\$ 1,799,746	\$ (154,092)
Miscellaneous	880,409	880,409	671,216	(209,193)
Interest	4,000	4,000	7,444	3,444
Total Receipts	<u>2,838,247</u>	<u>2,838,247</u>	<u>2,478,406</u>	<u>(359,841)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	20,000	20,000		20,000
Roads	2,546,055	2,199,423	1,697,551	501,872
Debt Service		356,963	11,005	345,958
Administration	372,192	361,861	254,345	107,516
Total Disbursements	<u>2,938,247</u>	<u>2,938,247</u>	<u>1,962,901</u>	<u>975,346</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>515,505</u>	<u>615,505</u>
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds			356,963	356,963
Total Other Adjustments to Cash (Uses)			<u>356,963</u>	<u>356,963</u>
Net Change in Fund Balance	(100,000)	(100,000)	872,468	972,468
Fund Balance - Beginning (Restated)	<u>100,000</u>	<u>100,000</u>	<u>173,366</u>	<u>73,366</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,045,834</u>	<u>\$ 1,045,834</u>



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

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,561,480	\$ 2,561,480	\$ 2,217,927	\$ (343,553)
Charges for Services	56,400	56,400	65,605	9,205
Miscellaneous	186,100	186,100	220,589	34,489
Interest	600	600	475	(125)
Total Receipts	<u>2,804,580</u>	<u>2,804,580</u>	<u>2,504,596</u>	<u>(299,984)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	1,811,545	1,885,763	1,819,630	66,133
Debt Service	340,810	340,810	340,787	23
Administration	652,225	578,007	491,953	86,054
Total Disbursements	<u>2,804,580</u>	<u>2,804,580</u>	<u>2,652,370</u>	<u>152,210</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>(147,774)</u>	<u>(147,774)</u>
Net Change in Fund Balance			(147,774)	(147,774)
Fund Balance - Beginning (Restated)			<u>177,701</u>	<u>177,701</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,927</u>	<u>\$ 29,927</u>

**WEBSTER 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		
<b>RECEIPTS</b>				
Intergovernmental	\$ 148,855	\$ 148,855	\$ 220,834	\$ 71,979
Miscellaneous	40,256	40,256	18,460	(21,796)
Interest	800	800	3,722	2,922
Total Receipts	<u>189,911</u>	<u>189,911</u>	<u>243,016</u>	<u>53,105</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	24,000	22,772	1,159	21,613
General Health and Sanitation	12,056	12,056	11,529	527
Social Services	143,855	144,548	117,511	27,037
Recreation and Culture	2,500	3,035	3,034	1
Roads	7,500	7,500	790	6,710
Total Disbursements	<u>189,911</u>	<u>189,911</u>	<u>134,023</u>	<u>55,888</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>108,993</u>	<u>108,993</u>
Net Change in Fund Balance			108,993	108,993
Fund Balance - Beginning (Restated)			<u>642,765</u>	<u>642,765</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 751,758</u>	<u>\$ 751,758</u>

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

	<b>STATE GRANTS FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 3,013,901	\$ 3,013,901	\$ 970,979	\$ (2,042,922)
Interest			513	513
Total Receipts	<u>3,013,901</u>	<u>3,013,901</u>	<u>971,492</u>	<u>(2,042,409)</u>
<b>DISBURSEMENTS</b>				
General Government	547,401	696,960	265,192	431,768
Protection to Persons and Property	59,500	59,500		59,500
General Health and Sanitation	579,000	429,441		429,441
Recreation and Culture	1,128,000	1,128,000	315,124	812,876
Roads	200,000	200,000		200,000
Capital Projects	500,000	500,000		500,000
Total Disbursements	<u>3,013,901</u>	<u>3,013,901</u>	<u>580,316</u>	<u>2,433,585</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>391,176</u>	<u>391,176</u>
Net Change in Fund Balance			391,176	391,176
Fund Balance - Beginning			<u>88,055</u>	<u>88,055</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 479,231</u>	<u>\$ 479,231</u>

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

	<b>FEDERAL GRANT FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 840,000	\$ 919,356	\$ 227,248	\$ (692,108)
Total Receipts	<u>840,000</u>	<u>919,356</u>	<u>227,248</u>	<u>(692,108)</u>
<b>DISBURSEMENTS</b>				
General Government	300,000	399,356	225,741	173,615
Social Services	20,000	20,000	1,507	18,493
Recreation and Culture	520,000	500,000		500,000
Total Disbursements	<u>840,000</u>	<u>919,356</u>	<u>227,248</u>	<u>692,108</u>
Net Change in Fund Balance				
Fund Balance - Beginning			<u>1,271</u>	<u>1,271</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,271</u>	<u>\$ 1,271</u>

