

BURIED

From A1

“We wanted to ensure we found everything vital to this investigation,” Robinson said. “We did find a shovel and an axe the men were using to remove the coal.” Robinson said he felt the men were digging the coal for personal use. “That’s what it appears,” he said. “We have been told they were getting coal to heat their home.” They were last seen on Christmas Day, according to Smith. “The men were digging coal on Stone Gap Road when the bank collapsed, covering them completely,” Smith said. “A family member found the men and tried to uncover them to no avail. We had to bring in county road crews to help uncover the bodies.”

REFLECT

From A1

-A major thunderstorm and straight-line winds caused significant damage to a building at Beech Creek Apartments. A shelter at Rawlings-Stinson Park collapsed as Roger Glenn Hibbard barely escaped with his life. -Residents at Laurel Creek had to be evacuated as a gas well fire was burning at Vinland Energy. It took over three million gallons of water to keep tanks cool and stop a possible explosion. Rescue personnel worked 26 hours to extinguish the fire.

June 2024

-The Clay County Days Festival returned to the streets of downtown Manchester. -The Clay County Board of Education approved a pay increase for all certified and classified. The board has increased salaries by 18.5% over nine years. -Senator Roberts Stivers and 1 Clay County hosted the mayor of Louisville and a delegation of business leaders from the state’s largest city. They came to Manchester to hear and see all the improvements being made. -Renee Smith, former Instructional Supervisor with the Clay Board of Education, was named the new school superintendent for Jackson County.

July 2024

-First National Bank President Rex Greer passed following a brief illness. -The Clay Historical Society and Clay County Cruiser’s hosted the Blast from the Past Car Show. The show was part of the many events sponsored by the society in honor of their 40th Anniversary. -AdventHealth of Manchester donated \$14,000 to the Clay Board of Education in support of the Backpack Program.

August 2024

-Michael Edwards, of Manchester, was charged in a carjacking in Jackson County that led to the death of Tracy Clemmons, the owner of the truck being stolen. Also charged was Richard Marcum, of Jackson County. -Over 50 counts of sexual abuse charges were handed down by the Clay Grand Jury. -The Manchester Tourism Commission donated \$65,000 to the city of Manchester.

September 2024

-A shooter on I-75 sprayed bullets on several vehicles, causing a massive manhunt. Due to security reasons, local schools across the region were closed. The man was later found dead by a YouTube couple looking for the reward for his capture. -Senator Robert Stivers announces he’s working on obtaining federal

funding for expanding the Hal Rogers Parkway. -A skull found on Ky. 66 at Red Bird in 2020 was identified as a Flat Creek woman missing since 2016. The remains were identified as Angela “Toot” Smith, last seen at her home in 2016. The case is still under investigation. -The Redbird Ranger District and Clay Historical Society celebrated 100 years of The Clubhouse, the Redbird Ranger office built by the Fordson Motor Company in 1924. -13-year-old Braxton Downey died following a motorcycle accident.

October 2024

-1 Clay County announced they were partnering with Impact Outdoor Adventures to build Stone Coal Disc Golf at the Cross Mountain Camp-ground. -Carmen Smith was crowned the 2024 Clay County Homecoming Queen. -The Kentucky Department of Transportation held groundbreaking ceremonies with Gov. Andy Beshear on the new District 11 highway office. The Governor didn’t come empty-handed as he announced funding for a new county garage and several other projects. -Three Clay County elementary schools placed in the top 50 in the state for academic scores. -The Clay Historical Society held a successful Walking Tour of Courthouse Hill with actor portrayals. -New playground equipment was installed at Rawlings-Stinson Park.

November 2024

-The Clay County Sheriff’s Department made another huge bust of contraband being brought to the Manchester FCI. -Haley Jo Fields won the Commonwealth’s Attorney race. -The first Dollar General Marketplace opened in Clay County at Burning Springs.

December 2024

-Legends Hall Clay County Basketball Museum opened at the high school. -The Christmas Parade was a huge success, and many said it was the best they’d ever seen in Manchester. -The Clay Board of Education gave out over 2,000 gifts to all elementary students and awarded \$1,500 Christmas bonuses to each employee. -Former City Police Officer Shawn Curry was sentenced to 18 months in prison for his actions during an arrest.

Copper thieves causing major disruptions in Kinetic internet services


Kinetic Internet is reporting more copper thefts in eastern Kentucky. The Director of Operations, Jason Dudley, says copper thieves have been cutting into telephone poles and wires to extract the copper. Their goal is to sell it. However, Dudley says the low profit they could make isn’t worth it. “Make no mistake about it, it’s a life safety issue,” Dudley says. “Those cables are under tension, so anytime you go up and cut one, it’s dangerous on its own. Even if the climbing doesn’t, you know, result in an injury.” One cut to a wire can cause internet outages for hundreds. It can also cut off cell service, preventing people from calling for help in an emergency. Over 50 customers in Clay County spent Christmas Day with phone, internet and television outages.

