REPORT OF THE AUDIT OF THE WHITLEY COUNTY FISCAL COURT

For The Year Ended
June 30, 2024

ALLISON BALL
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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Pat White, Jr., Whitley County Judge/Executive
Members of the Whitley County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the Whitley County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Whitley 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 Whitley County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

Other Information

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, on our consideration of the Whitley County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Whitley County Fiscal Court's internal control over financial reporting and compliance.

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

2024-001 The Whitley County Fiscal Court Failed To Implement Adequate Internal Controls Over Debt And Debt Service
2024-002 The Whitley County Fiscal Court Did Not Include Interfund Transfers Within Fiscal Court Orders
2024-003 The Whitley County Payroll Account Was Not Properly Reconciled
2024-004 The Whitley County Fiscal Court Lacks Controls Over Disbursements

Respectfully submitted,

Allison Ball

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 19, 2025

WHITLEY COUNTY OFFICIALS

For The Year Ended June 30, 2024

Fiscal Court Members:

Pat White, Jr.	County Judge/Executive
Scotty Harrison	Magistrate
Mondo Cima	Magistrate
Michael Jarboe	Magistrate
Raleigh Meadors	Magistrate

Other Elected Officials:

Robert Hammons	County Attorney
Jason Wilson	Jailer
Carolyn Willis	County Clerk
Gary Barton	Circuit Court Clerk
William Elliotte	Sheriff
Ronnie Moses	Property Valuation Administrator
Andy Croley	Coroner

Appointed Personnel:

Nicholas Simpson	County Treasurer
Kimberly Medley	Finance Officer
Greg Callihan	Personnel/Payroll Officer

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

For The Year Ended June 30, 2024

WHITLEY 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
RECEIPTS			
Taxes	$ 1,824,889	$	$
In Lieu Tax Payments	134,519	72,205	
Excess Fees	407,587		
Licenses and Permits	83,049		
Intergovernmental	721,779	2,793,501	1,566,599
Charges for Services			60,445
Miscellaneous	242,807	55,077	163,101
Interest	5,413	8,021	5,211
Total Receipts	3,420,043	2,928,804	1,795,356
DISBURSEMENTS			
General Government	2,952,290		
Protection to Persons and Property	144,609		2,853,591
General Health and Sanitation	152,414		
Recreation and Culture			
Roads		2,777,974	
Debt Service		44,263	486,525
Administration	936,255	572,497	785,646
Total Disbursements	4,185,568	3,394,734	4,125,762
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(765,525)	(465,930)	(2,330,406)
Other Adjustments to Cash (Uses)			
Payroll Revolving Account	93,753		
Transfers From Other Funds	3,024,664	1,225,378	2,248,231
Transfers To Other Funds	(2,478,231)	(300,000)	
Total Other Adjustments to Cash (Uses)	640,186	925,378	2,248,231
Net Change in Fund Balance	(125,339)	459,448	(82,175)
Fund Balance - Beginning	562,526	167,056	105,770
Fund Balance - Ending	$ 437,187	$ 626,504	$ 23,595
Composition of Fund Balance			
Bank Balance	$ 626,384	$ 636,609	$ 57,487
Less: Outstanding Checks	(189,197)	(10,105)	(33,892)
Fund Balance - Ending	$ 437,187	$ 626,504	$ 23,595

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

Budgeted Funds						
Local Government Economic Assistance Fund	Federal Grants Fund	Ambulance Fund	Forestry Fund	Sanitation Fund	Occupational Tax Fund	Tourism Tax Fund
$	$	$	$ 4,405	$	$ 7,119,999	$ 89,562
762,036	1,616,483			52,752		
		2,644,784		1,017,345		
		20,290		35,920	6,859	
4,144		4,068	66	1,036	11,358	112
766,180	1,616,483	2,669,142	4,471	1,107,053	7,138,216	89,674
882,711	892,385				114,391	
		2,839,181	3,481			
				1,022,265		
60,000						86,127
				43,149		
		717,443		179,041	3,671,219	
942,711	892,385	3,556,624	3,481	1,244,455	3,785,610	86,127
(176,531)	724,098	(887,482)	990	(137,402)	3,352,606	3,547
		813,736		30,000		
(100,000)	(925,378)				(2,724,664)	
(100,000)	(925,378)	813,736		30,000	(2,724,664)	
(276,531)	(201,280)	(73,746)	990	(107,402)	627,942	3,547
485,856	978,905	673,406	4,893	128,825	420,609	11,322
$ 209,325	$ 777,625	$ 599,660	$ 5,883	$ 21,423	$ 1,048,551	$ 14,869
$ 209,325	$ 1,017,408	$ 600,035	$ 5,883	$ 21,621	$ 1,051,994	$ 14,869
	(239,783)	(375)		(198)	(3,443)	
$ 209,325	$ 777,625	$ 599,660	$ 5,883	$ 21,423	$ 1,048,551	$ 14,869

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

	Budgeted Funds			
	911 Fund	Opioid Settlement Fund	Clerk Storage Fund	Reserve Fund
RECEIPTS				
Taxes	$ 518,047	$	$	$
In Lieu Tax Payments				
Excess Fees				
Licenses and Permits				
Intergovernmental	193,503			
Charges for Services				
Miscellaneous		758,539	45,660	
Interest	5,517	37,736	480	117,706
Total Receipts	717,067	796,275	46,140	117,706
DISBURSEMENTS				
General Government			20,021	
Protection to Persons and Property	749,838			
General Health and Sanitation				
Recreation and Culture				
Roads				
Debt Service				
Administration	216,511			
Total Disbursements	966,349		20,021	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(249,282)	796,275	26,119	117,706
Other Adjustments to Cash (Uses)				
Payroll Revolving Account				
Transfers From Other Funds				
Transfers To Other Funds				(813,736)
Total Other Adjustments to Cash (Uses)				(813,736)
Net Change in Fund Balance	(249,282)	796,275	26,119	(696,030)
Fund Balance - Beginning	650,811	740,787	27,504	3,316,642
Fund Balance - Ending	$ 401,529	$ 1,537,062	$ 53,623	$ 2,620,612
Composition of Fund Balance				
Bank Balance	$ 402,584	$ 1,537,062	$ 53,623	$ 2,620,612
Less: Outstanding Checks	(1,055)			
Fund Balance - Ending	$ 401,529	$ 1,537,062	$ 53,623	$ 2,620,612

