



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
WHITLEY COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1998

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable Michael L. Patrick, County Judge/Executive
Honorable Leroy Gilbert, Former County Judge/Executive
Members of the Whitley County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Whitley County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Whitley County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Whitley County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Whitley County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable Michael L. Patrick, County Judge/Executive
Honorable Leroy Gilbert, Former County Judge/Executive
Members of the Whitley County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Whitley County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 1999 on our consideration of Whitley County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
September 22, 1999

WHITLEY COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Leroy Gilbert	Former County Judge/Executive
K. David Kersey	County Attorney
Tom Rains	County Clerk
Gary Barton	Circuit Court Clerk
H. D. Moses	Sheriff
Michael L. Patrick	Jailer
Ronnie Moses	Property Valuation Administrator
Lynda Steely	County Treasurer
Carl Paul	Coroner
J. L. Cooper	Magistrate
Burley Foley	Magistrate
Mike Howard	Magistrate
Milton Prewitt	Magistrate

**STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS**

WHITLEY COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets and Other Resources

Assets

General Fund:

Cash	\$ 131,114
Receivable (Note 4-C)	22,463
Receivable (Note 4-D)	21,348
Receivable (Note 4-E)	8,879

Road and Bridge Fund:

Cash	86,860
------	--------

Jail Fund:

Cash	57,927
------	--------

Jail Commissary Fund:

Cash	110
------	-----

Local Government Economic Assistance Fund:

Cash	4,265
------	-------

Forestry Fund:

Cash	3,396
------	-------

911 Fund:

Cash	27,963
------	--------

Tourism Tax Fund

Cash	16,902
------	--------

Kentucky Community Development Block Grant Fund:

Cash	250
------	-----

Community Development Block Grant Revolving Loan Fund:

Cash	116,792
Receivable (Note 4-A)	9,251
Receivable (Note 4-B)	40,560

Public Properties Corporation Fund - 1987 Bond Issue:

Cash	3,200
------	-------

Public Properties Corporation Fund - 1995 Bond Issue:

Cash	14,089
------	--------

Public Properties Corporation Fund - 1997 Bond Issue:

Cash	281
------	-----

Williamsburg-Whitley County Airport Board

Cash	10,956
------	--------

Payroll Revolving Account - Cash

117

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

WHITLEY COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1998
 (Continued)

Assets and Other Resources (Continued)

Other Resources

Public Properties Corporation Fund - 1995 Bond Issue:	
Amounts to be Provided in Future Years for Bond Payments	\$ 2,460,911
Public Properties Corporation Fund - 1997 Bond Issue:	
Amounts to be Provided in Future Years for Bond Payments	494,719
Williamsburg-Whitley County Airport Board:	
Amounts to be Provided in Future Years for Loan Payments	60,663
911 Fund:	
Amounts to be Provided in Future Years for Capital Lease Payments	<u>250,556</u>
Total Assets and Other Resources	<u>\$ 3,843,572</u>

Liabilities and Fund Balances

Liabilities

General Fund:	
Deferred Revenue (Note 4-C)	\$ 22,463
Deferred Revenue (Note 4-D)	21,348
Deferred Revenue (Note 4-E)	8,879
Community Development Block Grant Revolving Loan Fund:	
Deferred Revenue (Note 4-A)	9,251
Deferred Revenue (Note 4-B)	40,560
Public Properties Corporation Fund - 1987:	
Reserve Balance	3,200
Public Properties Corporation Fund - 1995:	
Bonds Not Matured (Note 5)	2,475,000
Public Properties Corporation Fund - 1997:	
Bonds Not Matured (Note 5)	495,000
Williamsburg-Whitley County Airport Board:	
Long-term Note (Note 5)	71,619
911 Fund:	
Capital Lease (Note 7)	278,519
Payroll Revolving Account	117

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

WHITLEY COUNTY
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
June 30, 1998
(Continued)

Fund Balances

Reserved:

Jail Commissary Fund	\$	110
Forestry		3,396
Tourism Room Tax Fund		16,902
Kentucky Community Development Block Grant Fund		250
Community Development Block Grant Revolving Loan Fund		116,792

Unreserved:

General Fund		131,114
Road and Bridge Fund		86,860
Jail Fund		57,927
Local Government Economic Assistance Fund		<u>4,265</u>

