

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

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



**ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS  
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**ALLISON BALL**  
**AUDITOR OF PUBLIC ACCOUNTS**

**Independent Auditor's Report**

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

**Report on the Audit of the Financial Statement**

***Opinions***

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

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Greenup 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 Greenup County Fiscal Court, for the year ended June 30, 2024, or the changes in financial position and cash flows thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Greenup County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the People of Kentucky  
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### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greenup County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greenup County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

**Other Matters**

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Greenup County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

***Other Information***

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

To the People of Kentucky  
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Members of the Greenup County Fiscal Court

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2025, on our consideration of the Greenup County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greenup County Fiscal Court's internal control over financial reporting and compliance.

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

- 2024-001 The Greenup County Fiscal Court Did Not Have Controls In Place To Prevent An Error In Financial Reporting
- 2024-002 The Jail Commissary Purchased Electronic Cigarettes Without Properly Obtaining Bids
- 2024-003 The Jail Does Not Have Adequate Segregation Of Duties Over Jail Commissary Transactions

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

February 13, 2025



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

Bobby Hall	County Judge/Executive
Derrick Bradley	Commissioner
Lee Wireman	Commissioner
Earnie Duty	Commissioner

**Other Elected Officials:**

Matthew Warnock	County Attorney
Larry Pancake	Jailer
Andrew Imel	County Clerk
Allen Kent Reed	Circuit Court Clerk
Matt Smith	Sheriff
Tony Quillen	Property Valuation Administrator
Leslie Neil Wright	Coroner

**Appointed Personnel:**

Sharon Bates	County Treasurer
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**GREENUP COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**

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

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

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

	<b>Budgeted Funds</b>			
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>
<b>RECEIPTS</b>				
Taxes	\$ 6,353,433	\$	\$	\$
Excess Fees	380,925			
Licenses and Permits	78,602			
Intergovernmental	707,329	1,830,501	1,291,768	36,591
Charges for Services	259,450	100	57,075	
Miscellaneous	197,432	562,804	31,291	
Interest	108,583	1,992	721	1,401
Total Receipts	<u>8,085,754</u>	<u>2,395,397</u>	<u>1,380,855</u>	<u>37,992</u>
<b>DISBURSEMENTS</b>				
General Government	2,235,095			
Protection to Persons and Property	2,800,389		2,438,079	
General Health and Sanitation	2,728,449			
Social Services	354,486			19,827
Recreation and Culture	292,619			1,600
Roads		4,167,837		
Debt Service	17,317	155,542		
Capital Projects	69,137	282,165		
Administration	1,621,529	734,121	858,792	
Total Disbursements	<u>10,119,021</u>	<u>5,339,665</u>	<u>3,296,871</u>	<u>21,427</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,033,267)</u>	<u>(2,944,268)</u>	<u>(1,916,016)</u>	<u>16,565</u>
<b>Other Adjustments to Cash (Uses)</b>				
Borrowed Money	77,000	148,000		
Change In Payroll Revolving Account	(46,180)			
Transfers From Other Funds		2,775,000	1,850,000	
Transfers To Other Funds	(5,125,110)			
Total Other Adjustments to Cash (Uses)	<u>(5,094,290)</u>	<u>2,923,000</u>	<u>1,850,000</u>	
Net Change in Fund Balance	(7,127,557)	(21,268)	(66,016)	16,565
Fund Balance - Beginning (Restated)	11,008,954	498,067	125,994	323,682
Fund Balance - Ending	<u>\$ 3,881,397</u>	<u>\$ 476,799</u>	<u>\$ 59,978</u>	<u>\$ 340,247</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 2,058,686	\$ 546,326	\$ 82,149	\$ 340,247
Plus: Receivable	37,828			
Less: Outstanding Checks	(56,258)	(69,527)	(22,171)	
Less: Payroll Revolving Account Reconciled Balance	(27,553)			
Certificates of Deposit	1,868,694			
Fund Balance - Ending	<u>\$ 3,881,397</u>	<u>\$ 476,799</u>	<u>\$ 59,978</u>	<u>\$ 340,247</u>

