REPORT OF THE AUDIT OF THE GARRARD COUNTY FISCAL COURT

For The Year Ended
June 30, 2024

Roy W Hunter, CPA, PLLC
1890 Star Shoot Parkway
Suite 170-147
Lexington, KY 40509

CONTENTS PAGE

GARRARD COUNTY OFFICIALS 5
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS 7
NOTES TO FINANCIAL STATEMENT 11
BUDGETARY COMPARISON SCHEDULES 38
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES 48
SCHEDULE OF CAPITAL ASSETS 52
NOTES TO OTHER INFORMATION - SUPPLEMENTARY INFORMATION - SCHEDULE OF CAPITAL ASSETS 53
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 56
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 57
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* 60
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE 64
SCHEDULE OF FINDINGS AND QUESTIONED COSTS 69
APPENDIX A:
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

THIS PAGE LEFT BLANK INTENTIONALLY

RWH

Roy W. Hunter, CPA, PLLC

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

Independent Auditor's Report

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Garrard County Fiscal Court, for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the Garrard County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompany financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Garrard County Fiscal Court, for the year ended June 30, 2024, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Garrard County Fiscal Court, for the year ended June 30, 2024, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

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

1890 Star Shoot Parkway
Suite 170-147
Lexington, KY 40509

859-806-5342
Roy.Hunter@CPA.com

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

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

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

Garrard County Fiscal Court's management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Garrard County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Garrard County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Garrard County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 and Schedule of Expenditures of Federal Awards 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 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statement as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025, on our consideration of the Garrard 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 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 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 Garrard County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

March 4, 2025

GARRARD COUNTY OFFICIALS

For The Year Ended June 30, 2024

Fiscal Court Members:

Chris Elleman	County Judge/Executive
Chris Davis	Magistrate
Wayne Day	Magistrate
Glendan Barker	Magistrate
Bobby Preston	Magistrate
Chris Butner	Magistrate

Other Elected Officials:

Mark Metcalf	Former County Attorney (July 1, 2023 - December 31, 2023)
Chris Whitworth	County Attorney (January 1, 2024 - present)
Kevin Middleton	Jailer
Kevin Montgomery	County Clerk
Dana Hensley	Circuit Court Clerk
Wille Skeens	Sheriff
Brian Swinney	Property Valuation Administrator
Shane Young	Coroner

Appointed Personnel:

Jennifer Seagraves	County Treasurer
Todd Montgomery	Finance Officer
Kristen Akers	Tax Administrator

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

For The Year Ended June 30, 2024

GARRARD COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2024

	Budgeted Funds		
	General Fund	Road Fund	Local Government Economic Assistance Fund
RECEIPTS			
Taxes	$ 3,914,293	$ 10,000	$
Excess Fees	359,771		
Licenses and Permits	46,338		
Intergovernmental	399,898	1,529,886	56,384
Charges for Services	1,195,893	12,308	
Miscellaneous	82,171	123,690	
Interest	100,820	13,617	
Total Receipts	6,099,184	1,689,501	56,384
DISBURSEMENTS			
General Government	1,611,321	16,525	10,000
Protection to Persons and Property	1,831,505		125,735
General Health and Sanitation	133,710		
Social Services	5,000		5,000
Recreation and Culture	42,201		
Roads		1,179,525	
Debt Service		80,781	
Capital Projects	277,854	80,514	
Administration	1,089,603	131,636	
Total Disbursements	4,991,194	1,488,981	140,735
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	1,107,990	200,520	(84,351)
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	251,856		
Transfers To Other Funds	(10,000)	(110,500)	
Total Other Adjustments to Cash (Uses)	241,856	(110,500)	
Net Change in Fund Balance	1,349,846	90,020	(84,351)
Fund Balance - Beginning (Restated)	4,323,810	481,773	151,573
Fund Balance - Ending	$ 5,673,656	$ 571,793	$ 67,222
Composition of Fund Balance			
Bank Balance	$ 5,742,895	$ 685,508	$ 72,222
Less: Outstanding Checks	(69,239)	(113,715)	(5,000)
Fund Balance - Ending	$ 5,673,656	$ 571,793	$ 67,222

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

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

	Budgeted Funds				
	Solid Waste Fund	Clerk Storage Fund	House Bill 577 Fund	Veterans Memorial Fund	Chemical Stockpile Emergency Preparedness Program Fund
RECEIPTS					
Taxes	$	$	$	$	$
Excess Fees					
Licenses and Permits					
Intergovernmental	35,894		6,403		322,229
Charges for Services	131,319				
Miscellaneous		33,430		3,212	28,367
Interest	2,397		377		36
Total Receipts	169,610	33,430	6,780	3,212	350,632
DISBURSEMENTS					
General Government		1,546			
Protection to Persons and Property					302,399
General Health and Sanitation	108,665				
Social Services					
Recreation and Culture				2,192	
Roads					
Debt Service					
Capital Projects					
Administration	795				28,754
Total Disbursements	109,460	1,546		2,192	331,153
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	60,150	31,884	6,780	1,020	19,479
Other Adjustments to Cash (Uses)					
Transfers From Other Funds					10,000
Transfers To Other Funds			(111,856)		(29,500)
Total Other Adjustments to Cash (Uses)			(111,856)		(19,500)
Net Change in Fund Balance	60,150	31,884	(105,076)	1,020	(21)
Fund Balance - Beginning (Restated)	52,927	29,920	105,076	21,691	15,015
Fund Balance - Ending	$ 113,077	$ 61,804	$ 0	$ 22,711	$ 14,994
Composition of Fund Balance					
Bank Balance	$ 131,827	$ 61,804	$	$ 22,711	$ 19,341
Less: Outstanding Checks	(18,750)				(4,347)
Fund Balance - Ending	$ 113,077	$ 61,804	$ 0	$ 22,711	$ 14,994

