REPORT OF THE AUDIT OF THE CRITTENDEN COUNTY FISCAL COURT

For The Year Ended
June 30, 2025

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, 2025, 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, 2025, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Crittenden County Fiscal Court, for the year ended June 30, 2025, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the 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.

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

As described in Note 1 of the financial statement, the financial statement is prepared by the 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
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Auditor's Responsibilities for the Audit of the Financial Statement (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2026, on our consideration of the 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:

2025-001 The Crittenden County Fiscal Court Failed To Implement Effective Internal Controls Over Disbursements
2025-002 The Crittenden County Fiscal Court's Financial Statement For The Public Properties Corporation Was Materially Misstated

Respectfully submitted,

Allison Ball

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 15, 2026

CRITTENDEN COUNTY OFFICIALS

For The Year Ended June 30, 2025

Fiscal Court Members:

Perry 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, 2025

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

For The Year Ended June 30, 2025

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	$ 1,583,250	$	$	$
Excess Fees	5,448			
Licenses and Permits	23,365			
Intergovernmental	489,444	3,750,177	2,941,890	
Charges for Services	162,640		66,304	
Miscellaneous	148,911	232,740	370,758	
Interest	10,122	25,825	4,129	189
Total Receipts	2,423,180	4,008,742	3,383,081	189
DISBURSEMENTS				
General Government	1,303,664			726
Protection to Persons and Property	436,707		2,578,331	
General Health and Sanitation	269,218			
Social Services	36,172			
Recreation and Culture	2,474			
Transportation Facility and Services		60,392		
Roads		1,901,118		
Other Transportation Facilities and Services		1,818,788		
Debt Service	133,890	358,244	485,074	
Capital Projects				
Administration	455,333	445,889	727,950	
Total Disbursements	2,637,458	4,584,431	3,791,355	726
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(214,278)	(575,689)	(408,274)	(537)
Other Adjustments to Cash (Uses)				
Bond Proceeds				
Net Bond Premium				
Transfers From Other Funds	446,792	214,500	309,700	
Transfers To Other Funds	(524,200)	(178,000)		
Total Other Adjustments to Cash (Uses)	(77,408)	36,500	309,700	
Net Change in Fund Balance	(291,686)	(539,189)	(98,574)	(537)
Fund Balance - Beginning (Restated)	336,973	539,928	166,615	5,127
Fund Balance - Ending	$ 45,287	$ 739	$ 68,041	$ 4,590
Composition of Fund Balance				
Bank Balance	$ 100,886	$ 180,273	$ 128,219	$ 4,590
Less: Outstanding Checks	(55,599)	(179,534)	(60,178)	
Fund Balance - Ending	$ 45,287	$ 739	$ 68,041	$ 4,590

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, 2025
(Continued)

Budgeted Funds						
State Grant Fund	**Federal Grant Fund**	**Parks And Recreation Fund**	**Economic Development Fund**	**MCC 911 Fund**	**Agency for Substance Abuse Policy Board Fund**	**SB 135 Storage Fees Fund**
$	$	$	$	$ 350,780	$	$
	156,848			26,921	40,000	
		17,507				
		5		101		14,830
		5,200	5,104	4,094		76
	156,848	22,712	5,104	381,896	40,000	14,906
11,000						16,804
				361,846	36,937	
		1,055				
		114,464				
	156,849					
11,000	156,849	115,519		361,846	36,937	16,804
(11,000)	(1)	(92,807)	5,104	20,050	3,063	(1,898)
			(14,403)			
			(14,403)			
(11,000)	(1)	(92,807)	(9,299)	20,050	3,063	(1,898)
11,000	1	166,444	135,053	95,084	12,713	4,164
$ 0	$ 0	$ 73,637	$ 125,754	$ 115,134	$ 15,776	$ 2,266
$ 2,200	$	$ 74,079	$ 125,754	$ 128,020	$ 22,180	$ 2,266
(2,200)		(442)		(12,886)	(6,404)	
$ 0	$ 0	$ 73,637	$ 125,754	$ 115,134	$ 15,776	$ 2,266

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, 2025
(Continued)