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

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

Budgeted Funds						
State Grants Fund	Federal Grants Fund	Landfill Fund	Revolving Loan Fund	E911 Fund	ABC Fund	ARPA Fund
\$	\$	\$	\$	\$ 454,031	\$	\$
		556,369			2,293	
186,840		55,606		242,496		50,000
		1,700		3,780		
		30,802		1,345		
633	54	3,210	436	353	14	642
187,473	54	647,687	436	702,005	2,307	50,642
			10,000			
25,110				845,379		
		591,016				
		125,869		358,639		
25,110		716,885	10,000	1,204,018		
162,363	54	(69,198)	(9,564)	(502,013)	2,307	50,642
	25,110			475,000		
	25,110			475,000		
162,363	25,164	(69,198)	(9,564)	(27,013)	2,307	50,642
45,419		869,298	184,521	42,815	3,833	50,887
\$ 207,782	\$ 25,164	\$ 800,100	\$ 174,957	\$ 15,802	\$ 6,140	\$ 101,529
\$ 207,782	\$ 25,164	\$ 64,667	\$ 10,222	\$ 28,589	\$ 6,140	\$ 101,529
		(4,535)		(12,787)		
		739,968	164,735			
\$ 207,782	\$ 25,164	\$ 800,100	\$ 174,957	\$ 15,802	\$ 6,140	\$ 101,529

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

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

	<u>Budgeted Funds</u>		<u>Unbudgeted Fund</u>	
	<u>Opioid Settlement Fund</u>	<u>Clerk's Storage Fee Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>
<b>RECEIPTS</b>				
Taxes	\$	\$	\$	\$ 6,807,464
Excess Fees				380,925
Licenses and Permits				637,264
Intergovernmental				4,401,131
Charges for Services				322,105
Miscellaneous	343,705	51,390	215,972	1,434,741
Interest	9,998	14	194	128,245
Total Receipts	<u>353,703</u>	<u>51,404</u>	<u>216,166</u>	<u>14,111,875</u>
<b>DISBURSEMENTS</b>				
General Government		57,142		2,302,237
Protection to Persons and Property				6,108,957
General Health and Sanitation				3,319,465
Social Services				374,313
Recreation and Culture			297,243	591,462
Roads				4,167,837
Debt Service				172,859
Capital Projects				351,302
Administration				3,698,950
Total Disbursements	<u></u>	<u>57,142</u>	<u>297,243</u>	<u>21,087,382</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>353,703</u>	<u>(5,738)</u>	<u>(81,077)</u>	<u>(6,975,507)</u>
<b>Other Adjustments to Cash (Uses)</b>				
Borrowed Money				225,000
Change In Payroll Revolving Account				(46,180)
Transfers From Other Funds				5,125,110
Transfers To Other Funds				(5,125,110)
Total Other Adjustments to Cash (Uses)	<u></u>	<u></u>	<u></u>	<u>178,820</u>
Net Change in Fund Balance	353,703	(5,738)	(81,077)	(6,796,687)
Fund Balance - Beginning (Restated)	<u>301,113</u>	<u>9,798</u>	<u>98,692</u>	<u>13,563,073</u>
Fund Balance - Ending	<u>\$ 654,816</u>	<u>\$ 4,060</u>	<u>\$ 17,615</u>	<u>\$ 6,766,386</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 395,329	\$ 4,060	\$ 26,314	\$ 3,897,204
Plus: Deposits In Transit				37,828
Less: Outstanding Checks			(8,699)	(173,977)
Less: Payroll Revolving Account Reconciled Balance				(27,553)
Certificates of Deposit	<u>259,487</u>	<u></u>	<u></u>	<u>3,032,884</u>
Fund Balance - Ending	<u>\$ 654,816</u>	<u>\$ 4,060</u>	<u>\$ 17,615</u>	<u>\$ 6,766,386</u>

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

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TO THE FINANCIAL STATEMENT**

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**GREENUP COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2024**

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

**A. Reporting Entity**

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

**B. Basis of Accounting**

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

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

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

**C. Basis of Presentation**

**Budgeted Funds**

The fiscal court reports the following budgeted funds:

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

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

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



**GREENUP 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)**

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

State Grants Fund - The primary purpose of this fund is to account for state grants. The primary source of receipts for this fund is state grants.

Federal Grants Fund - The primary purpose of this fund is to account for federal grants. The primary source of receipts for this fund is federal grants.

Landfill Fund - The primary purpose of this fund is to help keep Greenup County clean. The primary source of receipts for this fund is landfill permit fees.

Revolving Loan Fund - The primary purpose of this fund is to assist local businesses through loans to qualifying applicants and is intended to stimulate the local economy through successful private enterprise.

E911 Fund - The primary purpose of this fund is to account for the dispatch expenses of the county. The primary source of receipts for this fund is the 911 telephone surcharge.

ABC Fund - The primary purpose of this fund is to account for alcoholic beverage regulatory license fees. The primary source of receipts for this fund is alcohol beverages license fees.

