REPORT OF THE AUDIT OF THE CLINTON COUNTY FISCAL COURT

For The Year Ended June 30, 2025

ALLISON BALL
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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 Ricky L. Craig, Clinton County Judge/Executive
Members of the Clinton 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 Clinton County Fiscal Court, for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the Clinton 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 Clinton County Fiscal Court, for the year ended June 30, 2025, 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 Clinton County Fiscal Court, for the year ended June 30, 2025, 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 the Clinton 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.

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

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

Clinton 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clinton County Fiscal Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Clinton County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

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

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

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 Clinton 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2026, on our consideration of the Clinton 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 Clinton County Fiscal Court's internal control over financial reporting and compliance.

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

2025-001 The Clinton County Fiscal Court's Fourth Quarter Financial Statement Was Materially Misstated
2025-002 The Clinton County Jail Did Not Have Adequate Controls Over The Jail Commissary

Respectfully submitted,

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 15, 2026

CLINTON COUNTY OFFICIALS

For The Year Ended June 30, 2025

Fiscal Court Members:

Ricky L. Craig	County Judge/Executive
Tony Delk	Magistrate
Jason Pitman	Magistrate
Terry Buster	Magistrate
Gary Ferguson	Magistrate
Keith Dalton	Magistrate
Mickey Riddle	Magistrate

Other Elected Officials:

Michael Rains	County Attorney
Bruce Stearns	Jailer
Nathan Collins	County Clerk
James Staton	Circuit Court Clerk
Ricky Marcum	Sheriff
Patrick Campbell	Property Valuation Administrator
Lonnie Scott	Coroner

Appointed Personnel:

Cindy Thrasher	County Treasurer
Kelli Abston	Finance Officer
Makala Myers	Occupational Tax Officer

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

For The Year Ended June 30, 2025

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

For The Year Ended June 30, 2025

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	$ 514,971	$	$	$
In Lieu Tax Payments	139,248			
Excess Fees	48,943			
Licenses and Permits	28,794			
Intergovernmental	138,147	1,318,551	97,407	85,893
Charges for Services	10,121		420	
Miscellaneous	78,305	5,091		5,075
Interest	816	983	15	81
Total Receipts	959,345	1,324,625	97,842	91,049
DISBURSEMENTS				
General Government	1,280,824	21,343		34,686
Protection to Persons and Property	2,050		514,280	2,000
General Health and Sanitation	119,973			
Social Services				2,475
Recreation and Culture				38,481
Roads		1,016,081		
Debt Service				
Capital Projects				
Administration	510,950	237,285	136,306	13,908
Total Disbursements	1,913,797	1,274,709	650,586	91,550
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(954,452)	49,916	(552,744)	(501)
Other Adjustments to Cash (Uses)				
Bond Proceeds				
Cost of Issuance				
Transfers From Other Funds	2,069,136		555,000	
Transfers To Other Funds	(10,000)			
Total Other Adjustments to Cash (Uses)	2,059,136		555,000	
Net Change in Fund Balance	1,104,684	49,916	2,256	(501)
Fund Balance - Beginning (Restated)	55,773	754,925	2,010	54,073
Fund Balance - Ending	$ 1,160,457	$ 804,841	$ 4,266	$ 53,572
Composition of Fund Balance				
Bank Balance	$ 1,205,613	$ 808,285	$ 4,266	$ 55,379
Less: Outstanding Checks	(45,156)	(3,444)		(1,807)
Fund Balance - Ending	$ 1,160,457	$ 804,841	$ 4,266	$ 53,572

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

CLINTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2025
(Continued)

Budgeted Funds							
Federal Fund	Disaster and Emergency Services Fund	Ambulance Fund	Occupational Tax Fund	911 Fund	Opioid Settlement Fund	American Rescue Plan Act Fund	Clerk Storage Fees Fund
$	$	$	$ 1,958,147	$ 278,956	$	$	$
		834,835					
		95,650		5,500	112,799		17,600
		62	4,227	28	559	960	42
		930,547	1,962,374	284,484	113,358	960	17,642
			140,990				
	11,106	1,324,049		332,989			
	2,615	401,412	1,380	56,024		3	
	13,721	1,725,461	142,370	389,013		3	
	(13,721)	(794,914)	1,820,004	(104,529)	113,358	957	17,642
	13,500	812,664		127,500			
(42,664)			(1,946,000)			(1,579,136)	
(42,664)	13,500	812,664	(1,946,000)	127,500		(1,579,136)	
(42,664)	(221)	17,750	(125,996)	22,971	113,358	(1,578,179)	17,642
42,664	439	21,500	1,344,439	8,456	369,800	1,578,179	32,656
$ 0	$ 218	$ 39,250	$ 1,218,443	$ 31,427	$ 483,158	$ 0	$ 50,298
$	$ 343	$ 99,697	$ 1,218,443	$ 40,369	$ 483,158	$	$ 50,298
	(125)	(60,447)		(8,942)			
$ 0	$ 218	$ 39,250	$ 1,218,443	$ 31,427	$ 483,158	$ 0	$ 50,298