Total Liabilities and Fund Balances \$ 3,843,572

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

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

WHITLEY COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 3,408,353	\$ 1,089,211	\$ 1,432,634	\$ 228,384
Transfers In	993,033	200,000	200,000	236,000
Bond Proceeds	495,000			
Jail Commissary Fund Receipts	52,392			
Williamsburg-Whitley County Airport Board Receipts	28,007			
Total Cash Receipts	\$ 4,976,785	\$ 1,289,211	\$ 1,632,634	\$ 464,384
 <u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,123,715	\$ 884,374	\$ 1,273,995	\$ 475,168
Schedule of Construction Expenditures	495,890			
Transfers Out	993,033	444,698	362,845	
Capital Lease - 911 Fund	26,177			
Bonds:				
Principal Paid	200,000			
Interest Paid	150,769			
Jail Commissary Fund Expenditures	52,686			
Williamsburg-Whitley County Airport Board Fund	21,751			
Total Cash Disbursements	\$ 5,064,021	\$ 1,329,072	\$ 1,636,840	\$ 475,168
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (87,236)	\$ (39,861)	\$ (4,206)	\$ (10,784)
Cash Balance - July 1, 1997	561,341	170,975	91,066	68,711
Cash Balance - June 30, 1998	\$ 474,105	\$ 131,114	\$ 86,860	\$ 57,927

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

WHITLEY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Forestry Fund	911 Fund	Tourism Tax Fund	Community Development Block Grant Revolving Loan Fund
\$	\$ 288,536 1,443	\$ 3,396	\$ 178,916 33,150	\$ 32,815	\$ 20,714
52,392					
<u>\$ 52,392</u>	<u>\$ 289,979</u>	<u>\$ 3,396</u>	<u>\$ 212,066</u>	<u>\$ 32,815</u>	<u>\$ 20,714</u>
\$	\$ 107,761	\$	\$ 199,586	\$ 61,015	\$
	185,490		26,177		
52,686					
<u>\$ 52,686</u>	<u>\$ 293,251</u>	<u>\$ 0</u>	<u>\$ 225,763</u>	<u>\$ 61,015</u>	<u>\$ 0</u>
\$ (294) 404	\$ (3,272) 7,537	\$ 3,396	\$ (13,697) 41,660	\$ (28,200) 45,102	\$ 20,714 96,078
<u>\$ 110</u>	<u>\$ 4,265</u>	<u>\$ 3,396</u>	<u>\$ 27,963</u>	<u>\$ 16,902</u>	<u>\$ 116,792</u>

WHITLEY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Kentucky Community Development Block Grant Fund	Public Properties Corporation Fund - 1987 Bond Issue	Public Properties Corporation Fund - 1995 Bond Issue	Public Properties Corporation Fund - 1997 Bond Issue	Williamsburg- Williamsburg- Whitley County Airport Board Fund
\$ 111,816 250	\$	\$ 20,760 309,559	\$ 1,171 12,631 495,000	\$
				28,007
<u>\$ 112,066</u>	<u>\$ 0</u>	<u>\$ 330,319</u>	<u>\$ 508,802</u>	<u>\$ 28,007</u>
\$ 121,816	\$	\$	\$ 495,890	\$
		200,000 138,138	12,631	
				21,751
<u>\$ 121,816</u>	<u>\$ 0</u>	<u>\$ 338,138</u>	<u>\$ 508,521</u>	<u>\$ 21,751</u>
\$ (9,750) 10,000	\$ 0 3,200	\$ (7,819) 21,908	\$ 281	\$ 6,256 4,700
<u>\$ 250</u>	<u>\$ 3,200</u>	<u>\$ 14,089</u>	<u>\$ 281</u>	<u>\$ 10,956</u>

WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Whitley County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund, the Williamsburg-Whitley County Airport Board Fund, and Whitley County Public Properties Corporation Fund-1987, 1995 and 1997 Bond Issue as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Whitley County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures 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. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

WHITLEY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, 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).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.21 percent.

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. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement 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. The county met the requirements stated above, and as of June 30, 1998, deposits were fully insured or collateralized at a 100% level with collateral held by the county's agent in the county's name.

