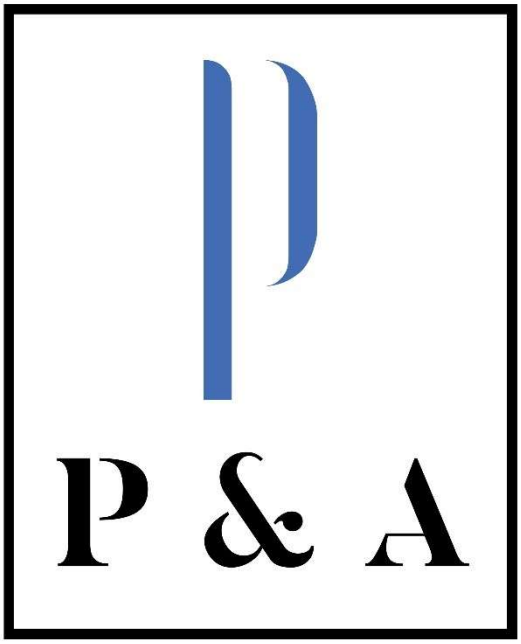
REPORT OF THE AUDIT OF THE PULASKI COUNTY FISCAL COURT

For The Year Ended
June 30, 2024



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive
Winchester, KY 40391

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P & A
PATRICK & ASSOCIATES, LLC
124 Candlewood Drive
Winchester, KY 40391

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statement of the Pulaski County Fiscal Court, which comprise the Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis, for the year ended June 30, 2024, and the related notes to the financial statement.

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 Pulaski County Fiscal Court, for the year ended June 30, 2024, in accordance with the financial reporting provisions of the Kentucky Department for Local Government 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Pulaski County Fiscal Court as of June 30, 2024, or changes in net position or cash flow thereof for the year ended June 30, 2024, or the changes in net position or 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, 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 Pulaski County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

As described in Note 1, the financial statement is prepared by the Pulaski County Fiscal Court on the basis of the financial reporting provisions of the Kentucky Department for Local Government, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirement of the Kentucky Department for Local Government. 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

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Kentucky Department for Local Government. 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 Pulaski County School District'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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Pulaski County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

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

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

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pulaski 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 Pulaski County Fiscal Court. The accompanying 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 the financial reporting provisions of the by the Kentucky Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The 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 does 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2026, on our consideration of the Pulaski County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and Pulaski 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 the Pulaski County Fiscal Court's 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 Pulaski County Fiscal Court's internal control over financial reporting and compliance.

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

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

2024-001 The Pulaski County Fiscal Court's Fourth Quarter Report Was Materially Misstated
2024-002 The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly
2024-003 The Pulaski County Fiscal Court Did Not Properly Budget And Include All Debt Activity In The Financial Statement
2024-004 The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements
2024-005 The Pulaski County Fiscal Court Did Not Maintain Complete And Accurate Capital Asset Schedules

Respectfully submitted,

Patrick & Associates, LLC

Patrick & Associates, LLC
Winchester, Kentucky

January 16, 2026

PULASKI COUNTY OFFICIALS

For The Year Ended June 30, 2024

Fiscal Court Members:

Marshall Todd	County Judge/Executive
Jason Turpen	Magistrate
Mike Wilson	Magistrate
Mike Strunk	Magistrate
Jimmy Wheeldon	Magistrate
Mark Ranshaw	Magistrate

Other Elected Officials:

Martin Hatfield	County Attorney
Anthony McCollum	Jailer
Tim Price	County Clerk
J.S Flynn	Circuit Court Clerk
Bobby Jones	Sheriff
T.W. Todd	Property Valuation Administrator
Clyde Strunk	Coroner

Appointed Personnel:

Crissa Morris	County Treasurer
Cindy Sellers	Finance Officer/Occupational Tax Administrator
Ryan Price	Road Supervisor
Beverly Haynes	911 Administrator

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

For The Year Ended June 30, 2024

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

For The Year Ended June 30, 2024

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	$ 1,721,353	$	$	$
In Lieu Tax Payments	320,791	51,006		
Excess Fees	858,310			
Licenses and Permits	272,558			
Intergovernmental	2,050,241	3,560,302	3,745,293	497,948
Charges for Services	628,817		21,186	
Miscellaneous	226,178	2,273,302	169,143	
Interest	269,450	35,110	8,830	16,959
Total Receipts	6,347,698	5,919,720	3,944,452	514,907
DISBURSEMENTS				
General Government	8,136,740			10,000
Protection to Persons and Property	2,429,350		4,187,574	10,000
General Health and Sanitation	2,428,321			
Social Services	540			92,941
Recreation and Culture	506,276			52,833
Transportation Facility and Services	150,000			317,715
Roads		6,905,861		
Other Transportation Facilities and Services				
Debt Service	1,079,819	2,552,078		
Capital Projects	500,000	261,533		
Administration	1,857,859	813,657	1,445,786	
Total Disbursements	17,088,905	10,533,129	5,633,360	483,489
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(10,741,207)	(4,613,409)	(1,688,908)	31,418
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds		752,132		
Transfers From Other Funds	20,287,516	3,400,000	1,816,753	
Transfers To Other Funds	(7,331,396)			
Total Other Adjustments to Cash (Uses)	12,956,120	4,152,132	1,816,753	
Net Change in Fund Balance	2,214,913	(461,277)	127,845	31,418
Fund Balance - Beginning (Restated)	9,499,976	151,941	47,462	318,102
Fund Balance - Ending	$ 11,714,889	$ (309,336)	$ 175,307	$ 349,520
Composition of Fund Balance				
Bank Balance	$ 12,027,518	$ 814,548	$ 290,237	$ 355,334
Plus: Deposits In Transit	2,687			
Less: Outstanding Checks	(315,316)	(1,123,884)	(114,930)	(5,814)
Fund Balance - Ending	$ 11,714,889	$ (309,336)	$ 175,307	$ 349,520

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

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

	Budgeted Funds					
Emergency Relief Fund	Grant Fund	Occupational Tax Fund	CDBG Utilities Assistance Fund	Road F and F Fund	Fire Fund	911 Fund
$	$	$ 15,022,768	$	$	$ 5,109,348	$
	222,968		1,331,883		13,594	405,280
				48,772	185,688	
10,344		93,794	75	21	55,768	17,082
10,344	222,968	15,116,562	1,331,958	48,793	5,364,398	422,362
			290,224			
					2,216,726	1,415,886
					680,564	
						448,100
			634,547		429,411	
	1,212				260,689	591,687
	1,212		924,771		3,587,390	2,455,673
10,344	221,756	15,116,562	407,187	48,793	1,777,008	(2,033,311)
70,000		57,742			15,797	2,100,000
		(16,000,000)	(407,005)		(2,813,827)	(1,154)
70,000		(15,942,258)	(407,005)		(2,798,030)	2,098,846
80,344	221,756	(825,696)	182	48,793	(1,021,022)	65,535
282,820	559,327	1,629,532		21,028	1,020,137	189,358
$ 363,164	$ 781,083	$ 803,836	$ 182	$ 69,821	$ (885)	$ 254,893
$ 363,164	$ 781,083	$ 806,336	$ 76,201	$ 69,821	$ 377,007	$ 318,746
		(2,500)	(76,019)		(377,892)	(63,853)
$ 363,164	$ 781,083	$ 803,836	$ 182	$ 69,821	$ (885)	$ 254,893

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

	Budgeted Funds			
	Opioid Settlement Fund	Garner Proceeds Fund	ARPA Fund	Clerk Permanent Storage Fund
RECEIPTS				
Taxes	$	$	$	$
In Lieu Tax Payments				
Excess Fees				
Licenses and Permits				
Intergovernmental	418,979		250,902	
Charges for Services				
Miscellaneous				115,580
Interest	19,024		8,739	4,942
Total Receipts	438,003		259,641	120,522
DISBURSEMENTS				
General Government				48,880
Protection to Persons and Property	59			
General Health and Sanitation				
Social Services				
Recreation and Culture				
Transportation Facility and Services				
Roads				
Other Transportation Facilities and Services				
Debt Service				
Capital Projects				
Administration				
Total Disbursements	59			48,880
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	437,944		259,641	71,642
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds				
Transfers From Other Funds				
Transfers To Other Funds		(934,900)	(259,526)	
Total Other Adjustments to Cash (Uses)		(934,900)	(259,526)	
Net Change in Fund Balance	437,944	(934,900)	115	71,642
Fund Balance - Beginning	404,558	934,900	652	91,618
Fund Balance - Ending	$ 842,502	$	$ 767	$ 163,260
Composition of Fund Balance				
Bank Balance	$ 842,502	$	$ 767	$ 163,260
Plus: Deposits In Transit				
Less: Outstanding Checks				
Fund Balance - Ending	$ 842,502	$ 0	$ 767	$ 163,260

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

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

Budgeted Funds	Unbudgeted Funds		
911 F and F Fund	Public Properties Corporation Fund	Jail Commissary Fund	Total Funds
$	$	$	$ 21,853,469
			371,797
			858,310
			272,558
	1,172,694		13,670,084
			650,003
		672,106	3,690,769
1		9,862	550,001
1	1,172,694	681,968	41,916,991
			8,485,844
			10,259,595
			2,428,321
			93,481
		648,851	1,207,960
			467,715
			6,905,861
			680,564
	1,172,694		5,252,691
			1,825,491
			4,970,890
	1,172,694	648,851	42,578,413
1		33,117	(661,422)
			752,132
			27,747,808
			(27,747,808)
			752,132
1		33,117	90,710
1,416	4,264	465,963	15,623,054
$ 1,417	$ 4,264	$ 499,080	$ 15,713,764
$ 1,417	$ 4,264	$ 548,654	$ 17,840,859
			2,687
		(49,574)	(2,129,782)
$ 1,417	$ 4,264	$ 499,080	$ 15,713,764

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

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PULASKI COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

Emergency Relief Fund - The primary purpose of this fund was created as an emergency fund. The revenue that went into it came from the Fire account to use in case of an emergency.