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

CLINTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2025
(Continued)

	Unbudgeted Funds		
	Clinton County Kentucky Public Properties Corporation Fund	Jail Commissary Fund	Total Funds
RECEIPTS			
Taxes	$	$	$ 2,752,074
In Lieu Tax Payments			139,248
Excess Fees			48,943
Licenses and Permits			28,794
Intergovernmental			1,639,998
Charges for Services			845,376
Miscellaneous		53,303	373,323
Interest	22,908	20	30,701
Total Receipts	22,908	53,323	5,858,457
DISBURSEMENTS			
General Government			1,477,843
Protection to Persons and Property			2,186,474
General Health and Sanitation			119,973
Social Services			2,475
Recreation and Culture		51,977	90,458
Roads			1,016,081
Debt Service	2,324,261		2,324,261
Capital Projects	36,247		36,247
Administration	213		1,360,096
Total Disbursements	2,360,721	51,977	8,613,908
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,337,813)	1,346	(2,755,451)
Other Adjustments to Cash (Uses)			
Bond Proceeds	2,235,000		2,235,000
Cost of Issuance	(15,000)		(15,000)
Transfers From Other Funds			3,577,800
Transfers To Other Funds			(3,577,800)
Total Other Adjustments to Cash (Uses)	2,220,000		2,220,000
Net Change in Fund Balance	(117,813)	1,346	(535,451)
Fund Balance - Beginning (Restated)	524,550	20,595	4,810,059
Fund Balance - Ending	$ 406,737	$ 21,941	$ 4,274,608
Composition of Fund Balance			
Bank Balance	$ 406,737	$ 22,374	$ 4,394,962
Less: Outstanding Checks		(433)	(120,354)
Fund Balance - Ending	$ 406,737	$ 21,941	$ 4,274,608

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

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Clinton County includes all budgeted and unbudgeted funds under the control of the Clinton County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act for and on behalf of, and as the agency and instrumentality of the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

The Clinton County Tourism Commission would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, it no longer is a required component of the reporting entity.

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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

Disaster and Emergency Services (DES) Fund - The primary purpose of this fund is to account for the disaster and emergency services of the county. The primary source of receipts for this fund is the Kentucky State Treasurer.

Ambulance Fund - The primary purpose of this fund is to account for the ambulance expenses of the county. The primary source of receipts for this fund are user fees paid by insurance companies.

Occupational Tax Fund - The primary purpose of this fund is to account for occupational tax collections of the county.

911 Fund - The primary purpose of this fund is to account for the emergency dispatch activities of the county. The primary source of receipts for this fund is telephone 911 fees.

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

American Rescue Plan Act Fund - The primary purpose of this fund is to manage the American Rescue Plan Act (ARPA) funds received by the county from the federal government.

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

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Unbudgeted Funds (Continued)

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

D. Budgetary Information

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

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

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

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

The state local finance officer does not require the Clinton County Kentucky Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Clinton County Elected Officials

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

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments

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

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

G. Long-term Obligations

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

H. Related Organizations and Joint Ventures

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. The Clinton County Fiscal Court appoints the commissioners of the board of the Clinton County Industrial Development Authority, thus making them related organizations.

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. The Clinton County Fiscal Court entered into an interlocal agreement with the City of Albany and the Clinton County Board of Education to form the Albany-Clinton County Recreation Park Board. Joint control and financial interest/responsibility exists between the entities within this agreement, thus creating a joint venture.

Note 2. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG's) *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.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 2. Deposits (Continued)

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 DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2025, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2025.

