

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

**For The Year Ended  
June 30, 2024**



**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 Perry Newcom, Crittenden County Judge/Executive

Members of the Crittenden 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 Crittenden County Fiscal Court, for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the Crittenden 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 Crittenden County Fiscal Court, for the year ended June 30, 2024, 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 Crittenden County Fiscal Court, for the year ended June 30, 2024, 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 Crittenden 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 Perry Newcom, Crittenden County Judge/Executive  
 Members of the Crittenden 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 Crittenden 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***

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

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

***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 Crittenden 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 Crittenden 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2025, on our consideration of the Crittenden 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 Crittenden 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:

- 2024-001 The Crittenden County Jailer Failed To Implement Adequate Internal Controls Over The Accounting Functions And Financial Reporting Of The Commissary Account
- 2024-002 The Crittenden County Fiscal Court's Outstanding Debt Balances Were Understated
- 2024-003 The Crittenden County Fiscal Court Had Inadequate Controls Over Disbursements Resulting In Noncompliance
- 2024-004 The Crittenden County Jailer Failed To Bid Out The Contract For The Purchase Of E-Cigarette Inventory

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

February 19, 2025



**CRITTENDEN COUNTY OFFICIALS****For The Year Ended June 30, 2024****Fiscal Court Members:**

Perry A. Newcom	County Judge/Executive
Dave Belt	Magistrate
Matthew Grimes	Magistrate
Robert Kirby	Magistrate
Chad Thomas	Magistrate
Travis Perryman	Magistrate
Scott Belt	Magistrate

**Other Elected Officials:**

Robert "Bart" Frazer	County Attorney
Athena Hayes	Jailer
Daryl K. Tabor	County Clerk
Melissa Guill	Circuit Court Clerk
Evan Head	Sheriff
Todd Perryman	Property Valuation Administrator
Brad Gilbert	Coroner

**Appointed Personnel:**

Yvette Martin	County Treasurer
Kristi Drury	Finance Officer
Jada Williams	Tax Administrator

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

**For The Year Ended June 30, 2024**

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

**For The Year Ended June 30, 2024**

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
<b>RECEIPTS</b>			
Taxes	\$ 1,413,557	\$	\$
Excess Fees	12,969		
Licenses and Permits	19,587		
Intergovernmental	529,706	3,692,561	3,246,971
Charges for Services	206,802		61,149
Miscellaneous	128,328	265,238	287,456
Interest	19,128	39,280	62,045
Total Receipts	<u>2,330,077</u>	<u>3,997,079</u>	<u>3,657,621</u>
<b>DISBURSEMENTS</b>			
General Government	1,070,329		
Protection to Persons and Property	444,152		2,607,974
General Health and Sanitation	423,032		
Social Services	43,140		
Recreation and Culture	17,618		
Transportation Facility and Services		29,975	
Roads		2,186,910	
Airports	7,150		
Other Transportation Facilities and Services		1,662,360	
Debt Service	134,672	260,130	482,655
Capital Projects			
Administration	397,274	389,592	692,448
Total Disbursements	<u>2,537,367</u>	<u>4,528,967</u>	<u>3,783,077</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(207,290)</u>	<u>(531,888)</u>	<u>(125,456)</u>
<b>Other Adjustments to Cash (Uses)</b>			
Financing Obligation Proceeds		464,102	
Transfers From Other Funds	267,585	123,795	11,321
Transfers To Other Funds	(135,116)	(267,585)	
Total Other Adjustments to Cash (Uses)	<u>132,469</u>	<u>320,312</u>	<u>11,321</u>
Net Change in Fund Balance	(74,821)	(211,576)	(114,135)
Fund Balance - Beginning (Restated)	<u>411,794</u>	<u>751,504</u>	<u>280,750</u>
Fund Balance - Ending	<u>\$ 336,973</u>	<u>\$ 539,928</u>	<u>\$ 166,615</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 357,516	\$ 701,044	\$ 196,225
Plus: Deposits In Transit			
Less: Outstanding Checks	<u>(20,543)</u>	<u>(161,116)</u>	<u>(29,610)</u>
Fund Balance - Ending	<u>\$ 336,973</u>	<u>\$ 539,928</u>	<u>\$ 166,615</u>

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

**CRITTENDEN COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2024**  
**(Continued)**

Budgeted Funds						
Local Government Economic Assistance Fund	State Grant Fund	Federal Grant Fund	Parks and Recreation Fund	Economic Development Fund	MCC 911 Fund	Agency for Substance Abuse Policy Board Fund
\$	\$	\$	\$	\$	\$ 324,216	\$
	11,000	226,352	75,000		27,450	40,000
			22,842			
			399		226	540
200			3,669	5,308	5,957	
200	11,000	226,352	101,910	5,308	357,849	40,540
					379,608	39,367
			780			
			14,083			
		226,351				
		226,351	14,863		379,608	39,367
200	11,000	1	87,047	5,308	(21,759)	1,173
200	11,000	1	87,047	5,308	(21,759)	1,173
4,927			79,397	129,745	116,843	11,540
\$ 5,127	\$ 11,000	\$ 1	\$ 166,444	\$ 135,053	\$ 95,084	\$ 12,713
\$ 5,127	\$ 11,000	\$ 1	\$ 166,763	\$ 135,053	\$ 133,728	\$ 12,713
			(319)		(38,644)	
\$ 5,127	\$ 11,000	\$ 1	\$ 166,444	\$ 135,053	\$ 95,084	\$ 12,713

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

**CRITTENDEN COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2024**  
**(Continued)**

	<b>Budgeted Funds</b>		
	<b>SB 135 Storage Fees Fund</b>	<b>Child Support Fund</b>	<b>American Rescue Plan Act Fund</b>
<b>RECEIPTS</b>			
Taxes	\$	\$	\$
Excess Fees			
Licenses and Permits			
Intergovernmental		102,038	
Charges for Services			
Miscellaneous	14,020	54,464	
Interest	154		18,996
Total Receipts	<u>14,174</u>	<u>156,502</u>	<u>18,996</u>
<b>DISBURSEMENTS</b>			
General Government	18,422	157,283	198,538
Protection to Persons and Property			53,500
General Health and Sanitation			
Social Services			
Recreation and Culture			
Transportation Facility and Services			
Roads			
Airports			
Other Transportation Facilities and Services			
Debt Service			
Capital Projects			205,181
Administration			
Total Disbursements	<u>18,422</u>	<u>157,283</u>	<u>457,219</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,248)</u>	<u>(781)</u>	<u>(438,223)</u>
<b>Other Adjustments to Cash (Uses)</b>			
Financing Obligation Proceeds			
Transfers From Other Funds			
Transfers To Other Funds			
Total Other Adjustments to Cash (Uses)			
Net Change in Fund Balance	(4,248)	(781)	(438,223)
Fund Balance - Beginning (Restated)	8,412	781	658,458
Fund Balance - Ending	<u>\$ 4,164</u>	<u>\$ 0</u>	<u>\$ 220,235</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 4,164	\$	\$ 224,745
Plus: Deposits In Transit			
Less: Outstanding Checks			(4,510)
Fund Balance - Ending	<u>\$ 4,164</u>	<u>\$ 0</u>	<u>\$ 220,235</u>