WHITLEY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 4. Receivables

- A. The county loaned \$25,000 to Mountain Lifeline, Inc. on December 9, 1994, for the purpose of starting the Mountain Lifeline Ambulance Service in Whitley County. Terms of the agreement stipulate a five (5) year repayment schedule at five (5.0) percent interest. Mountain Lifeline, Inc. is in substantial compliance with the terms of the agreement. During the current audit period, Mountain Lifeline, Inc. made total payments consisting of \$5,793 in principal and \$621 in interest, resulting in unpaid principal balance due the county of \$9,251 as of June 30, 1998.
- B. On February 5, 1986, Whitley County and the City of Williamsburg jointly entered into an agreement to loan Lion Uniform Center \$299,000 from a Community Development Block Grant. Of this amount, \$49,000 was for water service improvements to be administered by the City of Williamsburg, and \$250,000 was to be loaned to Lion Uniform Center.
- The agreement established a fifteen (15) year loan at three (3) percent interest with one hundred and eighty (180) monthly payments. During the current audit period, Lion Uniform Center made total payments consisting of \$8,256 principal and \$1,240 interest, resulting in an unpaid principal balance due the county of \$40,560 as of June 30, 1998.
- C. On June 25, 1997, Whitley County entered into an agreement with Mountain Lifeline, Inc. to lease an ambulance unit, including additional equipment, to Mountain Lifeline, Inc. The terms of the agreement require the county to receive \$468 per month for sixty (60) months, with no interest as long as payments are made timely. The balance as of June 30, 1998 was \$22,463.
- D. On June 30, 1998, Whitley County entered into an agreement with Mountain Lifeline, Inc. to lease an ambulance unit, including additional equipment, to Mountain Lifeline, Inc. The terms of the agreement require the county to receive \$445 per month for forty-eight (48) months, with no interest as long as payments are made timely. The balance as of June 30, 1998 was \$21,348.
- E. An Agreed Order of Adequate Protection with the First National Bank and Trust Company of Corbin was signed and entered into the court records on May 23, 1996. Transcare Ambulance Service, Inc. was ordered to pay principal and interest on loans received prior to filing bankruptcy. Payments are scheduled at \$345 per month. The balance due was \$8,879 as of June 30, 1998.
- F. On May 1, 1995, the Williamsburg-Cumberland Falls Air Board (Now the Williamsburg-Whitley County Airport Board) entered into a ninety-nine year lease agreement with the Williamsburg Golf and Country Club, Inc. The airport board leased the country club land for a \$5,000 payment plus a \$1 yearly ground rental fee for ninety-nine years. The lease agreement will terminate on April 30, 2064. The receivable balance at June 30, 1998, is \$66.

WHITLEY COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 1998
 (Continued)

Note 5. Long-Term Debt

- A) Bonds outstanding of the Whitley County Public Properties Corporation-1995 Bond Issue are \$2,475,000 Refunding Revenue Bonds dated September 1, 1995 issued for the purpose of courthouse renovations and certain road projects. Principal payments are due each year on May 1 in the amounts indicated below. Interest on the bonds is payable each May 1 and November 1, beginning May 1, 1996.

Fiscal Year Ending June 30	Interest Rate	Scheduled Interest	Scheduled Principal
1999	4.70	\$ 131,938	\$ 210,000
2000	4.80	122,303	220,000
2001	5.00	112,223	230,000
2002	5.10	101,223	235,000
2003	5.25	89,493	245,000
2004-2007	5.4 to 5.75	<u>225,480</u>	<u>1,335,000</u>
Totals		<u>\$ 782,660</u>	<u>\$ 2,475,000</u>

- B) Bonds outstanding of the Whitley County Public Properties Corporation-1997 Bond Issue are \$495,000 Refunding Revenue Bonds dated August 1, 1997 issued for the purpose of road construction and repair. Principal payments are due each year on May 1 in the amounts indicated below. Interest on the bonds is payable each May 1 and November 1, beginning May 1, 1998.

Fiscal Year Ending June 30	Interest Rate	Scheduled Interest	Scheduled Principal
1999	4.75	\$ 24,431	\$ 35,000
2000	4.75	22,769	35,000
2001	5.00	20,938	40,000
2002	5.00	18,938	40,000
2003	5.00	16,813	45,000
2004-2007	5.00 to 5.40	<u>49,915</u>	<u>300,000</u>
Totals		<u>\$ 153,804</u>	<u>\$ 495,000</u>

- C. The Williamsburg-Whitley County Airport Board entered into a loan agreement with Farmers National Bank (now Community Trust Bank) of Williamsburg for \$87,000 on January 28, 1994 for the purchase of land. Terms of the agreement require fifteen (15) annual payments of \$9,315 at 6.60% interest. The unpaid principal balance as of June 30, 1998 was \$71,619.

WHITLEY COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 1998
 (Continued)

Note 5. (Continued)

Fiscal Year Ending June 30	Interest Rate	Scheduled Interest	Scheduled Principal
1999	6.60	\$ 4,701	\$ 4,613
2000	6.60	4,397	4,918
2001	6.60	4,072	5,243
2002	6.60	3,726	5,589
2003	6.60	3,357	5,937
2004-2009	6.60	10,912	45,319
Totals		\$ 31,165	\$ 71,619

Note 6. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

Description	Periodic Payment	Terms of Agreement	Ending Date	Principal Balance 6/30/1998
Backhoe Loader	\$ 1,372	48 Months	May 1, 1999	\$ 14,613
Ambulance	\$ 1,404	20 Quarters	August 1, 2001	\$ 15,946
Ambulance	\$ 448	48 Months	May 2, 2002	\$ 18,635
Dump Trucks	\$ 14,372	11 Semi-annual	December 1, 2001	\$ 90,200
Motor Grader	\$ 3,195	48 Months	May 1, 1999	\$ 115,572

Note 7. Capital Lease

On April 22, 1997, the county entered into a Municipal Lease and Option Agreement with NAL Financial Corporation for \$309,374 for the purchase of 911 Emergency System. Terms of the agreement require eighty-four (84) payments of \$4,677 beginning September 15, 1997 and ending September 15, 2004. The unpaid balance as of June 30, 1998 was \$278,519.

