REPORT OF THE AUDIT OF THE
LOGAN COUNTY
FISCAL COURT

For The Year Ended
June 30, 2025

ALLISON BALL
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Allison Ball
Auditor of Public Accounts

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Phillip Baker, Logan County Judge/Executive
Members of the Logan 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 Logan County Fiscal Court, for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the Logan 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 Logan County Fiscal Court, for the year ended June 30, 2025, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

To the People of Kentucky
The Honorable Andy Beshear, Governor
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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 Logan 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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Logan 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 Logan County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

Other Information

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the Logan 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 Logan County Fiscal Court's internal control over financial reporting and compliance.

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

2025-001 The Logan County Fiscal Court Failed To Properly Record An Inter-Account Transfer
2025-002 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements
2025-003 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts

Respectfully submitted,

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 13, 2026

LOGAN COUNTY OFFICIALS

For The Year Ended June 30, 2025

Fiscal Court Members:

Phillip Baker	County Judge/Executive
Tyler Davenport	Magistrate
Jamie Goodwin	Magistrate
Chris Wilcutt	Magistrate
Jason Harper	Magistrate
Anne Crawford	Magistrate
Thomas Bouldin	Magistrate

Other Elected Officials:

Joe Ross	County Attorney
Joshua Toomey	Jailer
Stacy Watkins	County Clerk
Mary Orange	Circuit Court Clerk
Stephen Stratton	Sheriff
Timothy Rainwaters	Property Valuation Administrator
Ben Kemplin	Coroner

Appointed Personnel:

Amanda Stratton	County Treasurer
Karen Taylor	Finance Officer

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

For The Year Ended June 30, 2025

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

For The Year Ended June 30, 2025

	Budgeted Funds		
	General Fund	**Road Fund**	**Jail Fund**
RECEIPTS			
Taxes	$ 3,294,280	$	$
In Lieu Tax Payments	256,215		
Licenses and Permits	19,701		
Intergovernmental	2,565,612	2,480,625	1,017,880
Charges for Services			37,716
Miscellaneous	933,439	6,577	180,858
Interest	54,720	53,287	6,850
Total Receipts	7,123,967	2,540,489	1,243,304
DISBURSEMENTS			
General Government	6,333,597	362	
Protection to Persons and Property	927,230		2,987,007
General Health and Sanitation	300		
Social Services	550		
Recreation and Culture	54,254		
Roads		1,789,709	
Airports			
Debt Service			
Capital Projects		95,363	
Administration	1,137,956	338,294	941,189
Total Disbursements	8,453,887	2,223,728	3,928,196
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,329,920)	316,761	(2,684,892)
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	3,261,294	25,000	2,651,353
Transfers To Other Funds	(1,611,294)		
Total Other Adjustments to Cash (Uses)	1,650,000	25,000	2,651,353
Net Change in Fund Balance	320,080	341,761	(33,539)
Fund Balance - Beginning (Restated)	308,487	113,847	104,333
Fund Balance - Ending	$ 628,567	$ 455,608	$ 70,794
Composition of Fund Balance			
Bank Balance	$ 695,802	$ 901,940	$ 160,011
Less: Outstanding Checks	(67,235)	(446,332)	(89,217)
Fund Balance - Ending	$ 628,567	$ 455,608	$ 70,794

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

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

Budgeted Funds						
Local Government Economic Assistance Fund	Federal Grants Fund	Solid Waste Fund	Parks and Recreation Fund	Occupational Tax Fund	Lifeskills Revolving Loan Fund	911 Fund
$	$	$	$	$ 5,032,174	$	$ 346,511
		143,710				
2,275,924		76,989	3,000,000			
22,850						
111,848		19,222			599	3,766
6,247		17,315	91,352	197,183	6,673	5,882
2,416,869		257,236	3,091,352	5,229,357	7,272	356,159
2,236,164				892,516	599	
						1,358,596
291,920		259,435				
29,150						
278,499			25,250			
63,111						
141,442		64,163		42,048		328,268
3,040,286		323,598	25,250	934,564	599	1,686,864
(623,417)		(66,362)	3,066,102	4,294,793	6,673	(1,330,705)
615,000						1,125,000
				(6,065,550)		
615,000				(6,065,550)		1,125,000
(8,417)		(66,362)	3,066,102	(1,770,757)	6,673	(205,705)
25,210	55	478,569	1,656,503	6,207,373	160,475	249,995
$ 16,793	$ 55	$ 412,207	$ 4,722,605	$ 4,436,616	$ 167,148	$ 44,290
$ 30,356	$ 55	$ 415,145	$ 4,722,605	$ 4,437,537	$ 167,148	$ 83,194
(13,563)		(2,938)		(921)		(38,904)
$ 16,793	$ 55	$ 412,207	$ 4,722,605	$ 4,436,616	$ 167,148	$ 44,290

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

	Budgeted Funds			
	County Clerk Storage Fees Fund	America Rescue Plan Act Fund	National Opioid Settlement Fund	Special Reserve Fund
RECEIPTS				
Taxes	$	$	$	$
In Lieu Tax Payments				
Licenses and Permits				
Intergovernmental				
Charges for Services				
Miscellaneous	52,130		87,667	
Interest	4,491	70,465	15,504	231,231
Total Receipts	56,621	70,465	103,171	231,231
DISBURSEMENTS				
General Government	13,276			
Protection to Persons and Property				
General Health and Sanitation				
Social Services				
Recreation and Culture				
Roads				
Airports				
Debt Service				
Capital Projects		1,143,974		
Administration				
Total Disbursements	13,276	1,143,974		
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	43,345	(1,073,509)	103,171	231,231
Other Adjustments to Cash (Uses)				
Transfers From Other Funds				1,611,844
Transfers To Other Funds		(1,611,294)		
Total Other Adjustments to Cash (Uses)		(1,611,294)		1,611,844
Net Change in Fund Balance	43,345	(2,684,803)	103,171	1,843,075
Fund Balance - Beginning (Restated)	87,202	3,400,454	313,799	4,398,912
Fund Balance - Ending	$ 130,547	$ 715,651	$ 416,970	$ 6,241,987
Composition of Fund Balance				
Bank Balance	$ 132,923	$ 715,651	$ 416,970	$ 6,241,987
Less: Outstanding Checks	(2,376)			
Fund Balance - Ending	$ 130,547	$ 715,651	$ 416,970	$ 6,241,987