	Budgeted Funds			
	Child Support Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Construction Account Fund
RECEIPTS				
Taxes	$	$	$	$
Excess Fees				
Licenses and Permits				
Intergovernmental	129,066			
Charges for Services				
Miscellaneous	23,855		54,480	5,571
Interest		2,404	7,480	25,418
Total Receipts	152,921	2,404	61,960	30,989
DISBURSEMENTS				
General Government	152,607	20,640	15,794	
Protection to Persons and Property			6,038	
General Health and Sanitation				
Social Services			6,650	
Recreation and Culture		133,000		
Transportation Facility and Services				
Roads				
Other Transportation Facilities and Services				
Debt Service				
Capital Projects				262,650
Administration			7,200	
Total Disbursements	152,607	153,640	35,682	262,650
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	314	(151,236)	26,278	(231,661)
Other Adjustments to Cash (Uses)				
Bond Proceeds				
Net Bond Premium				
Transfers From Other Funds				
Transfers To Other Funds		(68,999)		(185,390)
Total Other Adjustments to Cash (Uses)		(68,999)		(185,390)
Net Change in Fund Balance	314	(220,235)	26,278	(417,051)
Fund Balance - Beginning (Restated)		220,235	171,722	700,552
Fund Balance - Ending	$ 314	$ 0	$ 198,000	$ 283,501
Composition of Fund Balance				
Bank Balance	$ 539	$	$ 199,307	$ 283,501
Less: Outstanding Checks	(225)		(1,307)	
Fund Balance - Ending	$ 314	$ 0	$ 198,000	$ 283,501

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, 2025
(Continued)

Unbudgeted Funds		
Public Properties Corporation Fund	**Jail Commissary Fund**	**Total Funds**
$	$	$ 1,934,030
		5,448
		23,365
1,348,595		8,882,941
		246,451
	861,833	1,713,084
223,190	89	313,320
1,571,785	861,922	13,118,639
		1,521,235
		3,419,859
		270,273
		42,822
	870,336	1,120,274
		60,392
		1,901,118
		1,818,788
2,321,167		3,298,375
952,555		1,372,054
5,000		1,641,372
3,278,722	870,336	16,466,562
(1,706,937)	(8,414)	(3,347,923)
18,190,000		18,190,000
956,790		956,790
		970,992
		(970,992)
19,146,790		19,146,790
17,439,853	(8,414)	15,798,867
403,392	12,449	2,981,452
$ 17,843,245	$ 4,035	$ 18,780,319
$ 17,843,245	$ 27,611	$ 19,122,670
	(23,576)	(342,351)
$ 17,843,245	$ 4,035	$ 18,780,319

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

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

CRITTENDEN COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2025

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 are no longer a required component 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 which are distributed directly to the contracted ferry operator for 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.

C. Basis of Presentation

<u>**Budgeted Funds**</u>

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.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

<u>Budgeted Funds</u> (Continued)

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 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 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 collection of storage fees.

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

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.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

<u>Budgeted Funds</u> (Continued)

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

<u>Unbudgeted Funds</u>

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

D. Budgetary Information

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

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

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

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

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

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 Organizations and Joint Ventures

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. 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, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

H. Related Organizations and Joint Ventures (Continued)

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

Crittenden-Livingston County Water District

Note 2. Deposits

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk but rather follows the requirements of DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2025, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

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

	General Fund	Road Fund	Economic Development Fund	American Rescue Plan Act Fund	Construction Account Fund	Total Transfers In
General Fund	$	$ 178,000	$ 14,403	$ 68,999	$ 185,390	$ 446,792
Road Fund	214,500					214,500
Jail Fund	309,700					309,700
Total Transfers Out	$ 524,200	$ 178,000	$ 14,403	$ 68,999	$ 185,390	$ 970,992

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, 2025
(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.

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2025, was $32,651.

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 or two years and then resold. Assets held for resale for the year ended June 30, 2025, as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Machinery and Equipment	$ 201,329	$ 206,990	$ 201,329	$ 206,990
Total	$ 201,329	$ 206,990	$ 201,329	$ 206,990

Note 6. Long-term Receivable

On November 28, 2023, the fiscal court provided a zero interest loan to the Sheridan Volunteer Fire Department in the amount of $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 into the agreement. Payments are due annually by the end of the calendar year. As of June 30, 2025, the principal balance was $1,750.

Note 7. Long-term Debt

A. Direct Borrowings and Direct Placements

1. 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 in order to construct, manage, and maintain the justice center. The Crittenden Public Properties Corporation expects rentals 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 is in reliance upon the use allowance payment in order to meet debt service on the bonds.