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

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

	Budgeted Funds		Unbudgeted Fund	
	American Rescue Fund	Opioid Fund	Public Improvement Corporation Fund	Total Funds
RECEIPTS				
Taxes	$	$	$	$ 3,924,293
Excess Fees				359,771
Licenses and Permits				46,338
Intergovernmental			853,047	3,203,741
Charges for Services				1,339,520
Miscellaneous		144,898		415,768
Interest		3,093		120,340
Total Receipts		147,991	853,047	9,409,771
DISBURSEMENTS				
General Government				1,639,392
Protection to Persons and Property				2,259,639
General Health and Sanitation				242,375
Social Services		41,100		51,100
Recreation and Culture				44,393
Roads				1,179,525
Debt Service			853,047	933,828
Capital Projects	852,743			1,211,111
Administration				1,250,788
Total Disbursements	852,743	41,100	853,047	8,812,151
ess (Deficiency) of Receipts Over isbursements Before Other djustments to Cash (Uses)	(852,743)	106,891		597,620
Other Adjustments to Cash (Uses)				
Transfers From Other Funds				261,856
Transfers To Other Funds				(261,856)
Total Other Adjustments to Cash (Uses)				
Net Change in Fund Balance	(852,743)	106,891		597,620
Fund Balance - Beginning (Restated)	852,743	135,689		6,170,217
Fund Balance - Ending	$ 0	$ 242,580	$ 0	$ 6,767,837
Composition of Fund Balance				
Bank Balance	$	$ 267,580	$	$ 7,003,888
Less: Outstanding Checks		(25,000)		(236,051)
Fund Balance - Ending	$ 0	$ 242,580	$ 0	$ 6,767,837

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

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 11
NOTE 2. DEPOSITS 14
NOTE 3. TRANSFERS 14
NOTE 4. LEASES 14
NOTE 5. LONG-TERM DEBT 19
NOTE 6. EMPLOYEE RETIREMENT SYSTEM 30
NOTE 7. DEFERRED COMPENSATION 33
NOTE 8. HEALTH REIMBURSEMENT ACCOUNT 33
NOTE 9. INSURANCE 33
NOTE 10. NOTE RECEIVABLES 33
NOTE 11. ENDOWMENT FUNDS 34
NOTE 12. PRIOR PERIOD ADJUSTMENTS 34

GARRARD COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Garrard County includes all budgeted and unbudgeted funds under the control of the Garrard 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 as the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

Solid Waste Fund - The primary purpose of this fund is to account for recycling and solid waste fee monies collected from businesses and individuals. The primary sources of receipts for this fund are local citizens and state grant funding.

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

House Bill 577 Fund - The primary purpose of this fund is to account for House Bill 577 receipts and disbursements. The primary source of receipts for this fund is state grants.

Veterans Memorial Fund - The primary purpose of this fund is to account for activities related to donations related to the Veterans Memorial Fund. The primary source of receipts for this fund is donations.

Chemical Stockpile Emergency Preparedness Program (CSEPP) Fund - The primary purpose of this fund is to account for emergency equipment and personnel expenses of the county. The primary sources of the receipts for this fund are federal and state grants.

American Rescue Fund - The primary purpose of this fund is to account for federal expenditures related to the federal grant. The primary sources of the receipts for this fund is a federal grant.

Opioid Fund – The primary purpose of this fund is to account for opioid settlement receipts and disbursements. The primary source of these funds is from the opioid settlement from the state.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Improvement 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.

D. Budgetary Information

Annual budgets are adopted 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 and according to the laws of Kentucky as required by the state local finance officer.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

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 public improvement corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Garrard County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Garrard 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 Garrard 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.

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

Note 2. Deposits

The fiscal court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2024, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2024.

	General Fund	Road Fund	House Bill 577 Fund	CSEPP Fund	Total Transfers In
General Fund	$	$ 110,500	$ 111,856	$ 29,500	$ 251,856
CSEPP Fund	10,000				10,000
Total Transfers Out	$ 10,000	$ 110,500	$ 111,856	$ 29,500	$ 261,856

Reason for transfers:

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

Note 4. Leases

A. Copier Leases

During the current fiscal year, the Garrard County Fiscal Court participated in four leases for the acquisition and use of office equipment. As of June 30, 2024, the value of the lease liabilities was $3,379. The Garrard County Fiscal Court is required to make monthly principal payments of $282.

Fiscal Year Ending June 30	
2025	$ 2,712
2026	926
	$ 3,638

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

Note 4. Leases (Continued)

B. Road Department Vehicles

On September 1, 2016, the Garrard County Fiscal Court entered into a lease agreement to lease 4 2016 Ford F-350 and 3 2016 Ford F-550 vehicles for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 84 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. The lease agreement paid out in FY 2023 and these vehicles remained under a maintenance agreement.