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

Unbudgeted Funds				Internal Service Fund
Public Properties Corporation Detention Center Fund	Public Properties Corporation Justice Center Fund	Jail Commissary Fund	Total Funds	Health Insurance Fund
$	$	$	$ 8,672,965	$
			256,215	
			163,411	
	1,070,600		12,487,630	
			60,566	
		76,418	1,472,524	2,244,270
4,233			765,433	62,039
4,233	1,070,600	76,418	23,878,744	2,306,309
			9,476,514	
			5,272,833	
			551,655	741,634
			29,700	
		223,530	581,533	
			1,789,709	
			63,111	
336,600	1,069,100		1,405,700	
			1,239,337	
			2,993,360	
336,600	1,069,100	223,530	23,403,452	741,634
(332,367)	1,500	(147,112)	475,292	1,564,675
			9,289,491	
(1,353)			(9,289,491)	
(1,353)				
(333,720)	1,500	(147,112)	475,292	1,564,675
333,720	3,856	259,728	18,102,518	403,396
$ 0	$ 5,356	$ 112,616	$ 18,577,810	$ 1,968,071
$	$ 5,356	$ 117,168	$ 19,243,848	$ 1,968,071
		(4,552)	(666,038)	
$ 0	$ 5,356	$ 112,616	$ 18,577,810	$ 1,968,071

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

LOGAN COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The Logan County Tourist and Convention Commission would have been included in the reporting entity under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, it no longer is a required component of the reporting entity. Audits can be obtained from the Logan County Fiscal Court 200 West Fourth Street, Russellville, KY 42276.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

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

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

Federal Grants Fund - The primary purpose of this fund is to account for Coronavirus Relief Fund and related disbursements. The primary sources of receipts for this fund are grants from the federal government.

Solid Waste Fund - The primary purpose of this fund is to account for solid waste management receipts and related disbursements. The primary source of receipts for this fund is the off-site waste management fees.

Parks and Recreation Fund - The primary purpose of this fund is to account for parks and recreation projects and their revenues and related disbursements. The primary source of receipts for this fund were transfers in from the General Fund and Occupational Tax Fund.

Occupational Tax Fund - The primary purpose of this fund is to account for occupational and net profit taxes. The primary sources of receipts for this fund are taxes collected for occupational license fees and net profit taxes. These receipts are transferred to other funds as needed.

Lifeskills Revolving Loan Fund - The primary purpose of this fund is to account for the proceeds of specific revenue sources and related disbursements that are legally restricted for specific purposes. These funds were received as a repayment of a revolving loan connected to a federal grant. Under the grant agreement, these funds must be used for community or economic development activities.

911 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.

County Clerk Storage Fees 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.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for activity related to American Rescue Plan Act passed in 2021. The primary sources of receipts for this fund are federal grant monies.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

National Opioid Settlement Fund - The primary purpose of this fund is to account for funds used to combat the county 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.

Special Reserve Fund - The primary purpose of this fund is to account for special revenue sources and related disbursements. The primary source of receipts for this fund is interest earned.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Properties Corporation Detention Center Fund - The primary purpose of this fund is to account for debt service requirements of the revenue refunding bonds issued to advance refund revenue bonds that funded the construction of the detention center. The Department for Local Government does not require the fiscal court to budget these funds.

Public Properties Corporation Justice Center Fund - The primary purpose of this fund is to account for debt service requirements of the revenue refunding bonds issued to advance refund revenue bonds that funded the construction of the justice center. The Department for Local Government does not require the fiscal court to budget these funds.

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.

Internal Service Fund

The fiscal court reports the following internal service fund:

Health Insurance Fund - The primary purpose of this fund is to account for contributions, claims, and fees for self-insured employee health insurance.

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.

LOGAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(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 Jail Commissary Fund to be budgeted because the fiscal court does not approve the expenses of this fund.

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

E. Logan County Elected Officials

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

LOGAN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(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 Organizations and Joint Ventures

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

East Logan Water District
North Logan Water District
Logan County Search and Rescue Squad

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

Planning and Zoning

Regional governments or other multi-governmental arrangements that are governed by representatives from each of the governments that created the organizations but are not joint ventures because the participants do not retain an ongoing financial interest or responsibility is a jointly governed organization. The Logan County Fiscal Court, along with four cities, appoints members to the following boards but have no financial interest, thus creating joint governed organizations.

Logan Industrial Development Authority, Inc.
Russellville-Logan County Airport

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.

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

Note 2. Deposits (Continued)

Custodial Credit Risk - Deposits

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

Note 3. Transfers

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

	General Fund	Occupational Tax Fund	ARPA Fund	Public Properties Corporation Detention Center Fund	Total Transfers In
General Fund	$	$ 1,650,000	$ 1,611,294	$	$ 3,261,294
Road Fund		25,000			25,000
Jail Fund		2,650,000		1,353	2,651,353
LGEA Fund		615,000			615,000
911 Fund		1,125,000			1,125,000
Special Reserve Fund	1,611,294	550			1,611,844
Total Transfers Out	$ 1,611,294	$ 6,065,550	$ 1,611,294	$ 1,353	$ 9,289,491

Reason for transfers:

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

Note 4. Custodial Funds

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

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the Jail Inmate Fund as of June 30, 2025, was $264,367.

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

Note 5. Commitments – Lease Agreements and Subscription-Based Information Technology Arrangements (SBITA)

A. Leases – Lessor

The Logan County Fiscal Court was committed to the following lease agreements as lessor as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Logan County Child Support	1/1/2011	1 Year	Monthly	Renewable	$ 12,000	$ 0
Logan County Tourism	3/1/2012	1 Year	Monthly	7/4/2025	$ 4,000	$ 0
Ross & Teel LLP	7/27/2021	1 Year	Annually	Renewable	$ 1,000	$ 0
Administrative Office of the Courts	3/9/2016	12 Years	Semi-annual	2/1/2028	$ 1,069,100	$ 3,202,850

The Amount of Payments listed is the value of principal and interest payments received this fiscal year. Future payment amounts will vary based on the debt schedule at Note 6.A.2.

B. Leases – Lessee

The Logan County Fiscal Court was committed to the following lease agreements as lessee as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Logan Telephone Cooperative	7/1/2013	1 Year	Monthly	Renewable	$ 900	$ 900
Logan Todd Baptist Association	7/1/2014	1 Year	Monthly	Renewable	$ 1,500	$ 1,500
NetGreene/ Crosspath	10/15/2021	5 Years	Monthly	10/15/2026	$ 6,386	$ 8,504
Konica Minolta	3/26/2025	5 Years	Monthly	3/26/2030	$ 424	$ 12,286

C. Subscription-Based Information Technology Arrangements (SBITA)

The Logan County Fiscal Court was committed to the following SBITAs as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Software Management	7/1/2024	5 years	Monthly	6/30/2029	$ 14,256	$ 57,024

Note 6. Long-term Debt

A. Other Debt

1. First Mortgage Revenue Refunding Bonds (Detention Facilities Project), Series 2010

On March 4, 2010, the Logan County Public Properties Corporation issued First Mortgage Revenue Refunding Bonds (Detention Facilities Project), Series 2010, to refund the First Mortgage Revenue Bonds (Detention Facility Project), Series 1998. The total bond issue was in the amount of $3,835,000, with interest rates varying between 2% and 4%. Interest is payable on March 1 and September 1 of each year. Principal is payable annually on September 1.