	General Fund	Federal Fund	Occupational Tax Fund	ARPA Fund	Total Transfers In
General Fund	$	$	$ 490,000	$ 1,579,136	$ 2,069,136
Jail Fund			555,000		555,000
DES Fund			13,500		13,500
Ambulance Fund	10,000	42,664	760,000		812,664
911 Fund			127,500		127,500
Total Transfers Out	$ 10,000	$ 42,664	$ 1,946,000	$ 1,579,136	$ 3,577,800

Reason for transfers:

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

Note 4. Custodial Funds

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

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the Jail Inmate Fund as of June 30, 2025, was $8,071.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 5. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Administrative Office of the Courts (AOC)

On September 1, 2022, the Clinton County Kentucky Public Properties Corporation issued a First Mortgage Revenue Bond Anticipation Note (Judicial Center Project), Series 2022, to construct a courthouse facility located on the project site originally financed with the proceeds of the note, and additionally financed with a portion of the proceeds of the bonds. In case of default, the trustee shall take over possession, custody, and control of the project site and shall operate or carry out a decretal sale of the same with due regard to state and federal law and the covenants contained in the memorandum of understanding and the lease for the benefit of the holders of the bonds and notes; provided, however, that unless indemnified to the satisfaction of the trustee. On August 29, 2024, the Clinton County Kentucky Public Properties Corporation refinanced the Series 2022 bonds as First Mortgage Revenue Bond Anticipation Note (Judicial Center Project) Series 2024 in the amount of $2,235,000. As of June 30, 2025, the Series 2024 bonds outstanding were $2,235,000. Future principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 2,235,000	$ 95,658
Totals	$ 2,235,000	$ 95,658

B. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	$ 2,235,000	$ 2,235,000	$2,235,000	$ 2,235,000	$ 2,235,000
Total Long-term Debt	$ 2,235,000	$ 2,235,000	$ 2,235,000	$ 2,235,000	$ 2,235,000

C. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations on June 30, 2025, were as follows:

	Direct Borrowings and Direct Placements	
Fiscal Year Ended June 30	Principal	Interest
2026	$ 2,235,000	$ 95,658
Totals	$ 2,235,000	$ 95,658

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 6. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS). 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 Kentucky Retirement Systems (Ky. Ret. Sys.). The CERS nine member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2023 was $452,428, FY 2024 was $405,013, and FY 2025 was $402,171.

Nonhazardous

Nonhazardous covered employees are required to contribute 5% of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6% of their salary to be allocated as follows: 5% will go to the member's account and 1% will be allocated to CERS's share of assets in the Ky. Ret. Sys. insurance trust 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% of their annual creditable compensation. Nonhazardous members also contribute 1% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by CERS Board of Trustees 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% 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 19.71%.

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:

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(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 $10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

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

Once members reach a minimum vesting period of 15 years, they earn $10 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%. 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% 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%. 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.

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

E. Death Benefit

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

F. Annual Financial Report and Proportionate Share Audit Report

KPPA 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. Some reports may also be obtained online at https://kyret.ky.gov.

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

Note 7. Insurance

For the fiscal year ended June 30, 2025, the Clinton 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 8. Subsequent Events

The Clinton County Kentucky Public Properties Corporation issued First Mortgage Revenue Bonds, Series 2025 in the amount of $9,700,000 for the purpose of (i) fully refunding and retiring, in advance of maturity, its First Mortgage Revenue Bond Anticipation Note (Judicial Center Project), Series 2024; (ii) providing permanent financing of the costs of the acquisition, construction, installation, and equipment of the new courthouse facilities; and (iii) paying the costs of issuance of the bonds.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to third party for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Clinton 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, 2025, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 10. Prior Period Adjustments

	General Fund	911 Fund
Fund Balance - June 30, 2024	$ 55,728	$ 8,411
Adjustments:		
Add: Prior Year Voided Checks	45	45
Fund Balance - Beginning (Restated)	$ 55,773	$ 8,456

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CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