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

**CRITTENDEN COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<u>Budgeted Funds</u>		<u>Unbudgeted Funds</u>		
<u>Opioid Settlement Fund</u>	<u>Construction Fund</u>	<u>Public Properties Corporation Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>
\$	\$	\$	\$	\$ 1,737,773
				12,969
				19,587
		492		7,951,570
				290,793
93,235	689,032		804,506	2,337,444
4,226	12,828	20,295	66	192,152
<u>97,461</u>	<u>701,860</u>	<u>20,787</u>	<u>804,572</u>	<u>12,542,288</u>
6,232				1,450,804
5,473				3,530,074
				423,812
3,000				46,140
			792,909	824,610
				29,975
				2,186,910
				7,150
				1,662,360
		796,320		1,673,777
	113,489	4,932		549,953
		20,813		1,500,127
<u>14,705</u>	<u>113,489</u>	<u>822,065</u>	<u>792,909</u>	<u>13,885,692</u>
<u>82,756</u>	<u>588,371</u>	<u>(801,278)</u>	<u>11,663</u>	<u>(1,343,404)</u>
		790,000		1,254,102
				402,701
				(402,701)
		790,000		1,254,102
82,756	588,371	(11,278)	11,663	(89,302)
88,966	112,181	414,670	576	3,070,544
<u>\$ 171,722</u>	<u>\$ 700,552</u>	<u>\$ 403,392</u>	<u>\$ 12,239</u>	<u>\$ 2,981,242</u>
\$ 177,510	\$ 700,552	\$ 403,392	\$ 61,234	\$ 3,290,767
			422	422
(5,788)			(49,417)	(309,947)
<u>\$ 171,722</u>	<u>\$ 700,552</u>	<u>\$ 403,392</u>	<u>\$ 12,239</u>	<u>\$ 2,981,242</u>

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

**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENT**

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**CRITTENDEN COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2024**

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

**A. Reporting Entity**

The financial statement of Crittenden County includes all budgeted and unbudgeted funds under the control of the Crittenden 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 Crittenden County Hospital, Inc. would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, they no longer are required components of the reporting entity. Audits can be obtained from the Crittenden County Fiscal Court, 200 Industrial Drive, Suite A, Marion, KY 42064.

The Ohio River Ferry Authority is blended with the Crittenden County Fiscal Court. The fiscal court receives funds from the Department of Transportation for ferry operations and are distributed directly to the contracted ferry operator from the road fund.

**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.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

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

**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.

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 Grant Fund - The primary purpose of this fund is to account for state grant receipts and disbursements. The primary source of receipts for this fund is from state agencies.

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

Parks and Recreation Fund - The primary purpose of this fund is to account for receipts and disbursements related to parks and recreation projects. The primary sources of receipts for this fund are from park rentals and fees.

Economic Development Fund - The primary purpose of this fund is to account for grants and related disbursements that are used for economic development.

MCC 911 Fund - The primary purpose of this fund is to support the county's 911 system. The primary sources of receipts for this fund are from 911 tax receipts.

Agency for Substance Abuse Policy Board Fund (ASAP Board) - The primary purpose of this fund is to account for the operations of the ASAP Board. The primary sources of receipts for this fund are from the state.

SB 135 Storage Fees Fund - The primary purpose of this fund is to account for the receipts and disbursements associated with the preservation of public records maintained by the county clerk's office. The primary source of receipts for this fund is the county clerk's collections of storage fees.

Child Support Fund - The primary purpose of this fund is to account for the receipts and disbursements of child support funds.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

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

**C. Basis of Presentation (Continued)**

**Budgeted Funds (Continued)**

American Rescue Plan Act Fund (ARPA Fund) - The primary purpose of this fund is to account for a federal grant from the Coronavirus State & Local Fiscal Recovery Funds and related disbursements.

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

Construction Fund - The primary purpose of this fund is to accumulate resources and to disburse as needed for construction or other projects.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

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.

Jail Commissary Fund - The operation of a canteen is 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.

**C. 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.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

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

**E. Crittenden County Elected Officials**

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

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

**F. Deposits and Investments**

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

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

**G. Long-term Obligations**

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

**H. Related and Jointly Governed Organizations**

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

Crittenden County EMS

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

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

**H. Related and Jointly Governed Organizations (Continued)**

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that created the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. Based on these criteria, the following is considered a jointly governed organization of the Crittenden County Fiscal Court:

Crittenden-Livingston County Water District.

**Note 2. Deposits**

The fiscal court maintains 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.

**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's *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2024, 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 2024.

	General Fund	Road Fund	Total Transfers In
General Fund	\$	\$ 267,585	\$ 267,585
Road Fund	123,795		123,795
Jail Fund	11,321		11,321
Total Transfers Out	<u>\$ 135,116</u>	<u>\$ 267,585</u>	<u>\$ 402,701</u>

Reason for transfers:

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

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**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 by the inmates. The balance in the jail inmate fund as of June 30, 2024, was \$130,645.

**Note 5. Assets Held For Resale**

The county participates in a purchase/sell program for dump trucks. Trucks are purchased and utilized for a period of typically one to two years and then resold. Assets held for resale for the year ended June 30, 2024, as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Machinery & Equipment	\$ 191,724	\$ 201,329	\$ 191,724	\$ 201,329
Total	<u>\$ 191,724</u>	<u>\$ 201,329</u>	<u>\$ 191,724</u>	<u>\$ 201,329</u>

**Note 6. Leases**

**Lessor - Administrative Office Of The Courts**

On April 26, 2023, the Crittenden County Fiscal Court entered into a lease agreement with Administrative Office of the Courts (AOC) for its occupancy of office space in the Crittenden County Courthouse. The lease was for one fiscal year and Crittenden County receive quarterly payments. Crittenden County recognized \$52,332 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Crittenden County Fiscal Court's receivable for lease payments was \$0.