Note 6. Long-term Debt (Continued)

A. Other Debt (Continued)

1. First Mortgage Revenue Refunding Bonds (Detention Facilities Project), Series 2010 (Continued)

Upon the happening and continuance of any event of default to protect and enforce its rights and the rights of the owners of the bonds by such of the following remedies, as the trustee, being advised by counsel, will deem most effectual to protect and enforce such rights:

By enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, and in such event the trustee will take over possession, custody and control of the project site and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds. Provided, however, that no such foreclosure sale will result in a deficiency judgment of any type or in any amount against AOC, the county, or the corporation, and until such sale the county may at any time by the discharge of the bonds and interest and any premium thereon receive an unencumbered fee simple title to the mortgaged facilities; provided that in the event of any such enforcement of said lien by the trustee, there will first be paid all expenses incident to said document, and thereafter the bonds then outstanding will be paid and retired.

By declaring all Bonds due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 50% in a principal amount of the outstanding bonds, by annulling such declaration and its consequences. The total principal and interest balance outstanding as of June 30, 2025, was $0. The bond is paid in full.

2. First Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2016

On March 9, 2016, the Logan County Public Properties Corporation issued First Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2016, to refund the First Mortgage Revenue Bonds (Justice Center Project), Series 2008. The total bond issue was in the amount of $7,595,000, with interest rates varying between 3.5% and 4%. Interest is payable on March 1 and September 1 of each year. Principal is payable annually on February 1 beginning February 1, 2020.

Upon the happening and continuance of any event of default to protect and enforce its rights and the rights of the owners of the bonds by such of the following remedies, as the trustee, being advised by counsel, will deem most effectual to protect and enforce such rights:

By enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, and in such event the trustee will take over possession, custody and control of the project site and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds. Provided, however, that no such foreclosure sale will result in a deficiency judgment of any type or in any amount against AOC, the county, or the corporation, and until such sale the county may at any time by the discharge of the bonds and interest and any premium thereon receive an unencumbered fee simple title to the mortgaged facilities; provided that in the event of any such enforcement of said lien by the trustee, there will first be paid all expenses incident to said document, and thereafter the bonds then outstanding will be paid and retired.

By declaring all Bonds due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 25% in a principal amount of the outstanding bonds, by annulling such declaration and its consequences.

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

Note 6. Long-term Debt (Continued)

A. Other Debt (Continued)

2. First Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2016 (Continued)

Total principal balance outstanding as of June 30, 2025, was $3,020,000. Future principal and interest requirements are as follows:

Fiscal Year Ending June 30	Scheduled Principal	Scheduled Interest
2026	$ 980,000	$ 90,600
2027	1,005,000	61,200
2028	1,035,000	31,050
Totals	$ 3,020,000	$ 182,850

B. Changes In Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
First Mortgage Revenue Refunding Bonds	$ 4,300,000	$ 0	$ 1,280,000	$ 3,020,000	$ 980,000
Total Long-term Debt	$ 4,300,000	$ 0	$ 1,280,000	$ 3,020,000	$ 980,000

C. Aggregate Debt Schedule

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

Fiscal Year Ended June 30	Other Debt	
	Principal	Interest
2026	$ 980,000	$ 90,600
2027	1,005,000	61,200
2028	1,035,000	31,050
Totals	$ 3,020,000	$ 182,850

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

Note 7. Contingencies

The county is involved in multiple lawsuits. While individually they may not be significant, in the aggregate they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

Note 8. Commitment Debt

A. Airport Board

On November 20, 2023, the Russellville-Logan County Airport entered into a promissory note in the amount of $1,900,000. The Logan County Fiscal Court and the City of Russellville each signed as guarantors on this promissory note.

B. Logan Industrial Development Authority, Inc.

On December 27, 2024, the Logan Industrial Development Authority entered into a promissory note in the amount of $5,000,000. The Logan County Fiscal Court and the City of Russellville each signed as guarantors on this promissory note.

Note 9. Employee Retirement System

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

The county's contribution for FY 2023 was $1,292,036, FY 2024 was $1,267,772, and FY 2025 was $1,177,629.

Nonhazardous

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

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

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

Note 9. Employee Retirement System (Continued)

Nonhazardous (Continued)

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

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

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Benefits are covered under KRS 78.5536.

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.

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

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

C. Cost of Living Adjustments - Tier 1

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

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

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

E. Death Benefit

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

F. Annual Financial Report and Proportionate Share Audit Report

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

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

Note 10. Deferred Compensation

The Logan 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.

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

Note 10. Deferred Compensation (Continued)

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

Note 11. Health Reimbursement Account/Flexible Spending Account

The Logan County Fiscal Court has established a health reimbursement account (HRA) and a flexible spending account (FSA) to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides $2,000 each year to an HRA for employees who choose employee only plans and $4,000 each year to an HRA for employees with spouse, child, or family plans. The fiscal court contributes $350 per month in taxable income which can either be added to the employee's biweekly payroll, be used for FSA Funds up to $2,750, for employees who choose to waive health insurance. Employees may also contribute additional pre-tax funds through payroll deduction. The balance of the health reimbursement account as of June 30, 2025, was $164,245. The balance of the flexible spending account as of June 30, 2025, was $6,549.

Note 12. Insurance

For the fiscal year ended June 30, 2025, the Logan 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 13. Self-Insurance

The Logan County Fiscal Court elected to begin a partially self-funded health insurance plan on June 20, 2020. This partially self-funded insurance plan covers all employees. Logan County elected to purchase a stop-loss insurance policy to cover losses from individual and aggregate claims once the county reached the individual and aggregate attachment points. Employees are required to assume liability for claims in excess of maximum lifetime reimbursements established by the insurance company. During fiscal year 2025, the Logan County Fiscal Court's health insurance fund had a beginning balance of $403,396. The fund received $2,306,309 and disbursed $741,634. The health insurance fund had a balance of $1,968,071 as of June 30, 2025.

Note 14. Subsequent Events

A. On January 14, 2026, the Logan County Fiscal Court approved the purchase agreement with H&H Sheetmetal Fabricators, Inc. for approximately 241 acres of land for a total cost of $3,615,000 with a down payment amount of $2,000,000 to be paid in the next fiscal year. The remaining will be financed on a seven-year loan with a 0% interest rate with annual payments beginning in Fiscal Year 2027.

B. On July 22, 2025, the Logan County Fiscal Court approved to move forward with filing an Intent to Finance applications with the Department for Local Government for the Logan County Sheriff's Department Vehicle Lease Program in the amount of $759,201 for the lease of 11 vehicles for a 5-year term.

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

Note 14. Subsequent Events (Continued)

C. On July 22, 2025, the Logan County Fiscal Court approved an agreement for the replacement of the bridge on Liberty Church Road for $457,620. This is expected to be reimbursed through a state grant; however, the grant has not yet been awarded as of the date of these financial statements.

