

PUBLIC NOTICE

A copy of the complete audit report, including financial statements and supplemental information, is on file at the County Judge Executive's office and is available for public inspection during normal business hours. You may obtain a copy of the complete audit report for personal use from the County Judge Executive for \$0.25 per page to cover duplication costs. You may obtain copies of the financial statements at no cost from the County Judge Executive's office, 410 Monument Square, Room 205, Jamestown, Kentucky.



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

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statement of the Russell County Fiscal Court, which comprise the Statement of Receipts, Disbursements, and Changes in Fund Balances -- Regulatory Basis, for the year ended June 30, 2025, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances -- regulatory basis of the Russell County Fiscal Court, for the year ended June 30, 2025, in accordance with the financial reporting provisions of the Kentucky Department for Local Government as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Russell County Fiscal Court as of June 30, 2025, or changes in net position or cash flow thereof for the year ended June 30, 2025, or the changes in net position or cash flows thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 1, the financial statement is prepared by the Russell County Fiscal Court on the basis of the financial reporting provisions of the Kentucky Department for Local Government, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirement of the Kentucky Department for Local Government. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Kentucky Department for Local Government. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Russell County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Russell 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 Russell County Fiscal Court. The accompanying Budgetary Comparison Schedules and 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 the financial reporting provisions of the by the Kentucky Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules 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 does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2026, on our consideration of the Russell County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and Russell agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Russell County Fiscal Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Russell County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

Patrick & Associates, LLC
Patrick & Associates, LLC
Winchester, KY

July 16, 2026

RUSSELL COUNTY OFFICIALS
For the Year Ended June 30, 2025

Fiscal Court Members:

Randy Marcum	County Judge/Executive
Terry Waddell	Magistrate
Mickey Garner	Magistrate
Zach Wilson	Magistrate
Steve Richardson	Magistrate
Larry Skaggs	Magistrate

Other Elected Officials:

Kevin Shearer	County Attorney
Bobby Dunbar	Jailer
Patti Glover	County Clerk
Tony Kerr	Circuit Court Clerk
Derek Polston	Sheriff
Tim Popplewell	Property Valuation Administrator
Mark Coots	Coroner

Appointed Personnel:

Kim Blanchett	County Treasurer
Susan Melton	Deputy Judge Executive

GENERAL FUND

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,961,050	\$ 3,961,050	\$ 4,559,760	\$ 598,710
In Lieu Tax Payments	176,200	176,200	188,376	12,176
Excess Fees	141,600	141,600	42,080	(99,520)
Licenses and Permits	3,175	3,175	3,278	103
Intergovernmental	803,450	803,450	798,368	(5,082)
Charges for Services	450	450	33,562	33,112
Miscellaneous	55,150	207,453	807,638	600,185
Interest	850	850	1,720	870
Total Receipts	5,141,925	5,294,228	6,434,782	1,140,554

DISBURSEMENTS

General Government	1,528,573	2,096,690	1,709,219	387,471
Protection to Persons and Property	183,400	208,041	161,617	46,424
General Health and Sanitation	474,685	616,335	510,701	105,634
Social Services	21,800	29,450	22,746	6,704
Recreation and Culture	84,610	119,194	115,148	4,046
Debt Service	34,295	34,295	34,103	192
Administration	1,710,057	3,096,154	992,444	2,103,710
Total Disbursements	4,037,420	6,200,159	3,545,978	2,654,181

Excess (Deficiency) of Receipts Over

Disbursements Before Other Adjustments to Cash (Uses)	1,104,505	(905,931)	2,888,804	3,794,735
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Other Adjustments to Cash (Uses)

Transfers From Other Funds	100,000	100,000	47,767	(52,233)
Transfers To Other Funds	(1,825,606)	(1,902,335)	(1,917,887)	(15,552)
Total Other Adjustments to Cash (Uses)	(1,725,606)	(1,802,335)	(1,870,120)	(67,785)