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

Unbudgeted Funds: Public Properties Corporation Fund	Unbudgeted Funds: Jail Commissary Fund	Total Funds
$	$	$ 9,556,902
		206,724
		407,587
		83,049
1,235,777		8,942,430
		3,722,574
	442,531	1,770,784
	133	201,001
1,235,777	442,664	24,891,051
		4,861,798
		6,590,700
		1,174,679
	367,998	514,125
		2,777,974
1,235,777		1,809,714
		7,078,612
1,235,777	367,998	24,807,602
	74,666	83,449
		93,753
		7,342,009
		(7,342,009)
		93,753
	74,666	177,202
	147,316	8,422,228
$ 0	$ 221,982	$ 8,599,430
$	$ 225,962	$ 9,081,458
	(3,980)	(482,028)
$ 0	$ 221,982	$ 8,599,430

INDEX FOR NOTES TO THE FINANCIAL STATEMENT

WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Whitley County includes all budgeted and unbudgeted funds under the control of the Whitley 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.

WHITLEY 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)

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

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

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

Ambulance Fund - The primary purpose of this fund is to provide emergency medical service for the county. The primary source of receipts for this fund are federal, state, and private insurance billings.

Forestry Fund - The primary purpose of this fund is to provide emergency fire protection to the forestry regions of the county. The primary source of receipts for this fund is local taxes collected by the sheriff.

Sanitation Fund - The primary purpose of this fund is to account for garbage collection fee receipts collected by the county.

Occupational Tax Fund - The primary purpose of this fund is to account for occupational taxes collected by the county.

Tourism Tax Fund - The primary purpose of this fund is to account for tourism taxes collected by the county.

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

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

Clerk Storage Fund - The primary purpose of this fund is to account for the receipt and disbursements of HB 135.

Reserve Fund - The primary purpose of this fund is to maintain funds in reserve.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (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.

D. Budgetary Information

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

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

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

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

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

E. Whitley County Elected Officials

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

E. Whitley County Elected Officials (Continued)

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

F. Deposits and Investments

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

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

G. Long-term Obligations

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

H. Related Obligations and Joint Ventures

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

Cumberland Falls Water Hwy District
Whitley County Water District

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

Whitley County Airport
Bell/Whitley Action Group

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

Note 2. Deposits

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

Custodial Credit Risk - Deposits

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

Note 3. Transfers

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

	General Fund	Road Fund	LGEA Fund	Federal Grants Fund	Occupational Tax Fund	Reserve Fund	Total Transfers In
General Fund	$	$ 300,000	$	$	$ 2,724,664	$	$ 3,024,664
Road Fund	300,000			925,378			1,225,378
Jail Fund	2,148,231		100,000				2,248,231
Sanitation Fund	30,000						30,000
Ambulance Fund						813,736	813,736
Total Transfers Out	$ 2,478,231	$ 300,000	$ 100,000	$ 925,378	$ 2,724,664	$ 813,736	$ 7,342,009

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 $46,376.

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

Note 5. Leases

A. Office Space Rental – 911

During fiscal year 2010, the Whitley County Fiscal Court entered into an operating lease agreement with the Williamsburg-Whitley County Airport Board, Inc., for the rent of the Whitley County 911 Department at a rate of $1,000 per month. The lease is for 20 years, at which time a new lease can be negotiated. The total expense related to this operating lease was $12,000 for fiscal year ended June 30, 2024. The future minimum lease payments for the operating lease are as follows:

Fiscal Year Ended June 30	Amount
2025	$ 12,000
2026	12,000
2027	12,000
2028	12,000
2029	12,000
2030	12,000
Totals	$ 72,000

B. Office Space Rental – EMS

During fiscal year 2010, the Whitley County Fiscal Court entered into an operating lease agreement with the Williamsburg-Whitley County Airport Board, Inc., for the rent of the Whitley County EMS building at a rate of $800 per month. The lease is for 20 years, at which time a new lease can be negotiated. The total expense related to this operating lease was $9,600 for fiscal year ended June 30, 2024. The future minimum lease payments for the operating lease are as follows:

Fiscal Year Ended June 30	Amount
2025	$ 9,600
2026	9,600
2027	9,600
2028	9,600
2029	9,600
2030	9,600
Totals	$ 57,600

C. Tower Space Rental

During fiscal year 2009, the Whitley County Fiscal Court entered into a lease agreement with a landowner. The lease agreement is for property for construction, operation, and maintenance of a radio transmission tower. The lease commenced on October 1, 2008, and terminated on October 1, 2014, with an automatic extension of four additional terms of five years (renewal term). The total expense related to this lease was $7,200 for fiscal year ended June 30, 2024. The future minimum lease payments for the operating lease are as follows:

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

Note 5. Leases (Continued)

C. Tower Space Rental (Continued)

Fiscal Year Ended June 30	Amount
2025	$ 7,200
2026	7,200
2027	7,200
2028	7,200
2029	7,200
2030-2033	28,800
Totals	$ 64,800

D. First Citizens Bank & Trust Company

During fiscal year 2023, the Whitley County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier. A lease liability was recorded in the amount of $1,825 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $1,612. The Whitley County Fiscal Court was required to make monthly principal payments of $30.