Note 15. Related Party Transactions

A. The Logan County Attorney received office space from the fiscal court for his role as county attorney. This space is also shared with his private practice and child support, they each paid $1,000 and $12,000 for rent; respectively to the fiscal court for fiscal year June 30, 2025.

B. One of Logan County Fiscal Court's magistrates used another business to bill purchases or labor performed by his business. For the fiscal year, there was a total of $983 paid that appears to be a result of this activity.

Note 16. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to third parties that are not a part of the issuer's financial reporting entity 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 Logan County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2025, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 17. Tax Abatements

A. Champion Petfoods USA, Inc.

The occupational tax was abated under the authority of the Logan County Fiscal Court. Champion Petfoods USA, Inc. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit in an amount up to 0.33 percent of the county's occupational license fee. Champion Petfoods USA, Inc. made the commitment to create and/or retain jobs by building a new pet food processing, warehousing, and distribution facility. The performance term of the tax abatement is 10 years from the activation of the incentive program. For fiscal year ended June 30, 2025, the Logan County Fiscal Court abated $52,275.

B. Ventra Plastics

The occupational tax was abated under the authority of the Logan County Fiscal Court. Ventra Plastics is eligible to receive this tax abatement due as a result of its commitment to locate and create jobs and investments regarding an expansion in Logan County. The taxes are abated by granting of a credit of 0.27 percent of the county's occupational license fee for respective salaries and wages for any position created or any new hire resulting directly from the company's planned expansion. Ventra Plastics made the commitment to locate and create jobs and investments regarding an expansion. The performance term of the tax abatement is 10 years from the activation of the incentive program. Ventra Plastics was suspended from this incentive program during fiscal year June 30, 2023, and did not obtain good standing status until April 9, 2024. The term of this abatement ended at January 29, 2015, which was 10 years from activation. For fiscal year ended June 30, 2025, the Logan County Fiscal Court abated zero occupational taxes.

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

Note 17. Tax Abatements (Continued)

C. Logan Aluminum, Inc.

The occupational tax was abated under the authority of the Logan County Fiscal Court. Logan Aluminum Inc. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit of 0.75 percent of the county's occupational license fee. Logan Aluminum Inc. made the commitment regarding an expansion which involves a substantial investment in property and equipment and creating new jobs. The performance term of the tax abatement is 10 years from the activation of the incentive program. For fiscal year ended June 30, 2025, the Logan County Fiscal Court abated $133,157.

D. Tri-Arrows Aluminum, Inc.

The occupational tax was abated under the authority of the Logan County Fiscal Court. Tri-Arrows Aluminum, Inc. is eligible to receive this tax abatement due as a result of its commitment to creating and/or retaining jobs in Logan County. The taxes are abated by granting of a credit of 0.75 percent of the county's occupational license fee. Tri-Arrows Aluminum, Inc. made the commitment regarding an expansion which involves a substantial investment in property and equipment and creating new jobs. The performance term of the tax abatement is 10 years from the activation of the incentive program. For fiscal year ended June 30, 2025, the Logan County Fiscal Court abated $103,435.

Note 18. Prior Period Adjustments

	General Fund	Health Insurance Fund
Ending Fund Balances Prior Year	$ 305,539	$ 403,397
Rounding		(1)
Prior Year Voided Checks	2,948	
Beginning Fund Balances Restated	$ 308,487	$ 403,396

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LOGAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

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LOGAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 2,614,300	$ 2,614,300	$ 3,294,280	$ 679,980
In Lieu Tax Payments	225,232	225,232	256,215	30,983
Licenses and Permits	30,000	30,000	19,701	(10,299)
Intergovernmental	2,193,878	2,212,419	2,565,612	353,193
Miscellaneous	220,300	600,763	933,439	332,676
Interest	47,900	47,900	54,720	6,820
Total Receipts	5,331,610	5,730,614	7,123,967	1,393,353
DISBURSEMENTS				
General Government	7,506,651	7,592,554	6,333,597	1,258,957
Protection to Persons and Property	761,905	1,023,405	927,230	96,175
General Health and Sanitation	300	300	300	
Social Services	1,000	1,000	550	450
Recreation and Culture	58,000	58,000	54,254	3,746
Administration	1,366,500	1,370,174	1,137,956	232,218
Total Disbursements	9,694,356	10,045,433	8,453,887	1,591,546
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(4,362,746)	(4,314,819)	(1,329,920)	2,984,899
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	4,062,746	4,062,746	3,261,294	(801,452)
Transfers To Other Funds			(1,611,294)	(1,611,294)
Total Other Adjustments to Cash (Uses)	4,062,746	4,062,746	1,650,000	(2,412,746)
Net Change in Fund Balance	(300,000)	(252,073)	320,080	572,153
Fund Balance - Beginning	300,000	300,000	308,487	8,487
Fund Balance - Ending	$ 0	$ 47,927	$ 628,567	$ 580,640

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 2,539,977	$ 2,539,977	$ 2,480,625	$ (59,352)
Miscellaneous	600	600	6,577	5,977
Interest	41,200	41,200	53,287	12,087
Total Receipts	2,581,777	2,581,777	2,540,489	(41,288)
DISBURSEMENTS				
General Government	500	500	362	138
Roads	2,540,434	2,555,825	1,789,709	766,116
Capital Projects	200,000	200,000	95,363	104,637
Administration	420,716	434,210	338,294	95,916
Total Disbursements	3,161,650	3,190,535	2,223,728	966,807
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(579,873)	(608,758)	316,761	925,519
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	479,873	479,873	25,000	(454,873)
Total Other Adjustments to Cash (Uses)	479,873	479,873	25,000	(454,873)
Net Change in Fund Balance	(100,000)	(128,885)	341,761	470,646
Fund Balance - Beginning	100,000	100,000	113,847	13,847
Fund Balance - Ending	$ 0	$ (28,885)	$ 455,608	$ 484,493

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 1,212,903	$ 1,212,903	$ 1,017,880	$ (195,023)
Charges for Services	31,400	31,400	37,716	6,316
Miscellaneous	132,124	133,736	180,858	47,122
Interest	6,500	6,500	6,850	350
Total Receipts	1,382,927	1,384,539	1,243,304	(141,235)
DISBURSEMENTS				
Protection to Persons and Property	2,923,103	3,002,862	2,987,007	15,855
Debt Service	331,969	331,969		331,969
Administration	1,139,984	1,062,713	941,189	121,524
Total Disbursements	4,395,056	4,397,544	3,928,196	469,348
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,012,129)	(3,013,005)	(2,684,892)	328,113
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	2,912,129	2,912,129	2,651,353	(260,776)
Total Other Adjustments to Cash (Uses)	2,912,129	2,912,129	2,651,353	(260,776)
Net Change in Fund Balance	(100,000)	(100,876)	(33,539)	67,337
Fund Balance - Beginning	100,000	100,000	104,333	4,333
Fund Balance - Ending	$ 0	$ (876)	$ 70,794	$ 71,670