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

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

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

**Unbudgeted Fund**

The fiscal court reports the following unbudgeted fund:

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

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

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

**D. Budgetary Information**

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

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

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

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

**E. Greenup County Elected Officials**

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

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

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

**G. Long-term Obligations**

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

**H. Related Obligations and Joint Ventures**

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

Greenup County Water District  
 Greenup County E911 Center

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

Northeast Kentucky Regional Industrial Airport Authority  
 Boyd/Greenup Riverport Authority  
 Ashland Regional Airport  
 Eastpark Industrial Park

The Eastpark Industrial Park meets the criteria noted above and is disclosed as an organization jointly governed by the Kentucky counties of Carter, Boyd, Elliott, Greenup, and Lawrence. Financial statement audits can be obtained at [fivco.org](http://fivco.org).

**Note 2. Deposits**

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

**Custodial Credit Risk - Deposits**

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

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

**Note 3. Transfers**

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

	General Fund	Total Transfers In
Road Fund	\$ 2,775,000	\$ 2,775,000
Jail Fund	1,850,000	1,850,000
Federal Grants Fund	25,110	25,110
E911 Fund	475,000	475,000
Total Transfers Out	<u>\$ 5,125,110</u>	<u>\$ 5,125,110</u>

Reason for transfers:

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

**Note 4. Custodial Funds**

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

The fiscal court has the following custodial funds:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2024, was \$31,005.

FSA/HRA Fund – This fund accounts for employee and employer contributions to reimburse employees for health care expenses. The balance in the FSA/HRA fund as of June 30, 2024, was a negative \$21,547.

**Note 5. Lease**

The Greenup County Fiscal Court leases office space in the courthouse to the county attorney. The lease is renewed annually, and the fiscal court will receive monthly payments of \$750. The fiscal court recognized \$4,500 in lease revenue during the current fiscal year related to this lease. On January 9, 2024, the fiscal court approved to discontinue the lease payments during calendar year 2024.

**Note 6. Long-term Debt**

**A. Direct Borrowings**

**1. Road Repair and Resurfacing**

On June 24, 2014, the Greenup County Fiscal Court entered into a ten-year \$1,500,000 lease agreement to repair and resurface roads. The lease has a fixed rate of 2.85 percent through June 19, 2019, and a variable rate thereafter. If an event of default has occurred, the lessor of this direct borrowing may: (a) enforce the pledge set forth of this lease so that during the remaining lease term there is levied on all taxable property a direct tax annually in an amount sufficient to pay the lease payments when due, (b) by written notice to lessee, enter and take immediate possession of the project; (c) sell or re-lease the project, (d) exercise any other right, remedy or

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

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

**A. Direct Borrowings (Continued)**

**1. Road Repair and Resurfacing (Continued)**

privilege which may be available to it under the applicable laws of the Commonwealth. The amount outstanding under this agreement was \$0 as of June 30, 2024.

**2. Truck Purchase**

On May 30, 2024, the Greenup County Fiscal Court entered into a seven-year \$148,000 lease agreement to purchase an emergency vehicle. The lease has a fixed rate of 6.90 percent. If an event of default has occurred, the lessor of this direct borrowing may: (a) terminate the lease term and give notice to the lessee to vacate or surrender the project within sixty days from the date of such notice, (b) by written notice to the lessee, enter and take immediate possession of the project, (c) recover from the lessee the lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the project, (d) sell or lease the project or sublease it for the account of the lessee, holding the lessee liable for all lease payments and other payments due during the remaining lease term to the extent that such selling, leasing, or subleasing fails to provide amounts which are sufficient to pay the remaining lease payments when due, (e) exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth. The amount outstanding under this agreement was \$148,000 as of June 30, 2024. Payments for the remaining years are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 17,073	\$ 10,584
2026	18,841	8,444
2027	19,943	7,110
2028	21,110	5,697
2029	22,345	4,202
2030-2031	48,688	3,563
Totals	<u>\$ 148,000</u>	<u>\$ 39,600</u>

**B. Other Debt**

**1. Land Purchase**

In August 2023, the Greenup County Fiscal Court and the Boyd County Fiscal Court entered into a real estate acquisition agreement to purchase land owned by the FIVCO Area Development District. The consideration for the purchase of the land was assumption of a portion of FIVCO's mortgage debt (principal and interest) against the land located in the Northeast Kentucky Regional Industrial Park. Title to the land was assigned by the counties to a private company for the purpose of economic development. The agreement requires five annual payments to be divided equally between the counties and paid in July of each year.