Grant Fund - The primary purpose of this fund is to account for grant expenses of the county. The primary source of receipts for this fund is federal and state grants.

Occupational Tax Fund - The primary purpose of this fund is to account for occupational tax receipts collected by the county. Taxes collected are recorded in this fund and then transferred to other funds to be expended for county projects.

CDBG Utilities Assistance Fund - The primary purpose of this fund is to account for what was received and disbursed fund for the CDBG-Foothills grant.

Road F and F Fund - This fund was established as a 'rainy-day fund' for the road department. The primary sources of receipts for this fund Stone Royalty and interest.

Fire Fund - The primary purpose of this fund is to account fire protection expenses, purchases of buildings and fire equipment of the county including annual allotment payments and expenses of the various county fire departments and the expenses of the Hal Rogers Fire Training Center. The primary source of receipts for this fund is fire insurance premium tax.

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.

Opioid Settlement Fund - The primary purpose of this fund is to account for revenues received as a result of the opioid settlement related to oxycontin. Funds received under this settlement are to be used in efforts to reduce the illicit use of opioids.

Garner Proceeds Fund - The purpose of this fund is to account for receipts and disbursements related to the sale of the Garner property. The county has not determined how the funds will be used.

American Rescue Plan Act 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 federal government.

Clerk Permanent Storage Fund - The purpose of this fund is to account for receipts and disbursements related to the county clerk's permanent storage of county records. The funds are used for maintenance of records and for the facilities used to store those records.

911 F and F Fund - This fund was established as a 'rainy-day fund' for the county's dispatch service. The primary source of receipts for this fund is interest earned.

Note 1. Summary of Significant Accounting Policies (Continued)

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

Jail Commissary Fund - The 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.

Budgetary Information

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

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

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

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

The state local finance officer does not require the public properties construction corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Pulaski County Elected Officials

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments

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

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

G. Long-term Obligations

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

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

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

Note 3. Transfers

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

	General Fund	Occupational Tax Fund	911 Fund	Garner Proceeds Fund	Fire Fund	CDBG Utilities Assistance Fund	ARPA Fund	Total Transfers In
General Fund	$	$ 16,000,000	$	$ 934,900	$ 2,686,085	$ 407,005	$ 259,526	$ 20,287,516
Road Fund	3,400,000							3,400,000
Jail Fund	1,816,753							1,816,753
911 Fund	2,100,000							2,100,000
Fire Fund	14,643		1,154					15,797
Emergency Relief Fund					70,000			70,000
Occupational Tax Fund					57,742			57,742
Total Transfers Out	$ 7,331,396	$ 16,000,000	$ 1,154	$ 934,900	$ 2,813,827	$ 407,005	$ 259,526	$ 27,747,808

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

Note 3. Transfers (Continued)

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, 2024 was $303,459.

Note 5. Leases

A. Lessor

1. Kentucky Community and Technical College System – Fire Training Center

During fiscal year 2023, Pulaski County Fiscal Court began leasing a fire training center to Kentucky Community and Technical College System. The lease is for three years and Pulaski County Fiscal Court will receive monthly payments of $2,072. Pulaski County Fiscal Court recognized $22,792 in lease revenue during the current fiscal year related to this lease. There were no payments outstanding as of June 30, 2024.

2. Administrative Office of the Courts

On July 1, 2023, Pulaski County Fiscal Court entered into a leasing agreement with the Administrative Office of the Courts (AOC) for occupancy space in the Pulaski County Judicial Center. The lease was for one fiscal year and Pulaski County would receive quarterly payments. Pulaski County recognized $347,400 in lease revenue related to this lease. There were no payments outstanding as of June 30, 2024.

B. Lessee

1. Vertical Bridge CC Equipment

During fiscal year 2017, Pulaski County Fiscal Court entered into a ten-year lease agreement as lessee for the acquisition and use of equipment. Pulaski County Fiscal Court is required to make monthly principal payments of $800 plus interest. A lease liability was recorded in the amount of $11,129 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $46,046.

2. Mobile Communications America Equipment

On January 31, 2024, Pulaski County Fiscal Court entered into a three-year lease agreement as lessee for the use of equipment. An initial lease liability was recorded in the amount of $33,763 during the current fiscal year. Pulaski County Fiscal Court is required to make monthly payments of $938; during current fiscal year the county paid a total of $4,689. As of June 30, 2024, $29,074 is the value of outstanding payments.

Note 5. Leases (Continued)

B. Lessee (Continued)

3. Vehicles

During fiscal years 2020, 2021, and 2022, Pulaski County Fiscal Court entered into multiple three-year lease agreements as lessee for the acquisition and use of vehicles. Pulaski County Fiscal Court is required to make monthly principal payments of $1,715. A lease liability was recorded in the amount of $72,016 during the then current fiscal year. As of June 30, 2024, the value of the lease liability was $20,577.

4. Ridgenet Equipment

On July 1, 2018, Pulaski County Fiscal Court entered into a ten-year lease agreement as lessee for the use of equipment. An initial lease liability was recorded in the amount of $93,600 during the then current fiscal year. Pulaski County Fiscal Court is required to make monthly payments of $780; during current fiscal year the county paid a total of $9,360. As of June 30, 2024, $38,220 is the value of outstanding payments.

5. CIT Equipment

On August 30, 2022, Pulaski County Fiscal Court entered into a five-year lease agreement as lessee for the use of equipment. An initial lease liability was recorded in the amount of $5,475 during the then current fiscal year. Pulaski County Fiscal Court is required to make monthly payments of $90; during current fiscal year the county paid a total of $1,080. As of June 30, 2024, $3,420 is the value of outstanding payments.

4. PDS Equipment

On December 21, 2023, Pulaski County Fiscal Court entered into a five-year lease agreement as lessee for the use of equipment. An initial lease liability was recorded in the amount of $1,879 during the current fiscal year. Pulaski County Fiscal Court is required to make monthly payments of $31; during current fiscal year the county paid a total of $188. As of June 30, 2024, $1,691 is the value of outstanding payments.

Note 6. Long-term Debt

A. Direct Borrowings and Direct Placements

1. 911 Project

On December 23, 2013, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of 911 equipment. The principle was $730,000 at a variable rate from three percent to 4.4 percent interest for a period of 20 years. The agreement required monthly payments of principal and interest.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) By appropriate court action, enforce the pledge set forth in section 2 of the ordinance and section 11 of this lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (b) take legal title to, and sell or re-lease the project or any portion thereof; (c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the project under this lease (including, without limitation, the right to possession of the project and the right to sell or re-lease or otherwise dispose of the project in accordance with applicable law);

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

1. 911 Project (Continued)

and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the lessee of the applicable covenants and agreements of the lessee under this lease (subject, however, to the limitations thereon contained in this lease) and to recover damages for the breach thereof.

The lessee remains liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred. The county paid off this debt instrument during the fiscal year and the principal outstanding as of June 30, 2024, was $-0-.

2. General Obligation Lease

On October 6, 2016, the Pulaski County Fiscal Court entered into an agreement with a local bank for a general obligation lease for the purpose of road improvements, land acquisition and improvement, and acquisition of ambulances. The principal was $1,332,000 at 1.99 percent interest for a period of ten years. The agreement requires payments of interest due March 1 and September 1, and the principal is due annually on September 1.

Upon the occurrence of an event of default, and as long as the event of default is continuing, lessor may, at its option, exercise any one or more of the following remedies as to the project, to whichever the event of default pertains: (a) By appropriate court action, enforce the pledge set forth in section 4 of the Ordinance and section 9 of this lease so that during the remaining lease term there is levied on all the taxable property in the county, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the lease rental payments when and as due; (b) By written notice to lessee, enter and take immediate possession of the project; and (c) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project.