**Note 7. Long-term Receivable**

On November 28, 2023, the fiscal court provided a zero interest loan to the Sheridan Volunteer Fire Department \$6,000, for the purpose of providing the matching grant funds required for the purchase of a new fire truck. The term of the loan is six years from the date of entering the agreement. Payments are due annually by the end of the calendar year. As of June 30, 2024, the principal balance due was \$4,800.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Crittenden County Public Properties Corporation First Mortgage Revenue Bonds, Series 2022 (Judicial Center Project)**

On October 1, 2022, the Crittenden County Public Properties Corporation issued \$790,000 in revenue bond anticipation notes, series 2022. The proceeds from these anticipation notes were used for property acquisition and for the initial phases of construction of a new judicial center. These anticipation notes are scheduled to mature April 1, 2024, and carry an interest rate of 1.6%. Semiannual interest payments are required on April 1 and October 1 of each year. The Crittenden County Public Properties Corporation is acting as an agent for the Administrative Office of the Courts to construct, manage, and maintain the justice center. The Crittenden Public Properties Corporation expects rental payments for use of the justice center to be in the full amount of the principal and interest requirements of the anticipation notes. Under the terms of a lease, the Administrative Office of the Courts has agreed to pay directly to the paying agent bank, the use allowances payment as provided in the lease. The lease agreement is renewable each even number year for a period of two years. The Crittenden Public Properties Corporation relies upon the use allowance payment to meet debt service on the bonds.

The Administrative Office of the Courts with the execution of the lease expressed its intention to continue to pay the full allowance payment in successive biennial budget periods until April 1, 2024. However, the lease does not obligate the Administrative Office of the Courts to do so. In the event of default, by enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, the trustee will take over possession, custody and control of the project and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds; by bringing suit upon the anticipation notes; by action or suit in equity, require the corporation to account as if it were the trustee of an express trust for the owners of the anticipation notes; by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the anticipation notes; by declaring all anticipation notes due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 25% in a principal amount of the outstanding anticipation notes, by annulling such declaration and its consequences; and in the event that all anticipation notes are declared due and payable, by selling investment obligations of the corporation (to the extent not theretofore set aside for redemption of the anticipation notes for which call has been made), and enforcing all chooses in action of the corporation to the fullest legal extent in the name of the corporation for the use and benefit of the owners of the anticipation notes. On April 1, 2024, these bonds were refinanced to revenue bond anticipation note, series 2024.

**2. Crittenden County Public Properties Corporation Revenue Bond Anticipation Notes, Series 2024 (Judicial Center Project)**

On April 1, 2024, the Crittenden County Public Properties Corporation issued \$790,000 in revenue bond anticipation notes, series 2024. The proceeds from these anticipation notes were used for refunding the prior note at maturity of revenue bond anticipation note, series 2022. These anticipation notes are scheduled to mature April 1, 2025, and carry an interest rate of 5.5%. Crittenden County Public Properties Corporation is acting as an agent for the Administrative Office of the Courts to construct, manage, and maintain the justice center. The Crittenden Public Properties Corporation expects rental payments for use of the justice center to be in the full amount of the principal and interest requirements of the anticipation notes. Under the terms of a lease, the Administrative Office of the Courts has agreed to pay directly to the paying agent bank, the use allowances payment as provided in the lease. The Crittenden Public Properties Corporation relies upon the use allowance payment to meet debt service on the bonds.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

**2. Crittenden County Public Properties Corporation Revenue Bond Anticipation Notes, Series 2024 (Judicial Center Project) (Continued)**

The Administrative Office of the Courts with the execution of the lease expressed its intention to continue to pay the full allowance payment. However, the lease does not obligate the Administrative Office of the Courts to do so. In the event of default, by enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, the trustee will take over possession, custody and control of the project and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds; by bringing suit upon the anticipation notes; by action or suit in equity, require the corporation to account as if it were the trustee of an express trust for the owners of the anticipation notes; by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the anticipation notes; by declaring all anticipation notes due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 25% in a principal amount of the outstanding anticipation notes, by annulling such declaration and its consequences; and in the event that all anticipation notes are declared due and payable, by selling investment obligations of the corporation (to the extent not theretofore set aside for redemption of the anticipation notes for which call has been made), and enforcing all chooses in action of the corporation to the fullest legal extent in the name of the corporation for the use and benefit of the owners of the anticipation notes. The principal balance as of June 30, 2024, was \$790,000. Annual debt service requirement to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	<u>\$ 790,000</u>	<u>\$ 43,812</u>
Totals	<u><u>\$ 790,000</u></u>	<u><u>\$ 43,812</u></u>

**3. KACO Financing Program Revenue Bonds, 2017 First Series G (Detention Facility Project)**

On December 20, 2017, the Crittenden County Fiscal Court entered into a financing agreement with the Kentucky Association of Counties Leasing Trust in the amount of \$1,095,000 for the purpose of retiring the general obligation bond, series 2007. The interest rate is 3.14% with payments due on the 20th of each month and principal payments due monthly on the 20th until the termination date of December 20, 2037.

In case of default, the lessor may, without any further demand or notice, take one of any combination of the following remedial steps: (A) By appropriate court action enforce the pledge set forth in section 2 of the ordinance and section 11 of the lease so that during the remaining lease term there is levied on all the taxable property in the lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (B) Take legal title to, and sell or re-lease the project or any portion thereof; (C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under the lease; and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under the lease and to recover damages for the breach thereof. The principal balance as of June 30, 2024, was \$300,000. Annual debt service requirement to maturity are as follows:



**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

**3. KACO Financing Program Revenue Bonds, 2017 First Series G (Detention Facility Project) (Continued)**

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 15,000	\$ 12,562
2026	20,000	11,649
2027	20,000	10,699
2028	20,000	9,849
2029	20,000	9,099
2030-2034	110,000	34,404
2035-2037	<u>95,000</u>	<u>12,875</u>
Totals	<u>\$ 300,000</u>	<u>\$ 101,137</u>

**4. KACO General Obligation Lease – Sheridan Fire**

On July 5, 2018, Crittenden County entered into a lease agreement with Kentucky Association of Counties in the amount of \$75,000. The purpose of the lease was to purchase equipment for Sheridan Fire Department. An agreement was entered into with Sheridan Fire Department, under which the fire department promised to timely make all payments when due and payable. In case of default, the lessor may, without any further demand or notice, take one of any combination of the following remedial steps: (A) By appropriate court action, enforce the pledge set forth in the ordinance and the lease so that during the remaining lease term there is levied on all the taxable property in the lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (B) Take legal title to, and sell or release the project or any portion thereof; (C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under the lease, and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under the lease, and to recover damages for the breach thereof. The principal balance as of June 30, 2024, was \$40,000. Annual debt service requirement to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 10,000	\$ 1,950
2026	10,000	1,425
2027	10,000	900
2028	<u>10,000</u>	<u>475</u>
Totals	<u>\$ 40,000</u>	<u>\$ 4,750</u>