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

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

**B. Other Debt (Continued)**

**1. Land Purchase (Continued)**

The amount outstanding under this agreement for Greenup County was \$59,683 as of June 30, 2024. Payments for the remaining years are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal &amp; Interest</u>
2025	\$ 17,317
2026	17,317
2027	17,317
2028	<u>7,732</u>
Totals	<u>\$ 59,683</u>

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

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

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct Borrowings and Direct Placements	\$ 150,000	\$ 150,000	\$ 148,000	\$ 17,073
Other Debt		<u>17,317</u>	<u>59,683</u>	<u>17,317</u>
Total Long-term Debt	<u>\$ 150,000</u>	<u>\$ 167,317</u>	<u>\$ 207,683</u>	<u>\$ 34,390</u>

**D. Aggregate Debt Schedule**

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

<u>Fiscal Year Ended June 30</u>	<u>Other Debt</u>	<u>Direct Borrowings and Direct Placements</u>	
	<u>Principal &amp; Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 17,317	\$ 17,073	\$ 10,584
2026	17,317	18,841	8,444
2027	17,317	19,943	7,110
2028	7,732	21,110	5,697
2029		22,345	4,202
2030-2031		<u>48,688</u>	<u>3,563</u>
Totals	<u>\$ 59,683</u>	<u>\$ 148,000</u>	<u>\$ 39,600</u>

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

**Note 7. Employee Retirement System**

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

The county's contribution for FY 2022 was \$1,243,010, FY 2023 was \$1,454,572, and FY 2024 was \$1,483,750.

Nonhazardous

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

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

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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

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

Benefits are covered under KRS 78.5536.

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

Once members reach a minimum vesting period of 15 years, they earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5%. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

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

C. Cost of Living Adjustments - Tier 1

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

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

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



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

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

Other Post-Employment Benefits (OPEB) (Continued)

E. Death Benefit

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

F. Ky. Ret. Sys. Annual Financial Report and Proportionate Share Audit Report

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

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

**Note 8. Deferred Compensation**

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

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

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

**Note 9. Health Reimbursement Account/Flexible Spending Account**

- A. The fiscal court allows employees to participate in a health reimbursement account for employees who waive health insurance coverage provided by the fiscal court. The fiscal court contributes \$300, and employees are required to submit adequate documentation for qualified medical expenses to receive reimbursement. Employees forfeit any remaining balance of funds not utilized during the year.
- B. The fiscal court allows employees to participate in a flexible spending account as an additional health benefit. Employees contribute pre-tax funds through payroll deduction and are required to submit adequate documentation for qualified medical expenses to receive reimbursement.

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

**Note 10. Insurance**

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

**Note 11. Payroll Revolving Account**

The reconciled balance of the payroll revolving account was negative \$27,553 as of June 30, 2024, and added to the General Fund cash balance for financial reporting purposes.

**Note 12. Conduit Debt**

From time to time the county has issued bonds to provide financial assistance for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Greenup County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement.

**Note 13. Phone Service Agreement – Technology Grant**

On January 30, 2020, the Greenup County Jailer entered into a four-year contract in the form of a refundable technology grant to be used at the jail's discretion. The grantor will provide the jail \$125,000 over the course of four years. During fiscal year 2024, none of the grant funds were utilized.

**Note 14. Prior Period Adjustments**

- The beginning balance in the General Fund was restated and increased \$7,597 due to prior year voided checks.
- The beginning balance in the General Fund was restated and increased \$1 due to prior year rounding error.
- The beginning balance in the road fund was restated and increased \$249 due to prior year voided checks.
- The beginning balance in the jail fund was restated and increased \$135 due to prior year voided checks.
- The beginning balance in the LGEA Fund was restated and increased \$500 due to prior year voided checks.
- The beginning balance in the Landfill Fund was restated and increased \$491 due to prior year voided checks.
- The beginning balance in the Landfill Fund was restated and increased \$1 due to a prior year rounding error.
- The beginning balance in the E911 Fund was restated and increased \$110 due to a prior year voided check.
- The beginning balance in the ABC Fund was restated and decreased \$1 due to a prior year rounding error.