Fiscal Year Ended June 30	Amount
2025	$ 365
2026	365
2027	365
2028	365
2029	152
Totals	$ 1,612

E. First Citizens Bank & Trust Company

During fiscal year 2023, the Whitley County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier. A lease liability was recorded in the amount of $1,825 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $1,643. The Whitley County Fiscal Court was required to make monthly principal payments of $30.

Fiscal Year Ended June 30	Amount
2025	$ 365
2026	365
2027	365
2028	365
2029	183
Totals	$ 1,643

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

Note 5. Leases (Continued)

F. First Citizens Bank & Trust Company

During fiscal year 2023, the Whitley County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier. A lease liability was recorded in the amount of $2,160 during the current fiscal year. As of June 30, 2024, the value of the lease liability was $1,980. The Whitley County Fiscal Court was required to make monthly principal payments of $36.

Fiscal Year Ended June 30	Amount
2025	$ 432
2026	432
2027	432
2028	432
2029	252
Totals	$ 1,980

Note 6. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Road Equipment

On May 9, 2019, Whitley County entered into a financing obligation agreement with the Kentucky Association of Counties Leasing Trust for the purpose of financing the purchase of road equipment in the amount of $186,700. Terms of the agreement stipulate a repayment schedule in which the final payment is due on December 20, 2023, with a fixed interest rate of 4.25 percent with principal and interest payments due monthly. In the case of default, payments become due immediately and the purchases are considered collateral. The principal balance was paid in full as of June 30, 2024.

2. Sanitation Truck

On January 23, 2020, Whitley County entered into a financing obligation agreement with the Kentucky Association of Counties Leasing Trust for the purpose of financing the purchase of a garbage truck in the amount of $74,000. Terms of the agreement stipulate a repayment schedule in which the final payment is due on January 20, 2025, with a fixed interest rate of 3.99 percent with principal and interest payments due monthly. In the case of default, the balance becomes due immediately and the truck is considered collateral. The principal balance was $9,420 as of June 30, 2024. Future debt service requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 9,420	$ 126
Totals	$ 9,420	$ 126

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. Sanitation Equipment

On November 2, 2020, Whitley County entered into a financing obligation agreement with the Kentucky Association of Counties Leasing Trust for the purpose of financing the purchase of garbage cans and dumpsters in the amount of $55,000. Terms of the agreement stipulate a repayment schedule in which the final payment is due on November 20, 2025, with a fixed interest rate of 3.49 percent with a principal and interest payment due monthly. In the case of default, the balance becomes due immediately and the equipment is considered collateral. The principal balance was $16,614 as of June 30, 2024. Future debt service requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 11,642	$ 395
2026	4,972	43
Totals	$ 16,614	$ 438

4. Dump Truck

On November 12, 2020, Whitley County entered into a financing obligation agreement with the Kentucky Association of Counties Leasing Trust for the purpose of financing the purchase of a dump truck in the amount of $147,000. Terms of the agreement stipulate a repayment schedule in which the final payment is due on January 20, 2027, with a fixed interest rate of 3.36 percent with principal and interest payments due monthly. In the case of default, the balance becomes due immediately and the truck is considered collateral. The principal balance was $75,599 as of June 30, 2025. Future debt service requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 21,342	$ 2,213
2026	21,982	1,486
2027	22,642	738
2028	9,633	81
Totals	$ 75,599	$ 4,518

5. Sanitation Land

On March 16, 2021, Whitley County entered into a financing obligation agreement with the Kentucky Association of Counties Leasing Trust for the purpose of financing the purchase of sanitation land in the amount of $123,750. Terms of the agreement stipulate a repayment schedule in which the final payment is due on March 20, 2031, with a fixed interest rate of 3.44 percent with principal and interest payments due monthly. In the case of default, the balance becomes due immediately and the land is considered collateral. The principal balance was $87,602 as of June 31, 2024. Future debt service requirements are:

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

Note 6. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

5. Sanitation Land (Continued)

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 11,873	$ 2,827
2026	12,239	2,413
2027	12,616	1,986
2028	13,005	1,546
2029	13,406	1,093
2030-2031	24,463	778
Totals	$ 87,602	$ 10,643

B. Other Debt

1. General Obligation Bonds, Series 2013

On April 16, 2013, Whitley County issued $7,160,000 of General Obligations Bonds, Series 2013, with interest rates of 2 percent through 3.25 percent payable semiannually June 1 and December 1. These bonds were issued by Whitley County Kentucky for the purpose of refunding the Whitley County Kentucky General Obligation Bonds (detention facilities project), series 2022, $7,800,000 dated April 1, 2022, and refunding the $605,000 City of Ewing, Kentucky Area Development Districts Financing Trust Lease Acquisition Program Revenue Bonds (court facilities project), fixed rate series 2000, dated July 3, 2003 and the underlying lease; accrued interest, if any; and the cost of issuance. The outstanding principal balance of the bonds was $2,985,000 as of June 30, 2024, with principal paid annually on June 1. Future debt service requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 395,000	$ 91,900
2026	405,000	81,038
2027	420,000	68,888
2028	430,000	56,288
2029	445,000	43,388
2030-2031	890,000	43,063
Totals	$ 2,985,000	$ 384,565

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

Note 6. Long-term Debt (Continued)

B. Other Debt (Continued)

2. First Mortgage Refunding Bond Series 2017

On June 1, 2017, the Whitley County Public Properties Corporation (PPC), an agency and instrumentality of the Whitley County Fiscal Court, issued First Mortgage Revenue Refunding Bonds, series 2017, in the principal amount of $7,054,999, for the purchase of refunding a portion of its outstanding First Mortgage Bonds (Whitley County Justice Center), series 2009, dated September 1, 2009, in the principal amount of $17,105,000.