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CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 413,500	$ 418,987	$ 514,971	$ 95,984
In Lieu Tax Payments	131,208	142,715	139,248	(3,467)
Excess Fees	15,850	15,850	48,943	33,093
Licenses and Permits	25,000	25,000	28,794	3,794
Intergovernmental	109,200	117,109	138,147	21,038
Charges for Services	13,000	13,000	10,121	(2,879)
Miscellaneous	31,750	41,285	78,305	37,020
Interest	100	100	816	716
Total Receipts	739,608	774,046	959,345	185,299
DISBURSEMENTS				
General Government	650,329	1,280,824	1,280,824	
Protection to Persons and Property	5,000	2,050	2,050	
General Health and Sanitation	108,095	119,973	119,973	
Administration	456,684	510,950	510,950	
Total Disbursements	1,220,108	1,913,797	1,913,797	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(480,500)	(1,139,751)	(954,452)	185,299
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	440,000	440,000	2,069,136	1,629,136
Transfers To Other Funds			(10,000)	(10,000)
Total Other Adjustments to Cash (Uses)	440,000	440,000	2,059,136	1,619,136
Net Change in Fund Balance	(40,500)	(699,751)	1,104,684	1,804,435
Fund Balance - Beginning (Restated)	40,500	55,773	55,773	
Fund Balance - Ending	$ 0	$ (643,978)	$ 1,160,457	$ 1,804,435

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 1,217,339	$ 1,370,886	$ 1,318,551	$ (52,335)
Miscellaneous	1,500	1,500	5,091	3,591
Interest	700	700	983	283
Total Receipts	1,219,539	1,373,086	1,324,625	(48,461)
DISBURSEMENTS				
General Government	22,000	22,000	21,343	657
Roads	935,003	1,125,648	1,016,081	109,567
Administration	843,811	980,363	237,285	743,078
Total Disbursements	1,800,814	2,128,011	1,274,709	853,302
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(581,275)	(754,925)	49,916	804,841
Net Change in Fund Balance	(581,275)	(754,925)	49,916	804,841
Fund Balance - Beginning	581,275	754,925	754,925	
Fund Balance - Ending	$ 0	$ 0	$ 804,841	$ 804,841

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 124,000	$ 124,819	$ 97,407	$ (27,412)
Charges for Services	2,500	2,500	420	(2,080)
Miscellaneous	1,500	1,500		(1,500)
Interest	25	25	15	(10)
Total Receipts	128,025	128,844	97,842	(31,002)
DISBURSEMENTS				
Protection to Persons and Property	548,959	540,507	514,280	26,227
Administration	137,190	147,471	136,306	11,165
Total Disbursements	686,149	687,978	650,586	37,392
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(558,124)	(559,134)	(552,744)	6,390
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	557,124	557,124	555,000	(2,124)
Total Other Adjustments to Cash (Uses)	557,124	557,124	555,000	(2,124)
Net Change in Fund Balance	(1,000)	(2,010)	2,256	4,266
Fund Balance - Beginning	1,000	2,010	2,010	
Fund Balance - Ending	$ 0	$ 0	$ 4,266	$ 4,266

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 70,000	$ 70,000	$ 85,893	$ 15,893
Miscellaneous	6,000	6,375	5,075	(1,300)
Interest	20	42	81	39
Total Receipts	76,020	76,417	91,049	14,632
DISBURSEMENTS				
General Government	26,500	35,578	34,686	892
Protection to Persons and Property	2,000	2,000	2,000	
Social Services	3,000	3,475	2,475	1,000
Recreation and Culture	48,300	50,080	38,481	11,599
Administration	42,100	65,237	13,908	51,329
Total Disbursements	121,900	156,370	91,550	64,820
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(45,880)	(79,953)	(501)	79,452
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	25,880	25,880		(25,880)
Total Other Adjustments to Cash (Uses)	25,880	25,880		(25,880)
Net Change in Fund Balance	(20,000)	(54,073)	(501)	53,572
Fund Balance - Beginning	20,000	54,073	54,073	
Fund Balance - Ending	$ 0	$ 0	$ 53,572	$ 53,572

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	FEDERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 100	$ 100	$	$ (100)
Total Receipts	100	100		(100)
DISBURSEMENTS				
Administration	100	100		100
Total Disbursements	100	100		100
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(130,000)	(130,000)	(42,664)	87,336
Total Other Adjustments to Cash (Uses)	(130,000)	(130,000)	(42,664)	87,336
Net Change in Fund Balance	(130,000)	(130,000)	(42,664)	87,336
Fund Balance - Beginning	130,000	130,000	42,664	(87,336)
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