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

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

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

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

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 5,774,400	\$ 5,774,400	\$ 6,353,433	\$ 579,033
Excess Fees	77,809	77,809	380,925	303,116
Licenses and Permits	77,000	77,000	78,602	1,602
Intergovernmental	400,990	400,990	707,329	306,339
Charges for Services	151,350	151,350	259,450	108,100
Miscellaneous	61,300	61,300	197,432	136,132
Interest	20,000	20,000	108,583	88,583
Total Receipts	6,562,849	6,562,849	8,085,754	1,522,905
<b>DISBURSEMENTS</b>				
General Government	2,324,573	2,618,548	2,235,095	383,453
Protection to Persons and Property	211,500	2,901,231	2,800,389	100,842
General Health and Sanitation	2,857,900	2,945,487	2,728,449	217,038
Social Services	315,000	390,000	354,486	35,514
Recreation and Culture	55,000	328,688	292,619	36,069
Capital Projects	112,500	112,500	69,137	43,363
Administration	4,067,581	2,279,600	1,621,529	658,071
Total Disbursements	9,944,054	11,576,054	10,119,021	1,457,033
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,381,205)	(5,013,205)	(2,033,267)	2,979,938
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds			77,000	77,000
Transfers To Other Funds	(5,618,795)	(5,618,795)	(5,125,110)	493,685
Total Other Adjustments to Cash (Uses)	(5,618,795)	(5,618,795)	(5,048,110)	570,685
Net Change in Fund Balance	(9,000,000)	(10,632,000)	(7,081,377)	3,550,623
Fund Balance - Beginning	9,000,000	10,982,000	11,008,954	26,954
Fund Balance - Ending	\$ 0	\$ 350,000	\$ 3,927,577	\$ 3,577,577

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

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,804,477	\$ 1,804,477	\$ 1,830,501	\$ 26,024
Charges for Services	100	100	100	
Miscellaneous	576,500	576,500	562,804	(13,696)
Interest	500	500	1,992	1,492
Total Receipts	2,381,577	2,381,577	2,395,397	13,820
<b>DISBURSEMENTS</b>				
Roads	4,248,500	4,270,210	4,167,837	102,373
Debt Service	170,000	171,300	155,542	15,758
Capital Projects	290,622	290,622	282,165	8,457
Administration	807,000	783,990	734,121	49,869
Total Disbursements	5,516,122	5,516,122	5,339,665	176,457
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,134,545)	(3,134,545)	(2,944,268)	190,277
<b>Other Adjustments to Cash (Uses)</b>				
Borrowed Money			148,000	148,000
Transfers From Other Funds	3,084,545	3,084,545	2,775,000	(309,545)
Transfers To Other Funds				
Total Other Adjustments to Cash (Uses)	3,084,545	3,084,545	2,923,000	(161,545)
Net Change in Fund Balance	(50,000)	(50,000)	(21,268)	28,732
Fund Balance - Beginning	50,000	50,000	498,067	448,067
Fund Balance - Ending	\$ 0	\$ 0	\$ 476,799	\$ 476,799

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

<b>JAIL FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 936,700	\$ 936,700	\$ 1,291,768	\$ 355,068
Charges for Services	100,500	100,500	57,075	(43,425)
Miscellaneous	41,500	41,500	31,291	(10,209)
Interest	100	100	721	621
Total Receipts	<u>1,078,800</u>	<u>1,078,800</u>	<u>1,380,855</u>	<u>302,055</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	2,048,700	2,511,029	2,438,079	72,950
Administration	<u>1,027,250</u>	<u>914,921</u>	<u>858,792</u>	<u>56,129</u>
Total Disbursements	<u>3,075,950</u>	<u>3,425,950</u>	<u>3,296,871</u>	<u>129,079</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,997,150)</u>	<u>(2,347,150)</u>	<u>(1,916,016)</u>	<u>431,134</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	<u>1,922,150</u>	<u>1,922,150</u>	<u>1,850,000</u>	<u>(72,150)</u>
Total Other Adjustments to Cash (Uses)	<u>1,922,150</u>	<u>1,922,150</u>	<u>1,850,000</u>	<u>(72,150)</u>
Net Change in Fund Balance	(75,000)	(425,000)	(66,016)	358,984
Fund Balance - Beginning	<u>75,000</u>	<u>75,000</u>	<u>125,994</u>	<u>50,994</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (350,000)</u>	<u>\$ 59,978</u>	<u>\$ 409,978</u>

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

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 36,591	\$ (13,409)
Interest	500	500	1,401	901
Total Receipts	50,500	50,500	37,992	(12,508)
<b>DISBURSEMENTS</b>				
Social Services	15,800	30,700	19,827	10,873
Recreation and Culture	20,000	20,000	1,600	18,400
Administration	329,700	314,800		314,800
Total Disbursements	365,500	365,500	21,427	344,073
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(315,000)	(315,000)	16,565	331,565
Net Change in Fund Balance	(315,000)	(315,000)	16,565	331,565
Fund Balance - Beginning	315,000	315,000	323,682	8,682
Fund Balance - Ending	\$ 0	\$ 0	\$ 340,247	\$ 340,247