The series 2009 bonds that were partially refunded have been paid in full. The series 2017 bonds were issued at an interest rate of 2.52 percent to 4 percent. The PPC has entered into an agreement to lease the Whitley County Judicial Center to the fiscal court for the amount of the total bond payments. The fiscal court has a sublease with the Administrative Office of the Courts (AOC), Commonwealth of Kentucky, for approximately 100 percent of the Whitley County Judicial Center, whereby AOC makes semi-annual payments directly to the payment agent to fund the debt service for the bond issue. Principal payments for the 2017 series are due annually on September 1 and interest payments are due semiannually on March 1 and September 1. As of June 30, 2024, the principal balance was $5,791,654 for the series 2017. Future debt service requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	$ 1,101,559	$ 132,070
2026	1,130,378	103,948
2027	1,157,869	75,116
2028	1,188,042	45,557
2029	1,213,806	15,294
Totals	$ 5,791,654	$ 371,985

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	$ 268,734	$	$ 79,497	$ 189,237	$ 54,278
General Obligation Bonds	3,370,000		385,000	2,985,000	395,000
Revenue Bonds	6,867,920		1,076,266	5,791,654	1,101,559
Total Long-term Debt	$ 10,506,654	$ 0	$ 1,540,763	$ 8,965,891	$ 1,550,837

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

Note 6. Long-term Debt (Continued)

D. Aggregate Debt Schedule

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

Fiscal Year Ended June 30	Other Debt Principal	Other Debt Interest	Direct Borrowings and Direct Placements Principal	Direct Borrowings and Direct Placements Interest
2025	$ 1,496,559	$ 223,970	$ 54,278	$ 5,561
2026	1,535,378	184,985	39,193	3,943
2027	1,577,869	144,003	35,258	2,724
2028	1,618,042	101,845	22,639	1,627
2029	1,658,806	58,681	13,406	1,093
2030-2031	890,000	43,063	24,463	778
Totals	$ 8,776,654	$ 756,547	$ 189,237	$ 15,726

Note 7. Contingencies

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

Note 8. Employee Retirement System

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

The county's contribution for FY 2022 was $976,854, FY 2023 was $1,146,047, and FY 2024 was $1,172,526.

Nonhazardous

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

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

Note 8. Employee Retirement System (Continued)

Nonhazardous (Continued)

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

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

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

Hazardous

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

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

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

Note 8. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Hazardous employees whose participation began on or after July 1, 2003, earn $15 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 $10 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 $10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5%. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

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

Note 8. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

Once members reach a minimum vesting period of 15 years, they earn $15 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%. Upon the death of a hazardous employee, the employee's spouse receives $10 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% 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%. 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.

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.

G. KPPA Annual Financial Report and Proportionate Share Audit Report

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

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

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

Note 9. Deferred Compensation

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

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

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

Note 10. Insurance

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

Note 11. Payroll Revolving Account

The reconciled balance of the payroll revolving account in the amount of $93,753 as of June 30, 2024, was added to the General Fund cash balance for financial reporting purposes.

WHITLEY COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

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WHITLEY 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	$ 1,547,000	$ 1,712,776	$ 1,824,889	$ 112,113
In Lieu Tax Payments	110,500	111,578	134,519	22,941
Excess Fees		400,778	407,587	6,809
Licenses and Permits	91,200	91,200	83,049	(8,151)
Intergovernmental	476,727	509,859	721,779	211,920
Miscellaneous	4,450	82,708	242,807	160,099
Interest	4,000	4,230	5,413	1,183
Total Receipts	2,233,877	2,913,129	3,420,043	506,914
DISBURSEMENTS				
General Government	2,256,484	3,198,647	2,952,290	246,357
Protection to Persons and Property	159,100	182,814	144,609	38,205
General Health and Sanitation	152,200	153,832	152,414	1,418
Social Services	7,600	2,056		2,056
Debt Service	452,500	452,500		452,500
Administration	1,365,753	1,101,745	936,255	165,490
Total Disbursements	4,393,637	5,091,594	4,185,568	906,026
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,159,760)	(2,178,465)	(765,525)	1,412,940
Other Adjustments to Cash (Uses)				
Governmental Leasing Receipts	450,000	450,000		
Transfers From Other Funds	4,320,000	4,320,000	3,024,664	(1,295,336)
Transfers To Other Funds	(3,210,240)	(3,210,240)	(2,478,231)	732,009
Total Other Adjustments to Cash (Uses)	1,559,760	1,559,760	546,433	(563,327)
Net Change in Fund Balance	(600,000)	(618,705)	(219,092)	399,613
Fund Balance - Beginning	600,000	562,526	562,526	
Fund Balance - Ending	$ 0	$ (56,179)	$ 343,434	$ 399,613

WHITLEY 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	$ 65,000	$ 65,000	$ 72,205	$ 7,205
Intergovernmental	1,971,095	3,082,097	2,793,501	(288,596)
Miscellaneous	2,100	51,371	55,077	3,706
Interest	5,500	6,671	8,021	1,350
Total Receipts	2,043,695	3,205,139	2,928,804	(276,335)
DISBURSEMENTS				
General Government	1,500	1,500		1,500
Roads	2,005,971	3,203,445	2,777,974	425,471
Debt Service	66,206	66,206	44,263	21,943
Administration	802,098	711,519	572,497	139,022
Total Disbursements	2,875,775	3,982,670	3,394,734	587,936
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(832,080)	(777,531)	(465,930)	311,601
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,082,080	1,082,080	1,225,378	143,298
Transfers To Other Funds	(300,000)	(300,000)	(300,000)	
Total Other Adjustments to Cash (Uses)	782,080	782,080	925,378	143,298
Net Change in Fund Balance	(50,000)	4,549	459,448	454,899
Fund Balance - Beginning	50,000	167,056	167,056	
Fund Balance - Ending	$ 0	$ 171,605	$ 626,504	$ 454,899