Dudley tells us a thief mistakenly cut a fiber optic cable in search of a copper one. So, they left the cables on the ground. He says the repairs took crews around 13 hours. Kinetic has seen over 70 incidents happen this year in southeastern Kentucky. Dudley says the company has upped their security measures by adding surveillance cameras to help find potential thieves. “But it’s very important for the community to be an active partner in this as well,” Dudley says. “If you can do it in a simple way. And see someone that’s working on utilities in the middle of the night and maybe in a non-well-lit or [un] marked vehicle, please call law enforcement,” Dudley says.

Federal Grand Jury indicts FCI inmate for assaulting prisoner

A Federal Grand Jury has returned an indictment against a Manchester Federal Corrections inmate. Arous John Phillips, no age given, was indicted for assaulting a corrections officer. Phillips will appear in court on January 6 for arraignment.

According to the indictment, Phillips inflicted bodily injury upon the prison guard in October 2024. If convicted, he will face not more than 20 years imprisonment, not more than a \$250,000 fine, and not more than three years of supervised release.



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 Tommy Harmon, Clay County Judge/Executive

The Honorable Johnny W. Johnson, Former Clay County Judge/Executive

Members of the Clay 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 Clay County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Clay 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 Clay County Fiscal Court, for the year ended June 30, 2023, 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 Clay County Fiscal Court, for the year ended June 30, 2023, 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 Clay 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 of the financial statement, the financial statement is prepared by the Clay 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

Clay 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.

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 Clay 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clay 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 Clay 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2024 on our consideration of the Clay 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 Clay 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:

2023-001 The Clay County Fiscal Court Did Not Accurately Report Financial Information On The Fourth Quarter Financial Report

2023-002 The Clay County Fiscal Court’s Actual Disbursements Exceeded Budgeted Appropriations

2023-003 The Clay County Fiscal Court’s Schedule Of Expenditures Of Federal Awards (SEFA) Was Materially Misstated

2023-004 The Clay County Fiscal Court Did Not Perform Bank Reconciliations For Revolving Accounts

2023-005 The Clay County Fiscal Court Does Not Have Adequate Segregation Of Duties Over Occupational Tax Receipts

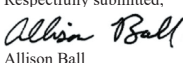
2023-006 The Clay County Fiscal Court’s Controls Over Receipts Were Not Operating Effectively

2023-007 The Kentucky Infrastructure Authority Debt Payments Were Not Paid As Required By The Debt Agreement

2023-008 The Clay County Fiscal Court Submitted Inaccurate Retirement Reports For Employees And Did Not Remit Retirement Payments Properly

2023-009 The Clay County Fiscal Court Did Not Properly Remit Local And State Tax Payments

Respectfully submitted,



Allison Ball

Auditor of Public Accounts

Frankfort, Ky

July 5, 2024

State law requires the Auditor of Public Accounts to annually audit fiscal courts, county clerks, and sheriffs; and print the results in a newspaper having general circulation in the county. The complete audit and any other audit of state agencies, fiscal courts, county clerks, sheriffs, and property valuation administrators may be viewed in the reports section of the Auditor of Public Accounts’ website at auditor.ky.gov or upon request by calling 1-800-247-9126.

209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817

TELEPHONE 502.564.5841
FACSIMILE 502.564.2912
AUDITOR.KY.GOV

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PUBLIC SERVICE ANNOUNCEMENT

2024 CLAY COUNTY GAS & OIL TAX NOTICE

Sheriff Patrick Robinson would like to inform all taxpayers that their 2024 Gas & Oil tax bills are due and payable beginning January 2, 2025.

Paying by mail: Include your BILL Number on your check/money order, made payable to Clay County Sheriff. This will ensure accuracy of the correct bill being marked “paid”. If you would like a receipt, you MUST include a self-addressed stamped envelope.

Our mailing address is:

102 Richmond Road, Suite 100, Manchester, KY 40962.

Paying Person: We only take cash, checks, or money orders (no credit/debit cards)

COLLECTION PHASES & DATES

2% Discount Period	01/02/2025- 01/31/2025
Face Amount Period	02/01/2025- 02/28/2025
5% Penalty Period	03/01/2025- 03/31/2025
21% Penalty Period	04/01/2025- 06/15/2025

ALL UNPAID 2024 GAS & OIL TAX BILLS WILL BE TURNED OVER TO THE CLERK’S OFFICE AT THE CLOSE OF BUSINESS ON JUNE 15, 2024.