C. County Sheriff Department Vehicles

On July 1, 2017, the Garrard County Fiscal Court entered into a lease agreement to lease 6 Sheriff vehicles for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. Three of the vehicles have been cancelled. This leases agreement paid out in fiscal year 2024 and one (1) vehicle remained under a maintenance agreement. During fiscal year 2024, the county started a month to month for 12 months lease. The annual lease payments required under the new terms at June30, 2024 are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 270
Total Minimum Lease Payments	$ 270

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

Note 4. Leases (Continued)

D. Jailer's Vehicle

On December 1, 2017, the Garrard County Fiscal Court entered into a lease agreement to lease a vehicle for use by the county jailer. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 84 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During the fiscal year 2023, the lease agreement paid out and the county started a month to month for 12 months. The county had total lease payments of $2,182 for this agreement. The annual lease payments required under the new terms at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 909
Total Minimum Lease Payments	$ 909

E. Additional County Sheriff Department Vehicle

On November 1, 2019, the Garrard County Fiscal Court entered into a lease agreement to lease 1 Sheriff vehicle for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During fiscal year 2024, the county had total lease payments of $6,723 for this agreement. The annual lease payments required under the leasing agreement at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 2,241
Total Minimum Lease Payments	$ 2,241

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

Note 4. Leases (Continued)

F. Additional County Sheriff Department Vehicle

On May 1, 2021, the Garrard County Fiscal Court entered into a lease agreement to lease 2021 Dodge Durango vehicle for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During fiscal year 2024, the county had total lease payments of $6,755 for this agreement. The annual lease payments required under the leasing agreement at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 6,755
2026	5,629
Total Minimum Lease Payments	$ 12,384

G. Additional Road Department Vehicle

On December 1, 2021, the Garrard County Fiscal Court entered into a lease agreement to lease 2021 Ford F-150 vehicle for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During fiscal year 2024, the county had total lease payments of $10,556 for this agreement. The annual lease payments required under the leasing agreement at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 10,556
2026	10,556
2027	4,399
Total Minimum Lease Payments	$ 25,511

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

Note 4. Leases (Continued)

H. Additional County Sheriff Department Vehicle

On July 1, 2022, the Garrard County Fiscal Court entered into a lease agreement to lease 2 Sheriff vehicles for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During fiscal year 2024, the county had total lease payments of $26,690 for this agreement. The annual lease payments required under the leasing agreement at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 26,690
2026	26,690
2027	24,464
Total Minimum Lease Payments	$ 77,844

I. Additional County Sheriff Department Vehicles

On August 1, 2022, the Garrard County Fiscal Court entered into a lease agreement to lease three police vehicles for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During fiscal year 2024, the county had total lease payments of $38,416 for this agreement. The annual lease payments required under the leasing agreement at June 30, 2024, are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 38,416
2026	38,416
2027	38,416
` 2028	3,201
Total Minimum Lease Payments	$ 118,449

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

Note 4. Leases (Continued)

J. Additional County Sheriff Department Vehicles

On October 1, 2022, the Garrard County Fiscal Court entered into a lease agreement to lease one police vehicle for use by the county. The vendor will, on or about the date of delivery of each vehicle to the county, include a schedule covering the vehicle, which will include a description of the vehicle, the lease term, and the monthly rental and other payments due with respect to the vehicle. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. This lease payment can change each year depending on additions and deletions of vehicles. During fiscal year 2024, the county had total lease payments of $14,073 for this agreement. The annual lease payments required under the leasing agreement at June 30, 202**4**, are as follows:

Fiscal Year Ending June 30	Scheduled Amount
2025	$ 14,073
2026	14,073
2027	14,073
2028	3,517
Total Minimum Lease Payments	$ 45,736

Note 5. Long-term Debt

A. Direct Borrowings

1. Ponderosa Road Project

On August 18, 2008, the Garrard County Fiscal Court entered into an unsecured twenty-year lease agreement with Kentucky Association of Counties Leasing Trust to construct Ponderosa Road for $35,700. The annual interest rate is 4.967%. Per the agreement, failure to make payment 10 days or more past due date shall bear interest thereon at the late payment rate. Upon default of the loan, the lessor may take whatever action at law or inequity and recover damages from the lessee for such action such as legal fees, other costs and expenses once finally adjudicated that an event of default has occurred. The principal balance of the lease as of June 30, 2024, was $0.

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

Note 5. Long-term Debt

A. Direct Borrowings

2. Zane Trace Road Project

On December 19, 2013, the Garrard County Fiscal Court entered into an unsecured fifteen-year lease agreement with Whitaker Bank to construct Zane Trace Road for $43,618. Principal and interest payments are due each January 19. The annual interest rate is 4.750%. Per agreement, failure to make payment 10 days or more past due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $18,152. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 3,292	$ 876
2026	3,452	715
2027	3,619	548
2028	3,793	374
2029	3,996	171
Totals	$ 18,152	$ 2,684

3. Red Gate Road Project

On October 29, 2014, the Garrard County Fiscal Court entered into an unsecured nine-year lease agreement with Whitaker Bank to construct Red Gate Road for $19,840. Principal and interest payments are due each October 22. The annual interest rate is 3.9%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $2,343. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 2,343	$ 98
Totals	$ 2,343	$ 98

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

4. Pleasant Valley Road Project

On June 2, 2015, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct Pleasant Valley Road for $7,207. Principal and interest payments are due each June 2. The annual interest rate is 3.45%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $1,115. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 1,115	$ 42
Totals	$ 1,115	$ 42

5. Colt's Run Project

On August 3, 2016, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct Colt's Run Road for $13,078. Per agreement, failure to make payment 10 days or more past due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on loan, the lender may declare the entire unpaid balance and all accrued interest due, and borrower will pay that amount. If borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. Principal and interest payments are due each August 5th. The annual interest rate is 3.20%. The principal balance of the lease as of June 30, 2024, was $4,368. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 1,414	$ 139
2026	1,460	93
2027	1,494	14
Totals	$ 4,368	$ 246