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

JAIL FUND

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	$ 1,311,600	$ 1,449,800	$ 1,566,599	$ 116,799
Charges for Services	75,250	75,500	60,445	(15,055)
Miscellaneous	69,000	98,963	163,101	64,138
Interest	1,800	3,825	5,211	1,386
Total Receipts	1,457,650	1,628,088	1,795,356	167,268
DISBURSEMENTS				
Protection to Persons and Property	2,212,532	2,871,035	2,853,591	17,444
Debt Service	435,763	486,525	486,525	
Administration	788,963	806,998	785,646	21,352
Total Disbursements	3,437,258	4,164,558	4,125,762	38,796
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,979,608)	(2,536,470)	(2,330,406)	206,064
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	1,974,608	1,974,608	2,248,231	273,623
Total Other Adjustments to Cash (Uses)	1,974,608	1,974,608	2,248,231	273,623
Net Change in Fund Balance	(5,000)	(561,862)	(82,175)	479,687
Fund Balance - Beginning	5,000	104,390	105,770	1,380
Fund Balance - Ending	$ 0	$ (457,472)	$ 23,595	$ 481,067

WHITLEY 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	$ 260,100	$ 434,168	$ 762,036	$ 327,868
Miscellaneous	100	100		(100)
Interest	1,500	3,372	4,144	772
Total Receipts	261,700	437,640	766,180	328,540
DISBURSEMENTS				
General Government	7,200	882,812	882,711	101
Recreation and Culture	60,000	60,000	60,000	
Roads	50,000	50,000		50,000
Administration	54,500	1		1
Total Disbursements	171,700	992,813	942,711	50,102
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	90,000	(555,173)	(176,531)	378,642
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(100,000)	(100,000)	(100,000)	
Total Other Adjustments to Cash (Uses)	(100,000)	(100,000)	(100,000)	
Net Change in Fund Balance	(10,000)	(655,173)	(276,531)	378,642
Fund Balance - Beginning	10,000	485,856	485,856	
Fund Balance - Ending	$ 0	$ (169,317)	$ 209,325	$ 378,642

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

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 182,080	$ 1,722,434	$ 1,616,483	$ (105,951)
Total Receipts	182,080	1,722,434	1,616,483	(105,951)
DISBURSEMENTS				
General Government	182,080	1,009,954	892,385	117,569
Administration		1,509,305		1,509,305
Total Disbursements	182,080	2,519,259	892,385	1,626,874
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(796,825)	724,098	1,520,923
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(182,080)	(182,080)	(925,378)	(743,298)
Total Other Adjustments to Cash (Uses)	(182,080)	(182,080)	(925,378)	(743,298)
Net Change in Fund Balance	(182,080)	(978,905)	(201,280)	777,625
Fund Balance - Beginning	182,080	978,905	978,905	
Fund Balance - Ending	$ 0	$ 0	$ 777,625	$ 777,625

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

	AMBULANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 10,000	$ 11,032	$	$ (11,032)
Charges for Services	2,600,300	2,602,010	2,644,784	42,774
Miscellaneous	2,100	3,148	20,290	17,142
Interest	2,000	3,112	4,068	956
Total Receipts	2,614,400	2,619,302	2,669,142	49,840
DISBURSEMENTS				
Protection to Persons and Property	2,051,200	2,955,376	2,839,181	116,195
Administration	863,200	831,068	717,443	113,625
Total Disbursements	2,914,400	3,786,444	3,556,624	229,820
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(300,000)	(1,167,142)	(887,482)	279,660
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	100,000	100,000	813,736	713,736
Transfers To Other Funds	(300,000)	(300,000)		300,000
Total Other Adjustments to Cash (Uses)	(200,000)	(200,000)	813,736	1,013,736
Net Change in Fund Balance	(500,000)	(1,367,142)	(73,746)	1,293,396
Fund Balance - Beginning	500,000	673,406	673,406	
Fund Balance - Ending	$ 0	$ (693,736)	$ 599,660	$ 1,293,396

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

	FORESTRY FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 4,600	$ 4,600	$ 4,405	$ (195)
Miscellaneous	100	100		(100)
Interest	100	100	66	(34)
Total Receipts	4,800	4,800	4,471	(329)
DISBURSEMENTS				
Protection to Persons and Property	4,000	4,000	3,481	519
Administration	4,950	5,693		5,693
Total Disbursements	8,950	9,693	3,481	6,212
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(4,150)	(4,893)	990	5,883
Net Change in Fund Balance	(4,150)	(4,893)	990	5,883
Fund Balance - Beginning	4,150	4,893	4,893	
Fund Balance - Ending	$ 0	$ 0	$ 5,883	$ 5,883

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

	SANITATION FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 200	$ 52,852	$ 52,752	$ (100)
Charges for Services	815,100	879,890	1,017,345	137,455
Miscellaneous	2,000	2,000	35,920	33,920
Interest	1,000	1,000	1,036	36
Total Receipts	818,300	935,742	1,107,053	171,311
DISBURSEMENTS				
General Health and Sanitation	880,900	1,125,685	1,022,265	103,420
Debt Service	43,197	43,197	43,149	48
Administration	229,835	206,644	179,041	27,603
Total Disbursements	1,153,932	1,375,526	1,244,455	131,071
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(335,632)	(439,784)	(137,402)	302,382
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	335,632	335,632	30,000	(305,632)
Transfers To Other Funds	(100,000)	(100,000)		100,000
Total Other Adjustments to Cash (Uses)	235,632	235,632	30,000	(205,632)
Net Change in Fund Balance	(100,000)	(204,152)	(107,402)	96,750
Fund Balance - Beginning	100,000	128,825	128,825	
Fund Balance - Ending	$ 0	$ (75,327)	$ 21,423	$ 96,750