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

**5. KACO Leasing Program – Asphalt Zipper**

On March 18, 2020, the Crittenden County Fiscal Court entered into a financing agreement with the Kentucky Association of Counties Leasing Trust in the amount of \$135,764 for the purpose of purchasing road equipment. The interest rate is a fixed rate of 3.77% with payments due on the 20th of each month with the final principal payment due on March 20, 2025. In case of default, the lessor may, without any further demand or notice, take one of any combination of the following remedial steps: Terminate the lease term and give notice to the lessee to vacate or surrender the equipment within 7 days from the date of such notice; Exercise all the rights and remedies of a secured party under the Kentucky Uniform Commercial Code with respect to the equipment and may otherwise repossess and liquidate or realize or foreclose upon the equipment in lawful manner; provided. However, that the lessor may not recover from the lessee any deficiency which may exist following the liquidation of such property. Recover from the lessee: (1) The equipment payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the equipment; and (2) Equipment payments which would otherwise have been payable by the lessee hereunder after the lessee vacates or surrenders the equipment during the remainder of the fiscal year in which such event of default occurs. The principal balance as of June 30, 2024, was \$28,374. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 28,374	\$ 447
Totals	\$ 28,374	\$ 447

**6. KACO Financing Program Revenue Refunding Bonds, 2021 Series D (Jail Refinancing)**

On November 30, 2021, the Crittenden County Fiscal Court entered into a financing agreement with the Kentucky Association of Counties Finance Corporation in the amount of \$5,555,000 for the purpose of retiring the Series 2013A. The interest rate is 2.01 % with payments due on the 20th of each month and principal payments due monthly on the 20th until the termination date of December 20, 2037. Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) By appropriate court action, enforce the pledge set forth in Section 2 of the Ordinance and Section 11 of this lease so that during the remaining lease term there is levied on all the taxable property in the lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (b) Take legal title to and sell or re-lease the project or any portion thereof; (c) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under this lease (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise dispose of the project in accordance with applicable law) and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under this lease (subject, however, to the limitations thereon contained in this lease) and to recover damages for the breach thereof. The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

**6. KACO Financing Program Revenue Refunding Bonds, 2021 Series D (Jail Refinancing) (Continued)**

The principal balance as of June 30, 2024, was \$4,872,500. Annual debt service requirement to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 292,500	\$ 165,012
2026	302,500	152,581
2027	312,500	139,725
2028	327,500	126,444
2029	340,000	112,525
2030-2034	1,852,500	382,000
2035-2037	<u>1,445,000</u>	<u>86,666</u>
Totals	<u>\$ 4,872,500</u>	<u>\$ 1,164,953</u>

**7. KACO Leasing Program – Mack Truck**

On March 8, 2024, the Crittenden County Fiscal Court entered into a financing agreement with the Kentucky Association of Counties Leasing Trust in the amount of \$201,329 for the purpose of purchasing a Mack truck. The interest rate is a fixed rate of 6.24% with payments due on the 20th of each month with the final principal payment due on October 20, 2025.

In case of default, the lessor may, without any further demand or notice, take one of any combination of the following remedial steps: terminate the lease term and give notice to the lessee to vacate or surrender the equipment within 7 days from the date of such notice; exercise all the rights and remedies of a secured party under the Kentucky Uniform Commercial Code with respect to the project assets, and may otherwise repossess and liquidate or realize foreclose upon the project assets in lawful manner; sell or release the project or any portion thereof; recover from the lessee lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the project assets. The principal balance as of June 30, 2024, was \$201,329. Annual debt service requirement to maturity is as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$	\$ 12,563
2026	<u>201,329</u>	<u>4,188</u>
Totals	<u>\$ 201,329</u>	<u>\$ 16,751</u>

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

**8. KACO Leasing Program – Mack Truck**

On March 23, 2023, the Crittenden County Fiscal Court entered into a financing agreement with the Kentucky Association of Counties Leasing Trust in the amount of \$166,589 for the purpose of a 2024 Mack truck. The interest rate is a fixed rate of 5.74% with payments due on the 20th of each month with the final principal payment due on October 20, 2024. The principal balance of this lease was paid off on April 15, 2024.

**9. Financing Obligation – Caterpillar Financial Services Corp. (Excavator)**

On September 13, 2021, the Crittenden County Fiscal Court entered into a financing agreement with Caterpillar Financial Services Corporation in the amount of \$118,531 for the purpose of purchasing an excavator. The interest rate is a fixed rate of 2.99% with payments due on the 13th of each month with the final principal payment due on October 13, 2024. The excavator is pledged as collateral. Upon an event of default, the lender will have all rights and remedies available under applicable law. In addition, the lender may declare all lease payments due or to become due during the fiscal year in which the event of default occurs to be immediately due and payable by the fiscal court and/or the lender may repossess the units by giving the fiscal court written notice to deliver the unit to the lender, or in the event the fiscal court fails to do so within ten days after receipt of such notice, and subject to all applicable laws, the lender may enter upon the county's premises and taken possession of the unit. The principal balance as of June 30, 2024, was \$51,930. Annual debt service requirement to maturity is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	<u>\$ 51,930</u>	<u>\$ 557</u>
Totals	<u>\$ 51,930</u>	<u>\$ 557</u>

**10. KACO Leasing Program – Excavator**

On May 6, 2024, the Crittenden County Fiscal Court entered into a financing agreement with the Kentucky Association of Counties Leasing Trust in the amount of \$262,773 for the purpose of purchasing an excavator. The interest rate is a fixed rate of 6.14% with payments due on the 20th of each month with the final principal payment due on May 20, 2029. The principal balance as of June 30, 2024, was \$259,944. Annual debt service requirement to maturity is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 47,355	\$ 14,641
2026	50,021	11,659
2027	52,838	8,510
2028	55,812	5,182
2029	<u>53,918</u>	<u>1,668</u>
Totals	<u>\$ 259,944</u>	<u>\$ 41,660</u>

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

**11. KACO Financing Program Revenue Bonds, 2022 First Series A (Administrative Office Building)**

On March 3, 2022, the Crittenden County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Finance Corporation in the amount of \$1,575,000 for the purpose of remodeling an administrative building. Principal and interest rate of 2.77% has payments due on the 20th of each month until the termination date of June 30, 2042.

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

- a) By appropriate court action, enforce the pledge set forth in Section 2 of the Ordinance and Section 11 of the lease so that during the remaining lease term there is levied on all taxable property in the lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due.
- b) Take legal title to and sell or re-lease the project or any portion thereof.
- c) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under this lease (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise dispose of the project in accordance with applicable law) and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under this lease (subject, however, to the limitation thereon contained in the lease) and to recover damages for the breach thereof.

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

The principal balance as of June 30, 2024, was \$1,462,500. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 55,000	\$ 66,940
2026	57,500	64,053
2027	60,000	61,034
2028	62,500	57,884
2029	67,500	54,603
2030-2034	395,000	217,414
2035-2039	487,500	122,633
2040-2042	277,500	24,147
Totals	<u>\$ 1,462,500</u>	<u>\$ 668,708</u>

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 8. Long-term Debt (Continued)**

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

Long-term Debt activity for the year ended June 30, 2024, was as follows:

	(Restated *) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements*	\$ 8,139,662	\$ 1,254,102	\$1,387,187	\$ 8,006,577	\$ 1,290,159
Total Long-term Debt	<u>\$ 8,139,662</u>	<u>\$ 1,254,102</u>	<u>\$ 1,387,187</u>	<u>\$ 8,006,577</u>	<u>\$ 1,290,159</u>

\*The beginning balance for direct borrowings and direct placements was reclassified from other debt by \$790,000.