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

	<b>SANITATION FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Charges for Services	\$ 230,843	\$ 230,843	\$ 186,172	\$ (44,671)
Interest	55	55	43	(12)
Total Receipts	<u>230,898</u>	<u>230,898</u>	<u>186,215</u>	<u>(44,683)</u>
<b>DISBURSEMENTS</b>				
General Health and Sanitation	211,847	211,847	178,400	33,447
Administration	19,051	19,051	3,772	15,279
Total Disbursements	<u>230,898</u>	<u>230,898</u>	<u>182,172</u>	<u>48,726</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>4,043</u>	<u>4,043</u>
Net Change in Fund Balance			4,043	4,043
Fund Balance - Beginning			<u>42,058</u>	<u>42,058</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,101</u>	<u>\$ 46,101</u>

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

	<b>ANIMAL SHELTER FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$	\$	\$ 34	\$ 34
Total Receipts			34	34
<b>DISBURSEMENTS</b>				
General Health and Sanitation	500	500		500
Total Disbursements	500	500		500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(500)	(500)	34	534
Net Change in Fund Balance	(500)	(500)	34	534
Fund Balance - Beginning	500	500	34,342	33,842
Fund Balance - Ending	\$ 0	\$ 0	\$ 34,376	\$ 34,376

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

**CLERK'S STORAGE OF RECORDS FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 26,310	\$ 26,310	\$ 20,240	\$ (6,070)
Total Receipts	<u>26,310</u>	<u>26,310</u>	<u>20,240</u>	<u>(6,070)</u>
<b>DISBURSEMENTS</b>				
General Government	26,310	26,310	4,043	22,267
Total Disbursements	<u>26,310</u>	<u>26,310</u>	<u>4,043</u>	<u>22,267</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>16,197</u>	<u>16,197</u>
Net Change in Fund Balance			16,197	16,197
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,197</u>	<u>\$ 16,197</u>

**WEBSTER 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		
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,256,916	\$ 1,256,916	\$	\$ (1,256,916)
Interest			10,388	10,388
Total Receipts	<u>1,256,916</u>	<u>1,256,916</u>	<u>10,388</u>	<u>(1,246,528)</u>
<b>DISBURSEMENTS</b>				
Administration	1,256,916	1,256,916		1,256,916
Total Disbursements	<u>1,256,916</u>	<u>1,256,916</u>		<u>1,256,916</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>10,388</u>	<u>10,388</u>
Net Change in Fund Balance			10,388	10,388
Fund Balance - Beginning			<u>1,414,856</u>	<u>1,414,856</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,425,244</u>	<u>\$ 1,425,244</u>



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

**June 30, 2023**

**Note 1. Budgetary Information**

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

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

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

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

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

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

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

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 3,339,529	\$	\$	\$ 3,339,529
Construction in Progress		444,900		444,900
Buildings	14,690,049	5,121,146		19,811,195
Vehicles and Equipment	2,946,034	978,572	450,249	3,474,357
Other Equipment	4,232,142	257,101	365,724	4,123,519
Infrastructure	19,862,743	330,509		20,193,252
 Total Capital Assets	 \$ 45,070,497	 \$ 7,132,228	 \$ 815,973	 \$ 51,386,752

**WEBSTER 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	\$ 5,000	10-60
Buildings and Building Improvements	\$ 5,000	10-75
Equipment	\$ 5,000	3-25
Vehicles	\$ 5,000	3-25
Infrastructure	\$ 5,000	10-50

**Note 2. Restatement of Capital Assets Beginning Balance**

The Webster County Fiscal Court's Capital Asset Schedule's beginning balance differs from the prior year audited Capital Asset Schedule's ending balance. This is due to additions, deletions, errors made in prior years and errors made by the fiscal court in preparing the current year's schedule.

The following illustrates the difference between the two schedules:

	<u>Prior Year Audited Ending Balance</u>	<u>Difference</u>	<u>Current Year Beginning Balance</u>
Land and Land Improvements	\$ 3,339,529		\$ 3,339,529
Construction in Progress			
Buildings	14,690,049		14,690,049
Vehicles and Equipment	3,075,680	(129,646)	2,946,034
Other Equipment	4,232,142		4,232,142
Infrastructure	19,777,150	85,593	19,862,743
Total Capital Assets	<u>\$ 45,114,550</u>	<u>\$ (44,053)</u>	<u>\$ 45,070,497</u>

**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 Stephen Henry, Webster County Judge/Executive  
Members of the Webster 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 Webster County Fiscal Court for the fiscal year ended June 30, 2023, and the related notes to the financial statement which collectively comprise the Webster County Fiscal Court's financial statement and have issued our report thereon dated April 15, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Webster 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 Webster County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Webster 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 certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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



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

**Report on Internal Control Over Financial Reporting (Continued)**

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2023-003 to be a significant deficiency.