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

	LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 3,766,427	$ 3,767,573	$ 2,275,924	$ (1,491,649)
Charges for Services	8,775	8,775	22,850	14,075
Miscellaneous		109,481	111,848	2,367
Interest	1,500	1,500	6,247	4,747
Total Receipts	3,776,702	3,887,329	2,416,869	(1,470,460)
DISBURSEMENTS				
General Government	3,883,127	3,882,528	2,236,164	1,646,364
General Health and Sanitation	311,555	323,182	291,920	31,262
Social Services	46,650	46,650	29,150	17,500
Recreation and Culture	179,186	283,186	278,499	4,687
Airports	63,111	63,111	63,111	
Administration	156,839	156,843	141,442	15,401
Total Disbursements	4,640,468	4,755,500	3,040,286	1,715,214
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(863,766)	(868,171)	(623,417)	244,754
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	838,766	838,766	615,000	(223,766)
Total Other Adjustments to Cash (Uses)	838,766	838,766	615,000	(223,766)
Net Change in Fund Balance	(25,000)	(29,405)	(8,417)	20,988
Fund Balance - Beginning	25,000	25,000	25,210	210
Fund Balance - Ending	$ 0	$ (4,405)	$ 16,793	$ 21,198

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

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Total Receipts	$	$	$	$
DISBURSEMENTS				
Administration	55	55		55
Total Disbursements	55	55		55
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(55)	(55)		55
Net Change in Fund Balance	(55)	(55)		55
Fund Balance - Beginning	55	55	55	
Fund Balance - Ending	$ 0	$ 0	$ 55	$ 55

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

	SOLID WASTE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Licenses and Permits	$ 102,000	$ 102,000	$ 143,710	$ 41,710
Intergovernmental	54,285	54,285	76,989	22,704
Miscellaneous	14,100	14,100	19,222	5,122
Interest	18,100	18,100	17,315	(785)
Total Receipts	188,485	188,485	257,236	68,751
DISBURSEMENTS				
General Health and Sanitation	354,445	354,454	259,435	95,019
Administration	244,040	257,192	64,163	193,029
Total Disbursements	598,485	611,646	323,598	288,048
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(410,000)	(423,161)	(66,362)	356,799
Net Change in Fund Balance	(410,000)	(423,161)	(66,362)	356,799
Fund Balance - Beginning	410,000	410,000	478,569	68,569
Fund Balance - Ending	$ 0	$ (13,161)	$ 412,207	$ 425,368

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

	PARKS AND RECREATION FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$	$ 3,000,000	$ 3,000,000	$
Interest	38,000	38,000	91,352	53,352
Total Receipts	38,000	3,038,000	3,091,352	53,352
DISBURSEMENTS				
Recreation and Culture	1,692,000	4,692,000	25,250	4,666,750
Total Disbursements	1,692,000	4,692,000	25,250	4,666,750
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,654,000)	(1,654,000)	3,066,102	4,720,102
Net Change in Fund Balance	(1,654,000)	(1,654,000)	3,066,102	4,720,102
Fund Balance - Beginning	1,654,000	1,654,000	1,656,503	2,503
Fund Balance - Ending	$ 0	$ 0	$ 4,722,605	$ 4,722,605

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

	OCCUPATIONAL TAX FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 4,269,000	$ 4,269,000	$ 5,032,174	$ 763,174
Interest	270,000	270,000	197,183	(72,817)
Total Receipts	4,539,000	4,539,000	5,229,357	690,357
DISBURSEMENTS				
General Government	401,289	926,336	892,516	33,820
Administration	270,978	45,931	42,048	3,883
Total Disbursements	672,267	972,267	934,564	37,703
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	3,866,733	3,566,733	4,294,793	728,060
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(9,566,733)	(9,566,733)	(6,065,550)	3,501,183
Total Other Adjustments to Cash (Uses)	(9,566,733)	(9,566,733)	(6,065,550)	3,501,183
Net Change in Fund Balance	(5,700,000)	(6,000,000)	(1,770,757)	4,229,243
Fund Balance - Beginning	5,700,000	5,700,000	6,207,373	507,373
Fund Balance - Ending	$ 0	$ (300,000)	$ 4,436,616	$ 4,736,616

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

	LIFESKILLS REVOLVING LOAN FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$	$	$ 599	$ 599
Interest	6,200	6,200	6,673	473
Total Receipts	6,200	6,200	7,272	1,072
DISBURSEMENTS				
General Government	166,631	167,231	599	166,632
Total Disbursements	166,631	167,231	599	166,632
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(160,431)	(161,031)	6,673	167,704
Net Change in Fund Balance	(160,431)	(161,031)	6,673	167,704
Fund Balance - Beginning	160,431	160,431	160,475	44
Fund Balance - Ending	$ 0	$ (600)	$ 167,148	$ 167,748

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

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 310,000	$ 310,000	$ 346,511	$ 36,511
Miscellaneous	100	3,818	3,766	(52)
Interest	8,900	8,900	5,882	(3,018)
Total Receipts	319,000	322,718	356,159	33,441
DISBURSEMENTS				
Protection to Persons and Property	1,450,472	1,457,690	1,358,596	99,094
Administration	395,400	391,900	328,268	63,632
Total Disbursements	1,845,872	1,849,590	1,686,864	162,726
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,526,872)	(1,526,872)	(1,330,705)	196,167
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,272,669	1,272,669	1,125,000	(147,669)
Total Other Adjustments to Cash (Uses)	1,272,669	1,272,669	1,125,000	(147,669)
Net Change in Fund Balance	(254,203)	(254,203)	(205,705)	48,498
Fund Balance - Beginning	254,203	254,203	249,995	(4,208)
Fund Balance - Ending	$ 0	$ 0	$ 44,290	$ 44,290

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

	COUNTY CLERK STORAGE FEES FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 52,524	$ 52,524	$ 52,130	$ (394)
Interest	2,200	2,200	4,491	2,291
Total Receipts	54,724	54,724	56,621	1,897
DISBURSEMENTS				
General Government	141,804	141,804	13,276	128,528
Total Disbursements	141,804	141,804	13,276	128,528
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(87,080)	(87,080)	43,345	130,425
Net Change in Fund Balance	(87,080)	(87,080)	43,345	130,425
Fund Balance - Beginning	87,080	87,080	87,202	122
Fund Balance - Ending	$ 0	$ 0	$ 130,547	$ 130,547