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

1. 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, and in such event 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 was paid off on April 1, 2025.

2. 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, 2025, was $285,000. Annual debt service requirements to maturity are as follows:

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

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

2. KACo Financing Program Revenue Bonds, 2017 First Series G (Detention Facility Project) (Continued)

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 20,000	$ 11,649
2027	20,000	10,699
2028	20,000	9,849
2029	20,000	9,099
2030	20,000	8,449
2031-2035	110,000	30,573
2036-2038	75,000	8,257
Totals	$ 285,000	$ 88,575

3. 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 whereas 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, 2025, was $30,000. Annual debt service requirement to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 10,000	$ 1,425
2027	10,000	900
2028	10,000	475
Totals	$ 30,000	$ 2,800

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

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

4. 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, 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 of this lease was paid off on March 20, 2025.

5. 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, 2025
(Continued)

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

5. KACo Financing Program Revenue Refunding Bonds, 2021 Series D (Jail Refinancing) (Continued)

The principal balance as of June 30, 2025, was $4,580,000. Annual debt service requirement to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 302,500	$ 152,581
2027	312,500	139,725
2028	327,500	126,444
2029	340,000	112,525
2030	350,000	99,800
2031-2035	1,905,000	321,794
2036-2038	1,042,500	47,072
Totals	$ 4,580,000	$ 999,941

6. 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 of this lease was paid off on June 23, 2025.

7. 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, we will have all rights and remedies available under applicable law. In addition, we 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 you and or/we may repossess the units by giving you written notice to deliver the units to us in the manner provided by section 14, or in the event you fail to do so within ten (10) days after receipt of such notice, and subject to all applicable laws, we may enter upon your premises and taken possession of the units. The principal balance of this lease was paid off on October 13, 2024.

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

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

8. 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, 2025, was $212,589. Annual debt service requirement to maturity is as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 50,021	$ 11,659
2027	52,838	8,510
2028	55,812	5,182
2029	53,918	1,668
Totals	$ 212,589	$ 27,019

9. 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% have 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 lease will remain liable for all covenants and obligations under the lease, and for all legal fees and other costs 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.

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

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

9. KACo Financing Program Revenue Bonds, 2022 First Series A (Administrative Office Building) (Continued)

The principal balance as of June 30, 2025, was $1,407,500. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 57,500	$ 64,053
2027	60,000	61,034
2028	62,500	57,884
2029	67,500	54,603
2030	72,500	51,059
2031-2035	412,500	198,776
2036-2040	505,000	102,701
2041-2042	170,000	11,657
Totals	$ 1,407,500	$ 601,767

B. Other Debt

1. Crittenden County Public Properties Corporation First Mortgage Revenue Bonds, Series 2024 (Judicial Center Project)

On December 19, 2024, the Crittenden County Public Properties Corporation issued $18,190,000 in revenue bonds, series 2024. The proceeds from these bonds were used for refunding the prior note at maturity of revenue bond anticipation note, series 2024; to provide permanent financing costs of the acquisition, construction, installation, and equipping of the justice center; and paying the costs of issuance of the bonds. These revenue bonds are scheduled to mature June 1, 2044, and carry an interest rate of 4.28%. The Crittenden County Public Properties Corporation is acting as an agent for the Administrative Office of the Courts in order to construct, manage, and maintain the justice center. The Crittenden Public Properties Corporation expects rentals for use of the justice center to be in the full amount of the principal and interest requirements of the bonds. 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 is in reliance upon the use allowance payment in order to meet debt service on the bonds.

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

Note 7. Long-term Debt (Continued)

B. Other Debt

1. Crittenden County Public Properties Corporation First Mortgage Revenue Bonds, Series 2024 (Judicial Center Project) (Continued)

The principal balance as of June 30, 2025, was $17,210,000. Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 575,000	$ 772,600
2027	605,000	743,850
2028	635,000	713,600
2029	665,000	681,850
2030	700,000	648,600
2031-2035	4,055,000	2,682,000
2036-2040	5,100,000	1,625,650
2041-2044	4,875,000	506,800
Totals	$ 17,210,000	$ 8,374,950