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

6. Woodspring Road Project

On September 20, 2016, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct Woodspring Road for $33,220. Principal and interest payments are due each October 15th. The annual interest rate is 3.60%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $7,205. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	3,636	398
2026	3,569	466
2027		511
Totals	$ 7,205	$ 1,375

7. Lisa Drive Project

On October 25, 2016, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct Lisa Drive for $19,500. Principal and interest payments are due each November 5th. The annual interest rate is 3.40%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $6,560. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 2,120	$ 221
2026	2,193	148
2027	2,247	94
Totals	$ 6,560	$ 463

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

8. Pam Drive Project

On July 14, 2017, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct Pam Drive for $31,300. Principal and interest payments are due each July 14th. The annual interest rate is 3.125%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $13,694. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 3,276	$ 426
2026	3,378	324
2027	3,483	218
2028	3,557	46
Totals	$ 13,694	$ 1,014

9. Ronclar Road Project

On July 21, 2017, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Farmers Bank to construct Ronclar Road for $46,450. Principal and interest payments are due each July 21st. The annual interest rate is 3.125%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $20, whichever is greater but not to exceed $999, and a minimum finance charge equal to $10. The principal balance of the lease as of June 30, 2024, was $0.

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

10. C Valley Road Project

On July 27, 2017, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct C Valley Road for $100,020. Principal and interest payments are due each July 27th. The annual interest rate is 3.125 %. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $43,757. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 10,466	$ 1,361
2026	10,794	1,034
2027	11,131	697
2028	11,366	148
Totals	$ 43,757	$ 3,240

11. Ford E-450 Ambulance

On November 3, 2017, the Garrard County Fiscal Court entered into a secured six-year lease agreement with Whitaker Bank to purchase a Ford E-450 Ambulance for $97,958. The ambulance is collateral security on the loan. Principal and interest payments are due each monthly. The annual interest rate is 3.125 %. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $0.

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

12. Dog Kennels

On April 24, 2018, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to purchase dog kennels for $20,000. Principal and interest payments are due each April 24th. The annual interest rate is 3.25 %. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $8,780. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	2,097	284
2026	2,165	216
2027	2,235	145
2028	2,283	40
Totals	$ 8,780	$ 685

13. Whitney Drive Project

On January 18, 2019, the Garrard County Fiscal Court entered into an unsecured ten-year lease agreement with Whitaker Bank to construct Whitney Drive for $52,878. Principal and interest payments are due each January 18th. The annual interest rate is 3.4%. Per the agreement, failure to make payment 10 days or more past the due date will result in a late fee, 5% of regularly scheduled payment or $50, whichever is less. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $28,658. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 5,371	$ 971
2026	5,554	788
2027	5,742	600
2028	5,938	404
2029	6,053	103
Totals	$ 28,658	$ 2,866

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

14. 2021 Freightliner Dump Truck

On May 20, 2020, the Garrard County Fiscal Court entered into a secured six-year lease agreement with Mercedes-Benz Financial Services USA LLC to purchase a Freightliner Dump Truck for $83,291. The dump truck is collateral security on the loan. Principal and interest payments are due each monthly. The annual interest rate is 4.09%. Per the agreement, failure to not paid on the due date will result in an additional charge in the amount of 12% of the payment amount due. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $27,554. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 14,773	$ 853
2026	12,781	206
Totals	$ 27,554	$ 1,059

15. 2021 Ford 350 Ambulance

On January 21, 2021, the Garrard County Fiscal Court entered into a six-year direct financing agreement with Whitaker Bank to 2021 Ford 350 Ambulance for $76,604. The 2021 Ford 250 Ambulance serves as collateral for this agreement. Principal and interest payments are due monthly. The annual interest rate is 2.60 %. Per the agreement, failure to not paid on the due date will result in an additional charge in the amount of 12% of the payment amount due. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due, and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024 was $35,607. Principal and interest reimbursements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	$ 13,060	$ 782
2026	13,408	433
2027	9,139	89
Totals	$ 35,607	$ 1,304

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

Note 5. Long-term Debt (Continued)

A. Direct Borrowings (Continued)

16. 2022 Chevy Type 1 Ambulance

On September 16,2022, the Garrard County Fiscal Court entered into a six-year direct financing agreement with Whitaker Bank to 2022 Chevy Type 1 Ambulance for $172,209. The 2022 Chevy Type 1 Ambulance serves as collateral for this agreement. Principal and interest payments are due monthly. The annual interest rate is 4.3%. Per the agreement, if payment is 10 days or more late, borrower will be charged 5% of the regularly scheduled payment or $50, whichever is less. Upon default, the lender may declare the entire unpaid principal balance under this note and all accrued unpaid interest immediately due and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal balance of the lease as of June 30, 2024, was $126,434. Principal and interest reimbursements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	27,782	4,891
2026	29,000	3,672
2027	30,272	2,400
2028	31,599	1,073
2029	7,781	387
Totals	$ 126,434	$ 12,423