Net Change in Fund Balance	(621,101)	(2,708,266)	1,018,684	3,726,950
Fund Balance - Beginning	621,101	2,728,266	2,728,266	

Fund Balance - Ending	\$ 0	\$ 20,000	\$ 3,746,950	\$ 3,726,950
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ROAD FUND

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,754,871	\$ 1,754,871	\$ 1,817,698	\$ 62,827
Charges for Services	500	500	985	485
Miscellaneous	3,000	3,000	18,299	15,299
Interest	600	600	1,285	685
Total Receipts	1,758,971	1,758,971	1,838,267	79,296

DISBURSEMENTS

Roads	1,278,214	1,920,963	1,768,065	152,898
Capital Projects	60,000	60,000	5,900	54,100
Administration	431,080	359,711	227,775	131,936
Total Disbursements	1,769,294	2,340,674	2,001,740	338,934

Excess (Deficiency) of Receipts Over

Disbursements Before Other Adjustments to Cash (Uses)	(10,323)	(581,703)	(163,473)	418,230
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Other Adjustments to Cash (Uses)

Transfers From Other Funds			150,035	150,035
Transfers To Other Funds	(100,000)	(100,000)	(700)	99,300
Total Other Adjustments to Cash (Uses)	(100,000)	(100,000)	149,335	249,335

Net Change in Fund Balance	(110,323)	(681,703)	(14,138)	667,565
Fund Balance - Beginning	110,323	681,703	681,703	

Fund Balance - Ending	\$ 0	\$ 0	\$ 667,565	\$ 667,565
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JAIL FUND

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 530,150	\$ 609,583	\$ 673,418	\$ 63,835
Charges for Services	51,500	129,519	161,375	31,856
Miscellaneous	48,150	48,150	77,554	29,404
Interest	350	350	324	(26)
Total Receipts	630,150	787,602	912,671	125,069

DISBURSEMENTS

Protection to Persons and Property	1,474,258	1,570,140	1,372,659	197,481
Debt Service	336,000	336,000	335,978	22
Administration	549,343	610,913	502,185	108,728
Total Disbursements	2,359,601	2,517,053	2,210,822	306,231

Excess (Deficiency) of Receipts Over

Disbursements Before Other Adjustments to Cash (Uses)	(1,729,451)	(1,729,451)	(1,298,151)	431,300
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Other Adjustments to Cash (Uses)

Transfers From Other Funds	1,519,451	1,519,451	1,392,446	(127,005)
Transfers To Other Funds			(6,767)	(6,767)
Total Other Adjustments to Cash (Uses)	1,519,451	1,519,451	1,385,679	(133,772)

Net Change in Fund Balance	(210,000)	(210,000)	87,528	297,528
Fund Balance - Beginning	210,000	210,000	1,663	(208,337)

Fund Balance - Ending	\$ 0	\$ 0	\$ 89,191	\$ 89,191
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LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 2,450	\$ 2,450	\$ 1,884	\$ (566)
Miscellaneous	100	100	20	(80)
Total Receipts	2,550	2,550	1,904	(646)

DISBURSEMENTS

General Government	16,800	18,074	10,166	7,908
Administration	4,000	10,657		10,657
Total Disbursements	20,800	28,731	10,166	18,565

Excess (Deficiency) of Receipts Over

Disbursements Before Other Adjustments to Cash (Uses)	(18,250)	(26,181)	(8,262)	17,919
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Other Adjustments to Cash (Uses)

Transfers From Other Funds	14,750	14,750		(14,750)
Total Other Adjustments to Cash (Uses)	14,750	14,750		(14,750)

Net Change in Fund Balance	(3,500)	(11,431)	(8,262)	3,169
Fund Balance - Beginning	3,500	11,431	11,430	(1)

Fund Balance - Ending	\$ 0	\$ 0	\$ 3,168	\$ 3,168
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