The lessee will remain liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in this section; provided that the remedies set forth in clauses (a), (b), and (c) of this section shall only be available for an event of default described in section I 8(a) and any satisfaction of lease rental payments as a result of actions taken under clauses (b) and (c) of this section shall reduce the amount of the direct annual tax required to be levied under clause (a) of this section. The principal outstanding as of June 30, 2024, was $427,782. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 139,766	$ 7,122
2026	142,575	4,313
2027	145,441	1,447
Totals	$ 427,782	$ 12,882

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. Road Department – Heavy Equipment

On October 30, 2020, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of road equipment. The principal was $689,375 at a rate of 3.36 percent interest for a period of five years. The agreement requires monthly payments of principal and interest. Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) By appropriate court action, enforce the pledge set forth in section 2 of the authorizing legislation and section 9 of the lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease payments when and as due; (b) By written notice to lessee, enter and take immediate possession of the project; (c) Sell or lease the project or sublease it for the account of lessee, holding lessee liable for all lease payments and other payments due during the remaining lease term to the extent that such selling, leasing or subleasing fails to provide amounts which are sufficient to pay the remaining lease payments when due, with any proceeds of the sale of the project being applied first to all past due lease payments and then to the portion of lease payment applicable to the principal component in inverse order of their due date; and (d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

The lessee remains liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The principal outstanding as of June 30, 2024, was $206,113. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 144,593	$ 4,711
2026	61,520	517
Totals	$ 206,113	$ 5,228

4. Road Department Trucks

On August 5, 2022, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of four heavy equipment trucks for the road department. The principal was $652,734 at a rate of 4.28 percent interest for a period of 18 months ending on February 20, 2024. The agreement required a monthly interest payment and a final principal payment.

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

(a) By appropriate court action, enforce the pledge set forth in section 2 of the authorizing legislation and section 9 of the lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease payments when and as due;

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

4. Road Department Trucks (Continued)

(b) By written notice to lessee, enter and take immediate possession of the project:
(c) Sell or lease the project or sublease it for the account of lessee, holding lessee liable for all lease payments and other payments due during the remaining lease term to the extent that such selling, leasing or subleasing fails to provide amounts which are sufficient to pay the remaining lease payments when due, with any proceeds of the sale of the project being applied first to all past due lease payments and then to the portion of lease payment applicable to the principal component in inverse order of their due date; and
(d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

The lessee remains liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The county paid off this debt instrument during the fiscal year and the principal outstanding as of June 30, 2024, was $-0-.

5. Road Department Truck

On September 22, 2022, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of a heavy equipment truck for the road department. The principal was $169,423 at a rate of 3.74 percent interest for a period of 17 months ending on March 20, 2024. The agreement required a monthly interest payment and a final principal payment.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps: (a) Terminate the lease term and give notice to the lessee to vacate or surrender the project within seven days from the date of such notice; (b) Exercise all rights and remedies of a secured party under the Kentucky Uniform Commercial Code, with respect to the projects assets, and may otherwise repossess and liquidate or realize foreclose upon the project assets in lawful manner; (c) Sell or re-lease the project or any portion of thereof; (d) Recover from the lessee lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the projects assets.

The lessee remains liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The county paid off this debt instrument during the fiscal year and the principal outstanding as of June 30, 2024, was $-0-.

6. Road Department Boom Mowers

On December 15, 2022, the Pulaski County Fiscal Court entered into an agreement with Leasing 2, Inc. for the purchase of five boom mowers for the road department. The principal was $1,131,116 at a rate of 4.81 percent interest for a period of five years. The agreement requires monthly principal & interest payments.

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

6. Road Department Boom Mowers (Continued)

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

(a) Declare all rental payments due or become due during the original term or renewal term then in effect to be immediately due and payable; whereupon such rental payments shall be immediately due and payable.
(b) With or without terminating this agreement, retake possession of the equipment and sell, lease or sublease the equipment for the account of the lessee, and apply the proceeds of such sale, lease or sublease to pay the following items in the following order: (i) all cost and expenses of the lessor relating to the implementation of remedies under this agreement as further provided herein; (ii) the applicable purchase price of the equipment and (iii) the rental payments due during the original term or renewal term then in effect; and
(c) Take whatever action under the Uniform Commercial Code or under other law or in equity as may appear necessary or desirable to enforce it rights as the owner of the secured creditor of the equipment.

The lessee further agrees that the lessee shall pay to the lessor such further amounts as may be sufficient to reimburse the lessor fully for its costs and expenses as incurred as a result of the lessee's default including, without limitation, the lessors costs and expenses in enforcing or endeavoring to enforce it right and remedies under the agreement or incident thereto, including without limitation and to the extent not prohibited by applicable law, the lessor's reasonable attorney's fees and expenses for enforcing the lessee's obligations hereunder. The principal outstanding as of June 30, 2024, was $694,147. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 220,605	$ 33,378
2026	231,212	22,771
2027	242,330	11,653
Totals	$ 694,147	$ 67,802

7. Road Department Trucks

On June 23, 2023, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of two heavy equipment trucks for the road department. The principal was $273,064 at a rate of 5.51 percent interest for a period of three years. The agreement requires monthly principal and interest payments.

Whenever any event of default has occurred and is continuing, the lessor may, without any further demand or notice, take one or any combination of the following remedial steps:
(a) Terminate the lease term and give notice to the lessee to vacate or surrender the project within 60 days from the date of such notice;
(b) By written notice to lessee, enter and take immediate possession of the project:
(c) Recover from the lessee the lease payments which would otherwise have been payable hereunder during any period in which the lessee continues to use, occupy or retain possession of the project and lease payments which would otherwise have been payable hereunder after the lessee vacates or surrenders the project during the remainder of the fiscal year in which such event of default occurs;

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

7. Road Department Trucks (Continued)

(d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

The lessee remains liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The principal outstanding as of June 30, 2024, was $228,470. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 47,167	$ 11,408
2026	181,303	8,750
Totals	$ 228,470	$ 20,158

8. Road Department Trucks

On November 1, 2023, the Pulaski County Fiscal Court entered into an agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of four heavy equipment trucks for the road department. The principal was $752,132 at a rate of 5.57 percent interest for a period of eighteen (18) months ending on May 20, 2025. The agreement requires a monthly interest payment and a final principal payment.

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

(a) By appropriate court action, enforce the pledge set forth in section 2 of the authorizing legislation and section 9 of the lease so that during the remaining lease term there is levied on all the taxable property in the lease, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the lease payments when and as due;
(b) By written notice to lessee, enter and take immediate possession of the project:
(c) Sell or lease the project or sublease it for the account of lessee, holding lessee liable for all lease payments and other payments due during the remaining lease term to the extent that such selling, leasing or subleasing fails to provide amounts which are sufficient to pay the remaining lease payments when due, with any proceeds of the sale of the project being applied first to all past due lease payments and then to the portion of lease payment applicable to the principal component in inverse order of their due date; and
(d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to any or all of the project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to lessor by applicable law.

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

8. Road Department Trucks

The lessee remains liable for all covenants and obligations under this lease, and for all legal fees and other costs and expenses, including courts costs awarded by a court of competent jurisdiction, incurred by the lessor with respect to the enforcement of any of the remedies under this lease, when a court of competent jurisdiction has finally adjudicated that an event of default has occurred and enforced the remedies set forth in the lease. The principal outstanding as of June 30, 2024, was $752,132. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 752,132	$ 39,644
Totals	$ 752,132	$ 39,644

B. Other Debt

1. First Mortgage Refunding Revenue Bonds – Series 2015

In July 2015, the Pulaski County Kentucky Public Properties Corporation issued $8,655,000 in First Mortgage Refunding Revenue Bonds - Series 2015 for the purpose of partial advance refunding of the First Mortgage Revenue Bonds - Series 2008. Annual interest payments at a variable rate from 2 percent to 3.375 percent are due on June 30 of each year. Principal is due annually on June 30, beginning December 1, 2019. The bonds mature in 2029.

(1) 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:

(a) By enforcement of the foreclosable mortgage lien on the project site and improvements granted by the mortgage, and in such event the trustee will take over possession, custody and control of the project and will operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the lease for the benefit of the owners of the bonds. 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;
(b) By mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of the bonds, including the right to require the corporation to enforce fully the lease and to charge, collect and fully account for the pledged receipts, and to require the corporation to carry out any and all other covenants or agreements with the bondholders and to perform its duties under the act;
(c) By bringing suit upon the bonds;
(d) By action or suit in equity, require the corporation to account as if it were the trustee of an express trust for the owners of the bonds;
(e) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the bonds:
(f) By declaring all bonds due and payable, and if all defaults will be made good, then, with the written consent of the owners of not less than 25% in a principal amount or the outstanding bonds, by annulling such declaration and its consequences; and

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

1. First Mortgage Refunding Revenue Bonds – Series 2015 (Continued)

(g) In the event that all bonds are declared due and payable, by selling investment obligations of the corporation to the extent not theretofore set aside for redemption of the bonds for which call has been made and enforcing all chooses in action of the corporation to the fullest legal extent in the name of the corporation for the use and benefit of the owners of the bonds.