B. Other Debt

1. First Mortgage Revenue Bonds, Series 2009 (Justice Center Project)

On September 30, 2009, the Garrard County Public Improvements Corporation issued $11,830,000 Lease Revenue Bonds, Series 2009, for the purpose of funding the construction of a justice center. The Public Improvements Corporation entered into an agreement with the Administrative Office of the Courts (AOC) for the payments to be made by AOC while being tenants of the building. The agreement is secured with a foreclosable first mortgage lien on the Garrard County Judicial Center. Upon default in payment, the terms of the agreement stipulate the following remedies: (a) the enforcement of foreclosure and sale of security; (b) by suit, action, or proceed in law to enforce all rights of bond owners; (c) by bringing suit upon the bonds; (d) by action or suit in equity, require the issuer to account as if it were the trustee of an express trust for the owners of the bonds; (e) 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 bonds; (f) by declaring all bonds due and payable, and if all defaults shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding bonds, by annulling such declaration and its consequences; (g) in the event that all bonds are declared due and payable, by selling permitted investments of the issuer (to the extent not theretofore set aside for redemption of bonds for which call has been made), and enforcing all courses in action of the issuer to the fullest legal extent in the name of the issuer for the use and benefit of the owners of the bonds. These bonds were issued at varying interest rates ranging from 2.5% to 4%. Principal payments are due September 1, beginning in 2010, and interest is payable semiannually on March 1 and September 1, beginning March 1, 2010. On June 1, 2019, these bonds were partially defeased with First Mortgage Refunding Revenue Bonds, Series 2019. As of June 30, 2024, the principal balance was $0.

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

Note 5. Long-term Debt (Continued)

B. Other Debt

1. First Mortgage Revenue Refunding Bonds, Series 2019 (Justice Center Project)

On June 1, 2019, the Garrard County Public Improvement Corporation issued $5,353,673 in First Mortgage Revenue Refunding Bonds. Proceeds from the bonds will be used for the purpose of (i) the advance refunding of all or certain maturities of the $11,830,000 Garrard County, Kentucky Public Improvement Corporation First Mortgage Revenue Bonds, Series 2009, dated September 30, 2009; (ii) the payment of accrued interest, if any; and (iii) the payment of the cost of issuance incurred with respect to the issuance of the bonds. Principal payments are due annually on September 1 beginning September 1, 2022. This debt is secured with a mortgage deed of trust which is subordinate to the lien created by the mortgage and indenture of trust dated September 16, 2009. Upon default in the payment of the principal of or interest on the bonds, the mortgage, shall be enforced, which enforcement may, under the terms of the mortgage, include foreclosure of the liens created by the mortgage and sale of the project. Interest payments, which varies from three percent to four percent, is payable semi-annually on March 1 and September 1. The outstanding principal balance as of June 30, 2024, was $3,990,553. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	756,158	101,149
2026	775,310	79,709
2027	798,651	57,673
2028	820,494	35,005
2029	839,940	11,759
Totals	$ 3,990,553	$ 285,295

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

2. Refinance of Courthouse Renovation and HVAC Project – 2019 Series D

On November 30, 2021, the Garrard County Fiscal Court entered into a nine - year lease agreement with Kentucky Association of Counties Leasing Trust to refinance the courthouse renovations lease (4 above) and HVAC Project (6 below) for $420,000. Principal payments are due December 20 beginning in December 2022, and interest is payable semiannually on June 20 and December 20. The annual interest rate is 1.45 %. The principal balance of the lease as of June 30, 2024 was $370,000. Principal and interest reimbursements are:

Fiscal Year Ended June 30	Principal	Scheduled Interest
2025	35,000	12,800
2026	40,000	11,300
2027	45,000	9,600
2028	60,000	7,500
2029	60,000	5,100
2030-2031	130,000	3,900
Totals	$ 370,000	$ 50,200

C. Changes In Long-Term Debt

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings	$ 439,932	$ 0	$ 115,705	$ 324,227	$ 90,745
Other Debt	5,121,629		761,076	4,360,553	791,158
Total Long-term Debt	$ 5,561,561	$ 0	$ 876,781	$ 4,684,780	$ 881,903

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

Note 5. Long-term Debt (Continued)

D. Aggregate Debt Schedule

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

Fiscal Year Ended June 30	Other Debt		Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	791,158	113,949	90,745	11,342
2026	815,310	91,009	87,754	8,095
2027	843,651	67,273	69,362	5,316
2028	880,494	42,505	58,536	2,085
2029	899,940	16,859	17,830	661
2030-2031	130,000	3,900		
	$ 4,360,553	$ 335,495	$ 324,227	$ 27,499

Note 6. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). 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.

The county's contribution for FY 2022 was $570,613, FY 2023 was $547,668, and FY 2024 was $537,164.

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

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

Note 6. Employee Retirement System (Continued)

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

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

The county's contribution rate for nonhazardous employees was 23.34 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Benefits are covered under KRS 161.714 with exception of COLA and retiree health benefits after July 2003.

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

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

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

Tier 2 member benefits are covered by KRS 161.714 with exception of COLA and retiree health benefits after July 2003. Tier 3 members are not covered by the same provisions.

B. Cost of Living Adjustments - Tier 1

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

C. 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.

D. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KRS 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.

KRS Annual Financial Report and Proportionate Share Audit Report

KRS 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 Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KRS 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.

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

Note 7. Deferred Compensation

The Garrard 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 201 High Street, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

Note 8. Health Reimbursement Account

The Garrard County Fiscal Court established a health spending account to provide employees an additional health benefit. The plan provides a banking account for each eligible employee providing $1,500 each year to pay for qualified medical expenses. Employees may also contribute additional pre-tax funds through payroll deduction. The fiscal court stopped contributing to the health spending accounts after December 31, 2023. Therefore, eligible employees were provided $750 in fsical year 2024.

Note 9. Insurance

For the fiscal year ended June 30, 2024, the Garrard County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 10. Note Receivables

A. Indian Spring Court

On May 25, 2018, the Garrard County Fiscal Court approved to finance road expenses for Indian Spring Court in the amount of $23,550 at 3.2% for 15 years. The payments are made annually and come from tax collections that are on the residents' tax bills. The balance as of June 30, 2024, is $9,943.