WHITLEY COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 1998
 (Continued)

Note 7. (Continued)

Fiscal Year Ending June 30	Interest Rate	Scheduled Interest	Scheduled Principal
1999	6.03	\$ 18,947	\$ 37,182
2000	6.03	16,164	39,965
2001	6.03	13,172	42,957
2002	6.03	9,957	46,172
2003	6.03	6,501	49,628
2004-2005	6.03	2,870	62,615
Totals		<u>\$ 67,611</u>	<u>\$ 278,519</u>

Note 8. Grant Agreements

- A. The Whitley County Fiscal Court received an Emergency Medical Services grant of \$26,160 on June 1, 1997 for personnel and purchase of equipment. Under the grant agreement, funds not expended or utilized within one year from the date of the agreement must be refunded. As of June 30, 1998, the county had unused grant funds of \$1,804 and \$131 that were due to Kentucky State Treasurer and Mountain Lifeline Ambulance Service, respectively. On February 12, 1999, the county reimbursed the above amounts.
- B. The Whitley County Fiscal Court received an Emergency Medical Services grant of \$4,203 on June 15, 1998 for purchase of emergency medical services training equipment and emergency training aids. Under the grant agreement, funds not expended or utilized within one year from the date of the agreement must be refunded. As of June 30, 1998, the unexpended balance was \$4,203.

Note 9. Insurance

For the fiscal year ended June 30, 1998, Whitley County was a member of the Kentucky Association of Counties' All Lines Insurance 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 a 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.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

WHITLEY COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 934,270	\$ 1,089,211	\$ 154,941
Road and Bridge Fund	1,222,482	1,432,634	210,152
Jail Fund	513,482	228,384	(285,098)
Local Government Economic Assistance Fund	108,211	288,536	180,325
Forestry Fund	2,600	3,396	796
911 Fund	172,850	178,916	6,066
Tourism Room Tax Fund	37,000	32,815	(4,185)
Kentucky Community Development Block Grant Fund	986,829	111,816	(875,013)
Community Development Block Grant Revolving Loan Fund	19,000	20,714	1,714
Total	<u>\$ 3,996,724</u>	<u>\$ 3,386,422</u>	<u>\$ (610,302)</u>
 <u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 3,996,724
Add: Budgeted Prior Year Surplus			<u>581,128</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 4,577,852</u>

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SCHEDULE OF OPERATING REVENUE

WHITLEY COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes and Excess Fees</u>				
Sheriff:				
Taxes	\$ 442,430	\$ 442,430	\$	\$
County Clerk:				
Deed Transfer Tax	37,597	37,597		
Delinquent Taxes	24,641	24,641		
Excess Fees - 1997	172,041	172,041		
Bank Shares	70,243	70,243		
Tangible Personal Property Taxes:				
Other Counties	18,160	18,160		
County Clerk	115,712	115,712		
In Lieu of Taxes:				
Tennessee Valley Authority	3,912	3,912		
Other in Lieu Payments	26,523	26,523		
Tourism Room Tax	31,676			
Totals	<u>\$ 942,935</u>	<u>\$ 911,259</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts - State Treasurer</u>				
Community Development Block Grants -	\$ 111,816	\$	\$	\$
Federal Disaster and Emergency Services/Emergency Management	20,574		20,574	
National Forestry Receipts	33,760		33,760	
Totals	<u>\$ 166,150</u>	<u>\$ 0</u>	<u>\$ 54,334</u>	<u>\$ 0</u>
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 106,881	\$	\$	\$ 106,881
Medical Allotments	7,640			7,640
Driving Under The Influence Fees	5,105			5,105
Housing State Prisoners	65,972			65,972

WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Forestry Fund	911 Fund	Tourism Room Tax Fund	Kentucky Community Development Block Grant Fund	Community Development Block Grant Revolving Loan Fund
\$	\$	\$	\$	\$	\$
			31,676		
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,676</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$	\$	\$	\$	\$ 111,816	\$
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 111,816</u>	<u>\$ 0</u>
\$	\$	\$	\$	\$	\$

WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Public Properties Corporation Fund-1995 Bond Issue	Public Properties Corporation Fund-1997 Bond Issue
<u>Revenue From Local Taxes</u>		
<u>and Excess Fees</u>		
Sheriff:		
Taxes	\$	\$
County Clerk:		
Deed Transfer Tax		
Delinquent Taxes		
Excess Fees - 1997		
Bank Shares		
Tangible Personal Property Taxes:		
Other Counties		
County Clerk		
In Lieu of Taxes:		
Tennessee Valley Authority		
Other in Lieu Payments		
Tourism Room Tax		
Totals	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>		
Community Development Block		
Grants -	\$	\$
Federal Disaster and Emergency		
Services/Emergency Management		
National Forestry Receipts		
Totals	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>		
Jail:		
Allotments	\$	\$
Medical Allotments		
Driving Under The Influence Fees		
Housing State Prisoners		