DISASTER AND EMERGENCY SERVICES FUND

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	$ 500	$ 500	$	$ (500)
Interest	10	10		(10)
Total Receipts	510	510		(510)
DISBURSEMENTS				
Protection to Persons and Property	10,200	11,749	11,106	643
Administration	5,000	3,700	2,615	1,085
Total Disbursements	15,200	15,449	13,721	1,728
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(14,690)	(14,939)	(13,721)	1,218
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	14,500	14,500	13,500	(1,000)
Total Other Adjustments to Cash (Uses)	14,500	14,500	13,500	(1,000)
Net Change in Fund Balance	(190)	(439)	(221)	218
Fund Balance - Beginning	190	439	439	
Fund Balance - Ending	$ 0	$ 0	$ 218	$ 218

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	AMBULANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	$ 650,000	$ 650,000	$ 834,835	$ 184,835
Miscellaneous	1,000	35,602	95,650	60,048
Interest	100	100	62	(38)
Total Receipts	651,100	685,702	930,547	244,845
DISBURSEMENTS				
Protection to Persons and Property	1,186,500	1,324,049	1,324,049	
Administration	320,000	401,413	401,412	1
Total Disbursements	1,506,500	1,725,462	1,725,461	1
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(855,400)	(1,039,760)	(794,914)	244,846
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	845,000	845,000	812,664	(32,336)
Total Other Adjustments to Cash (Uses)	845,000	845,000	812,664	(32,336)
Net Change in Fund Balance	(10,400)	(194,760)	17,750	212,510
Fund Balance - Beginning	10,400	21,500	21,500	
Fund Balance - Ending	$ 0	$ (173,260)	$ 39,250	$ 212,510

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	OCCUPATIONAL TAX FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 1,480,000	$ 1,480,000	$ 1,958,147	$ 478,147
Interest	2,000	2,043	4,227	2,184
Total Receipts	1,482,000	1,482,043	1,962,374	480,331
DISBURSEMENTS				
General Government	40,000	162,440	140,990	21,450
Administration	739,496	394,300	1,380	392,920
Total Disbursements	779,496	556,740	142,370	414,370
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	702,504	925,303	1,820,004	894,701
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(1,452,504)	(1,452,504)	(1,946,000)	(493,496)
Total Other Adjustments to Cash (Uses)	(1,452,504)	(1,452,504)	(1,946,000)	(493,496)
Net Change in Fund Balance	(750,000)	(527,201)	(125,996)	401,205
Fund Balance - Beginning	750,000	1,344,439	1,344,439	
Fund Balance - Ending	$ 0	$ 817,238	$ 1,218,443	$ 401,205

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 285,000	$ 285,000	$ 278,956	$ (6,044)
Miscellaneous	3,100	6,000	5,500	(500)
Interest	100	100	28	(72)
Total Receipts	288,200	291,100	284,484	(6,616)
DISBURSEMENTS				
Protection to Persons and Property	292,750	332,989	332,989	
Administration	95,350	58,056	56,024	2,032
Total Disbursements	388,100	391,045	389,013	2,032
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(99,900)	(99,945)	(104,529)	(4,584)
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	50,000	50,000	127,500	77,500
Total Other Adjustments to Cash (Uses)	50,000	50,000	127,500	77,500
Net Change in Fund Balance	(49,900)	(49,945)	22,971	72,916
Fund Balance - Beginning (Restated)	49,900	49,945	8,456	(41,489)
Fund Balance - Ending	$ 0	$ 0	$ 31,427	$ 31,427

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	UNITED STATES DEPARTMENT OF AGRICULTURE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 14,000	$ 14,000	$	$ (14,000)
Total Receipts	14,000	14,000		(14,000)
DISBURSEMENTS				
General Government	14,000	14,000		14,000
Total Disbursements	14,000	14,000		14,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	OPIOID SETTLEMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$	$ 80,175	$ 112,799	$ 32,624
Interest	250	273	559	286
Total Receipts	250	80,448	113,358	32,910
DISBURSEMENTS				
Administration	209,035	450,248		450,248
Total Disbursements	209,035	450,248		450,248
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(208,785)	(369,800)	113,358	483,158
Net Change in Fund Balance	(208,785)	(369,800)	113,358	483,158
Fund Balance - Beginning	208,785	369,800	369,800	
Fund Balance - Ending	$ 0	$ 0	$ 483,158	$ 483,158