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

<b>STATE GRANTS FUND</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts, (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 612,000	\$ 612,000	\$ 186,840	\$ (425,160)
Interest	35	35	633	598
Total Receipts	612,035	612,035	187,473	(424,562)
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	411,000	411,000	25,110	385,890
General Health and Sanitation	1,000	1,000		1,000
Capital Projects	200,000	200,000		200,000
Administration	45,035	45,035		45,035
Total Disbursements	657,035	657,035	25,110	631,925
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(45,000)	(45,000)	162,363	207,363
Net Change in Fund Balance	(45,000)	(45,000)	162,363	207,363
Fund Balance - Beginning	45,000	45,000	45,419	419
Fund Balance - Ending	\$ 0	\$ 0	\$ 207,782	\$ 207,782

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

	<b>FEDERAL GRANTS FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,129,620	\$ 1,129,620	\$	\$ (1,129,620)
Interest			54	54
Total Receipts	1,129,620	1,129,620	54	(1,129,566)
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	225,000	225,000		225,000
Roads	754,620	754,620		754,620
Capital Projects	150,000	150,000		150,000
Total Disbursements	1,129,620	1,129,620		1,129,620
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			54	54
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			25,110	25,110
Total Other Adjustments to Cash (Uses)			25,110	25,110
Net Change in Fund Balance			25,164	25,164
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 25,164	\$ 25,164

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

<b>LANDFILL FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Licenses and Permits	\$ 325,000	\$ 325,000	\$ 556,369	\$ 231,369
Intergovernmental	55,000	55,000	55,606	606
Charges for Services			1,700	1,700
Miscellaneous	15,500	15,500	30,802	15,302
Interest	1,000	1,000	3,210	2,210
Total Receipts	396,500	396,500	647,687	251,187
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	60,000	60,000		60,000
General Health and Sanitation	405,500	608,500	591,016	17,484
Administration	806,000	603,000	125,869	477,131
Total Disbursements	1,271,500	1,271,500	716,885	554,615
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(875,000)	(875,000)	(69,198)	805,802
Net Change in Fund Balance	(875,000)	(875,000)	(69,198)	805,802
Fund Balance - Beginning	875,000	875,000	869,298	(5,702)
Fund Balance - Ending	\$ 0	\$ 0	\$ 800,100	\$ 800,100

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

<b>REVOLVING LOAN FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 500	\$ 500	\$ 436	\$ (64)
Total Receipts	500	500	436	(64)
<b>DISBURSEMENTS</b>				
General Government	10,000	10,000	10,000	
General Health and Sanitation	167,200	167,200		167,200
Administration	7,800	7,800		7,800
Total Disbursements	185,000	185,000	10,000	175,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(184,500)	(184,500)	(9,564)	174,936
Net Change in Fund Balance	(184,500)	(184,500)	(9,564)	174,936
Fund Balance - Beginning	184,500	184,500	184,521	21
Fund Balance - Ending	\$ 0	\$ 0	\$ 174,957	\$ 174,957

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

<b>E911 FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 550,000	\$ 550,000	\$ 454,031	\$ (95,969)
Intergovernmental	250,100	250,100	242,496	(7,604)
Charges for Services	12,100	12,100	3,780	(8,320)
Miscellaneous	500	500	1,345	845
Interest	100	100	353	253
Total Receipts	812,800	812,800	702,005	(110,795)
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	1,072,800	1,088,000	845,379	242,621
Administration	452,100	436,900	358,639	78,261
Total Disbursements	1,524,900	1,524,900	1,204,018	320,882
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(712,100)	(712,100)	(502,013)	210,087
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	612,100	612,100	475,000	(137,100)
Total Other Adjustments to Cash (Uses)	612,100	612,100	475,000	(137,100)
Net Change in Fund Balance	(100,000)	(100,000)	(27,013)	72,987
Fund Balance - Beginning	100,000	100,000	42,815	(57,185)
Fund Balance - Ending	\$ 0	\$ 0	\$ 15,802	\$ 15,802

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

	<b>ABC FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Licenses and Permits	\$ 1,700	\$ 1,700	\$ 2,293	\$ 593
Interest	10	10	14	4
Total Receipts	1,710	1,710	2,307	597
<b>DISBURSEMENTS</b>				
Administration	5,310	5,310		5,310
Total Disbursements	5,310	5,310		5,310
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,600)	(3,600)	2,307	5,907
Net Change in Fund Balance	(3,600)	(3,600)	2,307	5,907
Fund Balance - Beginning	3,600	3,600	3,833	233
Fund Balance - Ending	\$ 0	\$ 0	\$ 6,140	\$ 6,140