**Report on Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Webster County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2023-001 and 2023-002.

**Views of Responsible Officials and Planned Corrective Action**

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

**Purpose of this Report**

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

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

April 15, 2024

**WEBSTER COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

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

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**WEBSTER COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

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

FINANCIAL STATEMENT FINDINGS:

2023-001 Internal Control Deficiencies Exist Over The Reporting Of Leases, Liabilities, And Debt

Internal control deficiencies exist over the reporting of leases, liabilities, and debt of Webster County. The fiscal court maintains a schedule of all leases per Governmental Accounting Standards Board (GASB) Statement 87. However, when comparing the lease summary prepared by the county to lease agreements, receipts ledger, and the disbursements ledger, an overstatement of \$1,937,304 was noted. The fiscal court also reported outstanding debt on the fourth quarter financial report. Outstanding debt as of June 30, 2023, reported on the fourth quarter financial report was \$414,610 less than outstanding debt per debt schedules maintained by the county.

Due to a lack of oversight, the lease summary amounts, and outstanding debt reported on the fourth quarter financial report, were incorrect and misstated.

Statement No. 87 of the Governmental Accounting Standards Board establishes standards of accounting and financial reporting for leases by lessees and lessors. The note disclosure requirements of this statement apply to financial statements of all regulatory basis local governments as required by the regulator, the Department for Local Government.

Additionally, strong internal controls dictate the fiscal court maintain an accurate schedule of leases, outstanding liabilities, and debt to ensure note disclosures are complete and adequate.

We recommend the Webster County Fiscal Court strengthen internal controls to maintain an accurate schedule of all leases as set forth by GASB 87 to ensure note disclosures are complete and adequate. We also recommend the fiscal court strengthen internal controls over the reporting of debt service payments and outstanding balances. Internal controls, such as comparisons of payment amounts and outstanding balances to amortization and payment schedules, should be implemented. We also recommend the county consult with lenders to verify outstanding debt balances agree with the county's schedule of leases and liabilities. Such practices will strengthen internal controls over liabilities and debt service and ensure that the proper amounts are reported.

*County Judge/Executive's Response: The treasurer will pay more attention to the reporting of the liabilities and debt on the financial statements.*

2023-002 The Webster County Fiscal Court Had Inadequate Controls Over Disbursements

During fiscal year 2023, the Webster County Fiscal Court had internal control deficiencies and noncompliances regarding disbursements. The following exceptions were noted during test of disbursements.

- Encumbrances were not reported on the fourth quarter report. Eight out of the ten disbursements tested were encumbrances of FY2023 and should have been included on the encumbrance listing.
- The fiscal court paid late fees and charges of \$117 for credit card purchases tested.
- One credit card charge of \$525 was missing the supporting invoice.
- One credit card bill was overpaid by \$151.
- 18 purchase orders totaling \$341,101 were issued after the invoice was received.
- Two invoices totaling \$60,583 were not paid within 30 working days of receipt.

**WEBSTER COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Year Ended June 30, 2023  
(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-002 The Webster County Fiscal Court Had Inadequate Controls Over Disbursements (Continued)

The fiscal court's failure to establish internal controls over disbursements resulted in numerous instances of noncompliance, as reflected above. These control deficiencies could also result in line items being over budget, claims being paid not related to the fiscal court, inaccurate reporting, and misappropriation of assets. By failing to report encumbrances, the county is also not in compliance with Department for Local Government guidelines.

Good internal controls dictate that controls over all disbursements be maintained to ensure that taxpayer funds are used appropriately. In addition, KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*, which requires a purchase order system for all counties, and each county is responsible for ensuring their purchase order system is executed and working properly. Furthermore, the DLG's *County Budget Preparation and State Local Finance Officer Policy Manual* requires each county to submit quarterly reports to the state local finance officer. All encumbrances, which are defined as, "the total dollar amount of unpaid purchase orders from the purchase order journal" must be included in these quarterly reports.

According to a memorandum from the Department for Local Government (DLG) dated August 4, 2016, "[t]he main purpose of this system is to ensure that purchases can be made if there are sufficient appropriations available within the amount of line items in the county's budget. Because of this, it is a requirement by the State Local Finance Officer that all counties have a purchase order system and follow the guidelines prescribed on Page 54 of the *County Budget Preparation and State Local Finance Officer Policy Manual*." Furthermore, "DLG highly recommends that counties accept the practice of issuing POs for payroll and utility claims." KRS 65.140(2), in part, states, "Unless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipts of a vendor's invoice..."