(2) In the enforcement of any rights and remedies under the mortgage, the trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the corporation for principal, interest or otherwise, under any provision of the mortgage or of the bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under the bonds, without prejudice to any other right or remedy of the trustee or of the bondholders, and to recover and enforce a judgment or decree against the corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable. The principal outstanding as of June 30, 2024, was $5,400,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 1,015,000	$ 160,569
2026	1,045,000	128,362
2027	1,075,000	93,913
2028	1,115,000	57,628
2029	1,150,000	19,406
Totals	$ 5,400,000	$ 459,878

2. First Mortgage Refunding Revenue Bonds - Series 2017

In March 2017, the Pulaski County Kentucky, Public Properties Corporation issued $5,868,011 in First Mortgage Refunding Revenue Bonds, Series 2017, for the purpose of partial advance refunding of the First Mortgage Revenue Bonds, Series 2009. Annual interest payments at a rate of 2.25 percent are due on December 1 and June 1 of each year. Principal is due annually on June 1.

The bonds mature in 2029. The principal outstanding as of June 30, 2024, was $3,501,893. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 668,116	$ 71,276
2026	684,966	56,054
2027	700,307	40,470
2028	719,159	24,501
2029	729,345	8,205
Totals	$ 3,501,893	$ 200,506

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

3. General Obligation Improvement Bonds – Series 2013A

In May 2013, the Pulaski County Fiscal Court issued $2,135,000 in General Obligation Improvement Bonds, Series 2013A, for the construction of a new senior citizens center. Semiannual interest payments at a variable rate from 2.5 percent to 3.5 percent are due on December 1 and June 1 of each year. Principal is due annually on June 1, beginning June 1, 2021. The bonds constitute valid obligations of the issuer in accordance with their terms, which unless paid from other sources, are payable from taxes to be levied by the issuer without limitation as to rate and amount. The bonds mature in 2033. The principal outstanding as of June 30, 2024, was $1,620,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 160,000	$ 51,850
2026	165,000	47,650
2027	165,000	42,700
2028	175,000	37,750
2029	180,000	32,281
2030-2033	775,000	68,244
Totals	$ 1,620,000	$ 280,475

4. General Obligation Bonds – Series 2016

In June 2016, the Pulaski County Fiscal Court issued $5,000,000 in General Obligation Improvement Bonds, Series 2016, for the energy project for the courthouse. Semiannual interest payments at a variable rate from 2.5 percent to 3.5 percent are due on December 1 and June 1 of each year. Principal is due annually on December 1. The bonds mature in 2032.The bonds constitute valid obligations of the issuer in accordance with their terms, which unless paid from other sources, are payable from taxes to be levied by the Issuer without limitation as to rate and amount. The principal outstanding as of June 30, 2024, was $2,935,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 335,000	$ 70,800
2026	345,000	60,600
2027	355,000	50,100
2028	360,000	41,175
2029	370,000	33,413
2030-2032	1,170,000	44,375
Totals	$ 2,935,000	$ 300,463

5. General Obligation Bonds – Series 2019

On October 8, 2019, the Pulaski County Fiscal Court issued $5,025,000 in General Obligation Improvement Bonds, Series 2019, for infrastructure improvements and related costs. Semiannual interest payments at a variable rate from 2 percent to 5 percent are due on March 1 and September 1 of each year. Principal is due annually on September 1. The bonds mature in 2040.The bonds constitute valid obligations of the issuer in accordance with their terms, which unless paid from other sources, are payable from taxes to be levied by the issuer without limitation as to rate and amount. The principal outstanding as of June 30, 2024, was $4,280,000. Future principal and interest requirements are:

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

5. General Obligation Bonds – Series 2019 (Continued)

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 210,000	$ 111,487
2026	225,000	100,613
2027	235,000	89,112
2028	245,000	80,788
2029	245,000	75,888
2030-2034	1,320,000	298,237
2035-2039	1,480,000	135,656
2040	320,000	4,200
Totals	$ 4,280,000	$ 895,981

C. Changes In Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	$ 3,342,099	$ 752,132	$ 1,785,587	$ 2,308,644	$ 1,304,263
Other Debt	20,046,637		2,309,744	17,736,893	2,388,116
Total Long-term Debt	$ 23,388,736	$ 752,132	$ 4,095,331	$ 20,045,537	$ 3,692,379

D. Aggregate Debt Schedule

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

	Direct Borrowings and Direct Placements		Other Debt	
Fiscal Year Ending June 30	Principal	Scheduled Interest	Principal	Scheduled Interest
2025	$ 1,304,263	$ 96,263	$ 2,388,116	$ 465,982
2026	616,610	36,351	2,464,966	393,279
2027	387,771	13,100	2,530,307	316,295
2028			2,614,159	241,842
2029			2,674,345	169,193
2030-2034			3,265,000	410,856
2035-2039			1,480,000	135,656
2040			320,000	4,200
Totals	$ 2,308,644	$ 145,714	$ 17,736,893	$ 2,137,303

Note 7. Commitments and 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. Conduit Debt

From time to time the county has issued bonds to provide financial assistance to East Kentucky Power Cooperative, Inc. 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 Pulaski 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 of repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2023, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 9. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (Ky. Ret. Sys.). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and Ky. Ret. Sys. The CERS nine (9) member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2022 was $3,767,511, FY 2023 was $3,448,862, and FY 2024 was $3,223,892.

Nonhazardous

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

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

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

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

Note 9. Employee Retirement System (Continued)

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the Ky. Ret. Sys. insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan.

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8 percent of their annual creditable compensation and also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 43.69 percent.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. 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 ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

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

C. Health Insurance Coverage - Tier 2 and Tier 3 - Hazardous

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

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

D. 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 percent. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.

E. 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.

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

F. 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.

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

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

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

Note 10. Deferred Compensation

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

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

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

Note 11. Insurance

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

PULASKI COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

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PULASKI COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 15,175,000	$ 3,285,000	$ 1,721,353	$ (1,563,647)
In Lieu Tax Payments	290,000	461,000	320,791	(140,209)
Excess Fees	1,500,000	1,000,000	858,310	(141,690)
Licenses and Permits	250,000	250,000	272,558	22,558
Intergovernmental	1,439,550	2,035,725	2,050,241	14,516
Charges for Services	440,000	500,000	628,817	128,817
Miscellaneous	197,500	245,500	226,178	(19,322)
Interest	5,000	238,000	269,450	31,450
Total Receipts	19,297,050	8,015,225	6,347,698	(1,667,527)
DISBURSEMENTS				
General Government	7,742,126	7,907,835	8,136,740	(228,905)
Protection to Persons and Property	1,323,250	1,823,250	2,429,350	(606,100)
General Health and Sanitation	1,745,037	2,430,645	2,428,321	2,324
Social Services		1,000	540	460
Recreation and Culture	503,825	530,750	506,276	24,474
Transportation Facilities and Services	100,000	150,000	150,000	
Debt Service	1,333,365	1,342,600	1,079,819	262,781
Capital Projects	934,900	500,000	500,000	
Administration	10,302,667	11,858,270	1,857,859	10,000,411
Total Disbursements	23,985,170	26,544,350	17,088,905	9,455,445
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(4,688,120)	(18,529,125)	(10,741,207)	7,787,918
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds	1,100,000	1,660,000		(1,660,000)
Transfers From Other Funds	5,903,000	20,504,205	20,287,516	(216,689)
Transfers To Other Funds	(4,280,205)	(5,600,405)	(7,331,396)	(1,730,991)
Total Other Adjustments to Cash (Uses)	2,722,795	16,563,800	12,956,120	(3,607,680)
Net Change in Fund Balance	(1,965,325)	(1,965,325)	2,214,913	4,180,238
Fund Balance - Beginning	1,965,325	1,965,325	9,499,976	7,534,651
Fund Balance - Ending	$ 0	$ 0	$ 11,714,889	$ 11,714,889

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

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
In Lieu Tax Payments	$ 50,000	$ 50,000	$ 51,006	$ 1,006
Intergovernmental	4,978,875	4,926,900	3,560,302	(1,366,598)
Miscellaneous	30,000	1,595,000	2,273,302	678,302
Interest	4,000	34,000	35,110	1,110
Total Receipts	5,062,875	6,605,900	5,919,720	(686,180)
DISBURSEMENTS				
Roads	4,841,025	5,815,275	6,905,861	(1,090,586)
Debt Service	976,325	976,325	2,552,078	(1,575,753)
Capital Projects	55,000	270,000	261,533	8,467
Administration	960,895	2,930,170	813,657	2,116,513
Total Disbursements	6,833,245	9,991,770	10,533,129	(541,359)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,770,370)	(3,385,870)	(4,613,409)	(1,227,539)
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds		753,000	752,132	(868)
Transfers From Other Funds	1,437,500	2,300,000	3,400,000	1,100,000
Total Other Adjustments to Cash (Uses)	1,437,500	3,053,000	4,152,132	1,099,132
Net Change in Fund Balance	(332,870)	(332,870)	(461,277)	(128,407)
Fund Balance - Beginning	332,870	332,870	151,941	(180,929)
Fund Balance - Ending	$ 0	$ 0	$ (309,336)	$ (309,336)