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

	ARPA FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$	\$	\$ 50,000	\$ 50,000
Interest	500	500	642	142
Total Receipts	500	500	50,642	50,142
<b>DISBURSEMENTS</b>				
Administration	51,500	51,500		51,500
Total Disbursements	51,500	51,500		51,500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(51,000)	(51,000)	50,642	101,642
Net Change in Fund Balance	(51,000)	(51,000)	50,642	101,642
Fund Balance - Beginning	51,000	51,000	50,887	(113)
Fund Balance - Ending	\$ 0	\$ 0	\$ 101,529	\$ 101,529

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

<b>OPIOID SETTLEMENT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 100,000	\$ 100,000	\$ 343,705	\$ 243,705
Interest	500	500	9,998	9,498
Total Receipts	100,500	100,500	353,703	253,203
<b>DISBURSEMENTS</b>				
Administration	401,500	401,500		401,500
Total Disbursements	401,500	401,500		401,500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(301,000)	(301,000)	353,703	654,703
Net Change in Fund Balance	(301,000)	(301,000)	353,703	654,703
Fund Balance - Beginning	301,000	301,000	301,113	113
Fund Balance - Ending	\$ 0	\$ 0	\$ 654,816	\$ 654,816



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

**CLERK'S STORAGE FEE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 51,390	\$ (8,610)
Interest	20	20	14	(6)
Total Receipts	60,020	60,020	51,404	(8,616)
<b>DISBURSEMENTS</b>				
General Government	40,000	58,000	57,142	858
Administration	32,020	14,020		14,020
Total Disbursements	72,020	72,020	57,142	14,878
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(12,000)	(12,000)	(5,738)	6,262
Net Change in Fund Balance	(12,000)	(12,000)	(5,738)	6,262
Fund Balance - Beginning	12,000	12,000	9,798	(2,202)
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,060	\$ 4,060

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

**June 30, 2024**

**Note 1. Budgetary Information**

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

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

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

**Note 2. Reconciliation of the General Fund**

Reconciliation of the General Fund

Other Adjustments to Cash (Uses) - Budgetary Basis	\$ (5,048,110)
To adjust for change in payroll account	<u>(46,180)</u>
Total Other Adjustments to Cash (Use) - Regulatory Basis	<u><u>\$ (5,094,290)</u></u>
 Fund Balance - Ending-Budgetary Basis	 \$ 3,927,577
To adjust for change in payroll account	<u>(46,180)</u>
Total Fund Balance - Ending-Regulatory Basis	<u><u>\$ 3,881,397</u></u>

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

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

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

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

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 3,035,418	\$	\$	\$ 3,035,418
Buildings and Building Improvements	6,093,664			6,093,664
Vehicles and Equipment	3,934,566	645,840	927,355	3,653,051
Other Equipment	778,858	112,305		891,163
Infrastructure	21,809,250	2,048,894	1,870,333	21,987,811
 Total Capital Assets	 <u>\$ 35,651,756</u>	 <u>\$ 2,807,039</u>	 <u>\$ 2,797,688</u>	 <u>\$ 35,661,107</u>

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

**June 30, 2024**

**Note 1. Capital Assets**

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

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

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

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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Bobby Hall, Greenup County Judge/Executive  
Members of the Greenup County Fiscal Court

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Greenup County Fiscal Court for the fiscal year ended June 30, 2024, and the related notes to the financial statement which collectively comprise the Greenup County Fiscal Court's financial statement and have issued our report thereon dated February 13, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Greenup County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Greenup County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greenup County Fiscal Court's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-001 to be a material weakness.



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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items, 2024-002 and 2024-003 to be significant deficiencies.

**Report on Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Greenup County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2024-001.

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

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

**Purpose of this Report**

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

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

February 13, 2025

**GREENUP COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**

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

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**GREENUP COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

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

FINANCIAL STATEMENT FINDINGS:

2024-001    The Greenup County Fiscal Court Did Not Have Controls In Place To Prevent An Error In Financial Reporting

The Greenup County Fiscal Court did not properly record an approved budget amendment on the quarterly report. The budget amendment of \$1,982,000 was properly obtained by the fiscal court; however, the amount was posted twice to an expenditure account on the county's ledgers instead of to a corresponding receipt account. This posting error went undetected prior to the submission of the quarterly report to the Department for Local Government. According to the treasurer, this was the first time she had accounted for a budget amendment and used the incorrect process for posting it. Inadequate controls over the posting process resulted in the undetected errors noted above. As a result, material budget adjustments were necessary to correct the posting error.