C. Changes In Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	$ 8,006,577	$	$1,491,488	$ 6,515,089	$ 440,021
Revenue Bonds		18,190,000	980,000	17,210,000	575,000
Total Long-term Debt	$ 8,006,577	$18,190,000	$ 2,471,488	$23,725,089	$ 1,015,021

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

Note 7. Long-term Debt (Continued)

D. Aggregate Debt Schedule

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

	Other Debt		Direct Borrowings and Direct Placements	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest
2026	$ 575,000	$ 772,600	$ 440,021	$ 241,367
2027	605,000	743,850	455,338	220,868
2028	635,000	713,600	475,812	199,834
2029	665,000	681,850	481,418	177,895
2030	700,000	648,600	442,500	159,308
2031-2035	4,055,000	2,682,000	2,427,500	551,143
2036-2040	5,100,000	1,625,650	1,622,500	158,030
2041-2044	4,875,000	506,800	170,000	11,657
Totals	$ 17,210,000	$ 8,374,950	$ 6,515,089	$ 1,720,102

Note 8. Employee Retirement System

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

The county’s contribution for FY 2023 was $769,920, FY 2024 was $701,938, and FY 2025 was $656,812.

Nonhazardous

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

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

Note 8. Employee Retirement System (Continued)

Nonhazardous (Continued)

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

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

The county's contribution rate for nonhazardous employees was 19.71%.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn $10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

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

Note 8. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

F. Annual Financial Report and Proportionate Share Audit Report

KPPA issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646. Some reports may also be obtained online at https://kyret.ky.gov.

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

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

Note 9. 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 10. 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 had contracted with a third-party administrator to administer the plan. The plan provided a $500 debit card to each eligible employee to pay for qualified medical expenses. This account was closed on October 31, 2024.

Note 11. Insurance

For the fiscal year ended June 30, 2025, 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.

Note 12. Leases

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
AOC Judicial Center	12/1/2024	20 years	Bi-Annual	6/1/2044	$ 1,348,595	$ 25,537,450

Note 13. Prior Period Adjustment

The beginning balance of the Jail Commissary Fund was restated by $210 to account for prior year voided checks.

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CRITTENDEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

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CRITTENDEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 1,600,300	$ 1,599,380	$ 1,583,250	$ (16,130)
Excess Fees	25,000	5,448	5,448	
Licenses and Permits	20,200	20,456	23,365	2,909
Intergovernmental	397,960	430,278	489,444	59,166
Charges for Services	158,300	158,300	162,640	4,340
Miscellaneous	94,050	214,397	148,911	(65,486)
Interest	10,000	10,000	10,122	122
Total Receipts	2,305,810	2,438,259	2,423,180	(15,079)
DISBURSEMENTS				
General Government	1,246,892	1,384,467	1,303,664	80,803
Protection to Persons and Property	466,150	471,200	436,707	34,493
General Health and Sanitation	340,700	328,847	269,218	59,629
Social Services	30,200	49,208	36,172	13,036
Recreation and Culture	3,400	3,496	2,474	1,022
Debt Service	133,891	133,890	133,890	
Administration	613,077	507,624	455,333	52,291
Total Disbursements	2,834,310	2,878,732	2,637,458	241,274
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(528,500)	(440,473)	(214,278)	226,195
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	178,500	335,200	446,792	111,592
Transfers To Other Funds		(231,700)	(524,200)	(292,500)
Total Other Adjustments to Cash (Uses)	178,500	103,500	(77,408)	(180,908)
Net Change in Fund Balance	(350,000)	(336,973)	(291,686)	45,287
Fund Balance - Beginning	350,000	336,973	336,973	
Fund Balance - Ending	$ 0	$ 0	$ 45,287	$ 45,287

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 3,877,000	$ 4,117,119	$ 3,750,177	$ (366,942)
Miscellaneous	252,000	280,263	232,740	(47,523)
Interest	30,000	30,000	25,825	(4,175)
Total Receipts	4,159,000	4,427,382	4,008,742	(418,640)
DISBURSEMENTS				
Transportation Facilities and Services	26,250	64,645	60,392	4,253
Roads	1,941,000	2,197,632	1,901,118	296,514
Other Transportation Facilities and Services	2,077,500	2,077,500	1,818,788	258,712
Debt Service	293,700	358,260	358,244	16
Administration	492,050	475,845	445,889	29,956
Total Disbursements	4,830,500	5,173,882	4,584,431	589,451
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(671,500)	(746,500)	(575,689)	170,811
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		75,000	214,500	139,500
Transfers To Other Funds	(178,500)	(178,500)	(178,000)	500
Governmental Leasing Act Receipts	250,000	250,000		(250,000)
Total Other Adjustments to Cash (Uses)	71,500	146,500	36,500	(110,000)
Net Change in Fund Balance	(600,000)	(600,000)	(539,189)	60,811
Fund Balance - Beginning	600,000	600,000	539,928	(60,072)
Fund Balance - Ending	$ 0	$ 0	$ 739	$ 739