We recommend the Webster County Fiscal Court maintain a list of encumbrances and report encumbrances on the fourth quarter report as required by DLG. We also recommend that the Webster County Fiscal Court strengthen their internal controls over purchase orders and ensure that purchase orders are obtained prior to all purchases. We recommend the Webster County Fiscal Court improve procedures over disbursements by ensuring that late fees and finance charges are not paid on credit cards. Finally, we recommend disbursements be paid within 30 working days of receipt in accordance with KRS 65.410(2).

*County Judge/Executive's Response: We will be more conscious about showing Webster County's encumbrances on the 4<sup>th</sup> quarter report and maintaining a list of the encumbrances. The accounts payable clerk will be more cautious about looking for late fees and finance charges and not paying them. We have instructed all departments to get a purchase order before ordering or buying anything for Webster County Fiscal Court. Also, we have discussed with the departments about the invoices being sent in and aid in a timely manner that way they are paid within 30 days of received.*

**WEBSTER COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Year Ended June 30, 2023  
(Continued)**

2023-003 Internal Control Deficiencies And Noncompliances Exist Over The Collection Of Receipts At Off-Site Locations

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The Webster County Fiscal Court has internal control deficiencies and noncompliances regarding the collection of receipts at off-site locations. The following findings were noted with Webster County Fiscal Court's collection of receipts at off-site locations:

- A receipts ledger is not maintained at the road department, animal shelter, or senior citizens center.
- There are no reviews of the money collected at the road department, animal shelter, or senior citizens center before being turned over to the county treasurer.
- Receipts collected at the animal shelter and senior citizens center are not turned over to the county treasurer to be deposited on a daily basis, as required by KRS 68.210.
- The road department's daily checkout sheet did not include collections for road materials such as culverts, rock, or gravel.

The findings listed above are due to the lack of effective internal controls. Because of the aforementioned findings, receipts were left vulnerable to misappropriation and loss. Also, the Webster County Fiscal Court is in noncompliance with state statutes.

Strong internal controls over the collection of receipts are vital in ensuring that receipts are accounted for properly. Strong internal controls are also important in safeguarding the county's assets and those given the responsibility of accounting for them, as well as helping make certain the county is in compliance with state statutes.

KRS 68.210 states, "[t]he administration of the county uniform budget system shall be under the supervision of the state local finance officer who may inspect and shall supervise the administration of accounts and financial operations and shall prescribe...a system of uniform accounts for all counties and county officials[.]"

KRS 64.840 states, "[a]ll county officials shall, upon the receipt of any fine, forfeiture, tax, or fee, prepare a receipt that meets the specifications of the state local finance officer, if the fine, forfeiture, tax, or fee is paid: (a) [i]n cash; (b) [b]y a party appearing in person to pay; or (c) [b]y check, credit card, or debit card account received through the mail, if the party includes an addressed, postage-paid return envelope and a request for receipt. One (1) copy of the receipt shall be given to the person paying the fine, forfeiture, tax, or fee and one (1) copy shall be retained by the official for his own records. One (1) copy of the receipt shall be retained by the official to be placed with the daily bank deposit[.]"

We recommend the fiscal court strengthen internal controls over the collection of receipts for its off-site locations by ensuring receipts ledgers are maintained with the date of transaction, customer name, amount collected, and reason for collection. In addition, all receipts collected should be reviewed by someone other than the person who collected the receipts, all receipts should be turned over to the county treasurer to be deposited daily, daily checkout sheets should be maintain (when applicable), and triplicate receipts issues in accordance with KRS 64.840.

*County Judge/Executive's Response: The treasurer has spoke with the Road Department, Animal Shelter, and Senior Center in regards to maintaining receipts ledgers for each office. They are to start making an excel spreadsheet for the money they collected each day. Also they are to have someone beside the preparer of the money to review the report and check for accuracy for all receipts. The Animal Shelter and Senior Center have been told to have their money turned in daily with no exceptions per KRS 68.210. Each department should be using pre-numbered triplicate receipts for transactions.*

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

**WEBSTER COUNTY FISCAL COURT**

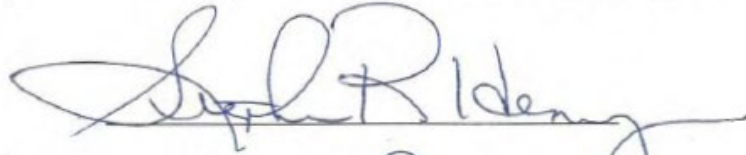
**For The Year Ended June 30, 2023**

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Webster 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