B. Willow

On September 22, 2022, the Garrard County Fiscal Court approved to finance road expenses for Willow Drive in the amount of $32,511 at 3% interest for 15 years. The payments are made annually and come from tax collections that are on the residents' tax bills. The balance as of June 30, 2024, is $28,963.

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

Note 11. Endowment Funds

A. On June 23, 2017, the Garrard County Fiscal Court gave $70,000 and $9,592 on June 29, 2018, to Community Foundation of Louisville, Inc. (Foundation) which is a 501(3)(c) to establish a fund to be used for the betterment of the Garrard County Animal Control Program. The Foundation has authority and control over the assets in the Fund, and the income derived from it. The distribution policy is to allocate 5% of an average fund balance for grants and the Foundation's administrative fee. The balance in this fund as of June 30, 2024, was $122,528.

B. On August 9, 2016, the Garrard County Fiscal Court gave $539,333 to Community Foundation of Louisville, Inc. (Foundation) to establish a fund to be used for support of the charitable, scientific, or educational purposes of the Garrard County Fiscal Court. The Foundation has authority and control over the assets in the Fund, and the income derived from it. The distribution policy is to allocate 5% of an average fund balance for grants and the Foundation's administrative fee. The balance in this fund as of June 30, 2024, was $1,066,875.

C. The fiscal court also has two other funds with the Community Foundation of Louisville, Inc. (Foundation) to be used for the betterment of the Logan Hubble Park. The Foundation has authority and control over the assets in the fund, and the income derived from it. The distribution policy is to allocate 5% of an average fund balance for grants and the Foundation's administrative fee. The balances in the two funds as of June 30, 2024 were $29,552.

Note 12. Prior Period Adjustments

General Fund:	
Ending Cash Balance Prior Year	$ 4,322,652
Prior Year Voided Checks	1,158
Ending Cash Balance Prior Year (adjusted)	$ 4,323,810
Chemical Stockpile Emergency Prepardness Program Fund	
Ending Cash Balance Prior Year	$ 15,000
Prior Year Balance in General Fund	15
Ending Cash Balance Prior Year (adjusted)	$ 15,015
Fund Balance:	
Ending Cash Balance - Prior Year	$ 6,169,044
Add: Prior Year Voided Checks	1,173
Ending Cash Balance - Prior Year (adjusted)	$ 6,170,217

THIS PAGE LEFT BLANK INTENTIONALLY

GARRARD COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

THIS PAGE LEFT BLANK INTENTIONALLY

GARRARD COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 2,848,000	$ 2,848,000	$ 3,914,293	$ 1,066,293
Excess Fees	211,249	211,249	359,771	148,522
Licenses and Permits	27,000	29,660	46,338	16,678
Intergovernmental	429,640	394,007	399,898	5,891
Charges for Services	1,044,500	1,044,500	1,195,893	151,393
Miscellaneous	27,862	50,431	82,171	31,740
Interest	2,900	11,306	100,820	89,514
Total Receipts	4,591,151	4,589,153	6,099,184	1,510,031
DISBURSEMENTS				
General Government	1,764,721	1,739,119	1,611,321	127,798
Protection to Persons and Property	1,887,113	2,045,359	1,831,505	213,854
General Health and Sanitation	127,909	137,911	133,710	4,201
Social Services	5,000	5,000	5,000	
Recreation and Culture	56,000	65,421	42,201	23,220
Capital Projects	604,100	604,100	277,854	326,246
Administration	3,660,808	4,741,251	1,089,603	3,651,648
Total Disbursements	8,105,651	9,338,161	4,991,194	4,346,967
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,514,500)	(4,749,008)	1,107,990	5,856,998
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds	204,000	204,000		(204,000)
Transfers From Other Funds	190,500	302,356	251,856	(50,500)
Transfers To Other Funds	(80,000)	(80,000)	(10,000)	70,000
Total Other Adjustments to Cash (Uses)	314,500	426,356	241,856	(184,500)
Net Change in Fund Balance	(3,200,000)	(4,322,652)	1,349,846	5,672,498
Fund Balance - Beginning (Restated)	3,200,000	4,322,652	4,323,810	1,158
Fund Balance - Ending	$ 0	$ 0	$ 5,673,656	$ 5,673,656

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 10,000	10,000	$ 10,000	$
Licenses and Permits	2,500	2,500		(2,500)
Intergovernmental	1,614,873	1,651,192	1,529,886	(121,306)
Charges for Services	5,000	5,975	12,308	6,333
Miscellaneous	82,553	125,305	123,690	(1,615)
Interest	1,000	1,000	13,617	12,617
Total Receipts	1,715,926	1,795,972	1,689,501	(106,471)
DISBURSEMENTS				
General Government	18,000	18,000	16,525	1,475
Protection to Persons and Property	150	150		150
Roads	1,479,616	1,519,218	1,179,525	339,693
Debt Service	66,453	87,286	80,781	6,505
Capital Projects		80,514	80,514	
Administration	541,207	480,304	131,636	348,668
Total Disbursements	2,105,426	2,185,472	1,488,981	696,491
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(389,500)	(389,500)	200,520	590,020
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(110,500)	(110,500)	(110,500)	
Total Other Adjustments to Cash (Uses)	(110,500)	(110,500)	(110,500)	
Net Change in Fund Balance	(500,000)	(500,000)	90,020	590,020
Fund Balance - Beginning	500,000	500,000	481,773	(18,227)
Fund Balance - Ending	$ 0	$ 0	$ 571,793	$ 571,793