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WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer (Continued)</u>				
County Road Aid	\$ 875,604	\$	\$ 875,604	\$
Energy Recovery	2,475		2,475	
Truck License Distribution	151,651		151,651	
Fire Protection	3,339			
Strip Mine Permits	16,717		16,717	
Courthouse Rental - Administrative				
Office of the Courts	109,103	109,103		
Refunds:				
Drivers Licenses	2,926		2,926	
Dog Licenses	67	67		
Severance Taxes:				
Coal	166,268			
Mineral	121,463			
Board of Assessments	1,000	1,000		
Grants:				
Disaster and Emergency Services				
Reimbursement	7,970	7,970		
State Health Services	4,203	4,203		
State Reimbursement	309,893		302,462	7,431
Miscellaneous	1,575			1,575
Totals	\$ 1,959,852	\$ 122,343	\$ 1,351,835	\$ 194,604

Miscellaneous Revenue

Interest	\$ 54,758	\$ 9,649	\$ 12,754	\$ 2,520
Circuit Court Clerk:				
Jail Cost	12,554			12,554
Work Release	318			318
Jail Bond Fees	3,935			3,935
Jail:				
Telephone Commission Refunds	4,677			4,677
Other Payments	2,072			2,072

WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Forestry Fund	911 Fund	Tourism Room Tax Fund	Kentucky Community Development Block Grant Fund	Community Development Block Grant Revolving Loan Fund
\$	\$	\$	\$	\$	\$
	3,339				
166,268					
121,463					
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 287,731	\$ 3,339	\$ 0	\$ 0	\$ 0	\$ 0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 805	\$ 57	\$ 1,099	\$ 1,139	\$	\$ 4,804

WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Public Properties Corporation Fund-1995 Bond Issue	Public Properties Corporation Fund-1997 Bond Issue
<u>Kentucky State Treasurer (Continued)</u>		
County Road Aid	\$	\$
Energy Recovery		
Truck License Distribution		
Fire Protection		
Strip Mine Permits		
Courthouse Rental - Administrative		
Office of the Courts		
Refunds:		
Drivers Licenses		
Dog Licenses		
Severance Taxes:		
Coal		
Mineral		
Board of Assessments		
Grants:		
Disaster and Emergency Services		
Reimbursement		
State Health Services		
State Reimbursement		
Miscellaneous		
Totals	\$ 0	\$ 0

Miscellaneous Revenue

Interest	\$ 20,760	\$ 1,171
Circuit Court Clerk:		
Jail Cost		
Work Release		
Jail Bond Fees		
Jail:		
Telephone Commission Refunds		
Other Payments		

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WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue (Continued)</u>				
Community Development Block				
Grant Loan Repayments:				
Principal-				
Lion Uniform Center	\$ 8,256	\$	\$	\$
Mountain Lifeline, Inc.	5,793			
Interest-				
Lion Uniform Center	1,240			
Mountain Lifeline, Inc.	621			
911 Receipts	175,636			
Voluntary Fire Department-Escrow	5,040	5,040		
Reimbursements	9,565	3,484	1,980	4,101
Lease and Rentals	5,616	5,616		
Insurance Proceeds	10,263		10,263	
Vending Machine Commissions	1,296	1,296		
Kentucky Off Track Betting	25,609	25,609		
Cobra Insurance Reimbursement	1,624	1,624		
Miscellaneous Items	10,543	3,291	1,468	3,603
Totals	\$ 339,416	\$ 55,609	\$ 26,465	\$ 33,780
Total Operating Revenue	\$ 3,408,353	\$ 1,089,211	\$ 1,432,634	\$ 228,384

WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Forestry Fund	911 Fund	Tourism Room Tax Fund	Kentucky Community Development Block Grant Fund	Community Development Block Grant Revolving Loan Fund
\$	\$	\$	\$	\$	\$ 8,256
					5,793
					1,240
					621
		175,636			
		2,181			
\$ 805	\$ 57	\$ 178,916	\$ 1,139	\$ 0	\$ 20,714
\$ 288,536	\$ 3,396	\$ 178,916	\$ 32,815	\$ 111,816	\$ 20,714

WHITLEY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Public Properties Corporation Fund-1995 Bond Issue	Public Properties Corporation Fund-1997 Bond Issue
<u>Miscellaneous Revenue (Continued)</u>		
Community Development Block		
Grant Loan Repayments:		
Principal-		
Lion Uniform Center	\$	\$
Mountain Lifeline, Inc.		
Interest-		
Lion Uniform Center		
Mountain Lifeline, Inc.		
911 Receipts		
Voluntary Fire Department-Escrow		
Reimbursements		
Lease and Rentals		
Insurance Proceeds		
Vending Machine Commissions		
Kentucky Off Track Betting		
Cobra Insurance Reimbursement		
Miscellaneous Items		
	_____	_____
Totals	\$ 20,760	\$ 1,171
Total Operating Revenue	\$ 20,760	\$ 1,171