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 3,502,660	$ 3,230,596	$ 2,941,890	$ (288,706)
Charges for Services	73,500	73,500	66,304	(7,196)
Miscellaneous	212,250	401,071	370,758	(30,313)
Interest	6,000	6,000	4,129	(1,871)
Total Receipts	3,794,410	3,711,167	3,383,081	(328,086)
DISBURSEMENTS				
Protection to Persons and Property	2,672,627	2,637,956	2,578,331	59,625
Debt Service	485,055	485,074	485,074	
Administration	786,728	754,752	727,950	26,802
Total Disbursements	3,944,410	3,877,782	3,791,355	86,427
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(150,000)	(166,615)	(408,274)	(241,659)
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		156,700	309,700	153,000
Transfers To Other Funds		(156,700)		156,700
Total Other Adjustments to Cash (Uses)			309,700	309,700
Net Change in Fund Balance	(150,000)	(166,615)	(98,574)	68,041
Fund Balance - Beginning	150,000	166,615	166,615	
Fund Balance - Ending	$ 0	$ 0	$ 68,041	$ 68,041

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

	LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 100	$ 100	$ 189	$ 89
Total Receipts	100	100	189	89
DISBURSEMENTS				
General Government		750	726	24
Administration	5,200	4,477		4,477
Total Disbursements	5,200	5,227	726	4,501
Net Change in Fund Balance	(5,100)	(5,127)	(537)	4,590
Fund Balance - Beginning	5,100	5,127	5,127	
Fund Balance - Ending	$ 0	$ 0	$ 4,590	$ 4,590

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

	STATE GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
DISBURSEMENTS				
General Government	$	$ 11,000	$ 11,000	$
Total Disbursements		11,000	11,000	
Net Change in Fund Balance		(11,000)	(11,000)	
Fund Balance - Beginning		11,000	11,000	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

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

	FEDERAL GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$	$ 155,161	$ 156,848	$ 1,687
Total Receipts		155,161	156,848	1,687
DISBURSEMENTS				
Capital Projects		155,162	156,849	(1,687)
Total Disbursements		155,162	156,849	(1,687)
Net Change in Fund Balance		(1)	(1)	
Fund Balance - Beginning		1	1	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

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

PARKS AND RECREACTION FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	$ 25,000	$ 25,000	$ 17,507	$ (7,493)
Miscellaneous	500	500	5	(495)
Interest	2,500	2,500	5,200	2,700
Total Receipts	28,000	28,000	22,712	(5,288)
DISBURSEMENTS				
General Health and Sanitation	1,200	1,200	1,055	145
Recreation and Culture	24,700	122,170	114,464	7,706
Administration	92,100	71,074		71,074
Total Disbursements	118,000	194,444	115,519	78,925
Net Change in Fund Balance	(90,000)	(166,444)	(92,807)	73,637
Fund Balance - Beginning	90,000	166,444	166,444	
Fund Balance - Ending	$ 0	$ 0	$ 73,637	$ 73,637

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

	ECONOMIC DEVELOPMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 3,000	$ 3,000	$ 5,104	$ 2,104
Total Receipts	3,000	3,000	5,104	2,104
DISBURSEMENTS				
General Government	138,000	138,053		138,053
Total Disbursements	138,000	138,053		138,053
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(135,000)	(135,053)	5,104	140,157
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(14,403)	(14,403)
Total Other Adjustments to Cash (Uses)			(14,403)	(14,403)
Net Change in Fund Balance	(135,000)	(135,053)	(9,299)	125,754
Fund Balance - Beginning	135,000	135,053	135,053	
Fund Balance - Ending	$ 0	$ 0	$ 125,754	$ 125,754