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

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 4,050,180	$ 4,354,200	$ 3,745,293	$ (608,907)
Charges for Services	82,000	22,000	21,186	(814)
Miscellaneous	442,400	152,000	169,143	17,143
Interest	1,500	1,500	8,830	7,330
Total Receipts	4,576,080	4,529,700	3,944,452	(585,248)
DISBURSEMENTS				
Protection to Persons and Property	4,423,582	4,249,232	4,187,574	61,658
Administration	1,619,498	2,016,168	1,445,786	570,382
Total Disbursements	6,043,080	6,265,400	5,633,360	632,040
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,467,000)	(1,735,700)	(1,688,908)	46,792
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,346,500	1,615,200	1,816,753	201,553
Total Other Adjustments to Cash (Uses)	1,346,500	1,615,200	1,816,753	201,553
Net Change in Fund Balance	(120,500)	(120,500)	127,845	248,345
Fund Balance - Beginning	120,500	120,500	47,462	(73,038)
Fund Balance - Ending	$ 0	$ 0	$ 175,307	$ 175,307

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

	LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 387,000	$ 552,000	$ 497,948	$ (54,052)
Interest	1,000	17,000	16,959	(41)
Total Receipts	388,000	569,000	514,907	(54,093)
DISBURSEMENTS				
General Government	10,000	10,000	10,000	
Protection to Persons and Property	10,000	10,000	10,000	
Social Services	102,850	104,500	92,941	11,559
Recreation and Culture	51,275	52,775	52,833	(58)
Transportation Facilities and Services	344,225	344,225	317,715	26,510
Administration	34,650	212,500		212,500
Total Disbursements	553,000	734,000	483,489	250,511
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(165,000)	(165,000)	31,418	196,418
Net Change in Fund Balance	(165,000)	(165,000)	31,418	196,418
Fund Balance - Beginning	165,000	165,000	318,102	153,102
Fund Balance - Ending	$ 0	$ 0	$ 349,520	$ 349,520

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

	EMERGENCY RELIEF FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$	$ 9,000	$ 10,344	$ 1,344
Total Receipts		9,000	10,344	1,344
DISBURSEMENTS				
Administration		79,000		79,000
Total Disbursements		79,000		79,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(70,000)	10,344	80,344
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		70,000	70,000	
Total Other Adjustments to Cash (Uses)		70,000	70,000	
Net Change in Fund Balance			80,344	80,344
Fund Balance - Beginning			282,820	282,820
Fund Balance - Ending	$ 0	$ 0	$ 363,164	$ 363,164

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

	GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 173,000	$ 208,000	$ 222,968	$ 14,968
Total Receipts	173,000	208,000	222,968	14,968
DISBURSEMENTS				
Administration	173,000	208,000	1,212	206,788
Total Disbursements	173,000	208,000	1,212	206,788
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			221,756	221,756
Net Change in Fund Balance			221,756	221,756
Fund Balance - Beginning			559,327	559,327
Fund Balance - Ending	$ 0	$ 0	$ 781,083	$ 781,083

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

	OCCUPATIONAL TAX FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$	$ 13,000,000	$ 15,022,768	$ 2,022,768
Interest		70,000	93,794	23,794
Total Receipts		13,070,000	15,116,562	2,046,562
DISBURSEMENTS				
Administration		127,750		127,750
Total Disbursements		127,750		127,750
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		12,942,250	15,116,562	2,174,312
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		57,750	57,742	(8)
Transfers To Other Funds		(13,000,000)	(16,000,000)	(3,000,000)
Total Other Adjustments to Cash (Uses)		(12,942,250)	(15,942,258)	(3,000,008)
Net Change in Fund Balance			(825,696)	(825,696)
Fund Balance - Beginning			1,629,532	1,629,532
Fund Balance - Ending	$ 0	$ 0	$ 803,836	$ 803,836

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

	CDBG UTILITIES ASSISTANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$	$ 1,000,000	$ 1,331,883	$ 331,883
Interest		200	75	(125)
Total Receipts		1,000,200	1,331,958	331,758
DISBURSEMENTS				
General Government		30,000	290,224	(260,224)
Capital Projects		970,200	634,547	335,653
Total Disbursements		1,000,200	924,771	75,429
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			407,187	407,187
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(407,005)	(407,005)
Total Other Adjustments to Cash (Uses)			(407,005)	(407,005)
Net Change in Fund Balance			182	182
Fund Balance - Beginning				
Fund Balance - Ending	$ 0	$ 0	$ 182	$ 182

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

	ROAD F AND F FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$	$ 43,000	$ 48,772	$ 5,772
Interest		120	21	(99)
Total Receipts		43,120	48,793	5,673
DISBURSEMENTS				
Capital Projects				
Administration		43,120		43,120
Total Disbursements		43,120		43,120
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			48,793	48,793
Net Change in Fund Balance			48,793	48,793
Fund Balance - Beginning			21,028	21,028
Fund Balance - Ending	$ 0	$ 0	$ 69,821	$ 69,821

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

	FIRE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 4,100,000	$ 5,100,000	$ 5,109,348	$ 9,348
Intergovernmental	120,000	120,000	13,594	(106,406)
Miscellaneous	347,000	277,000	185,688	(91,312)
Interest	8,500	54,500	55,768	1,268
Total Receipts	4,575,500	5,551,500	5,364,398	(187,102)
DISBURSEMENTS				
Protection to Persons and Property	2,201,520	1,918,210	2,216,726	(298,516)
Other Transportation Facilities and Service	503,420	676,160	680,564	(4,404)
Capital Projects	458,000	383,000	429,411	(46,411)
Administration	2,712,651	3,899,171	260,689	3,638,482
Total Disbursements	5,875,591	6,876,541	3,587,390	3,289,151
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,300,091)	(1,325,041)	1,777,008	3,102,049
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	120,000	17,200	15,797	(1,403)
Transfers To Other Funds	(1,319,909)	(1,192,159)	(2,813,827)	(1,621,668)
Total Other Adjustments to Cash (Uses)	(1,199,909)	(1,174,959)	(2,798,030)	(1,623,071)
Net Change in Fund Balance	(2,500,000)	(2,500,000)	(1,021,022)	1,478,978
Fund Balance - Beginning	2,500,000	2,500,000	1,020,137	(1,479,863)
Fund Balance - Ending	$ 0	$ 0	$ (885)	$ (885)

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

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 326,000	$ 430,000	$ 405,280	$ (24,720)
Interest	700	25,700	17,082	(8,618)
Total Receipts	326,700	455,700	422,362	(33,338)
DISBURSEMENTS				
Protection to Persons and Property	1,466,325	1,406,125	1,415,886	(9,761)
Debt Service	56,000	450,000	448,100	1,900
Administration	754,375	585,875	591,687	(5,812)
Total Disbursements	2,276,700	2,442,000	2,455,673	(13,673)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,950,000)	(1,986,300)	(2,033,311)	(47,011)
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,650,000	1,687,500	2,100,000	412,500
Transfers To Other Funds		(1,200)	(1,154)	46
Total Other Adjustments to Cash (Uses)	1,650,000	1,686,300	2,098,846	412,546
Net Change in Fund Balance	(300,000)	(300,000)	65,535	365,535
Fund Balance - Beginning	300,000	300,000	189,358	(110,642)
Fund Balance - Ending	$ 0	$ 0	$ 254,893	$ 254,893

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

	OPIOID SETTLEMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$	$ 250,000	$ 418,979	$ 168,979
Interest		16,375	19,024	2,649
Total Receipts		266,375	438,003	171,628
DISBURSEMENTS				
Protection to Persons and Property		77,175	59	77,116
Administration		189,200		189,200
Total Disbursements		266,375	59	266,316
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			437,944	437,944
Net Change in Fund Balance			437,944	437,944
Fund Balance - Beginning			404,558	404,558
Fund Balance - Ending	$ 0	$ 0	$ 842,502	$ 842,502

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

	GARNER PROCEEDS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Total Receipts	$	$	$	$
DISBURSEMENTS				
Administration		(934,900)		(934,900)
Total Disbursements		(934,900)		(934,900)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		934,900		(934,900)
Other Adjustments to Cash (Uses)				
Transfers To Other Funds		(934,900)	(934,900)	
Total Other Adjustments to Cash (Uses)		(934,900)	(934,900)	
Net Change in Fund Balance			(934,900)	(934,900)
Fund Balance - Beginning			934,900	934,900
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

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

	AMERICAN RESCUE PLAN ACT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$	$ 251,000	$ 250,902	$ (98)
Interest		8,300	8,739	439
Total Receipts		259,300	259,641	341
DISBURSEMENTS				
Total Disbursements				
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		259,300	259,641	341
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(4,856,886)	(5,116,186)	(259,526)	4,856,660
Total Other Adjustments to Cash (Uses)	(4,856,886)	(5,116,186)	(259,526)	4,856,660
Net Change in Fund Balance	(4,856,886)	(4,856,886)	115	4,857,001
Fund Balance - Beginning	4,856,886	4,856,886	652	(4,856,234)
Fund Balance - Ending	$ 0	$ 0	$ 767	$ 767