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

WHITLEY COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 48,400	\$ 48,313	\$ 87
Deputy County Judge/Executive	22,700	22,662	38
Finance Officer	21,600	14,603	6,997
Staff	25,000	20,585	4,415
Office Materials and Supplies	8,800	7,820	980
New Office Equipment	7,000	4,833	2,167
Office of County Attorney:			
Salaries-			
County Attorney	10,000	10,000	
Secretaries	16,600	16,600	
Rent And Utilities	7,000	3,076	3,924
Office of County Clerk:			
County Clerk Salary	300	300	
Office Materials And Supplies	6,500	5,145	1,355
Tax Bill Preparation	13,050	12,424	626
Audit Service	6,000	2,612	3,388
Office of Sheriff:			
Deputies Salaries	7,200	7,200	
Printing Delinquent Taxes	35,000	30,570	4,430
Accounting Services	1,900	1,540	360
Audit Services	9,000	8,778	222
Bond	500		500
Reimbursement	4,800	4,400	400

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Office of Sheriff: (Continued)			
Office of County Coroner:			
County Coroner Salary	\$ 9,000	\$ 9,000	\$
Supplies	5,000	2,772	2,228
Fiscal Court:			
Magistrates-			
Salaries	38,400	37,243	1,157
Legal Fees	2,500	300	2,200
Office of Property Valuation Administrator:			
Statutory Contribution	27,000	25,000	2,000
Office of Board of Assessment Appeals:			
Per Diem	2,000	2,000	
Office of County Treasurer:			
County Treasurer	27,000	27,000	
Advertising	2,500	638	1,862
Office of Circuit Court Clerk:			
Law Librarian Salary	600	600	
Elections:			
Per Diem-			
Election Officers	15,000	3,200	11,800
Polling Places	1,000		1,000
Election Expense	20,000	8,958	11,042
Courthouse:			
Janitors Salaries	32,000	31,962	38
Courthouse Maintenance	30,000	28,290	1,710

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Courthouse: (Continued)			
Materials And Supplies	\$ 6,500	\$ 6,063	\$ 437
Telephone	32,000	30,720	1,280
Utilities	30,000	26,456	3,544
<u>Protection to Persons and Property</u>			
Volunteer Fire Department:			
Refunds	5,100	5,070	30
Disaster and Emergency Services:			
Director's Salary	20,750	19,200	1,550
Office Materials and Supplies	4,000	3,266	734
Telephone	1,400	1,141	259
Ambulance Service:			
Reimbursements	114,300	105,000	9,300
Ambulance Grant - Prior Year	3,728	3,728	
Special Projects	31,830	24,225	7,605
Forestry Fire Protection:			
Kentucky State Treasurer	3,366	3,366	
Office of Public Defender:			
Contribution	4,166	4,166	
Dog Control:			
Dog Warden Salary	800		800
Solid Waste Collection:			
Coordinator's Salary	3,900	3,600	300
Office Expense	500	158	342
<u>Social Services</u>			
Senior Citizens Program:			
Contribution	5,000	5,000	

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Social Services (Continued)</u>			
General Charity and Welfare:			
Autopsies	\$ 5,600	\$ 5,549	\$ 51
Pauper Burials	1,300	1,300	
<u>Roads</u>			
Road Maintenance:			
Equipment	15,000	14,895	105
<u>Debt Service</u>			
Borrowed Money:			
Interest	6,000		6,000
Other County Liabilities:			
Lease-Purchase Agreements-			
Principal	4,500	4,480	20
Interest	1,625	1,580	45
<u>Administration</u>			
General Services:			
COBRA Pass-Through-Insurance	4,800	1,623	3,177
Advertising	3,000	1,545	1,455
Auditing Services	9,000	4,937	4,063
Bank Service Charges	600	278	322
Insurance	32,000	31,538	462
Memberships	11,000	10,274	726
Bond Permit Refunds	11,900	6,900	5,000
Registrations, Conferences, and Training	4,500	3,677	823
Miscellaneous	1,000	176	824
Contingent Appropriations:			
Reserve for Transfers	69,730		69,730

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 55,000	\$ 51,590	\$ 3,410
Retirement	54,000	49,095	4,905
Health Insurance	44,000	38,479	5,521
Worker's Compensation	26,000	10,079	15,921
Unemployment Insurance	14,000	6,796	7,204
	<hr/>	<hr/>	<hr/>
Total Operating Budget	\$ 1,105,245	\$ 884,374	\$ 220,871
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund -	160,800	160,788	12
Borrowed Money			
Principal	200,000	<hr/>	200,000
	<hr/>	<hr/>	<hr/>
Total General Fund	\$ 1,466,045	\$ 1,045,162	\$ 420,883
<u>ROAD AND BRIDGE FUND</u>			
<u>General Government</u>			
Fiscal Court:			
Magistrates -			
Expense Allowance	\$ 14,400	\$ 13,966	\$ 434
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	25,600	25,570	30
Road Maintenance:			
Salaries-			
Road Labor	129,200	129,124	76
Contracted Work-			
Roads	473,841	473,494	347
Bridges	91,000	79,473	11,527