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

AMERICAN RESCUE PLAN ACT FUND

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Interest	$ 1,500	$ 1,500	$ 960	$ (540)
Total Receipts	1,500	1,500	960	(540)
DISBURSEMENTS				
Administration	1,229,600	1,229,679	3	1,229,676
Total Disbursements	1,229,600	1,229,679	3	1,229,676
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,228,100)	(1,228,179)	957	1,229,136
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(350,000)	(350,000)	(1,579,136)	(1,229,136)
Total Other Adjustments to Cash (Uses)	(350,000)	(350,000)	(1,579,136)	(1,229,136)
Net Change in Fund Balance	(1,578,100)	(1,578,179)	(1,578,179)	
Fund Balance - Beginning	1,578,100	1,578,179	1,578,179	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

CLINTON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	CLERK STORAGE FEES FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 14,500	$ 14,500	$ 17,600	$ 3,100
Interest	25	25	42	17
Total Receipts	14,525	14,525	17,642	3,117
DISBURSEMENTS				
General Government	43,125	47,182		47,182
Total Disbursements	43,125	47,182		47,182
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(28,600)	(32,657)	17,642	50,299
Net Change in Fund Balance	(28,600)	(32,657)	17,642	50,299
Fund Balance - Beginning	28,600	32,657	32,656	(1)
Fund Balance - Ending	$ 0	$ 0	$ 50,298	$ 50,298

CLINTON COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2025

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.

CLINTON COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

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CLINTON COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	$ 789,907	$	$	$ 789,907
Construction In Progress	1,041,918	36,247		1,078,165
Buildings	5,713,169			5,713,169
Vehicles	1,488,327	159,175		1,647,502
Equipment	1,544,044	355,010		1,899,054
Infrastructure	9,386,879	428,319		9,815,198
Total Capital Assets	$ 19,964,244	$ 978,751	$ 0	$ 20,942,995

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

June 30, 2025

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	$ 5,000	3-25
Vehicles	$ 5,000	2-20
Infrastructure	$ 20,000	10-50

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

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Allison Ball
Auditor of Public Accounts

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

Independent Auditor's Report

The Honorable Ricky L. Craig, Clinton County Judge/Executive
Members of the Clinton 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 Clinton County Fiscal Court for the fiscal year ended June 30, 2025, and the related notes to the financial statement which collectively comprise the Clinton County Fiscal Court's financial statement and have issued our report thereon dated May 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Clinton 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 Clinton County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clinton 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 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 deficiency described in the accompanying Schedule of Findings and Responses as item 2025-001 to be a material weakness.

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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 2025-002 to be a significant deficiency.

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Clinton 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 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 2025-001.

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

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 15, 2026

CLINTON COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

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CLINTON COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

2025-001 The Clinton County Fiscal Court's Financial Statement Was Materially Misstated

Condition and Context

This is a repeat finding and was included in the prior year audit report as finding 2024-001. The fourth quarter report presented to the Department for Local Government (DLG) was inaccurate and materially misstated due to the omission of the Clinton County Kentucky Public Properties Corporation Fund (PPC).

- A financial statement for the PPC Fund was not prepared by the treasurer. Therefore, PPC receipts of $22,908 disbursements totaling $2,360,721, bond proceeds of $2,2200,000, beginning cash balance of $524,550, and ending cash balance of $406,737 were not reported.
- The PPC bond anticipation note also had an outstanding balance of $2,235,000, which was not included on the long-term debt liability schedule of the fourth quarter financial report.
- One cash transfer of $85,751 from one General Fund account to another was misclassified as a fund transfer.

Cause

The official was not aware of the requirement to include the PPC financial information on the county's financial statements. The county treasurer stated she does not receive financial information from the PPC.

Effect

The failure to prepare financial statements or maintain financial records for the unbudgeted fund resulted in material omissions of financial activity. This lack of reporting reduces transparency and accountability over public funds, increases the risk that errors could occur and not be detected, and impairs the ability of management to make informed financial decisions.

Criteria

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." Ensuring all financial activity related to operating the county is properly reported is a basic internal control necessary to ensure the accuracy and reliability of financial reports.

