

**REPORT OF THE AUDIT OF THE
FLEMING COUNTY
FISCAL COURT**

**For The Year Ended
June 30, 2024**



**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
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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 John Sims, Jr., Fleming County Judge/Executive
Members of the Fleming 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 Fleming County Fiscal Court, for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the Fleming 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 Fleming 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 Fleming 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 Fleming County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

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 Fleming 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

Fleming 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 Fleming 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 Fleming County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

To the People of Kentucky
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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 Fleming 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 Fleming 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.

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
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Members of the Fleming County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025, on our consideration of the Fleming 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 Fleming County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Allison Ball". The signature is fluid and cursive, with the first name "Allison" and the last name "Ball" clearly distinguishable.

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

August 28, 2025

FLEMING COUNTY OFFICIALS**For The Year Ended June 30, 2024****Fiscal Court Members:**

John Sims, Jr.	County Judge/Executive
Taylor Hunt	Magistrate
Kerri Marshall	Magistrate
Richie Kielman	Magistrate
Ray Money	Magistrate
Donnie Fawns	Magistrate
Joe Dunaway	Magistrate

Other Elected Officials:

Monica Hill	County Attorney
Jeffrey Harmon	Jailer
Jarrod Fritz	County Clerk
Amy Saunders	Circuit Court Clerk
Tim Smith	Sheriff
Stephanie Hardin	Property Valuation Administrator
Winston Grannis	Coroner
Travis McGlone	County Surveyor

Appointed Personnel:

Miranda Utterback	County Treasurer
Tammy Gray	Chief Financial Officer

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

For The Year Ended June 30, 2024

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

For The Year Ended June 30, 2024

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 2,557,690	\$	\$	\$
In Lieu Tax Payments	5,987			
Excess Fees	248,738			
Licenses and Permits	29,451			
Intergovernmental	324,738	1,680,198	93,536	45,447
Charges for Services	150		145	
Miscellaneous	663,806	21,837	7,237	
Interest	36,120	7,128		4,987
Total Receipts	<u>3,866,680</u>	<u>1,709,163</u>	<u>100,918</u>	<u>50,434</u>
DISBURSEMENTS				
General Government	1,554,867			
Protection to Persons and Property	101,371		560,232	
General Health and Sanitation	23,929			
Social Services	11,770			
Recreation and Culture	26,000			
Transportation Facility and Services		9,628		
Roads		2,127,221		
Airports	11,500			
Debt Service				
Capital Projects				
Administration	<u>1,175,414</u>	<u>336,243</u>	<u>43,471</u>	
Total Disbursements	<u>2,904,851</u>	<u>2,473,092</u>	<u>603,703</u>	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>961,829</u>	<u>(763,929)</u>	<u>(502,785)</u>	<u>50,434</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	63,813	627,376	507,300	
Transfers To Other Funds	<u>(1,134,926)</u>			
Total Other Adjustments to Cash (Uses)	<u>(1,071,113)</u>	<u>627,376</u>	<u>507,300</u>	
Net Change in Fund Balance	(109,284)	(136,553)	4,515	50,434
Fund Balance - Beginning	<u>1,054,188</u>	<u>162,074</u>	<u>2,786</u>	<u>88,054</u>
Fund Balance - Ending	<u>\$ 944,904</u>	<u>\$ 25,521</u>	<u>\$ 7,301</u>	<u>\$ 138,488</u>
Composition of Fund Balance				
Bank Balance	\$ 951,525	\$ 40,366	\$ 7,301	\$ 138,488
Less: Outstanding Checks	<u>(6,621)</u>	<u>(14,845)</u>		
Fund Balance - Ending	<u>\$ 944,904</u>	<u>\$ 25,521</u>	<u>\$ 7,301</u>	<u>\$ 138,488</u>