**C. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations at June 30, 2024, were as follows:

Fiscal Year Ended June 30	Direct Borrowings and Direct Placements	
	Principal	Interest
2025	\$ 1,290,159	\$ 318,484
2026	641,350	245,555
2027	455,338	220,868
2028	475,812	199,834
2029	481,418	177,895
2030-2034	2,357,500	633,818
2035-2039	2,027,500	222,174
2040-2042	<u>277,500</u>	<u>24,147</u>
Totals	<u>\$ 8,006,577</u>	<u>\$ 2,042,775</u>

**Note 9. Employee Retirement System**

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

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 9. Employee Retirement System (Continued)**

The county's contribution for FY 2022 was \$728,031, FY 2023 was \$769,920, and FY 2024 was \$701,938.

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 go to the Ky. Ret. Sys. insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute 5% 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 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% 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 23.34%.

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:

<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%

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 9. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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.

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.



**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 9. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

**F. Annual Financial Report and Proportionate Share Audit Report**

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

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

**Note 10. Deferred Compensation**

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

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

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

**Note 11. Health Reimbursement Account/Flexible Spending Account**

The Crittenden County Fiscal Court established a flexible spending account in July 2014, to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides a \$500 debit card to each eligible employee to pay for qualified medical expenses. The balance of the plan is \$7,563 as of June 30, 2024.

**Note 12. Insurance**

For the fiscal year ended June 30, 2024, the Crittenden 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.

**CRITTENDEN COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**  
**(Continued)**

**Note 13. Prior Period Adjustments**

The beginning balance of the state grant fund was restated by (\$11,540), and the ASAP Board Fund was restated by \$11,540.

The beginning balance of the Jail Commissary Fund was restated by \$5,289 due to the omission of outstanding checks from the prior year ending balance.

The prior year audit report included the Public Properties Corporation Sinking Fund and the Public Properties Corporation Construction Fund separately. These two funds will be combined in one fund – Public Properties Corporation Fund.

Public Properties Corporation Sinking Fund	\$ 6,690
Public Properties Corporation Construction Fund	<u>407,977</u>
Total Beginning Fund Balance (Restated)	<u><u>414,667</u></u>

**Note 14. Conduit Debt**

From time to time the county has issued bonds to provide financial assistance to various entities 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 Crittenden 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.

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

**For The Year Ended June 30, 2024**

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

**For The Year Ended June 30, 2024**

	<b>GENERAL FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Taxes	\$ 1,362,300	\$ 1,434,608	\$ 1,413,557	\$ (21,051)
Excess Fees	12,160	12,969	12,969	
Licenses and Permits	40,000	19,280	19,587	307
Intergovernmental	370,100	540,617	529,706	(10,911)
Charges for Services	114,800	218,976	206,802	(12,174)
Miscellaneous	76,575	134,710	128,328	(6,382)
Interest	6,000	17,674	19,128	1,454
Total Receipts	1,981,935	2,378,834	2,330,077	(48,757)
<b>DISBURSEMENTS</b>				
General Government	1,067,382	1,174,872	1,070,329	104,543
Protection to Persons and Property	430,400	461,116	444,152	16,964
General Health and Sanitation	270,060	453,345	423,032	30,313
Social Services	53,675	73,900	43,140	30,760
Recreation and Culture	9,400	18,130	17,618	512
Airports		7,150	7,150	
Debt Service	134,675	134,677	134,672	5
Administration	568,928	599,907	397,274	202,633
Total Disbursements	2,534,520	2,923,097	2,537,367	385,730
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(552,585)	(544,263)	(207,290)	336,973
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	152,585	267,585	267,585	
Transfers To Other Funds		(135,116)	(135,116)	
Total Other Adjustments to Cash (Uses)	152,585	132,469	132,469	
Net Change in Fund Balance	(400,000)	(411,794)	(74,821)	336,973
Fund Balance - Beginning	400,000	411,794	411,794	
Fund Balance - Ending	\$ 0	\$ 0	\$ 336,973	\$ 336,973

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 3,549,714	\$ 3,706,803	\$ 3,692,561	\$ (14,242)
Miscellaneous	232,000	274,281	265,238	(9,043)
Interest	25,000	37,153	39,280	2,127
Total Receipts	3,806,714	4,018,237	3,997,079	(21,158)
<b>DISBURSEMENTS</b>				
Transportation Facilities and Services	33,750	42,026	29,975	12,051
Roads	1,610,800	2,255,336	2,186,910	68,426
Other Transportation Facilities and Services	1,662,000	1,662,500	1,662,360	140
Debt Service	220,950	262,200	260,130	2,070
Administration	1,076,629	867,991	389,592	478,399
Total Disbursements	4,604,129	5,090,053	4,528,967	561,086
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(797,415)	(1,071,816)	(531,888)	539,928
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds	200,000	464,102	464,102	
Transfers From Other Funds		123,795	123,795	
Transfers To Other Funds	(152,585)	(267,585)	(267,585)	
Total Other Adjustments to Cash (Uses)	47,415	320,312	320,312	
Net Change in Fund Balance	(750,000)	(751,504)	(211,576)	539,928
Fund Balance - Beginning	750,000	751,504	751,504	
Fund Balance - Ending	\$ 0	\$ 0	\$ 539,928	\$ 539,928

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 3,724,200	\$ 3,671,446	\$ 3,246,971	\$ (424,475)
Charges for Services	78,500	78,500	61,149	(17,351)
Miscellaneous	232,250	285,004	287,456	2,452
Interest	5,000	5,000	62,045	57,045
Total Receipts	4,039,950	4,039,950	3,657,621	(382,329)
DISBURSEMENTS				
Protection to Persons and Property	2,485,015	2,708,290	2,607,974	100,316
Debt Service	483,500	483,500	482,655	845
Administration	1,321,435	1,140,230	692,448	447,782
Total Disbursements	4,289,950	4,332,020	3,783,077	548,943
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
	(250,000)	(292,070)	(125,456)	166,614
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		11,320	11,321	1
Total Other Adjustments to Cash (Uses)		11,320	11,321	1
Net Change in Fund Balance	(250,000)	(280,750)	(114,135)	166,615
Fund Balance - Beginning	250,000	280,750	280,750	
Fund Balance - Ending	\$ 0	\$ 0	\$ 166,615	\$ 166,615