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

	CLERK PERMANENT STORAGE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 100,000	$ 100,000	$ 115,580	$ 15,580
Interest	200	4,700	4,942	242
Total Receipts	100,200	104,700	120,522	15,822
DISBURSEMENTS				
General Government		62,450	48,880	13,570
Administration	100,200	42,250		42,250
Total Disbursements	100,200	104,700	48,880	55,820
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			71,642	71,642
Net Change in Fund Balance			71,642	71,642
Fund Balance - Beginning			91,618	91,618
Fund Balance - Ending	$ 0	$ 0	$ 163,260	$ 163,260

PULASKI COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2024

Note 1. Budgetary Information

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

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

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

Note 2. Excess of Disbursements Over Appropriations

The Pulaski County Fiscal Court exceeded budgeted appropriations in the following line-items in the following funds:

General Fund – General Government by $228,905
General Fund – Protection to Persons and Property by $606,100
Road Fund – Roads by $1,090,586
Road Fund – Debt Service by $1,575,753
Local Government Economic Assistance Fund – Recreation and Culture by $58
CDBG Utilities Assistance Fund – General Government by $260,224
Fire Fund – Protection to Persons and Property by $298,516
Fire Fund – Other Transportation Facilities and Services by $4,404
Fire Fund – Capital Projects by $46,411
911 Fund – Protection to Persons and Property by $9,761
911 Fund – Administration by $5,812

PULASKI COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

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PULASKI COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
U. S. Department of Housing & Urban Development				
Passed-Through Kentucky Department for Local Government				
Community Development Block Grant - CV (Non-Entitlement Program)	14228.000	20C-200	$	$ 1,009,877
Total U. S. Department of Housing & Urban Development			-	$ 1,009,877
U. S. Department of Homeland Security				
Passed-Through Kentucky Department of Emergency Management				
Emergency Management Performance Grants	97.042	Unknown	-	$ 14,227
Total U.S. Department of Homeland Security			-	$ 14,227
Total Expenditures of Federal Awards			$	$ 1,024,104

The accompanying notes are an integral part of this schedule

PULASKI COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Pulaski County, Kentucky under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pulaski County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Pulaski County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Pulaski County has not adopted an indirect cost rate and has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

PULASKI COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

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PULASKI COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	$ 7,617,447	$	$	$ 7,617,447
Construction In Progress	4,101,342			4,101,342
Buildings and Building Improvements	39,151,801			39,151,801
Other Equipment	10,620,634			10,620,634
Vehicles and Equipment	20,754,395			20,754,395
Infrastructure	199,359,799			199,359,799
Total Capital Assets	$ 281,605,418	$ 0	$ 0	$ 281,605,418

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

June 30, 2024

Note 1. Capital Assets

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	$ 25,000	10-60
Buildings and Building Improvements	$ 50,000	10-75
Other Equipment	$ 5,000	3-25
Vehicles and Equipment	$ 5,000	3-25
Infrastructure	$ 25,000	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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P & A
PATRICK & ASSOCIATES, LLC
124 Candlewood Drive
Winchester, KY 40391

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 Marshall Todd, Pulaski County Judge/Executive
Members of the Pulaski 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 Pulaski County Fiscal Court for the fiscal year ended June 30, 2024, and the related notes to the financial statement which collectively comprise Pulaski County Fiscal Court's financial statement and have issued our report thereon dated January 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Pulaski 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 Pulaski County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of Pulaski 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 Schedule of Findings and Questioned Costs, 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 Questioned Costs as items 2024-001, 2024-002, 2024-003, and 2024-005 to be material weaknesses.

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 Questioned Costs as item 2024-004 to be a significant deficiency.

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

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether Pulaski 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 Pulaski agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002, 2024-003 and 2024-005.

Views of Responsible Officials and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Pulaski County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. 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,

Patrick & Associates, LLC

Patrick & Associates, LLC
Winchester, Kentucky

January 16, 2026

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

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PATRICK & ASSOCIATES, LLC
124 Candlewood Drive
Winchester, KY 40391

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

Independent Auditor's Report

The Honorable Marshall Todd, Pulaski County Judge/Executive
Members of the Pulaski County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pulaski County Fiscal Court and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pulaski County Fiscal Court's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Report on Internal Control over Compliance (Continued)

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

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

Respectfully submitted,

Patrick & Associates, LLC

Patrick & Associates, LLC
Winchester, Kentucky

January 16, 2026

PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

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PULASKI COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statement

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP: Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
CFDA #14.228	Community Development Block Grant – CV (Non-Entitlement Program)

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

Section II: Financial Statement Findings

2024-001 The Pulaski County Fiscal Court's Fourth Quarter Report Was Materially Misstated

The Pulaski County Fiscal Court's fourth quarter report was materially misstated. The following reporting errors were noted on the June 30, 2024 quarterly financial report for Pulaski County Fiscal Court:

- An adjustment was made to add the $750,374 to the roads expenditure line item in the Road Fund for the purchase of the financed trucks
- The liabilities section of the quarterly report understated outstanding principal balances by $8,503,933
- CDBG Utilities Assistance fund balance was understated by $85,107
- Fire Fund balance was overstated by $23,852
- Added $24 to general government expenditures to record a bank fee
- Subtracted $94,966 from General Fund receipts to remove prior year recorded receipts
- Added $9,499,976 to General Fund prior year surplus

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

Section II: Financial Statement Findings (Continued)

2024-001 The Pulaski County Fiscal Court's Fourth Quarter Report Was Materially Misstated (Continued)

- Subtracted $556,719 from Road Fund prior year surplus to agree to prior year amount
- Added $47,462 to Jail Fund prior year surplus
- Added $318,102 to LGEA Fund prior year surplus
- Added $282,820 to Emergency Relief Fund prior year surplus
- Added $559,327 to Grant Fund prior year surplus
- Added $1,629,532 to Occupational Tax prior year surplus
- Reclassified $407,005 of transfers out of CDBG Utilities Assistance Fund to receipts
- Added $21,028 to Road F&F Fund to account for what was included with Road Fund in prior year
- Added $47,462 to Jail Fund prior year surplus
- Added $318,102 to LGEA Fund prior year surplus
- Added $282,820 to Emergency Relief Fund prior year surplus
- Added $559,327 to Grant Fund prior year surplus
- Added $1,629,532 to Occupational Tax prior year surplus
- Reclassified $407,005 of transfers out of CDBG Utilities Assistance Fund to receipts
- Added $21,028 to Road F&F Fund to account for what was included with Road Fund in prior year
- Added $1,416 to 911 F&F Fund to account for what was included with 911 Fund in prior year
- Added $1,020,137 to Fire Fund prior year surplus
- Subtracted $14,854 from Fire Fund receipts to agree to available cash balance
- Added $189,358 to 911 Fund prior year surplus
- Added $404,558 to Opioid Fund prior year surplus
- Added $934,900 to Garner Proceeds Fund prior year surplus
- Added $652 to ARPA Fund prior year surplus
- Added $91,618 to County Clerk Storage Fee Fund prior year surplus

Strong internal controls over the reporting process is vital in ensuring the fiscal court's financial reports accurately reflect the financial activity of the fiscal court.

KRS 68.020(4) states the county treasurer "shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by the uniform system of accounting prescribed by the state local finance officer."

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.* The manual requires the county treasurer to "[p]repare a quarterly financial statement for the State Local Finance Officer." The manual also provides a format to be used when preparing the quarter financial statement. This format includes reporting original budget estimates, budget amendments, actual receipts and disbursements and total available in each line item.

These errors resulted from a lack of oversight over the financial reporting process and preparation of the fourth quarter report export file.

The misstatements required multiple adjustments due to the errors noted above on the quarterly report.

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

Section II: Financial Statement Findings (Continued)

2024-001 The Pulaski County Fiscal Court's Fourth Quarter Report Was Materially Misstated (Continued)

This lack of oversight could result in undetected misappropriation of assets and resulted in inaccurate financial reporting to external agencies such as DLG and the fiscal court. In addition to all of the adjustments required, the ending cash balance shown on the summary and reconciliation pages on the 4th quarter report did not agree to the ending cash balance per the bank reconciliations by $64,824. Also, as a result of all of the adjustments required, the Road Fund ended up with a negative fund balance of $309,336 and the Fire Fund ended with a negative fund balance of $885.

We recommend the fiscal court implement stronger internal controls over the financial reporting process to ensure all activity and budgeted amounts are properly recorded and reported on the financial statements submitted to the Department for Local Government.

County Judge/Executive/County Treasurer's Response:

Pulaski County Fiscal Court officials acknowledge that the Fourth Quarter Report was materially misstated. The misstatement resulted primarily from errors in the software compilation and reporting process, including inaccurate classifications and incomplete reconciliation of financial information prior to submission.

The report was prepared under time constraints at year-end and relied on information from multiple sources. Certain adjustments and corrections were not identified before the report was finalized and submitted. At the time, management believed the information presented was reasonably accurate; however, subsequent review determined that the report did not fully reflect the County's financial activity.