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

	AMERICA RESCUE PLAN ACT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 156,000	$ 156,000	$ 70,465	$ (85,535)
Total Receipts	156,000	156,000	70,465	(85,535)
DISBURSEMENTS				
Capital Projects	3,225,504	1,614,210	1,143,974	470,236
Administration	332,060	332,060		332,060
Total Disbursements	3,557,564	1,946,270	1,143,974	802,296
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,401,564)	(1,790,270)	(1,073,509)	716,761
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(1,611,294)	(1,611,294)
Total Other Adjustments to Cash (Uses)			(1,611,294)	(1,611,294)
Net Change in Fund Balance	(3,401,564)	(1,790,270)	(2,684,803)	(894,533)
Fund Balance - Beginning	3,401,564	3,401,564	3,400,454	(1,110)
Fund Balance - Ending	$ 0	$ 1,611,294	$ 715,651	$ (895,643)

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

	NATIONAL OPIOID SETTLEMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 58,000	$ 62,514	$ 87,667	$ 25,153
Interest	6,100	6,100	15,504	9,404
Total Receipts	64,100	68,614	103,171	34,557
DISBURSEMENTS				
Administration	377,908	382,422		382,422
Total Disbursements	377,908	382,422		382,422
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(313,808)	(313,808)	103,171	416,979
Net Change in Fund Balance	(313,808)	(313,808)	103,171	416,979
Fund Balance - Beginning	313,808	313,808	313,799	(9)
Fund Balance - Ending	$ 0	$ 0	$ 416,970	$ 416,970

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

	SPECIAL RESERVE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 200,000	$ 200,000	$ 231,231	$ 31,231
Total Receipts	200,000	200,000	231,231	31,231
DISBURSEMENTS				
Administration	4,597,297	5,908,591		5,908,591
Total Disbursements	4,597,297	5,908,591		5,908,591
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(4,397,297)	(5,708,591)	231,231	5,939,822
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	550	550	1,611,844	1,611,294
Total Other Adjustments to Cash (Uses)	550	550	1,611,844	1,611,294
Net Change in Fund Balance	(4,396,747)	(5,708,041)	1,843,075	7,551,116
Fund Balance - Beginning	4,396,747	4,396,747	4,398,912	2,165
Fund Balance - Ending	$ 0	$ (1,311,294)	$ 6,241,987	$ 7,553,281

LOGAN COUNTY
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2025

Note 1. Budgetary Information

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

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

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

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LOGAN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

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LOGAN COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	$ 3,170,748	$	$	$ 3,170,748
Construction In Progress	1,500	25,250		26,750
Buildings and Building Improvements	20,794,964	52,093		20,847,057
Equipment	5,229,977	1,139,292	211,168	6,158,101
Vehicles	2,786,927	243,095	195,817	2,834,205
Infrastructure	14,195,990	353,446	147,032	14,402,404
Total Capital Assets	$ 46,180,106	$ 1,813,176	$ 554,017	$ 47,439,265

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

June 30, 2025

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	$ 50,000	10-60
Buildings and Building Improvements	$ 50,000	10-75
Equipment	$ 15,000	3-25
Vehicles	$ 25,000	3-25
Infrastructure	$ 50,000	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 Phillip Baker, Logan County Judge/Executive
Members of the Logan 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 Logan County Fiscal Court for the fiscal year ended June 30, 2025, and the related notes to the financial statement which collectively comprise the Logan County Fiscal Court's financial statement and have issued our report thereon dated March 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and as items 2025-001 and 2025-002 to be material weaknesses.

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Report on Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses 2025-003 to be a significant deficiency.

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Logan 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 instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2025-001.

Views of Responsible Officials and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Logan 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

March 13, 2026

LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

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LOGAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

2025-001 The Logan County Fiscal Court Failed To Properly Record An Inter-Account Transfer

Condition and Context

The Logan County Fiscal Court improperly recorded an inter-account transfer for $1,611,294 within the Special Reserve Fund as an interfund transfer, causing interfund transfers to be overstated on the fiscal court's fourth quarter financial statement.

Cause

The Logan County Fiscal Court opened a new bank account named Revenue Loss Funds. The Logan County Fiscal Court approved a transfer of $1,611,294 from the Special Reserve Fund to the Revenue Loss Fund. However, these were not separate funds. They were separate accounts within the Special Reserve Fund. The treasurer said this was done in error after opening the new account.

Effect

The failure to maintain accurate and detailed accounting information does not enable the county to provide a true picture of the activities within the fiscal court's accounts. This failure increased the risk that undetected misstatements due to error or fraud could occur and resulted in a material overstatement of interfund transfers in the amount of $1,611,294.

Criteria

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The uniform system of accounts, which is set forth in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*, requires all borrowed money received and repaid to be reflected in the county budget. DLG's policy manual also requires fiscal courts to maintain receipts and disbursement journals, perform monthly bank reconciliations, and prepare annual financial statements. Lastly, the manual states, "[a]ll transfers require a court order."

Furthermore, KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." Ensuring all transactions are recorded properly, ensuring all accounts are accounted for, and approving all cash transfers are basic internal controls necessary to ensure the accuracy and reliability of financial reports.

Recommendations

The fiscal court should implement controls to ensure that they properly record all inter-account and interfund transfers.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response: This transaction was a transfer between 2 bank accounts in the same fund. Typically, all of our cash transfers are to bank accounts in different funds. This cash transfer was processed in the accounting software as an Inter-Fund Cash Transfer but should have been processed as a Cash Transfer only. This transaction is the first and only transaction of this type we have ever had to do. We are now aware of the proper way of processing these types of transactions and will be sure it is done correctly in the future.

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

2025-002 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements

Condition and Context

This is a repeat finding and was included in the prior year audit report as finding 2024-001. The Logan County Fiscal Court did not implement adequate internal controls over procurement and purchasing to ensure that statutory requirements were met, which allowed the following noncompliance and issues to occur:

- Two of 71 transactions tested totaling $295,535 were not paid within 30 working days.
- A contract for maintenance and monitoring of the emergency communication system was not properly advertised for bids. The bid solicitation failed to seek bids containing the renewal terms that were added to the approved bid contract. The amount paid for this contract in the current year was $72,996.
- The contract for maintenance and monitoring of the emergency communication system included terms obligating the county to pay 18% over the costs for parts and shipping, but documentation of the actual costs for parts and shipping was not obtained before the county made payments for these items.
- One invoice containing three charges totaling $160 on a credit card was dated before a purchase order was issued.
- One monthly credit card statement included interest for two months and a late fee for one month totaling $438, which was not paid until after the remaining of the statement charges were paid.
- The Logan County Detention Center's purchase of two vehicles was not handled properly. One vehicle in the amount of $42,308 was purchased by the jail telephone vendor using technology grant funds this vendor provides to the county. This transaction was not recorded on Logan County Fiscal Court's ledgers. Because this transaction was handled outside of the Logan County Fiscal Court's procedures, no purchase order was issued, fiscal court approval was not obtained, and bids were not solicited. The detention center purchased the other vehicle for $42,308 using jail commissary funds. The jailer stated these vehicles were purchased using a state agency price contract; however, the jailed failed to maintain documentation of the state price contract master agreement.