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 4,000	\$ 4,000	\$	\$ (4,000)
Interest	100	100	200	100
Total Receipts	4,100	4,100	200	(3,900)
<b>DISBURSEMENTS</b>				
Administration	9,900	9,027		9,027
Total Disbursements	9,900	9,027		9,027
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(5,800)	(4,927)	200	5,127
Net Change in Fund Balance	(5,800)	(4,927)	200	5,127
Fund Balance - Beginning	5,800	4,927	4,927	
Fund Balance - Ending	\$ 0	\$ 0	\$ 5,127	\$ 5,127



**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>STATE GRANT FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)
	Original	Final	
			Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>			
Intergovernmental	\$	\$ 11,000	\$ 11,000
Total Receipts		11,000	11,000
<b>DISBURSEMENTS</b>			
Total Disbursements		11,000	11,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			11,000
Net Change in Fund Balance			11,000
Fund Balance - Beginning (Restated)			
Fund Balance - Ending	\$ 0	\$ 0	\$ 11,000

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>FEDERAL GRANT FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 226,352	\$ (73,648)
Total Receipts	300,000	300,000	226,352	(73,648)
<b>DISBURSEMENTS</b>				
Capital Projects	300,000	300,000	226,351	73,649
Total Disbursements	300,000	300,000	226,351	73,649
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			1	1
Net Change in Fund Balance			1	1
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 1	\$ 1

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>PARKS &amp; RECREATION FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$	\$ 75,000.00	\$ 75,000.00	\$
Charges for Services	25,000	25,000	22,842	(2,158)
Miscellaneous		399	399	
Interest	1,000	3,164	3,669	505
Total Receipts	26,000	103,563	101,910	(1,653)
<b>DISBURSEMENTS</b>				
General Health and Sanitation	1,200	1,200	780	420
Recreation and Culture	12,500	92,400	14,083	78,317
Administration	87,300	89,359		89,359
Total Disbursements	101,000	182,959	14,863	168,096
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(75,000)	(79,396)	87,047	166,443
Net Change in Fund Balance	(75,000)	(79,396)	87,047	166,443
Fund Balance - Beginning	75,000	79,396	79,397	1
Fund Balance - Ending	\$ 0	\$ 0	\$ 166,444	\$ 166,444

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>ECONOMIC DEVELOPMENT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 2,000	\$ 3,968	\$ 5,308	\$ 1,340
Total Receipts	2,000	3,968	5,308	1,340
<b>DISBURSEMENTS</b>				
General Government	131,000	133,713		133,713
Total Disbursements	131,000	133,713		133,713
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(129,000)	(129,745)	5,308	135,053
Net Change in Fund Balance	(129,000)	(129,745)	5,308	135,053
Fund Balance - Beginning	129,000	129,745	129,745	
Fund Balance - Ending	\$ 0	\$ 0	\$ 135,053	\$ 135,053

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>MCC 911 FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 322,000	\$ 322,441	\$ 324,216	\$ 1,775
Intergovernmental	27,450	27,450	27,450	
Miscellaneous		226	226	
Interest	3,000	4,326	5,957	1,631
Total Receipts	352,450	354,443	357,849	3,406
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	376,850	423,655	379,608	44,047
Administration	45,600	47,631		47,631
Total Disbursements	422,450	471,286	379,608	91,678
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(70,000)	(116,843)	(21,759)	95,084
Net Change in Fund Balance	(70,000)	(116,843)	(21,759)	95,084
Fund Balance - Beginning	70,000	116,843	116,843	
Fund Balance - Ending	\$ 0	\$ 0	\$ 95,084	\$ 95,084

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

**AGENCY FOR SUBSTANCE ABUSE POLICY BOARD FUND**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 40,000	\$
Miscellaneous		540	540	
Total Receipts	<u>40,000</u>	<u>40,540</u>	<u>40,540</u>	
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	<u>50,000</u>	<u>52,081</u>	<u>39,367</u>	<u>12,714</u>
Total Disbursements	<u>50,000</u>	<u>52,081</u>	<u>39,367</u>	<u>12,714</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(10,000)</u>	<u>(11,541)</u>	<u>1,173</u>	<u>12,714</u>
Net Change in Fund Balance	(10,000)	(11,541)	1,173	12,714
Fund Balance - Beginning (Restated)	<u>10,000</u>	<u>11,541</u>	<u>11,540</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

**SB 135 STORAGE FEES FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 14,020	\$ (980)
Interest	150	150	154	4
Total Receipts	15,150	15,150	14,174	(976)
<b>DISBURSEMENTS</b>				
General Government	22,650	23,562	18,422	5,140
Total Disbursements	22,650	23,562	18,422	5,140
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(7,500)	(8,412)	(4,248)	4,164
Net Change in Fund Balance	(7,500)	(8,412)	(4,248)	4,164
Fund Balance - Beginning	7,500	8,412	8,412	
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,164	\$ 4,164

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>CHILD SUPPORT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 102,038	\$ (27,962)
Miscellaneous		53,700	54,464	764
Total Receipts	130,000	183,700	156,502	(27,198)
<b>DISBURSEMENTS</b>				
General Government	130,000	184,481	157,283	27,198
Total Disbursements	130,000	184,481	157,283	27,198
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(781)	(781)	
Net Change in Fund Balance		(781)	(781)	
Fund Balance - Beginning		781	781	
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0



**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>AMERICAN RESCUE PLAN ACT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 1,000	\$ 18,156	\$ 18,996	\$ 840
Total Receipts	1,000	18,156	18,996	840
<b>DISBURSEMENTS</b>				
General Government	50,000	199,042	198,538	504
Protection to Persons and Property	95,000	95,000	53,500	41,500
Capital Projects		205,181	205,181	
Administration	456,000	177,391		177,391
Total Disbursements	601,000	676,614	457,219	219,395
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(600,000)	(658,458)	(438,223)	220,235
Net Change in Fund Balance	(600,000)	(658,458)	(438,223)	220,235
Fund Balance - Beginning	600,000	658,458	658,458	
Fund Balance - Ending	\$ 0	\$ 0	\$ 220,235	\$ 220,235

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>OPIOID SETTLEMENT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 14,000	\$ 87,575	\$ 93,235	\$ 5,660
Interest	2,000	3,660	4,226	566
Total Receipts	16,000	91,235	97,461	6,226
<b>DISBURSEMENTS</b>				
General Government	6,000	8,000	6,232	1,768
Protection to Persons and Property		13,045	5,473	7,572
Social Services	3,000	3,000	3,000	
Administration	96,000	156,190		156,190
Total Disbursements	105,000	180,235	14,705	165,530
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(89,000)	(89,000)	82,756	171,756
Net Change in Fund Balance	(89,000)	(89,000)	82,756	171,756
Fund Balance - Beginning	89,000	89,000	88,966	(34)
Fund Balance - Ending	\$ 0	\$ 0	\$ 171,722	\$ 171,722