County officials note that the misstatement was unintentional and not the result of fraud or misappropriation of funds. Once identified, the Fiscal Court cooperated fully with auditors to find ways to correct the errors and address the underlying causes.

The Fiscal Court recognizes the importance of accurate quarterly reporting and is committed to improving review procedures, reconciliation processes, and oversight to prevent similar issues in future reporting periods.

Pulaski County Fiscal Court will implement enhanced controls and procedures to ensure accurate and complete quarterly financial reporting. Fiscal Court will work with the auditors and software company to eliminate misstatement of financial reports. The following corrective actions will be taken:

1. **Formalized Reporting Procedures:**
   Written procedures will be developed for the preparation and review of quarterly financial reports. These procedures will outline required reconciliations, documentation standards, and review responsibilities.
2. **Required Reconciliations:**
   All balances reported in quarterly reports will be reconciled to the general ledger and supporting documentation prior to submission. Any discrepancies will be resolved and documented.
3. **Supervisory Review and Approval:**
   The Fourth Quarter Report will be reviewed by supervisory personnel independent of its preparation. Final submission will require documented approval by the appropriate county official.
4. **Use of Standardized Reporting Tools:**
   Standardized templates and checklists will be implemented to ensure consistent reporting and to reduce the risk of classification or reporting errors.
5. **Training and Oversight:**
   Staff responsible for financial reporting will receive additional training on reporting requirements and deadlines. Management will provide ongoing oversight to ensure compliance with established procedures.

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

Section II: Financial Statement Findings (Continued)

2024-002 The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly

This is a repeat finding and was included in the prior year audit report as finding 2023-003. The Pulaski County Fiscal Court did not prepare or review the budget properly and the following occurred as a result:

- The General Government expenditure line item in the General Fund had expenditures in excess of approved budget amounts in the amount of $228,905
- The Protection to Persons and Property expenditure line item in the General Fund had expenditures in excess of approved budget amounts in the amount of $606,100
- The Roads expenditure line item in the Road Fund had expenditures in excess of approved budget amounts in the amount of $1,090,586
- The Debt Service expenditure line item in the Road Fund had expenditures in excess of approved budget amounts in the amount of $1,575,753
- The Recreation and Culture expenditure line item in the Local Government Economic Assistance Fund had expenditures in excess of approved budget amounts in the amount of $58
- The General Government expenditure line item in the CDBG Utilities Assistance Fund had expenditures in excess of approved budget amounts in the amount of $260,224
- The Protection to Persons and Property expenditure line item in the Fire Fund had expenditures in excess of approved budget amounts in the amount of $298,516
- The Other Transportation Facilities and Services expenditure line item in the Fire Fund had expenditures in excess of approved budget amounts in the amount of $4,404
- The Capital Projects expenditure line item in the Fire Fund had expenditures in excess of approved budget amounts in the amount of $46,411
- The Protection to Persons and Property expenditure line item in the 911 Fund had expenditures in excess of approved budget amounts in the amount of $9,761
- The Administration expenditure line item in the 911 Fund had expenditures in excess of approved budget amounts in the amount of $5,812
- The expenditures in excess of approved budget amount in the Road Fund led to a negative fund balance of $309,336
- The expenditures in excess of approved budget amounts in the Fire Fund led to a negative fund balance of $885

KRS 68.240(1) states, in part, "[t]he county judge/executive shall annually prepare a proposed budget for the expenditure of all funds, including those from state and federal sources, which are to be expended by the fiscal court in the next fiscal year[.]"

Additionally, KRS 68.300 states, "[a]ny appropriation made or claim allowed by the fiscal court in excess of any budget fund, and any warrant or contract not within the budget appropriation, shall be void. No member of the fiscal court shall vote for any such illegal appropriation or claim. The county treasurer shall be liable on his official bond for the amount of any county warrant willfully or negligently signed or countersigned by him in excess of the budget fund out of which the warrant is payable."

The county lacks adequate internal controls over the budget review process throughout the fiscal year.

As a result of not reviewing the budget to actual expenditures throughout the fiscal year, the county made disbursements from eleven different line-items in six different funds that exceeded available appropriations by a total of $4,126,530.

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

Section II: Financial Statement Findings (Continued)

2024-002 The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly (Continued)

We recommend Pulaski County Fiscal Court establish adequate internal controls over the budget review process to ensure there are sufficient appropriations for all of the county's disbursements before expenditures are made. All line items, as well as all funds, should be reviewed to ensure they are properly budgeted. The budget should be reviewed periodically by management and department heads, and always before a purchase order is approved and the expenditure is completed. Budget transfers or budget amendments should be prepared and reported properly on the quarterly reports.

County Judge/Executive/County Treasurer's Response:

Pulaski County Fiscal Court officials acknowledge that the budget was not prepared and reviewed in accordance with required procedures. This condition resulted from weaknesses in the budget development and review process, including insufficient documentation due to issues with software, and limited reconciliation to supporting financial data.

The budget was developed using information that was not complete from the accounting software and from multiple departments under time constraints, and certain assumptions and adjustments were not fully analyzed or verified before final approval. At the time, management believed the budget reflected reasonable estimates of revenues and expenditures; however, subsequent review determined that the preparation and review process did not meet required standards.

The Fiscal Court notes that the issue was not the result of intentional misrepresentation or misuse of funds. Upon identification of the deficiency, officials cooperated fully with auditors and recognize the need for improved software reporting, improved documentation, and enhanced oversight in the budgeting process.

The Fiscal Court is committed to strengthening budget preparation and review procedures to ensure future budgets are accurate, properly supported, and thoroughly reviewed prior to approval.

Pulaski County Fiscal Court will strengthen its budget preparation and review process to ensure compliance with applicable laws, regulations, and sound financial management practices. The following corrective actions will be implemented:

1. **Formal Budget Procedures:**
   Written procedures will be developed and adopted outlining the budget preparation process, required supporting documentation, timelines, and review responsibilities. Finance department will meet with the software company and auditors to find a solution to the problem.
2. **Data Verification and Reconciliation:**
   Budgeted revenues, expenditures, and fund balances will be reconciled to historical financial data, current financial statements, and other supporting records prior to budget approval.
3. **Supervisory Review and Approval:**
   The proposed budget will be reviewed by supervisory and financial personnel independent of its preparation. Any revisions or adjustments will be documented, and final approval will require documented review by the Fiscal Court.
4. **Use of Standardized Budget Templates:**
   Standardized budget worksheets and checklists will be utilized to promote consistency, accuracy, and completeness across all funds and departments.
5. **Training and Oversight:**
   Staff involved in the budgeting process will receive additional training on budgeting requirements and best practices. Management will provide ongoing oversight to ensure procedures are consistently followed.

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

Section II: Financial Statement Findings (Continued)

2024-003 The Pulaski County Fiscal Court Did Not Properly Report Budget And Include All Debt Activity In The Financial Statement

This is a repeat finding and was included in the prior year report as finding 2023-005. The fiscal court borrowed funds from KACO during fiscal year 2024 from KACO to purchase new trucks. The amount of financing obligation proceeds was recorded on the quarterly report; however, the subsequent expenditure for the truck purchase was not recorded on the quarterly report. The fiscal court also did not properly disclose all required debt information in the liabilities section of the June 30, 2024 quarterly financial report submitted to the Department for Local Government (DLG).

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* provides requirements and guidance for county government's preparation and presentation of the financial statement and budget. Page 48 of the manual states, "[a]ll borrowed money received and repaid must be reflected in the county budget," page 72 of the manual states, "[a]ll county money is to be reported on the financial statement whether it is included in the budget or not," and page 74 of the manual states, "[a]ny borrowed money that is not reflected in the original budget estimate must be amended into the budget and be properly reflected on the financial report as a receipt as well as an "expenditure" for repayment of borrowed funds."

KRS 68.210 also gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual* which requires the liabilities section of the quarterly financial report to be utilized for reporting all current long-term debt.

The fiscal court was aware the proceeds needed to be reported. However, the fiscal court failed to report the financial activity related to these purchases due to the financing proceeds being paid directly to the vendor from the financial institution. Since these transactions did not run through the fiscal court's bank accounts, they were not included in the budget process or reflected on the fiscal court's financial report. Furthermore, not disclosing all required debt information in the liabilities section of the financial report occurred due to no review of the quarterly and the debt balances were not reconciled to the amortization schedules.

By omitting the liabilities of the fiscal court, the State Local Finance Officer (DLG) did not have the accurate position of the fiscal court. As a result, the quarterly report understated principal debt obligations by $8,503,933 and interest obligations of $575,248. In addition, after the financial statement was adjusted to properly account for the truck expenditure of $752,132, the county's budget to actual statement presented as supplementary information accompanying the financial statement shows the roads line in the road fund to be overbudget by $1,090,586.

We recommend Pulaski County Fiscal Court take the steps necessary to ensure all financial activity is presented in the financial statement as required by the regulatory basis of accounting. We also recommend the fiscal court properly disclose all debt on the liability section of the quarterly financial reports.