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads (Continued)</u>			
Road Maintenance: (Continued)			
Rentals	\$ 4,000	\$ 3,419	\$ 581
Stone, Gravel, and Haul	227,050	225,658	1,392
Gas And Oil	30,600	30,511	89
Materials	17,000	15,864	1,136
Tile And Pipe	26,100	26,072	28
Tires And Tubes	10,000	9,660	340
Reimbursements	6,000	5,894	106
Telephone	2,000	1,328	672
Utilities	5,000	4,796	204
Machinery and Equipment- Repairs	42,000	40,866	1,134
Miscellaneous	950	603	347
<u>Debt Service</u>			
Other County Liabilities:			
Lease-Purchase Agreements-			
Principal	59,000	58,735	265
Interest	13,000	11,971	1,029
<u>Capital Outlay</u>			
Equipment:			
Vehicles	38,774	38,774	
<u>Administration</u>			
General Services:			
Insurance	14,850	14,806	44
School Board Payment- National Forestry	18,500	16,880	1,620
Contingent Appropriations:			
Reserve for Budget Transfers	17,998		17,998

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 12,000	\$ 11,930	\$ 70
Social Security	12,400	12,375	25
Health Insurance	13,500	13,446	54
Worker's Compensation	5,250	5,246	4
Unemployment Insurance	3,535	3,534	1
	<hr/>	<hr/>	<hr/>
Total Operating Budget	\$ 1,313,548	\$ 1,273,995	\$ 39,553
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund	161,450	161,402	48
	<hr/>	<hr/>	<hr/>
Total Road and Bridge Fund	\$ 1,474,998	\$ 1,435,397	\$ 39,601
	<hr/>	<hr/>	<hr/>
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 48,400	\$ 48,312	\$ 88
Jail Personnel	152,220	148,314	3,906
Operations-			
Custodial Supplies	5,400	5,110	290
Food Preparation	2,000	1,839	161
Food	78,000	76,486	1,514
Jail Linens	1,200	1,185	15
Office Supplies	3,000	1,940	1,060
Prisoner Hygiene	3,000	2,308	692
Routine Medical	55,000	40,431	14,569
Staff Uniforms	1,000		1,000
Telephone	2,100	1,782	318
Utilities	30,000	29,834	166
Housing Prisoners - Other Counties	8,000	3,114	4,886

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property</u> (Continued)			
Office of Jailer: (Continued)			
Operations-			
Juvenile Detention Contract	\$ 39,000	\$ 35,130	\$ 3,870
Pest Control	400	308	92
Miscellaneous Operating Expense	100		100
Maintenance-			
Building Repairs	8,600	3,925	4,675
Equipment Repairs	1,300	772	528
Equipment-			
Communication Equipment	800	538	262
Motor Vehicle	500	468	32
Other Equipment	2,000	1,040	960
<u>Administration</u>			
General Services:			
Dues	450	400	50
Staff Training	1,000	135	865
Contingent Appropriations:			
Reserve for Budget Transfers	55,173		55,173
Fringe Benefits:			
County Contributions-			
Retirement	16,800	15,760	1,040
Social Security	14,700	14,345	355
Health Insurance	30,000	28,555	1,445
Worker's Compensation	14,400	5,759	8,641
Unemployment Insurance	7,650	7,378	272
Total Jail Fund	<u>\$ 582,193</u>	<u>\$ 475,168</u>	<u>\$ 107,025</u>

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>Roads</u>			
Coal Haul Roads:			
Contracted Coal Haul Roads	\$ 66,186	\$ 66,186	\$
Gravel And Haul	28,962	25,575	3,387
Protection to Persons And Property:			
Volunteer Fire Department	13,500	13,500	
Mental Health Program:			
Program Support	4,600		4,600
Senior Citizen Program:			
Senior Citizen Assistance	2,500	2,500	
Total Local Government Economic Assistance Fund			
	\$ 115,748	\$ 107,761	\$ 7,987
<u>FORESTRY FUND</u>			
	\$ 2,600	\$ 0	\$ 2,600
<u>911 FUND</u>			
<u>Protection to Persons and Property</u>			
Emergency Dispatch Services:			
Wages	\$ 97,500	\$ 92,038	\$ 5,462
Other Contract Services	1,600	1,600	
Office Supplies	3,000	2,733	267
Licenses	350	19	331
Reimbursement	2,000	874	1,126
Training And Conferences	800	788	12
Telephone	44,800	43,995	805
Equipment Repair	7,650	6,989	661
Miscellaneous	500	352	148
Communication Equipment	4,500	2,313	2,187
Capital Outlay-Equipment	8,306	8,305	1