**CRITTENDEN COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2024**  
**(Continued)**

<b>CONSTRUCTION FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$	\$ 689,032	\$ 689,032	\$
Interest	1,000	10,533	12,828	2,295
Total Receipts	1,000	699,565	701,860	2,295
<b>DISBURSEMENTS</b>				
Capital Projects	201,000	811,746	113,489	698,257
Total Disbursements	201,000	811,746	113,489	698,257
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(200,000)	(112,181)	588,371	700,552
Net Change in Fund Balance	(200,000)	(112,181)	588,371	700,552
Fund Balance - Beginning	200,000	112,181	112,181	
Fund Balance - Ending	\$ 0	\$ 0	\$ 700,552	\$ 700,552

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

**June 30, 2024**

**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.

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

**For The Year Ended June 30, 2024**

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

**For The Year Ended June 30, 2024**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 200,690	\$	\$	\$ 200,690
Construction In Progress	1,649,763	300,000	1,649,763	300,000
Buildings	16,863,727	1,649,763		18,513,490
Vehicles	1,832,416	826,088	147,970	2,510,534
Machinery & Equipment	1,217,071	258,073	148,611	1,326,533
Other	120,922			120,922
Infrastructure	36,925,794	933,438		37,859,232
 Total Capital Assets	 <u>\$ 58,810,383</u>	 <u>\$ 3,967,362</u>	 <u>\$ 1,946,344</u>	 <u>\$ 60,831,401</u>

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

**June 30, 2024**

**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	\$ 25,000	10-60
Land Improvements	\$ 25,000	10-60
Buildings	\$ 75,000	10-75
Machinery & Equipment	\$ 30,000	3-25
Vehicles	\$ 20,000	3-25
Infrastructure	\$ 30,000	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 Perry Newcom, Crittenden County Judge/Executive  
Members of the Crittenden 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 Crittenden County Fiscal Court for the fiscal year ended June 30, 2024, and the related notes to the financial statement which collectively comprise the Crittenden County Fiscal Court's financial statement and have issued our report thereon dated February 19, 2025.

**Report on Internal Control Over Financial Reporting**

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

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 2024-001, 2024-002, and 2024-003 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 Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Crittenden 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 2024-001, 2024-003, and 2024-004.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the Crittenden 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

February 19, 2025

**CRITTENDEN COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Year Ended June 30, 2024**

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**CRITTENDEN COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Year Ended June 30, 2024**

FINANCIAL STATEMENT FINDINGS:

2024-001    The Crittenden County Jailer Failed To Implement Adequate Internal Controls Over The Accounting Functions And Financial Reporting Of The Commissary Account

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The Crittenden County jailer failed to establish and implement adequate internal controls over the Commissary Account.

As a result, the following control issues were noted:

- The jail commissary annual financial statement was misstated and did not reconcile to the bank statements. The financial report was overstated by \$53,576 due to posting errors. Also, according to the financial report, the commissary had an ending cash balance of \$50,849 when the reconciled book balance was actually \$12,239. This was due to the wrong amount being used to prepare the reconciliations.
- Receipts are not being issued in compliance with state regulations.
- Receipts are not being batched on a daily basis.
- Commissary commissions earned on canteen sales are not transferred from the Inmate Account routinely and timely but rather randomly when funds get low in the commissary account. During the fiscal year, the jail earned \$517,175 in commissions but only transferred \$496,976 to the Commissary Account.
- Twenty-one of the 27 transactions tested, totaling \$85,116, were not approved by the official prior to being issued.
- Fifteen of the 27 transactions tested, totaling \$55,581, were not effectively canceled to prevent duplicate payments.
- Two of the 27 transactions tested, totaling \$75,000, were not adequately supported but rather appear to be a lump sum payment.
- Nine of the 27 transactions tested, totaling \$65,710, were not paid within 30 working days of receipt of an invoice.
- Lastly, there was a lack of segregation of duties over jail commissary activity.

These deficiencies are due to the jailer and bookkeeper not having a working knowledge or understanding of the requirements for accounting for the commissary activity.

By not submitting a complete and accurate financial statement to the county treasurer, the fiscal court is unaware of the activity of the Commissary Account. Also, receipts were left vulnerable to misappropriation and loss. Lack of control over disbursements increased the jail's risk of paying invoices for goods or services that are not allowable or were not provided to the jail.

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." An understanding of the requirements over accounting and reporting commissary activity is a basic internal control necessary to ensure the accuracy and reliability of financial reports.

KRS 441.135(2) states, "[t]he jailer shall keep books of accounts of all receipts and disbursements from the canteen and shall annually report to the county treasurer on the canteen account[.]"

**CRITTENDEN COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2024**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-001 The Crittenden County Jailer Failed To Implement Adequate Internal Controls Over The Accounting Functions And Financial Reporting Of The Commissary Account (Continued)

In addition, KRS 64.840 requires that a receipt be created in triplicate for any funds received by the jail. One of those receipts should be attached to the daily checkout sheet and deposit to help support the total.

KRS 65.140 (2) states “[u]nless the purchaser 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 except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor's subcontractor[.]”

We recommend the Crittenden County jailer implement internal control policies and procedures to ensure complete and accurate financial records are maintained.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: Discussion with Jailer regarding finding. Jailer Hayes has assured that she has addressed this issue with her staff and that they have made adjustments to correct processes.*

*Jailer's Response: Throughout the course of this audit, the bookkeeper and I learned that the accounting practices that have been in place for years are erroneous.*

*We will work together seeking guidance from the auditor's office, and county treasurer to ensure proper accounting function and adequate internal controls over the commissary account to ensure that the Commissary Account is balanced and reported as required by KRS 46.01(3).*

*We will put internal control policies and procedures for accounting practices in place to ensure that we meet all requirements.*

*We have immediately implemented many measures to correct the accounting practices to ensure compliance. I anticipate no further issues with this finding.*

2024-002 The Crittenden County Fiscal Court's Outstanding Debt Balances Were Understated

For the fiscal year ending June 30, 2024, the Crittenden County Fiscal Court reported outstanding debt principal of \$7,785,133 and interest of \$1,941,108 on the fourth quarter financial statement submitted to the Department for Local Government. However, the confirmed outstanding principal balance was \$8,006,577 and outstanding interest balance of \$2,042,774, resulting in an understatement of \$221,444 for principal and \$101,666 for interest. According to the county treasurer, due to an oversight, a new debt that was acquired at the end of the fiscal year was not added to the long-term liabilities section of the fourth quarter. The outstanding debt balances reported to the Department for Local Government was understated by \$323,110.

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.” Accurate reporting of long-term liabilities is a basic internal control necessary to ensure the accuracy and reliability of financial reports.



**CRITTENDEN COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2024**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-002 The Crittenden County Fiscal Court's Outstanding Debt Balances Were Understated (Continued)

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* requires accurate financial reports be maintained and submitted, which includes the schedule of liabilities.