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

	MCC 911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 316,750	$ 316,750	$ 350,780	$ 34,030
Intergovernmental	26,910	26,910	26,921	11
Miscellaneous			101	101
Interest	5,000	5,000	4,094	(906)
Total Receipts	348,660	348,660	381,896	33,236
DISBURSEMENTS				
Protection to Persons and Property	349,800	382,300	361,846	20,454
Administration	98,860	66,360		66,360
Total Disbursements	448,660	448,660	361,846	86,814
Net Change in Fund Balance	(100,000)	(100,000)	20,050	120,050
Fund Balance - Beginning	100,000	100,000	95,084	(4,916)
Fund Balance - Ending	$ 0	$ 0	$ 115,134	$ 115,134

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

AGENCY FOR SUBSTANCE ABUSE POLICY BOARD FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 40,000	$ 40,000	$ 40,000	$
Total Receipts	40,000	40,000	40,000	
DISBURSEMENTS				
Protection to Persons and Property	40,000	52,713	36,937	15,776
Total Disbursements	40,000	52,713	36,937	15,776
Net Change in Fund Balance		(12,713)	3,063	15,776
Fund Balance - Beginning		12,713	12,713	
Fund Balance - Ending	$ 0	$ 0	$ 15,776	$ 15,776

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

	SB 135 STORAGE FEES FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary	Variance with Final Budget Positive
	Original	Final	Basis)	(Negative)
RECEIPTS				
Miscellaneous	$ 15,000	$ 15,000	$ 14,830	$ (170)
Interest	100	100	76	(24)
Total Receipts	15,100	15,100	14,906	(194)
DISBURSEMENTS				
General Government	18,100	19,264	16,804	2,460
Total Disbursements	18,100	19,264	16,804	2,460
Net Change in Fund Balance	(3,000)	(4,164)	(1,898)	2,266
Fund Balance - Beginning	3,000	4,164	4,164	
Fund Balance - Ending	$ 0	$ 0	$ 2,266	$ 2,266

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

	CHILD SUPPORT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 170,000	$ 170,000	$ 129,066	$ (40,934)
Miscellaneous		23,855	23,855	
Total Receipts	170,000	193,855	152,921	(40,934)
DISBURSEMENTS				
General Government	170,000	193,855	152,607	41,248
Total Disbursements	170,000	193,855	152,607	41,248
Net Change in Fund Balance			314	314
Fund Balance - Beginning				
Fund Balance - Ending	$ 0	$ 0	$ 314	$ 314

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

AMERICAN RESCUE PLAN ACT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 1,000	$ 2,322	$ 2,404	$ 82
Total Receipts	1,000	2,322	2,404	82
DISBURSEMENTS				
General Government		20,640	20,640	
Recreation and Culture	150,000	133,000	133,000	
Administration	51,000	68,917		68,917
Total Disbursements	201,000	222,557	153,640	68,917
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(200,000)	(220,235)	(151,236)	68,999
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(68,999)	(68,999)
Total Other Adjustments to Cash (Uses)			(68,999)	(68,999)
Net Change in Fund Balance	(200,000)	(220,235)	(220,235)	
Fund Balance - Beginning	200,000	220,235	220,235	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

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

OPIOID SETTLEMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary	Variance with Final Budget Positive
	Original	Final	Basis)	(Negative)
RECEIPTS				
Miscellaneous	$ 15,000	$ 37,753	$ 54,480	$ 16,727
Interest	3,500	3,500	7,480	3,980
Total Receipts	18,500	41,253	61,960	20,707
DISBURSEMENTS				
General Government	6,000	17,254	15,794	1,460
Protection to Persons and Property		10,000	6,038	3,962
Social Services	3,000	9,500	6,650	2,850
Administration	109,500	176,221	7,200	169,021
Total Disbursements	118,500	212,975	35,682	177,293
Net Change in Fund Balance	(100,000)	(171,722)	26,278	198,000
Fund Balance - Beginning	100,000	171,722	171,722	
Fund Balance - Ending	$ 0	$ 0	$ 198,000	$ 198,000