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

OCCUPATIONAL TAX FUND

	Budgeted Amounts		Actual Amounts, (Budgetary	Variance with Final Budget Positive
	Original	Final	Basis)	(Negative)
RECEIPTS				
Taxes	$ 6,250,000	$ 6,250,000	$ 7,119,999	$ 869,999
Miscellaneous	1,000	7,859	6,859	(1,000)
Interest	3,500	7,697	11,358	3,661
Total Receipts	6,254,500	6,265,556	7,138,216	872,660
DISBURSEMENTS				
General Government	158,180	163,899	114,391	49,508
Administration	3,551,320	3,902,266	3,671,219	231,047
Total Disbursements	3,709,500	4,066,165	3,785,610	280,555
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	2,545,000	2,199,391	3,352,606	1,153,215
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(2,620,000)	(2,620,000)	(2,724,664)	(104,664)
Total Other Adjustments to Cash (Uses)	(2,620,000)	(2,620,000)	(2,724,664)	(104,664)
Net Change in Fund Balance	(75,000)	(420,609)	627,942	1,048,551
Fund Balance - Beginning	75,000	420,609	420,609	
Fund Balance - Ending	$ 0	$ 0	$ 1,048,551	$ 1,048,551

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

TOURISM TAX FUND

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	$ 65,000	$ 75,093	$ 89,562	$ 14,469
Interest	100	100	112	12
Total Receipts	65,100	75,193	89,674	14,481
DISBURSEMENTS				
Recreation and Culture	65,000	86,422	86,127	295
Administration	600	93		93
Total Disbursements	65,600	86,515	86,127	388
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(500)	(11,322)	3,547	14,869
Net Change in Fund Balance	(500)	(11,322)	3,547	14,869
Fund Balance - Beginning	500	11,322	11,322	
Fund Balance - Ending	$ 0	$ 0	$ 14,869	$ 14,869

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

	911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary	Variance with Final Budget Positive
	Original	Final	Basis)	(Negative)
RECEIPTS				
Taxes	$ 455,000	$ 455,000	$ 518,047	$ 63,047
Intergovernmental	381,435	394,848	193,503	(201,345)
Miscellaneous	2,000	2,000		(2,000)
Interest	2,000	4,469	5,517	1,048
Total Receipts	840,435	856,317	717,067	(139,250)
DISBURSEMENTS				
Protection to Persons and Property	697,500	855,579	749,838	105,741
Recreation and Culture	20,000	20,000		20,000
Administration	422,935	631,549	216,511	415,038
Total Disbursements	1,140,435	1,507,128	966,349	540,779
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(300,000)	(650,811)	(249,282)	401,529
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	100,000	100,000		(100,000)
Transfers To Other Funds	(100,000)	(100,000)		100,000
Total Other Adjustments to Cash (Uses)				
Net Change in Fund Balance	(300,000)	(650,811)	(249,282)	401,529
Fund Balance - Beginning	300,000	650,811	650,811	
Fund Balance - Ending	$ 0	$ 0	$ 401,529	$ 401,529

WHITLEY 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				
Miscellaneous	$ 100	$ 110,022	$ 758,539	$ 648,517
Interest	21,786	25,123	37,736	12,613
Total Receipts	21,886	135,145	796,275	661,130
DISBURSEMENTS				
Protection to Persons and Property	100	100		100
General Health and Sanitation	300	300		300
Capital Projects	100	100		100
Administration	755,456	875,433		875,433
Total Disbursements	755,956	875,933		875,933
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(734,070)	(740,788)	796,275	1,537,063
Net Change in Fund Balance	(734,070)	(740,788)	796,275	1,537,063
Fund Balance - Beginning	734,070	740,788	740,787	(1)
Fund Balance - Ending	$ 0	$ 0	$ 1,537,062	$ 1,537,062

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

	CLERK STORAGE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 45,000	$ 45,000	$ 45,660	$ 660
Interest	65	332	480	148
Total Receipts	45,065	45,332	46,140	808
DISBURSEMENTS				
General Government	45,000	45,000	20,021	24,979
Administration	115	27,136		27,136
Total Disbursements	45,115	72,136	20,021	52,115
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(50)	(26,804)	26,119	52,923
Net Change in Fund Balance	(50)	(26,804)	26,119	52,923
Fund Balance - Beginning	50	27,504	27,504	
Fund Balance - Ending	$ 0	$ 700	$ 53,623	$ 52,923

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

RESERVE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 1,000	$ 1,000	$	$ (1,000)
Interest	1,000	93,357	117,706	24,349
Total Receipts	2,000	94,357	117,706	23,349
DISBURSEMENTS				
Administration	2,000	1,131,296		1,131,296
Total Disbursements	2,000	1,131,296		1,131,296
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(1,036,939)	117,706	1,154,645
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(1,000,000)	(1,000,000)	(813,736)	186,264
Total Other Adjustments to Cash (Uses)	(1,000,000)	(1,000,000)	(813,736)	186,264
Net Change in Fund Balance	(1,000,000)	(2,036,939)	(696,030)	1,340,909
Fund Balance - Beginning	1,000,000	3,316,642	3,316,642	
Fund Balance - Ending	$ 0	$ 1,279,703	$ 2,620,612	$ 1,340,909