County Judge/Executive/County Treasurer's Response:

Pulaski County Fiscal Court officials acknowledge that all debt activity was not properly budgeted for or fully included in the financial statements. This condition resulted from weaknesses in the identification, tracking, and reporting of debt obligations, as well as limited coordination between budgeting and financial reporting processes.

Certain debt transactions were recorded and managed separately from the general budgeting and reporting process, which contributed to omissions and classification errors in the financial statements. In addition, reconciliations between debt schedules, budget documents, and the general ledger were not consistently performed prior to reporting.

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

Section II: Financial Statement Findings (Continued)

2024-003 The Pulaski County Fiscal Court Did Not Properly Report Budget And Include All Debt Activity In The Financial Statement (Continued)

County Judge/Executive/County Treasurer's Response (Continued):

At the time, management believed the financial statements reasonably reflected the County's financial position; however, subsequent review determined that not all debt activity was appropriately budgeted or reported. The omission was unintentional and not the result of fraud or misuse of funds.

Upon identification of the issue, the Fiscal Court cooperated fully with auditors and recognizes the need to strengthen procedures related to debt budgeting, monitoring, and financial reporting. Officials are committed to improving oversight and coordination to ensure all debt activity is properly budgeted and accurately reflected in future financial statements.

Pulaski County Fiscal Court will strengthen controls over the budgeting, monitoring, and reporting of debt activity to ensure all obligations are properly budgeted and accurately reflected in the financial statements.

2024-004 The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements

This is a repeat finding and was included in the prior year audit report as finding 2023-007. The Pulaski County Detention Center did not have strong internal controls over disbursements. During our testing of 12 disbursements, two disbursements were not supported by detailed invoices.

Proper internal controls over disbursements are important to ensure invoices are paid timely, correctly, and have adequate supporting documentation.

Internal controls were not adequately designed and implemented to eliminate the deficiencies in recording disbursements.

Lack of internal controls over disbursements to require adequate supporting documentation for all disbursements be maintained and reviewed could lead to the misappropriation of assets and the financial statement being misstated.

We recommend the jailer implement good internal controls over disbursements by ensuring all purchases have an invoice.

County Judge/Executive/County Treasurer's Response:

Pulaski County officials acknowledge that internal controls over disbursements were not as strong as required.

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

Section II: Financial Statement Findings (Continued)

2024-004 The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements (Continued)

County Judge/Executive/County Treasurer's Response (Continued):

The condition occurred primarily due to limited staffing levels and the operational demands of the facility, which made it difficult to fully segregate disbursement duties among available personnel. In addition, the Jail relied on informal practices rather than formally documented procedures to process disbursements.

Management believed existing practices were sufficient to ensure payments were appropriate and supported; however, those practices were not consistently documented or independently reviewed. As operations expanded and transaction volume increased, the lack of formalized controls became more evident.

The Jail did not identify any known instances of fraud or misuse of funds; however, management recognizes that stronger controls are necessary to reduce risk and improve accountability. Jail officials are committed to implementing enhanced policies, segregation of duties where feasible, and increased oversight to strengthen internal controls over disbursements going forward.

The Pulaski County Jail will strengthen internal controls over disbursements to ensure compliance with sound financial management practices and to reduce the risk of errors or misuse of funds. The following corrective actions will be implemented:

1. **Segregation of Duties:**
   Disbursement responsibilities will be divided among multiple individuals to ensure that no single employee has control over authorization, processing, and reconciliation of payments.

2. **Written Policies and Procedures:**
   The Jail will develop and implement written disbursement policies outlining authorization requirements, documentation standards, approval levels, and payment processing procedures.

3. **Authorization and Approval Controls:**
   All disbursements will require proper approval by designated supervisory personnel prior to payment. Supporting documentation will be required for all expenditures.

4. **Reconciliation and Review:**
   Bank statements and disbursement records will be reconciled monthly by an individual independent of the payment process. Management will review reconciliations and disbursement activity for accuracy and compliance.

5. **Training and Oversight:**
   Staff involved in financial transactions will receive training on internal control procedures. Jail administration will provide ongoing oversight to ensure controls are consistently followed.

County Jailer's Response:

The Pulaski County Detention Center has implemented corrective measures to ensure that all receipts are maintained in a detailed and fully itemized format. Internal procedures will be reinforced to require sufficient descriptive information on all receipts to support expenditures and to meet audit review standards and applicable compliance requirements.

Management will continue to monitor and evaluate this process to ensure ongoing adherence and sustained improvement.

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

Section II: Financial Statement Findings (Continued)

2024-005 The Pulaski County Fiscal Court Did Not Maintain Complete And Accurate Capital Asset Schedules

This is a repeat finding and was included in the prior year audit report as finding 2023-009. The Pulaski County Fiscal Court did not have an updated capital asset schedule for fiscal year ended June 30, 2024. The former county judge/executive's administrative assistant was responsible for maintaining the capital assets, no additions, subtractions, or corrections to the previous fiscal year asset schedule were noted. Furthermore, there was no evidence that a physical inventory of the fiscal court's capital assets had been completed.

The deficiency occurred due to the fiscal court's lack of adequate controls over the reporting of capital assets. According to the current judge/executive's administrative assistant and the county treasurer, no one in the current administration knew the capital assets list needed to be updated, or a physical inventory completed.

By not maintaining an accurate list of capital assets, assets could be improperly stated, increasing the risk of material misstatement to the capital asset schedule. The fiscal court cannot properly determine insurance needs without proper documentation being maintained.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The uniform system of accounts is set forth in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* which states, "[f]ixed asset records are necessary for proper asset valuation, adequate and accurate insurance coverage, internal control, and long range planning for property replacement." The manual further states that an "annual physical inventory of property and equipment shall be conducted on or before June 30. Physical counts must be compared to the master asset inventory listing. Resulting differences must be reconciled, explained and documented."

We recommend the fiscal court maintain a complete and accurate capital asset schedule to comply with the Department for Local Government requirements. Policies should be implemented that will identify and track additions and deletions for the purpose of the capital asset schedule and required insurance coverage. In addition, the fiscal court should complete a physical inventory at least yearly to ensure all assets meeting the fiscal court's capitalization policy threshold are included.

County Judge/Executive/County Treasurer's Response:

Pulaski County Fiscal Court continues to have difficulty getting physical inventory from multiple fire departments. Pulaski County Fiscal Court will implement formal policies and procedures to ensure that a complete and accurate capital asset schedule is maintained in accordance with applicable accounting standards. The corrective actions will include the following steps:

1. **Policy Development:**
The Fiscal Court will adopt a written capital asset policy outlining capitalization thresholds, asset classifications, depreciation methods, and procedures for recording acquisitions, transfers, and disposals.
2. **Asset Inventory and Reconciliation:**
A comprehensive physical inventory of all capital assets will be conducted by all departments. Existing departmental asset records will be reconciled to the general ledger and missing or inaccurately recorded assets will be identified and corrected.
3. **Centralized Recordkeeping:**
The Treasurer's Office (or designated financial office) will maintain a centralized capital asset schedule. Departments will be required to report asset purchases, disposals, and transfers promptly.
4. **Ongoing Monitoring:**
The capital asset schedule will be reviewed and updated at least annually. Reconciliations between the capital asset schedule and the financial statements will be performed prior to year-end reporting.
5. **Training and Oversight:**
Relevant staff will receive training on capital asset procedures to ensure consistent compliance. Management will provide oversight to verify adherence to established policies.

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

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

Finding Number	Prior Year Finding Title	Status	Corrective Action
2023-001	The Pulaski County Fiscal Court Lacks Adequate Segregation Of Duties Over Cash, Receipts, And Reconciliations	Corrected	Adequate controls established
2023-002	The Pulaski County Fiscal Court Lacks Adequate Controls Over Occupational Tax Receipts	Corrected	Adequate controls established
2023-003	The Pulaski County Fiscal Court's Budget Was Not Prepared Or Reviewed Properly	Uncorrected	Similar finding in current year - #2024-002
2023-004	The Pulaski County Fiscal Court Did Not Have Strong Internal Controls Over Disbursements	Corrected	Adequate controls established
2023-005	The Pulaski County Fiscal Court Did Not Properly Budget And Include All Debt Activity In The Financial Statement	Uncorrected	Similar finding in current year - #2024-003
2023-006	The Pulaski County Fiscal Court Did Not Maintain Proper Records For The Public Properties Corporation Fund And General Obligation Bond Funds	Corrected	Proper records maintained for bonds and Public Properties Corporation
2023-007	The Pulaski County Detention Center Did Not Have Strong Internal Controls Over Disbursements	Uncorrected	Similar finding in current year - #2024-004
2023-008	The Pulaski County Fiscal Court Did Not Follow Proper Procurement Procedures For Purchases Over $20,000	Corrected	Proper procedures followed for disbursements tested during current year audit
2023-009	The Pulaski County Fiscal Court Did Not Maintain Complete And Accurate Capital Asset Schedules	Uncorrected	Similar finding in current year - #2024-005

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

PULASKI COUNTY FISCAL COURT

For The Year Ended June 30, 2024

Appendix A

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

PULASKI COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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

County Judge/Executive

County Treasurer