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>911 FUND Continued)</u>			
<u>Protection to Persons and Property</u> (Continued)			
Leases:			
Interest On Lease	\$ 16,000	\$ 15,920	\$ 80
Contingent Appropriations:			
Reserve For Transfer	674		674
Fringe Benefits:			
Social Security	7,400	6,794	606
Retirement	6,950	5,580	1,370
Health Insurance	10,300	9,115	1,185
Unemployment	1,880	1,872	8
Workers Compensation	299	299	
Total Operating Budget	\$ 214,509	\$ 199,586	\$ 14,923
Other Financing Uses:			
Capital Lease- Equipment Lease	28,900	26,177	2,723
Total 911 Fund	\$ 243,409	\$ 225,763	\$ 17,646
<u>TOURISM TAX FUND</u>			
Tourism and Conventions:			
Program Support	\$ 45,000	\$ 44,001	\$ 999
Special Projects	20,000	17,014	2,986
Reserve For Transfer	17,102		17,102
Total Tourism Tax Fund	\$ 82,102	\$ 61,015	\$ 21,087

WHITLEY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>KENTUCKY COMMUNITY DEVELOPMENT</u>			
<u>BLOCK GRANT FUND</u>			
General Health and Sanitation:			
Consultants	\$ 7,500	\$ 7,500	\$
Engineering Design	93,316	93,316	
Construction-Water Lines	748,693	10,000	738,693
Preliminary Engineering	6,000	6,000	
ADD Administration	40,000	5,000	35,000
Special Project Contingencies	82,120		82,120
Water Lines LMI Service	9,200		9,200
Contingent Appropriations:			
Reserve For Transfer	10,000		10,000
Total Kentucky Community Development Block Grant Fund	<u>\$ 996,829</u>	<u>\$ 121,816</u>	<u>\$ 875,013</u>
<u>COMMUNITY DEVELOPMENT</u>			
<u>BLOCK GRANT REVOLVING</u>			
<u>LOAN FUND</u>			
General Government:			
Program Support	\$ 5,000	\$	\$ 5,000
Revolving Loans	50,000		50,000
Contingent Appropriations:			
Reserve For Transfer	110,078		110,078
Total Community Development Block Grant Revolving Loan Fund	<u>\$ 165,078</u>	<u>\$ 0</u>	<u>\$ 165,078</u>
Total Operating Budget - All Funds	\$ 4,577,852	\$ 3,123,715	\$ 1,454,137
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund	322,250	322,190	60
Borrowed Money-			
Principal	200,000		200,000
Capital Lease-			
Equipment Lease	28,900	26,177	2,723
TOTAL BUDGET - ALL FUNDS	<u>\$ 5,129,002</u>	<u>\$ 3,472,082</u>	<u>\$ 1,656,920</u>

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SCHEDULE OF PUBLIC PROPERTIES CORPPRATION
CONSTRUCTION PROJECT EXPENDITURES

WHITLEY COUNTY
SCHEDULE OF PUBLIC PROPERTIES CORPORATION
CONSTRUCTION PROJECT EXPENDITURES

Fiscal Year Ended June 30, 1998

<u>Whitley County Public Properties Corporation- 1997 Bond Issue Expenditures:</u>	<u>Amount</u>
Construction Costs	\$ 482,390
Trustee Fees	1,500
Bond Issue Costs	<u>12,000</u>
Total Construction Project Expenditures	<u><u>\$ 495,890</u></u>

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SCHEDULE OF AIRPORT BOARD EXPENDITURES

WHITLEY COUNTY
SCHEDULE OF AIRPORT BOARD EXPENDITURES

Fiscal Year Ended June 30, 1998

<u>Williamsburg-Whitley County Airport Board Expenditures:</u>	<u>Amounts</u>
Trip Reimbursements	\$ 377
Rent House-Plumbing	210
Registration Fees	210
Conferences	167
W. D. Bryants	587
Flowers	37
Painting	42
Filing Cabinet	190
Post Office Box Rental	40
Attorney Fees	1,000
Surveying	9,473
Loan Payment	9,315
Secretary of State	4
Miscellaneous	99
	<hr/>
Total	<u>\$ 21,751</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Michael L. Patrick, County Judge/Executive
Honorable Leroy Gilbert, Former County Judge/Executive
Members of the Whitley County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Whitley County Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Whitley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Whitley County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Michael L. Patrick, County Judge/Executive
Honorable Leroy Gilbert, Former County Judge/Executive
Members of the Whitley County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
September 22, 1999

CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

WHITLEY COUNTY FISCAL COURT

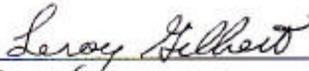
Fiscal Year Ended June 30, 1998

APPENDIX A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS
WHITLEY COUNTY FISCAL COURT

June 30, 1998

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.



Name
County Judge/Executive



Name
County Treasurer