WHITLEY COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2024

Note 1. Budgetary Information

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

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

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

Note 2. Reconciliation of the General Fund

Total Other Adjustments to Cash (Uses) - Budgetary Basis	$ 546,433
To adjust for the payroll revolving account balance	93,753
Total Other Adjustments to Cash (Uses) - Regulatory Basis	$ 640,186
Ending Fund Balance - Budgetary Basis	$ 343,434
To adjust for the payroll revolving account balance	93,753
Total Ending Fund Balance - Regulatory Basis	$ 437,187

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WHITLEY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

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WHITLEY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
U. S. Department of Treasury				
Direct Program				
COVID-19 Coronavirus State Local Fiscal Recovery Funds	21.027		$	$ 528,226
Direct Program				
Local Assistance and Tribal Consistency Fund	21.032			364,159
Total U.S. Department of Treasury				892,385
U. S. Department of Homeland Security				
Passed-Through State Kentucky Emergency Management				
Emergency Management Performance Grants	97.042	4663DRKYP00000001	$	$ 18,764
Passed-Through State Kentucky Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	SC-095-2500000932-1		562,846
Total U.S. Department of Homeland Security				581,610
Total Expenditures of Federal Awards			$ 0	$ 1,473,995

The accompanying notes are an integral part of this schedule.

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

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

WHITLEY COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

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WHITLEY 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 (Restated*)	Additions	Deletions	Ending Balance
Land and Land Improvements	$ 690,858	$	$	$ 690,858
Buildings and Building Improvements*	26,494,928			26,494,928
Vehicles*	3,720,576			3,720,576
Equipment*	2,930,612			2,930,612
Infrastructure*	17,179,570			17,179,570
Total Capital Assets	$ 51,016,544	$ 0	$ 0	$ 51,016,544

WHITLEY 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	$ 12,500	10-60
Buildings and Building Improvements	$ 15,000	10-75
Equipment	$ 2,500	3-25
Vehicles	$ 2,500	3-12
Infrastructure	$ 20,000	10-50

Note 2. Restated Capital Asset Beginning Balance

The beginning balances reported on the Schedule of Capital Assets were restated. The county's records showed a beginning balance of $50,550,271; however, the ending balance for the prior year audit for fiscal year June 30, 2023, should have been $51,016,544. This was the result of the county not including the correct amount on the prior year Capital Asset Schedule.

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

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable Pat White, Jr., Whitley County Judge/Executive
Members of the Whitley County Fiscal Court

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Whitley County Fiscal Court for the fiscal year ended June 30, 2024, and the related notes to the financial statement which collectively comprise the Whitley County Fiscal Court's financial statement and have issued our report thereon dated November 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 to be material weaknesses.

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Report on Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-003 and 2024-004 to be significant deficiencies.

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Whitley County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-002.

Views of Responsible Official and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Whitley County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The county's responses were not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on them.

Purpose of this Report

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

Respectfully submitted,

Allison Ball

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 19, 2025

**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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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 Pat White, Jr., Whitley County Judge/Executive
Members of the Whitley County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Whitley County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Whitley County Fiscal Court's major federal programs for the year ended June 30, 2024. The Whitley 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, the Whitley 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 the Whitley 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 Whitley 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 grant agreements applicable to Whitley 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 Whitley 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 Whitley 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 Whitley 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 Whitley 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 Whitley 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.

Report on Internal Control over Compliance (Continued)

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

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

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

Respectfully submitted,

Allison Ball

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

November 19, 2025

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WHITLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

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WHITLEY 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
21.027	COVID-19 Coronavirus State Local Fiscal Recovery Funds
21.032	Local Assistance and Tribal Consistency Fund

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

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

Section II: Financial Statement Findings

2024-001 The Whitley County Fiscal Court Failed To Implement Adequate Internal Controls Over Debt And Debt Service

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The June 30, 2024, outstanding principal balances reported on the fourth quarter financial report were misstated when compared to actual principal payments and amortizations schedules. The following issues were noted:

- The 2009 bond series debt was overstated by $965,000. The fiscal court reported debt of $965,000 when the actual principal balance was $0. This loan has been paid in full.
- The 2013 bond series debt was reported correctly on the fourth quarter financial report; however, the outstanding principal balance was not properly recorded on the debt report for the Department of Local Government. The fiscal court reported debt of $2,985,000 on the fourth quarter report and $2,800,000 on the local government debt report.
- The 2017 bond series debt was overstated by $1,154,795. The fiscal court reported debt of $6,946,499 when the actual principal balance was $5,791,654.
- The road equipment loan #22 debt was overstated by $57,708. The fiscal court reported debt of $57,708 when the actual principal balance was $0. This loan has been paid in full.
- The sanitation truck debt was overstated by $29,309. The fiscal court reported debt of $38,729 when the actual principal balance was $9,420.
- The sanitation equipment debt was overstated by $3,251. The fiscal court reported debt of $78,851 when the actual principal balance was $75,600. This debt was not reported on the local government debt report.
- The sanitation land debt was overstated by $7. The fiscal court reported debt of $87,609 when actual principal balance was $87,602. This debt was not reported on the local government debt report.

The county treasurer did not properly account for the debt that was reported on the fourth quarter financial report. By not correctly reporting the liabilities of the fiscal court, the state local finance officer did not see the accurate financial position of the fiscal court.

Strong internal controls over outstanding debt and debt service payments are necessary to ensure accurate financial reporting. Also, KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts for all counties and county officials. The *County Budget Preparation and State Local Finance Officer Policy Manual* outlines minimum requirements for the handling of public funds, including debt service payments and reporting outstanding debt (principal and interest) and liabilities.

We recommend the fiscal court, when submitting its proposed budget and quarterly reports to the state local finance officer, accurately report and include all their financial obligations within the liabilities section, and ensure all quarterly reports are reviewed and verified as correct before submitting to the Department for Local Government.