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

	CONSTRUCTION ACCOUNT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$	$	$ 5,571	$ 5,571
Interest	1,500	14,270	25,418	11,148
Total Receipts	1,500	14,270	30,989	16,719
DISBURSEMENTS				
Capital Projects	501,500	714,822	262,650	452,172
Total Disbursements	501,500	714,822	262,650	452,172
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(500,000)	(700,552)	(231,661)	468,891
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(185,390)	(185,390)
Total Other Adjustments to Cash (Uses)			(185,390)	(185,390)
Net Change in Fund Balance	(500,000)	(700,552)	(417,051)	283,501
Fund Balance - Beginning	500,000	700,552	700,552	
Fund Balance - Ending	$ 0	$ 0	$ 283,501	$ 283,501

CRITTENDEN COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2025

Note 1. Budgetary Information

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

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

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

Note 2. Excess of Disbursements Over Appropriations

The Federal Grant Fund, capital projects line-item exceeded budgeted appropriations by $1,687.

CRITTENDEN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

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CRITTENDEN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	$ 200,690	$	$	$ 200,690
Construction in Progress	300,000	741,900	300,000	741,900
Buildings	18,513,490	300,000	2,348,300	16,465,190
Vehicles	2,510,534	113,872	97,500	2,526,906
Machinery and Equipment	1,326,533	45,000		1,371,533
Other Equipment	120,922			120,922
Infrastructure	37,859,232	783,192		38,642,424
Total Capital Assets	$ 60,831,401	$ 1,983,964	$ 2,745,800	$ 60,069,565

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

June 30, 2025

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land	$ 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 FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2025 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 May 15, 2026.

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 certain deficiencies 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 2025-001 and 2025-002 to be material weaknesses.

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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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Views of Responsible Official 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

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

May 15, 2026

CRITTENDEN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

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CRITTENDEN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

2025-001 The Crittenden County Fiscal Court Failed To Implement Effective Internal Controls Over Disbursements

Condition and Context

This is a repeat finding and was included in the prior year audit report as finding 2024-003. During fiscal year 2025, the Crittenden County Fiscal Court failed to implement effective internal controls over disbursements. The following findings were noted with fiscal court's disbursements:

- Forty-four disbursements were tested, and fourteen of these disbursements, totaling $1,116,533, had purchase orders that were issued after the expense had already been incurred.
- One purchase in the amount of $45,000 was not properly procured because the county did not advertise for bids as required by KRS 424.260.

Cause

According to the county treasurer, the software system contained a glitch that resulted in purchase orders being dated incorrectly. Also, according to staff, the fiscal court did not advertise for bids for one disbursement due to a misunderstanding that the vendor had been awarded the state price contract; however, according to staff, the fiscal court has corrected this issue.

Effect

A lack of internal controls over disbursements could result in inaccurate financial reporting, overspent line-items, misappropriation of assets, cash flow problems, and claims being paid that are not valid obligations of the fiscal court. Also, the fiscal court's failure to establish effective internal controls over disbursements resulted in instances of noncompliance. The county is not in compliance with the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*. And the county is not in compliance with state and county competitive bidding requirements, which potentially caused the county to not get the best price for the goods and services purchased.

Criteria

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." An effective purchase order system is a basic internal control necessary to ensure the accuracy and reliability of financial reports. Moreover, implementation of strong internal controls over disbursements is necessary to prevent overspent line-items, misappropriation of assets, cash flow problems, and claims being paid that are not valid obligations of the fiscal court.

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*, which requires a purchase order system for all counties that documents that purchases are not made without prior approval from the judge / executive or department head

2025-001 The Crittenden County Fiscal Court Failed To Implement Effective Internal Controls Over Disbursements (Continued)

Criteria (Continued)

According to a memorandum from the Department for Local Government (DLG) dated August 4, 2016, "[t]he main purpose of this system is to ensure that purchases can be made if there are sufficient appropriations available within the amount of line items in the county's budget. Because of this, it is a requirement by the State Local Finance Officer that all counties have a purchase order system and follow the guidelines prescribed on Page 54 of the *County Budget Preparation and State Local Finance Officer Policy Manual.*" Furthermore, "DLG highly recommends that counties accept the practice of issuing PO's (sic) for payroll and utility claims."

During the fiscal year examined, KRS 424.260(1) stated:

Except 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 Forty Thousand Dollars ($40,000) shall be subject to competitive bidding."