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The DLG's *County Budget Preparation & State Local Finance Officer Policy Manual* requires counties to submit quarterly reports to the DLG. The PPC is a component unit of the Clinton County Fiscal Court. As such, the fiscal court is responsible to account for these funds in accordance with the requirements set forth by the State Local Finance Officer. Adequate internal controls should ensure that these reports include all funds of the county, all activity within the funds, and agree to the county's reconciled cash balance.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2025
(Continued)

2025-001 The Clinton County Fiscal Court's Financial Statement Was Materially Misstated (Continued)

Recommendations

We recommend the fiscal court implement procedures to ensure the fourth quarter report submitted to DLG be accurate. We recommend the county establish and implement procedures to ensure financial records are maintained for all unbudgeted funds and that a financial statement is prepared for the PPC. We further recommend the county properly disclose all debt on the fourth quarter report liability schedule.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response: The official did not provide a response.

2025-002 The Clinton County Jail Did Not Have Adequate Controls Over The Jail Commissary

Condition and Context

The Clinton County Jail failed to establish and implement adequate controls over the commissary account. As a result, the following deficiencies were noted during the audit:

- A lack of segregation of duties over jail commissary activity was noted. The jailer's bookkeeper collects cash and issues receipts, prepares and makes deposits, writes and signs checks, posts to receipt and disbursement ledgers, prepares bank reconciliations, and prepares reports.
- The annual commissary report presented to the county treasurer was inaccurate and did not reflect actual receipts and disbursements of the jail commissary. Receipts were understated by $3,300 and disbursements were overstated by $7,504.
- Deposits for jail commissary purchases were held in a batch and deposited monthly instead of daily as required.
- One disbursement totaling $96 did not have supporting documentation.
- One invoice totaling $750 was not paid within 30 days of receiving the invoice.
- One invoice totaling $2,349 for the purchase of basic mattresses was not an unallowable use of commissary funds. Because this expense is a normal jail operating cost, it should have been paid from the jail operating fund.
- Five months of sales & use tax were paid between 1-4 months late, resulting in $318 of late fees and interest being paid for FY 2025

Cause

These deficiencies occurred because of the lack of controls and clearly established procedures with sufficient supervisory review of the accounting process, including daily deposits, monthly bank reconciliations and year-end reports. According to the jailer, the lack of segregation of duties is a result of a limited budget, which restricts the number of employees the jailer can hire or delegate duties to.

Effect

By not properly reconciling the ending balance of jail commissary funds, the jail commissary lacks a clear view of its financial health. When deposits are not made timely, there is an increased risk of overdrawing the bank account and misappropriation of funds.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2025
(Continued)

2025-002 The Clinton County Jail Did Not Have Adequate Controls Over The Jail Commissary (Continued)

Effect

Also, without management review, disbursements could be made for unnecessary or unapproved items and failing to properly mark invoices paid could lead to the invoices being paid multiple times. Additionally, the jail is not in compliance with applicable Kentucky laws.

Criteria

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The minimum requirement for handling public funds as stated in the *County Budget Preparation and State Local Finance Officer Policy Manual* requires that deposits be made intact daily into a federally insured banking institution. It also outlines the minimum accounting and reporting standards for the jail commissary funds. Proper segregation of duties and review of supporting documentation and disbursements are basic internal controls necessary to ensure the accuracy and reliability of financial reports.

KRS 441.135(2) requires that commissary profits be spent on items to benefit and to enhance the well-being of the prisoners or to enhance safety and security within the jail.

Additionally, KRS 65.140(2) states, "Unless the [county government] and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice…".

KRS 139.210(5) specifies that "taxes to be collected under this section shall constitute a debt of the retailer to the Commonwealth." Sales tax withheld should be paid timely as with any other obligation of the county.

Recommendations

We recommend the jailer comply with applicable state law by presenting an accurate financial statement to the county treasurer. The financial statement should be compiled using financial information from receipts and disbursement journals, with the ending balance reconciled to the bank balance, and properly reconciled to total inmate individual balances. We recommend the jailer ensure that commissary profits are only spent on allowable items that comply with statutes, disbursements are supported by adequate documentation, and collected sales taxes are paid timely to the Department of Revenue. We also recommend that the jailer make deposits intact daily. Furthermore, we recommend the jailer segregate incompatible duties over the accounting functions. If segregation of duties is not feasible due to lack of staff, we recommend the jailer implement and document compensating controls and supervisory review.

Views of Responsible Official and Planned Corrective Action

Jailer's Response: The official did not provide a response.

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CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

CLINTON COUNTY FISCAL COURT

For The Year Ended June 30, 2025

Appendix A

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE

CLINTON COUNTY FISCAL COURT

For The Year Ended June 30, 2025

The Clinton 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