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires."

The fiscal court relies on information presented in the quarterly financial reports, and inaccurate information could lead to improper decision making. In addition, KRS 68.210 states, "[t]he administration of the county uniform budget system shall be under the supervision of the state local finance officer who may inspect and shall supervise the administration of accounts and financial operations and shall prescribe and shall install, by July 1, 1985, a system of uniform accounts for all counties and county officials."

The Department for Local Government's (DLG's) *County Budget Preparation and State Local Finance Officer Policy Manual* requires county officials to submit quarterly reports that show, among other things, the amounts from the original budget for each category of receipts and expenditures. The fourth quarter financial report must agree to the original budget and budget amendments submitted to and approved by DLG.

We recommend the fiscal court implement effective internal controls, oversight, and review procedures to ensure all amounts reflected on the fourth quarter financial report are complete and accurate.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: This was our first budget amendment. We made a mistake. We have corrected this mistake. We will not make this mistake again. The best news, all money is accounted for!*

2024-002    The Jail Commissary Purchased Electronic Cigarettes Without Properly Obtaining Bids

The jail commissary purchased electronic cigarettes (e-cigarettes), totaling \$98,518, from two vendors without properly obtaining bids. These purchases consisted of 28 invoices less than \$30,000 each. According to the jail bookkeeper, they forgot to go through the bid process. Furthermore, the jailer did not have controls in place to ensure compliance with bid requirements. Because the jailer did not obtain bids on the e-cigarettes, it cannot be determined if the jailer has procured these items at the best available price.

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

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-002 The Jail Commissary Purchased Electronic Cigarettes Without Properly Obtaining Bids

Greenup County's Administrative Code section 9.2(A) states, "The agency, department or person requiring supplies, services or construction shall submit to the County Judge a request containing specifications and quantities desired."

Good internal controls dictate that the jailer follow guidelines set forth for bid requirements to ensure that the best price is obtained.

We recommend that the jailer properly obtain bids for e-cigarettes and any other purchases that meet the requirements of the Greenup County Administrative Code and the adopted Model Procurement Code.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: This has been corrected!*

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

2024-003 The Jail Does Not Have Adequate Segregation Of Duties Over Jail Commissary Transactions

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The jail does not have adequate segregation of duties over jail commissary transactions. A deficiency occurs when someone has custody over assets and the responsibility of recording financial transactions. The bookkeeper for the jail commissary prepares deposits, prepares daily checkout sheets, and posts to the receipts ledger. In addition, the bookkeeper prepares monthly collection and disbursement reports, posts to the disbursements ledger, and prepares monthly bank reconciliations. The jailer has been informed of this issue and has failed to segregate duties or to implement and document compensating controls sufficient to offset the weakness noted.

Inadequate segregation of duties allows one person to have a significant role in processing and recording receipts and disbursements, which increases the risk that misappropriation of assets and inaccurate financial reporting will occur and be undetected. The jailer does not have procedures and controls in place to adequately segregate duties.

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." The review of the receipts and disbursement processing and reconciliations are basic internal controls necessary to ensure the accuracy and reliability of financial reports.

A strong internal control system requires the duties of receiving, recording, disbursing, and reporting to be segregated to decrease the risk of misappropriation of assets, errors, and inaccurate financial reporting to external agencies. Although the jailer has implemented some compensating controls, such as dual signatures on checks and recounting the daily deposits, they do not eliminate the risk associated with inadequate segregation of duties.

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

FINANCIAL STATEMENT FINDINGS: (Continued)

2024-003 The Jail Does Not Have Adequate Segregation Of Duties Over Jail Commissary Transactions  
(Continued)

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We recommend the jailer either segregate duties adequately or implement and document compensating controls. If these duties cannot be segregated, the jailer should implement additional compensating controls to help offset this weakness such as:

- Recount the daily deposit and verify that it agrees to the daily checkout sheet.
- Agree daily checkout sheet to the receipts ledger and deposit slip.
- Review the monthly reports and agree them to the receipts ledger and disbursements ledger.
- Review the monthly bank reconciliation and trace transactions to source documents.

The jailer should initial these documents as proof of his review.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: This has been corrected!*

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

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

**GREENUP COUNTY FISCAL COURT**

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

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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

  
County Judge/Executive

  
County Treasurer