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

	LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 45,000	$ 45,000	$ 56,384	$ 11,384
Total Receipts	45,000	45,000	56,384	11,384
DISBURSEMENTS				
General Government	10,000	10,000	10,000	
Protection to Persons and Property	100,000	125,736	125,735	1
Social Services	5,000	5,000	5,000	
Administration	87,000	61,264		61,264
Total Disbursements	202,000	202,000	140,735	61,265
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(157,000)	(157,000)	(84,351)	72,649
Net Change in Fund Balance	(157,000)	(157,000)	(84,351)	72,649
Fund Balance - Beginning	157,000	157,000	151,573	(5,427)
Fund Balance - Ending	$ 0	$ 0	$ 67,222	$ 67,222

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

	SOLID WASTE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 31,298	$ 31,298	$ 35,894	$ 4,596
Charges for Services	75,000	75,000	131,319	56,319
Interest	5	5	2,397	2,392
Total Receipts	106,303	106,303	169,610	63,307
DISBURSEMENTS				
General Health and Sanitation	118,681	119,020	108,665	10,355
Administration	38,922	38,583	795	37,788
Total Disbursements	157,603	157,603	109,460	48,143
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(51,300)	(51,300)	60,150	111,450
Net Change in Fund Balance	(51,300)	(51,300)	60,150	111,450
Fund Balance - Beginning	51,300	51,300	52,927	1,627
Fund Balance - Ending	$ 0	$ 0	$ 113,077	$ 113,077

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

	CLERK STORAGE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 35,000	$ 35,000	$ 33,430	$ (1,570)
Total Receipts	35,000	35,000	33,430	(1,570)
DISBURSEMENTS				
General Government	66,000	66,000	1,546	64,454
Total Disbursements	66,000	66,000	1,546	64,454
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(31,000)	(31,000)	31,884	62,884
Net Change in Fund Balance	(31,000)	(31,000)	31,884	62,884
Fund Balance - Beginning	31,000	31,000	29,920	(1,080)
Fund Balance - Ending	$ 0	$ 0	$ 61,804	$ 61,804

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

	HOUSE BILL 577 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 30,000	$ 6,403	$ 6,403	$
Interest	10	377	377	
Total Receipts	30,010	6,780	6,780	
DISBURSEMENTS				
General Government	133,000			
Administration	10			
Total Disbursements	133,010			
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(103,000)	6,780	6,780	
Other Adjustments to Cash (Uses)				
Transfers To Other Funds		(111,856)	(111,856)	
Total Other Adjustments to Cash (Uses)		(111,856)	(111,856)	
Net Change in Fund Balance	(103,000)	(105,076)	(105,076)	
Fund Balance - Beginning	103,000	105,076	105,076	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

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

	VETERANS MEMORIAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$	$	$ 3,212	$ 3,212
Total Receipts			3,212	3,212
DISBURSEMENTS				
Recreation and Culture	21,691	21,691	2,192	19,499
Total Disbursements	21,691	21,691	2,192	19,499
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(21,691)	(21,691)	1,020	22,711
Net Change in Fund Balance	(21,691)	(21,691)	1,020	22,711
Fund Balance - Beginning	21,691	21,691	21,691	
Fund Balance - Ending	$ 0	$ 0	$ 22,711	$ 22,711

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

	CSEPP FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 268,599	$ 343,317	$ 322,229	$ (21,088)
Miscellaneous	35,000	35,000	28,367	(6,633)
Interest	1	1	36	35
Total Receipts	303,600	378,318	350,632	(27,686)
DISBURSEMENTS				
Protection to Persons and Property	284,600	358,778	302,399	56,379
Administration	34,000	34,000	28,754	5,246
Total Disbursements	318,600	392,778	331,153	61,625
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(15,000)	(14,460)	19,479	33,939
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	80,000	80,000	10,000	(70,000)
Transfers To Other Funds	(80,000)	(80,000)	(29,500)	50,500
Total Other Adjustments to Cash (Uses)			(19,500)	(19,500)
Net Change in Fund Balance	(15,000)	(14,460)	(21)	14,439
Fund Balance - Beginning (Restated)	15,000	15,000	15,015	15
Fund Balance - Ending	$ 0	$ 0	$ 14,994	$ 14,454

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

	American Rescue Fund			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
DISBURSEMENTS				
Capital Projects	1,200,000	852,743	852,743	
Total Disbursements	1,200,000	852,743	852,743	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,200,000)	(852,743)	(852,743)	
Net Change in Fund Balance	(1,200,000)	(852,743)	(852,743)	
Fund Balance - Beginning	1,200,000	852,743	852,743	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

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

	Opioid Fund			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 100,000	$ 100,000	$ 144,898	$ 44,898
Interest	25	25	3,093	3,068
Total Receipts	100,025	100,025	147,991	47,966
DISBURSEMENTS				
Social Services	120,000	120,000	41,100	78,900
Administration	115,710	115,710		115,710
Total Disbursements	235,710	235,710	41,100	194,610
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(135,685)	(135,685)	106,891	242,576
Net Change in Fund Balance	(135,685)	(135,685)	106,891	242,576
Fund Balance - Beginning	135,685	135,685	135,689	4
Fund Balance - Ending	$ 0	$ 0	$ 242,580	$ 242,580

GARRARD COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2024

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting 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 and according to the laws of Kentucky as required by the state local finance officer.

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.