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

Section II: Financial Statement Findings (Continued)

2024-001 The Whitley County Fiscal Court Failed To Implement Adequate Internal Controls Over Debt And Debt Service (Continued)

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The County's financial software has the capability to automatically update liabilities as payments entered. However, the prior Treasurer preferred to manually enter transactions on an as-needed basis and did not provide sufficient instruction or context to the Deputy Treasurer regarding this practice. To correct this going forward, the current Treasurer will ensure that all liabilities are properly updated at the time of their occurrence. The Court was well aware of the debt position of the county but the report when generated did not match that position. Additionally, all previously held debts will be reviewed and updated on a quarterly basis to maintain accuracy and consistency.

2024-002 The Whitley County Fiscal Court Did Not Include Interfund Transfers Within Fiscal Court Orders

The Whitley County Fiscal Court routinely makes necessary transfers between its budgeted funds to ensure that sufficient amounts are available for expenditures. There was no evidence of fiscal court approval in the fiscal court order books for interfund transfers for the audit period.

Interfund transfers were included within the original budget, and the county treasurer was under the impression that this was sufficient documentation for the approval of all interfund transfers. Without proper oversight and approval from fiscal court, misappropriation and fraud could occur and go undetected. When cash transfers are made without approval of fiscal court, funds can be moved between funds to cover expenditures without the knowledge of fiscal court.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* states "All transfers require a court order." Further, the fiscal court's administrative code section 2.5 (G) states, "…The original appropriation shall be entered and all amendments and transfers authorized by order of the Fiscal Court."

We recommend all cash transfers between funds be approved by the fiscal court and approved prior to the transfer being made.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: Historically the county has scheduled all transfers within the annual budget, however, going forward at the direction of the auditors office we will include transfers on the monthly court meeting to increase transparency for movement of money.

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

Section II: Financial Statement Findings (Continued)

2024-003 The Whitley County Payroll Account Was Not Properly Reconciled

The Whitley County Fiscal Court uses a revolving payroll account for payroll processing. Deposits are made into the bank account from the fiscal court funds to pay for salaries and payroll related items. As of June 30, 2024, the payroll account had a balance of $93,753 after accounting for all receivables and liabilities related to the June 2024 payroll. According to the county treasurer, he ensures transfers to the payroll account agree to the payroll register reports. The payroll clerk stated that the unexplained balance in the payroll account has been an issue for years. As a result of not properly reconciling the payroll account, the fiscal court runs the risk of incurring fees if the account is overdrawn.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*, which requires the county treasurer to prepare monthly bank reconciliations. Due to the nature of revolving accounts, only the funds necessary to pay employees and government agencies are transferred from other funds. Therefore, the reconciled balance each month of the payroll revolving account should be $0, or possibly a small reserve balance if the fiscal court so chooses. Strong internal controls over the account should be implemented to ensure that proper amounts are transferred timely. Should a balance accrue in the payroll revolving account, the fiscal court should allocate this balance to the appropriate fund(s).

We recommend the county treasurer ensure the payroll revolving account reconciles to a zero-ending balance at the end of each month after accounting for all receivables and liabilities.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The county will start reviewing all insurance payments at the end of third quarter to see how they line up with turnover in order to help zero out the balance of the account going forward.

2024-004 The Whitley County Fiscal Court Lacks Controls Over Disbursements

The Whitley County Fiscal Court lacks adequate controls over disbursement processes. Auditors tested 103 expenditures and noted the following exceptions:

- Forty-five instances in which purchase orders were issued after the invoice date.
- Seven of those expenditures were paid after the due date.
- The Whitley County Fiscal Court did not properly bid food services at the Whitley County Detention Center.

This deficiency occurred due to a lack of monitoring of controls, which can diminish the effectiveness of the controls put in place over disbursements by the fiscal court. Items could have been ordered or services rendered without prior approval to ensure adequate funds were available in each account. Accounts could have accrued penalty amounts or fees. Furthermore, by not following proper bidding requirements, the fiscal court was not in compliance with applicable law.

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

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

Section II: Financial Statement Findings (Continued)

2024-004 The Whitley County Fiscal Court Lacks Controls Over Disbursements (Continued)

The submission of purchase orders prior to receiving invoices and paying all disbursements timely are basic internal controls necessary to ensure the accuracy and reliability of financial reports.

KRS 424.260(1) states, in part, "no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for: (a) Materials; (b) Supplies, except perishable foods such as meat, poultry, fish, egg products, fresh vegetables, and fresh fruits; (c) Equipment; or (d) Contractual services other than professional; involving an expenditure of more than forty thousand dollars ($40,000) without first making newspaper advertisement for bids."

KRS 68.210 gives the state local finance office the authority to prescribe a system of uniform accounts. The Department for Local Government's County Budget Preparation and State Local Finance Office Policy Manual outlines requirements for counties handling public funds. These requirements include the implementation of a purchase order system as described on page 57.

We recommend the fiscal court implement proper internal controls over disbursements and ensure they are operating effectively. We also recommend the fiscal court comply with the state local finance officer's requirements by creating a purchase order for all disbursements. Additionally, we recommend the fiscal court monitor disbursements to ensure procurement procedures are followed properly for all purchases and contracts in the future.

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The county will have a discussion with all department heads to re-outline the importance of getting the PO ahead of acquisition on all purchases to make the disbursement schedule more time effective as originally intended.

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 County Did Not Have Adequate Controls In Place To Accurately Report Amounts For Debt On The Fourth Quarter Financial Report	Unresolved	See corrective action for current year finding 2024-001

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CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

WHITLEY COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE

WHITLEY COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Whitley 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