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

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

Budgeted Funds						
Forest Fire Protection Fund	Community Development Block Grant (CDBG) Fund	Dispatch Fund	County Clerk Storage Fees Fund	American Rescue Plan Act (ARPA) Fund	Opioid Settlement Fund	Capital Improvement Fund
\$ 1,255	\$	\$ 145,657	\$	\$	\$	\$
	1,398,135	295,520				100,000
		78	26,010	19,970	113,752	6,710
		9,029	16	74,881	4,819	14,252
1,255	1,398,135	450,284	26,026	94,851	118,571	120,962
	1,398,136		28,000	1,229,274		5,400
1,480		418,644				
						100,000
		93,760		110,206		
1,480	1,398,136	512,404	28,000	1,339,480		105,400
(225)	(1)	(62,120)	(1,974)	(1,244,629)	118,571	15,562
250				(63,813)		
250				(63,813)		
25	(1)	(62,120)	(1,974)	(1,308,442)	118,571	15,562
59	1	287,358	9,387	2,164,600	85,339	301,279
\$ 84	\$ 0	\$ 225,238	\$ 7,413	\$ 856,158	\$ 203,910	\$ 316,841
\$ 84	\$	\$ 229,802	\$ 7,413	\$ 856,158	\$ 203,910	\$ 316,841
		(4,564)				
\$ 84	\$ 0	\$ 225,238	\$ 7,413	\$ 856,158	\$ 203,910	\$ 316,841

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

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

	<u>Unbudgeted Fund</u>	
	Public	
	Properties	
	Corporation	
	(PPC)	
	Fund	Total
		Funds
RECEIPTS		
Taxes	\$	\$ 2,704,602
In Lieu Tax Payments		5,987
Excess Fees		248,738
Licenses and Permits		29,451
Intergovernmental	968,606	4,906,180
Charges for Services		295
Miscellaneous		859,400
Interest	5,721	156,953
Total Receipts	<u>974,327</u>	<u>8,911,606</u>
DISBURSEMENTS		
General Government		4,215,677
Protection to Persons and Property		1,081,727
General Health and Sanitation		23,929
Social Services		11,770
Recreation and Culture		26,000
Transportation Facility and Services		9,628
Roads		2,127,221
Airports		11,500
Debt Service	968,606	968,606
Capital Projects		100,000
Administration		1,759,094
Total Disbursements	<u>968,606</u>	<u>10,335,152</u>
Excess (Deficiency) of Receipts Over		
Disbursements Before Other		
Adjustments to Cash (Uses)	<u>5,721</u>	<u>(1,423,546)</u>
Other Adjustments to Cash (Uses)		
Transfers From Other Funds		1,198,739
Transfers To Other Funds		<u>(1,198,739)</u>
Total Other Adjustments to Cash (Uses)		
Net Change in Fund Balance	5,721	(1,423,546)
Fund Balance - Beginning	<u>5,973</u>	<u>4,161,098</u>
Fund Balance - Ending	<u>\$ 11,694</u>	<u>\$ 2,737,552</u>
Composition of Fund Balance		
Bank Balance	\$ 11,694	\$ 2,763,582
Less: Outstanding Checks		<u>(26,030)</u>
Fund Balance - Ending	<u>\$ 11,694</u>	<u>\$ 2,737,552</u>

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

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**FLEMING COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Basis of Accounting

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

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

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

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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

Forest Fire Protection Fund - The primary purpose of this fund is to account for taxes collected on fire acres and remittance to the state.

Community Development Block Grant (CDBG) Fund - The primary purpose of this fund is to account for CDBG proceeds are related expenditures.

Dispatch Fund - The primary purpose of this fund is to account for the dispatch center expenses of the county. The primary purpose of receipts for this fund are 911 taxes and surcharges.

County Clerk Storage Fees Fund - The primary purpose of this fund is to account for county clerk storage fees and related disbursements.

American Rescue Plan Act (ARPA) Fund - This fund is set up exclusively for the funding and expenditures associated with the American Rescue Plan Act of 2021.

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.

Capital Improvement Fund - The primary purpose of this fund is to account for construction and maintenance costs involving county buildings or properties.

Unbudgeted Fund

The fiscal court reports the following unbudgeted fund:

Public Properties Corporation Fund - The primary purpose of this fund is to account for the financing and construction of major capital facilities. This fund handles the financial activities associated with the construction of the judicial center.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

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 Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Fleming County Elected Officials

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

- 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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

H. Joint Ventures

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 this criteria, the following are considered joint ventures of the Fleming County Fiscal Court:

Flemingsburg-Fleming County Tourism
 Flemingsburg-Fleming County Industrial Development
 Flemingsburg-Fleming County Recreation Board
 Flemingsburg-Fleming County Planning and Zoning Commission
 Fleming-Mason Airport Board
 Flemingsburg-Fleming County and Ewing Ethics Board
 Flemingsburg-Fleming County Chamber of Commerce

Note 2. Deposits

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

Custodial Credit Risk - Deposits

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

Note 3. Transfers

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

	General Fund	ARPA Fund	Total Transfers In
General Fund	\$	\$ 63,813	\$ 63,813
Road Fund	627,376		627,376
Jail Fund	507,300		507,300
Forest Fire Fund	250		250
Total Transfers Out	<u>\$ 1,134,926</u>	<u>\$ 63,813</u>	<u>\$ 1,198,739</u>

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

Note 3. Transfers (Continued)

Reason for transfers:

To move resources from and to the general fund and other funds, for budgetary purposes, to the funds that will expend them.