THIS PAGE LEFT BLANK INTENTIONALLY

GARRARD COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

THIS PAGE LEFT BLANK INTENTIONALLY

GARRARD COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

The fiscal court reports the following Schedule of Capital Assets:

	June 30, 2022 Restated Beginning Balance*	Fiscal Years Fiscal Years 2023 and 2024 Additions	Deletions	Ending Balance
Land and Land Improvements	$ 815,750	$	$	$ 815,750
Construction In Progress	1,315,768	2,638,618	3,954,386	
Buildings and Building Improvements	24,962,434	3,954,386		28,916,820
Machinery and Equipment	4,077,957	119,018		4,196,975
Vehicles	618,329	41,944		660,273
Infrastructure	11,288,598	571,787		11,860,385
Total Capital Assets	$ 43,078,836	$ 7,325,753	$ 3,954,386	$ 46,450,203

*The June 30, 2022 beginning balance was restated due to the fiscal court correcting errors noted on the prior year listing. The prior year listing was not presented in the audit report; therefore, the additions and deletions above were related to fiscal years 2023 and 2024.

GARRARD COUNTY
NOTES TO OTHER INFORMATION - SUPPLEMENTARY
INFORMATION - SCHEDULE OF CAPITAL ASSETS

June 30, 2024

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	$ 10,000	10-60
Buildings and Building Improvements	$ 20,000	5-75
Machinery and Equipment	$ 5,000	3-25
Vehicles	$ 5,000	3-25
Infrastructure	$ 20,000	10-50

GARRARD COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

THIS PAGE LEFT BLANK INTENTIONALLY

GARRARD COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
U. S. Department of Homeland Security				
Passed-Through Kentucky Department of Military Affairs				
Chemical Stockpile Emergency Preparedness Program	97.040		$ -	$ 302,787
Passed-Through Kentucky Department of Emergency Management				
Emergency Management Performance Grant	97.042	SC 095 200000513	$ -	$ 6,780
Total U.S. Department of Homeland Security			-	309,567
U.S. Department of Treasury				
Direct Grant				
Coronavirus State and Local Fiscal Recovery Funds	21.027			$ 852,743
Total U.S. Department of Treasury			-	852,743
Total Expenditures of Federal Awards			$ 0	$1,162,310

The accompanying notes are an integral part of this schedule

GARRARD COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Garrard County, Kentucky under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Garrard County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Garrard County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Garrard County has not adopted an indirect cost rate.

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*

THIS PAGE LEFT BLANK INTENTIONALLY

The Honorable Chris Elleman, Garrard County Judge/Executive
Members of the Garrard County Fiscal Court

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

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 Garrard County Fiscal Court for the fiscal year ended June 30, 2024 and the related notes to the financial statement which collectively comprise the Garrard County Fiscal Court's financial statement and have issued our report thereon dated March 4, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Garrard County Fiscal Court's internal control over financial reporting (internal control) to determine 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 Garrard County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Garrard County Fiscal Court's internal control.

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 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

1890 Star Shoot Parkway
Suite 170-147
Lexington, KY 40509

859-806-5342
Roy.Hunter@CPA.com

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

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Garard 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.*

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,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

March 4, 2025

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

THIS PAGE LEFT BLANK INTENTIONALLY

The Honorable Chris Elleman, Garrard County Judge/Executive
Members of the Garrard County Fiscal Court

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Garrard County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Garrard County Fiscal Court's major federal programs for the year ended June 30, 2024. The Garrard County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Garrard County Fiscal Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Garrard County Fiscal Court and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Garrard County Fiscal Court's compliance with the compliance requirements referred to above.

1890 Star Shoot Parkway
Suite 170-147
Lexington, KY 40509

859-806-5342
Roy.Hunter@CPA.com

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance
(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Garrard County Fiscal Court's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Garrard County Fiscal Court's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Garrard County Fiscal Court's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Garrard County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Garrard County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Garrard County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance
(Continued)

Report on Internal Control over Compliance

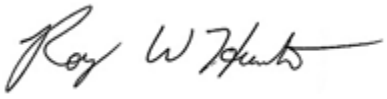
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Roy W. Hunter, CPA, PLLC
Lexington, Kentucky

March 4, 2025

GARRARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

THIS PAGE LEFT BLANK INTENTIONALLY

GARRARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statement

Type of report auditor issued: Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

Are any material weaknesses identified?	☐ Yes	☒ No
Are any significant deficiencies identified?	☐ Yes	☒ None Reported
Are any noncompliances material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	☐ Yes	☒ No
Are any significant deficiencies identified?	☐ Yes	☒ None Reported
Type of auditor's report issued on compliance for major federal programs: *Unmodified*		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes	☒ No

Identification of major programs:

Assistant Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as a low-risk auditee?	☐ Yes	☒No

GARRARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024
(Continued)

Section II: Financial Statement Findings - None noted.

Section III: Federal Award Findings And Questioned Costs – None noted.

Section IV: Summary Schedule of Prior Audit Findings

Chris T. Elleman

Garrard County Judge Executive

15 Public Square
Lancaster, KY
Phone: 859-792-3531
Fax: 859-792-2010
Email: chris.elleman@garrardcountyky.gov
Website: www.garrardcountyky.gov

Magistrates:
Chris Davis
Chris Butner
Wayne Day
Bobby Preston
Glendan Barker

Finding Number	Prior Year Finding Title	Status	Corrective Action
2023-001	The Garrard County Fiscal Court Did Not Prepare A Capital Asset Listing for the Fiscal Year	Resolved.	Corrected during fiscal year 2024.

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE

GARRARD COUNTY FISCAL COURT

For The Year Ended June 30, 2024

Appendix A

THIS PAGE LEFT BLANK INTENTIONALLY

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE

GARRARD COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Garrard County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

The Garrard County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

County Judge/Executive

County Treasurer