We recommend the Crittenden County Fiscal Court implement internal control procedures to ensure outstanding principal and interest balances are accurately reported. At a minimum, the fiscal court should compare schedule of liabilities to debt schedules.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: Discussion with Treasurer revealed that a new debt acquired during the fourth quarter of Fiscal Year 2024 was inadvertently left off the submitted fourth quarter report. This omission has been corrected and is reflected on current statements.*

2024-003 The Crittenden County Fiscal Court Had Inadequate Controls Over Disbursements Resulting In Noncompliance

During fiscal year 2024, the Crittenden County Fiscal Court had internal control deficiencies and noncompliances regarding disbursements. The following findings were noted with the disbursements:

- Three of the 66 invoices tested, totaling \$39,727, were not paid within 30 working days of receipt.
- Fourteen of the 66 invoices, totaling \$571,325, tested had purchase orders dated after the invoice date. Two purchase orders, totaling \$48,657, were not dated.
- One invoice, totaling \$34, was for a disbursement that is not a valid obligation of the fiscal court. This disbursement was a lump sum disbursement for a cell phone used by animal control.
- One disbursement, totaling \$53,500, for an ambulance was not properly procured, as the county did not advertise for bids as required by KRS 424.260.

The fiscal court failed to establish appropriate internal controls over disbursements. According to the county treasurer, the system has errors with the purchase order dating. In addition, an oversight occurred in which a purchase order was not issued for one disbursement.

The fiscal court's failure to establish effective internal controls over disbursements resulted in the instances of noncompliance 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. The Crittenden County Fiscal Court was not in compliance with the state or county competitive bidding requirements. This increased the risk of misappropriation of funds, and potentially, the county did not get the best price for the goods and services purchased.

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 (DLG'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.

**CRITTENDEN COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2024**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-003 The Crittenden County Fiscal Court Had Inadequate Controls Over Disbursements Resulting In Noncompliance (Continued)

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According to a memorandum from the 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 PO’s for payroll and utility claims.”

KRS 424.260(1) states, “[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for:

- (a) Materials;
- (b) Supplies, except perishable foods such as meat, poultry, fish, egg products, fresh vegetables, and fresh fruits;
- (c) Equipment; or
- (d) Contractual services other than professional; involving an expenditure of more than forty thousand dollars (\$40,000) without first making newspaper advertisement for bids.

Chapter 8.2 C. of the Crittenden County Administrative Codes states, “[a]ny expenditure or contract for materials, supplies (except perishable meat, fish, and vegetables), equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$40,000) shall be subject to competitive bidding.”

KRS 65.140(2), in part, states, “...all bills for goods or services shall be paid within thirty (30) working days of receipts of a vendor’s invoice...”

KRS 64.710 states, “[n]o public officer or employee shall receive or be allowed or paid any lump sum expense allowance, or contingent fund for personal or official expenses, except where such allowance or fund either is expressly provided for by statute or is specifically appropriated by the General Assembly.”

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.” Oversight of disbursements is a basic internal control necessary to ensure that purchase orders are issued prior to purchases and bids to be obtained on items that require it.

We recommend the fiscal court improve procedures over disbursements by strengthening their internal controls over purchase orders and ensuring that purchase orders are completed per DLG guidelines and issued prior to all purchases. We also recommend that disbursements be paid within 30 working days of receipt in accordance with KRS 65.140(2). In addition, we recommend that the fiscal court properly bid out all disbursements that require a bid. We also recommend the fiscal court comply with the requirements of KRS 64.710 and stop the practice of paying employees a lump sum expense allowance for cell phones.

**CRITTENDEN COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2024**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-003 The Crittenden County Fiscal Court Had Inadequate Controls Over Disbursements Resulting In Noncompliance (Continued)

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Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: Upon exit a review of the Auditor's specific purchase order and invoice deficiencies were reviewed. During Fiscal Year 2024 there was a change in staffing which resulted in some errors in data entry. This matter has been addressed with staff and additional training provided as needed.*

*The \$34.00 reimbursement to our Animal Control Officer was approved by action of the Fiscal Court in consideration of their personal phone use for shelter business. A portion of their personal bill was found to be less expensive than securing a plan for a dedicated shelter cell phone. Since this time we no longer provide this reimbursement.*

*Due to the inability to locate a replacement ambulance for one which was totaled out in an accident, our contracted service provider found a replacement from their fleet and to price was determined to be comparable to other units, yet was in better condition and immediately available. In our haste to ensure that we had available EMS response units we failed to bid out this replacement.*

2024-004 The Crittenden County Jailer Failed To Bid Out The Contract For The Purchase Of E-Cigarette Inventory

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During the fiscal year, the Crittenden County jailer expended \$110,977 on the purchase of e-cigarette inventory. Although this is an allowable commissary purchase, the jailer failed to adhere to the state and county's competitive bid requirements. The jailer did not realize this contract was required to be bid since it was not a single purchase exceeding the bid threshold. Due to this misunderstanding, the Crittenden County Jail was not in compliance with state or county competitive bidding requirements. This oversight may have increased the risk of misappropriation of funds, and the county may not have received the best price for the goods and services it purchased.

According to KRS 424.260(1), "[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for:

- (a) Materials;
- (b) Supplies, except perishable foods such as meat, poultry, fish, egg products, fresh vegetables, and fresh fruits;
- (c) Equipment; or
- (d) Contractual services other than professional; involving an expenditure of more than forty thousand dollars (\$40,000) without first making newspaper advertisement for bids."

In addition, the Crittenden County Fiscal Court's administrative code states "[a]ny expenditure or contract for materials, supplies (except perishable meat, fish, and vegetables), equipment, or for contractual services other than professional, involving an expenditure of more than Forty Thousand Dollars (\$40,000) shall be subject to competitive bidding."

We recommend the Crittenden County jailer strengthen internal controls to ensure compliance with KRS 424.260(1) for all future purchases. We also recommend that all contracts be presented to the fiscal court prior to their ratification to ensure fiscal court's acknowledgement.

**CRITTENDEN COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2024**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-004    The Crittenden County Jailer Failed To Bid Out The Contract For The Purchase Of E-Cigarette Inventory (Continued)

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Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: Discussion with Jailer Hayes regarding the requirement to comply with the procurement procedures as set forth in administrative code as well as KRS. Jailer Hayes states she was unaware that canteen expenses would fall under the procurement procedure policies and will comply going forward.*

*Jailer's Response: During the course of this audit, I was made aware that expenditures that total more than \$40,000 for the year, to an individual contractor, must be bid out in accordance to KRS 424.260. I will bid out annually the contact for e-cig inventory in compliance with KRS 424.260 with the Crittenden County Fiscal Courts approval for the acceptance of the bid. I anticipate that I will complete this by April 30, 2025.*

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

**CRITTENDEN COUNTY FISCAL COURT**

**For The Year Ended June 30, 2024**

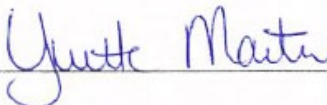
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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Crittenden 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