Note 4. Leases

A. Lessor

1. Altius Broadband

On July 25, 2023, the Fleming County Fiscal Court began leasing office to Altius Broadband. The lease is on a yearly basis and the fiscal court will receive \$250 per month. The Fleming County Fiscal Court recognized \$2,750 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Fleming County Fiscal Court's receivable for lease payments is \$250.

2. Commonwealth Of Kentucky (Fish And Wildlife)

During the fiscal year, the Fleming County Fiscal Court entered into a lease with Commonwealth of Kentucky (Fish and Wildlife). The lease is on a yearly basis and the fiscal court will receive \$360 per quarter. The Fleming County Fiscal Court recognized \$1,441 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Fleming County Fiscal Court's receivable for lease payments is \$0.

3. County Attorney Office (Child Support)

The Fleming County Fiscal Court leases the child support office to the county attorney indefinitely and the fiscal court receives \$1,000 per month. The Fleming County Fiscal Court recognized \$12,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Fleming County Fiscal Court's receivable for lease payments is \$0.

4. Administrative Office of the Courts (AOC)

On October 20, 2016, the Fleming County Public Properties Corporation, issued first mortgage refunding bonds to pay off the bonds that funded the construction of the judicial center. The Administrative Office of the Courts (AOC) reimburses the county for the rental payments which agrees to the annual principal and interest costs on the bonds issued for the financing of the building construction. The corporation recognized \$968,606 in lease revenue during the current fiscal year. As of June 30, 2024, the corporation's receivable for lease payments was \$966,356.

B. Lessee

1. Road Copier

On September 19, 2022, the Fleming County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier at the road department. An initial lease liability was recorded in the amount of \$1,323 during fiscal year 2024. The Fleming County Fiscal Court is required to make monthly payments of \$123. As of June 30, 2024, the value of the lease liability was \$4,298. The future lease payments as of June 30, 2024, were as follows:

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

Note 4. Leases (Continued)

B. Lessee (Continued)

1. Road Copier (Continued)

Fiscal Year Ended June 30	Amount
2025	\$ 1,323
2026	1,322
2027	1,322
2028	331
Total Minimum Lease Payments	<u>\$ 4,298</u>

2. Office Copier

On September 19, 2022, the Fleming County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier at the county judge/executive's office. An initial lease liability was recorded in the amount of \$3,341 during fiscal year 2024. The Fleming County Fiscal Court is required to make monthly payments of \$322. As of June 30, 2024, the value of the lease liability was \$10,855. The future lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 3,340
2026	3,340
2027	3,340
2028	835
Total Minimum Lease Payments	<u>\$ 10,855</u>

3. Dispatch Copier

On September 19, 2022, the Fleming County Fiscal Court entered into a five-year lease agreement as lessee for the acquisition and use of a copier at the dispatch office. An initial lease liability was recorded in the amount of \$821 during fiscal year 2024. The Fleming County Fiscal Court is required to make monthly payments of \$103. As of June 30, 2024, the value of the lease liability was \$2,665. The future lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 820
2026	820
2027	820
2028	205
Total Minimum Lease Payments	<u>\$ 2,665</u>

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

Note 5. Long-term Debt

A. Direct Borrowings and Direct Placements

1. First Mortgage Refunding Revenue Bonds, Series 2016 – Judicial Center

On October 20, 2016, the Fleming County Public Properties Corporations issued first mortgage refunding revenue bonds, series 2016, in the amount of \$6,980,000. The proceeds of this issue were to pay off the first mortgage revenue bonds series 2009, which was for the construction of the judicial center. The bonds have interest rates ranging from 2.04 percent with a retirement date of November 1, 2018. They require interest payments to be made May and November each year beginning on May 1, 2018. Annual principal payments begin November 1, 2020. The Fleming County Public Properties Corporation (the issuer), the county, and the Administrative Office of the Courts (AOC) have entered into a lease agreement, dated October 1, 2016, where AOC will lease from the issuer the justice center, at an agreed rental, which rental amount will be assigned by the issuer to the trustee and is anticipated to be adequate to pay approximately 100% of the principal and interest on the bonds.