Cause

Per inquiry with the county staff, the invoices were paid late due to fiscal court not receiving the invoices in a timely manner. Also, there was a lack of understanding of the requirements of bid solicitations for contracts and what documentation should be obtained from the vendor to support costs paid in accordance with contract terms. Lastly, the fiscal court was not aware the jailer had used technology grant funds to pay for the vehicle directly.

Effect

Interest penalties can accrue for amounts unpaid 30 working days after receipt of the vendor's invoice. Additionally, the county may not be receiving the best contract when the term of the contract, including any renewals, is not included in the bid request. The county may also be overpaying on the contract if support for actual parts and shipping paid by the vendor is not reviewed. Also, not issuing purchase orders properly could result in funds exceeding the available budget.

Inadequate documentation and approval procedures increased the risk that expenditures were not properly authorized, competitively procured, or accurately recorded in the county's financial records. Because of these failures, the fiscal court is not in compliance with procurement policies established by the Finance and Administration Cabinet. Additionally, it is possible that the fiscal court may not have received the best value for services or products it procured.

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

2025-002 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements (Continued)

Criteria

KRS 65.140(2) states, "[u]nless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor's subcontractor."

Per KRS 45A.050(3), a county or fee official can opt out of the bidding process altogether and procure vehicles using state agency price contracts, which are memorialized in the Finance and Administration Cabinet's Master Agreements. KRS 45A.055(1) states, "the secretary of the Finance and Administration Cabinet shall publish the initial state purchasing regulations in accordance with current Finance and Administration Cabinet policies and procedures." The Finance and Administration Cabinet has developed updated Vehicle Purchasing Requirements that took effect as of February 1, 2023. The Finance and Administration Cabinet has Master Agreements with ten dealerships where the vehicles can be purchased and requires officials to obtain at least three quotes from three of the approved dealerships.

Also, per KRS 424.260, officials are required to advertise for bids involving expenditures of more than $40,000 for materials, supplies, equipment, or services.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*, which states, "[p]urchases shall not be made without approval by the judge/executive (or designee), and/or a department head."

Furthermore, 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." Strong internal controls require management to monitor disbursements to ensure compliance with procurement laws.

Recommendation

We recommend the fiscal court strengthen internal controls over procurement and disbursements to ensure all purchases are properly approved, supported with adequate documentation, competitively procured when required, and paid in a timely manner. The fiscal court should implement internal controls to ensure all invoices are paid within 30 days to comply with KRS 65.140. The fiscal court should also implement proper procurement procedures to be certain that bid advertisements include all pertinent information in order for the fiscal court to receive the best bids. Additionally, the fiscal court should require supporting documentation when contracts specify percentage amounts over cost to verify the county is not overpaying for such items. Finally, all purchases should be properly recorded in the county's financial records and documentation supporting pricing obtained through state contracts should be maintained.

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

2025-002 The Logan County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements (Continued)

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response:

- *Logan County Fiscal Court's accounts payable makes every effort to ensure all invoices are paid within 30 days to comply with KRS 65.140. As outlined in Logan County's Administrative Code, Page 15, Claims Against Logan County, C. Each claim shall be recorded by date, receipt and purchases order number and presented to the Fiscal Court at its next meeting. Page 23, Small Purchase Procedures, Item C. The deadline for purchase orders to be turned in for payment is the Wednesday preceding the following Tuesday's Fiscal Court meeting. All departments have been provided a copy of the Administrative Code. Only bills received by accounts payable can be processed timely.*
- *Logan County Fiscal Court makes every effort to ensure all bid requests include all pertinent information in order for the fiscal court to receive the best bid. The bid solicitation referenced in this exit comment was published in the newspaper prior to Logan County Fiscal Court's FY 23/24 exit conference and could not be corrected before the FY 24/25 audit.*
- *Notification has been sent to all contracted vendors that supporting documentation is required when a contract specifically states a percentage amount over cost for parts and shipping in order for the county to verify that we are not overpaying for these items. Notice that the Logan County Fiscal Court needs to obtain documentation for the actual cost of parts and shipping referenced in this exit comment was received subsequent to the processing of these claims and could not be corrected before the FY 24/25 audit.*
- *A typographical error was the cause of one invoice containing 3 charges totaling $160 on a credit card to be dated before the purchase order was completed.*
- *Credit cards transactions are being closely monitored by accounts payable.*
- *Logan County Fiscal Court was completely unaware of the one-time purchase initiated by the Logan County Detention Center for two vehicles until after the transactions were complete and the Jailer was requesting the vehicles be insured. Therefore, we were unable properly follow the procurement policy.*

Jailer's Response: Since learning about the proper way to make purchases, we have started to get bids and approvals for purchases for Fiscal Court. We have also started getting bids for the Commissary Account.

2025-003 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts

Condition and Context

This is a repeat finding and was included in the prior year audit report as finding 2024-002. The Logan County Jail failed to establish and implement adequate controls over the commissary and inmate accounts. The following findings were noted during the audit as a result of the inadequate internal controls:

- The inmate bank account is not being properly reconciled to the total of individual inmate balances. As of June 30, 2025, the account had a balance of $264,367. After accounting for $4,330 belonging to inmates, there is an unexplained balance of $260,037.
- Receipts are not being issued for funds received by the commissary account nor are daily checkout sheets being prepared for the deposits.

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

2025-003 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts (Continued)

Condition and Context (Continued)

- Copies of receipts are not being included with the daily checkout sheet for the inmate accounts, and the sequential order of receipts are not being accounted for daily.
- Credit card receipts are not being accounted for on a daily basis. Also, credit card transactions are not being reconciled to the credit card deposits.
- One of the daily checkout sheets tested was not being batched properly and included five days of inmate receipts.
- State inmate pay is not included on a daily checkout sheet.
- The jail received a $260 donation for inmate meals and deposited it to the commissary account instead of having it deposited into the jail fund which pays for inmate meals.
- The jail was not paying collected sales tax to the Kentucky Department of Revenue timely. Eleven of the 12 months were paid late, resulting in late fees and penalties in the amount of $2,559.
- Six invoices totaling $47,237 were for items that are not acceptable disbursements per KRS 441.135. Two of these invoices did not have adequate documentation to support the purchase. These purchases include $42,308 for a vehicle purchased not being used for commissary services or to enhance the well-being of the inmates or the safety or security within the jail, $2,400 for software maintenance on the jail's computer systems, $279 to replace an inmate's lost property, $1,950 for the installation of radios in two new vehicles not being used for commissary services or to enhance the well-being of the inmates or safety or security within the jail, and $300 for two wheelchairs.
- Two invoices totaling $2,400 were not paid within 30 business days.
- One invoice totaling $196 was not itemized.
- The jail was not receiving its commissions on gift baskets from the vendor. The vendor owed the jail commissary $26,833 for the period of January 2022 through September 2025.
- The jail does not have adequate segregation of duties over jail commissary or inmate account processes. The bookkeeper processes transactions, prepares deposits, prepares checks, prepares financial statements, and reconciles the bank accounts. While some compensating controls were noted over these processes, they were not sufficient to prevent the other issues noted above.