Recommendations

We recommend the Crittenden County Fiscal Court strengthen internal controls over disbursements by ensuring that purchase orders are issued prior to all purchases being made and ensure that purchase orders meet the requirements set forth by DLG guidelines. Additionally, we recommend that the fiscal court comply with bidding requirements outlined by KRS 424.260.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response: The majority of purchase orders for the county are issued manually at the time of need. Then the handwritten P.O.'s are entered into our software program at a later date. The software will automatically default to the date of entry not the date of issuance, therefore requiring the dates to be confirmed as appropriate. Training on this issue has been achieved and there is currently a change in procedures between the department who traditionally issued handwritten P.O.'s and the Fiscal Court office who will now take over issuing all P.O.'s therein eliminating the possibility of most of the manually issued P.O.'s resulting in an electronically generated P.O. which will post the date of issuance. With respect to the purchase made but not properly advertising for bids, the county was told the unit was bought on state master contract. It was later found not to be the case. Therefore, the parties involved with the purchase have been properly trained to ensure all documentation is achieved prior to purchasing any item above the requirement for bid.

2025-002 The Crittenden County Fiscal Court's Financial Statement For The Public Properties Corporation Was Materially Misstated

Condition and Context

The fiscal court maintains an unbudgeted Public Properties Corporation Fund to account for bond issuance and debt payments related to the construction of the justice center. During fiscal year 2025, the fiscal court maintained ledgers related to the Public Properties Corporation Fund and produced an annual financial statement. The financial statement's totals were accurate; however, there were various posting errors that required reclassifications. This resulted in the Public Properties Corporation financial statement being materially misstated. The following errors were noticed on the financial statement:

- $1,348,595 of Intergovernmental Revenue was posted as Miscellaneous Revenue
- $363,800 of Bond Proceeds were posted as Miscellaneous Revenue
- $956,790 of Net Bond Premiums were posted as Bond Proceeds
- $137,234 of Cost of Issuance Expenditures were posted as Capital Project Expenditures

Cause

When creating the financial statement, the county staff made errors when posting receipts and expenditures into the correct categories.

Effect

Due to the posting errors of the financial activity related to the Public Properties Corporation Fund, the county's financial statements as of June 30, 2025, were materially misstated.

Criteria

The Public Properties Corporation is a component unit of the Crittenden County Fiscal Court. As such, the fiscal court is responsible to account for these funds in accordance with the requirements set forth by the State Local Finance Officer. KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. This uniform system of accounts is outlined in the *County Budget Preparation and State Local Finance Officer Policy Manual* issued by the Department for Local Government (DLG). This manual requires county governments to maintain a receipts and disbursements journal, perform monthly bank reconciliations, and prepare an annual financial statement.

While DLG does not require the Public Properties Corporation to be budgeted, the fiscal court is required to maintain a receipts and disbursements journal, perform monthly bank reconciliations, and prepare a year-end financial statement for the Public Properties Corporation. Good internal controls dictate that procedures be in place to ensure all financial activity related to operating the county is properly reported.

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

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

2025-002 The Crittenden County Fiscal Court's Financial Statement For The Public Properties Corporation Was Materially Misstated (Continued)

Recommendations

We recommend that the fiscal court establish procedures to ensure receipts and disbursements ledgers and the financial statement for the Public Properties Corporation are accurate.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response: As verified, Crittenden County currently has a Public Properties Corporation (PPC) which is responsible for reporting bond issuances and debt payments related to the construction of the Crittenden County Justice Center. As also indicated these records were being recorded as deemed proper by our County Treasurer. However, due to an inadequate level of training by the Administrative Office of the Courts (AOC) regarding the reporting requirements to be maintained and met by a county involved in a judicial center construction project, some of the entries for the PPC by the County Treasurer were not classified appropriately therein reflecting improper classification. The best solution for this issue is for AOC to properly train counties prior to the establishment of the funds which would ensure the classifications are properly assigned from the beginning of the project. It is also a concern that a simple misclassification could be considered a material misstatement of the fund when all fund transactions were complete and reflected an accurate accounting of all transactions, they were simply not assigned to an appropriate classification per state guidance which was the information we did not have at the time of establishment. These have all now been corrected and will not be an issue moving forward.

Auditor's Reply: Financial statement accuracy includes the correct recording of transaction classification as well as transaction amounts. Proper classification is an assertion that transactions have been posted to the correct financial category, which in turn provides clarity on the financial statement. Material transactions when incorrectly classified on the financial are misstatements that can materially affect the decisions made by an end-user.

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

CRITTENDEN COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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