Cause

These issues resulted from inadequate internal controls over the jail commissary and inmate accounts. A lack of understanding of the financial process and computer software has led to inaccurate inmate account balances and incomplete daily checkout sheets. The jail's bookkeeper has not received sufficient training on neither jail inmate and commissary accounts requirements nor sufficient training over the financial software the jail is using. Furthermore, the non-compliances and internal control deficiencies were caused by a lack of oversight and understanding of requirements. The absence of management oversight has also resulted in the jail not receiving all funds owed to it in a timely manner.

Effect

By not having strong internal controls over the commissary and inmate accounts, inmate account balances could be overstated and funds due to the commissary account or other parties could be delayed significantly. Receipts could be underreported or not deposited timely, which hinders their use for commissary purchases. Disbursements not meeting the requirements of KRS 441.135 reduce the amount of funding available for appropriate commissary fund uses.

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

2025-003 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts (Continued)

Criteria

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." Segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports. In addition, all financial personnel should be provided adequate training to perform their job duties. Without adequate training, segregation of duties will fail to catch the mistakes and potential fraud that it is designed to prevent. Another basic internal control that is necessary is maintaining accurate and itemized invoices for all disbursements to prove they are valid expenses and for allowable purposes.

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

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* requires officials to make daily deposits into a federally insured banking institution. In addition, KRS 64.840 requires that a receipt be created in triplicate for any funds received by the jail. One of those receipts should be attached to the daily checkout sheet and deposit as documentary support for the total reported.

KRS 65.140(2) states, "[u]nless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice except when payment is delayed because the purchaser has made a written disapproval of improper performances or improper invoicing by the vendor or by the vendor's subcontractor[.]"

Kentucky Sales and Use Tax filing requirement per KRS 139.550(1) states, "[o]n or before the twentieth day of the month following each calendar month, a return for the preceding month shall be filed with the department in a form the department may prescribe."

Recommendations

We recommend the Logan County Jail implement sufficient internal controls over the jail commissary account and financial statements. The jail must also comply with applicable statutes and maintain complete and accurate records for the inmate account.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response:

- *Reconciliation of the inmate bank account is the responsibility of the Jailer and his staff. Logan County Fiscal Court has no oversight of this account.*
- *A copy of the Department of Local Government's County Budget Preparation and State Local Finance Officer Policy Manual which contains all requirements regarding receipts for the commissary account was provided to the Jailer when he was elected to office by the County Judge's office. Logan County Fiscal Court has no oversight of the receipts of the commissary account.*
- *Logan County Fiscal Court has no oversight of the inmate account deposits.*
- *Logan County Fiscal Court has no oversight on jail commissary disbursements.*

2025-003 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts (Continued)

Views of Responsible Official and Planned Corrective Action (Continued)

County Jailer's Response:

-The inmate bank account not being properly reconciled...

Before last year's audit, we have been going through accounts as far back as 2022 trying to figure out and place all the monies into the correct accounts and figure out where all the extra came from. March of 2026, we got a new software company which we hope to correct all the issues with.

-Receipts are not being issued for funds received...
-Copies of receipts are not being included...
-Credit card receipts are not being accounted for...

These issues are because the program that we used did not have a way for us to consolidate the credit card receipts daily. Therefore, it could not be consolidated daily. They were done weekly and not added on the daily checkout sheets. March of 2026, we started using a new program and we are currently working with them on how to include all of these daily to checkout sheets. Also, working on each transaction having a receipt number that can be tracked.

-One of the daily checkout sheets...

We are trying to correct this issue by having more people available to help count deposits when someone is out.

-State inmates pay ...

We somewhat disagree with this statement. State inmate pay is included on the daily checkout sheet. We think the issue is that when the funds were deposited to the account it was not added to the actual deposit until the next day. We will try to wait for that check on the day the funds are put on the accounts to be placed in the deposit also.

-The jail received a $260.00 donation...

At this moment in time the jail was paying for a portion of the food weekly that the fiscal would not pay for. A donation was given to the jail to cover some of that balance. The Jailer spoke to the fiscal court and was under the understanding that we needed to deposit that into the commissary account to cover the part we were paying out of that account. We have not placed any more donations in the commissary account and now know that it cannot be handled that way.

-The jail was not paying sales tax ...

The jail was locked out of the account to log into to pay the taxes. The last Administrative Assistant had used her email and log in that was not accessible anymore. It took months to get in touch with the IRS to get it switched. The taxes are now paid quarterly with no late fees.

2025-003 The Logan County Jail Does Not Have Adequate Controls Over The Commissary And Inmate Accounts (Continued)

Views of Responsible Official and Planned Corrective Action (Continued)

County Jailer's Response: (Continued)

-Six invoices totaling $47,237...

We disagree with some of these statements. The vehicle bought by commissary is used to transport inmates to and from different appointments. We did not get the correct bids before purchase, but the Jailer went through the same company that the Sheriffs Department used to buy their vehicles, so he thought it was a state approved company. The monies used for the software maintenance were for our camera system in the jail to watch the inmates. The installation of radios in the vehicle was for the transportation of inmates. We are trying to get a line issued in the budget to cover inmates lost, stolen or destroyed property. Any medical supplies bought we will send the bill up for fiscal court to pay.

-Two invoices...

Two invoices were not paid within thirty business days. Bills are now being paid out of the commissary account twice per month, so this does not happen.

-One invoice...

One invoice was not itemized. All invoices not itemized are not paid without it being fixed.

-The jail was not receiving their commissions...

When [vendor name redacted] took over in 2022 they had never paid commissions on gift baskets. This was caught by the auditors. I spoke with a [vendor name redacted] employee, and this was corrected. They paid the whole amount owed on gift baskets and the following months until we replaced their services.

-The jail does not have...

The jail has found a new software program to use for both accounts. This software has people you can call when there is a problem. We have also talked with the auditors about what and how things should be done in the new system so we can start it off correctly.

Auditor's Reply: The vehicles and radios were purchased using commissary funds. Vehicles purchased with commissary funds are to be used for commissary purposes only, which does not include transporting inmates for various appointments. The jail fund is to be used for the transportation of prisoners for non-commissary related purposes. The monies used for the software maintenance per the invoice were for antivirus software, offsite backups, and remote monitoring software for jail computers which are jail operating expenses.

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

LOGAN COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE

LOGAN COUNTY FISCAL COURT

For The Year Ended June 30, 2025

The Logan 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

Amanda Stratton

County Treasurer