In the event of default, AOC shall elect not to renew this lease at any time, or fail to pay the stipulated AOC rentals, or the county shall elect not to renew this lease at any time, or fail to pay the stipulated county proportionate share, then and in that event and upon any ensuing default in the payment of the principal of or interest on the bonds, the mortgage, as the case may be, shall be enforced, which enforcement may, under the terms of the mortgage, include foreclosure of the liens created by the mortgage and sale of the project. No such sale or foreclosure, however, shall give rise to any right to a deficiency judgment against the county or the AOC or the issuer in any sum, and until such sale the county may at any time, be payment of all costs of action and charges or the trustee, and by discharge of principal of and interest on the bonds, receive unencumbered fee simple title to the project. In the event of any such enforcement by the trustee (whether occasioned by the default of the AOC or the county or by the failure of the issuer to apply the use allowance of the payment of the bonds and interest) from the proceeds of any operation of the project or foreclosure and sale of the project by the trustee there shall first be paid all expenses incident to said enforcement, as provided in the mortgage, and thereafter the bonds and interest then outstanding shall be paid and retire, and if there shall remain any excess after paying such expenses and the claims of owners, the entire amount of such excess shall be paid over in cash to the county.

Notwithstanding the foregoing, as an alternative remedy, the trustee is entitled to enter upon the premises, evict AOC and the county and relet the project under such terms and conditions as it deems prudent; the proceeds of such reletting to be applied to the payment of the principal and interest requirements on the bonds.

The principal balance of the issue was \$4,995,000 as of June 30, 2024. Future principal and interest payments are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 870,000	\$ 96,356
2026	890,000	78,200
2027	910,000	59,075
2028	930,000	39,525
2029	950,000	19,550
2030	<u>445,000</u>	<u>4,728</u>
Totals	<u>\$ 4,995,000</u>	<u>\$ 297,434</u>

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

Note 5. Long-term Debt (Continued)

B. 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
Revenue Bonds	\$ 5,850,000	\$	\$ 855,000	\$ 4,995,000	\$ 870,000
Total Long-term Debt	\$ 5,850,000	\$ 0	\$ 855,000	\$ 4,995,000	\$ 870,000

C. 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	Interest
2025	\$ 870,000	\$ 96,356
2026	890,000	78,200
2027	910,000	59,075
2028	930,000	39,525
2029	950,000	19,550
2030	445,000	4,728
Totals	\$ 4,995,000	\$ 297,434

Note 6. Employee Retirement System

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

The county's contribution for FY 2022 was \$568,498, FY 2023 was \$563,844, and FY 2024 was \$548,780.

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

Note 6. Employee Retirement System (Continued)

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 go to the Ky. Ret. Sys. insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute 5% 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 Ky. Ret. Sys. Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% 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 go to the Ky. Ret. Sys. insurance fund.

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

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8% 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 Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5% employer pay credit. The employer pay credit represents a portion of the employer contribution.

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

Note 6. Employee Retirement System (Continued)

Hazardous (Continued)

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%.

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.

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous (Continued)

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.

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. Annual Financial Report and Proportionate Share Audit Report

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

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

Note 6. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

G. Annual Financial Report and Proportionate Share Audit Report (Continued)

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

Note 7. Deferred Compensation

The Fleming 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 8. Insurance

For the fiscal year ended June 30, 2024, the Fleming 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 9. Alcohol Regulatory Fees Interlocal Agreement

An Interlocal Cooperation Agreement exist between the City of Flemingsburg and Fleming County Fiscal Court pertaining to the operation of an alcohol beverage control office to serve all of Fleming County. The alcohol beverage control office is located within the Flemingsburg Police Department. Pursuant to KRS 243.075, the Flemingsburg City Council and the Fleming County Fiscal Court imposed a regulatory license fee upon the gross receipts of the sale of alcoholic beverages in the amount of five percent (5%). Regulatory license fees for both the city and county shall be collected in accordance with the governing ordinance by the Local Office of Alcoholic Beverage Control and shall be transmitted upon collection to the City Finance Department.

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FLEMING COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

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FLEMING COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 2,323,000	\$ 2,360,082	\$ 2,557,690	\$ 197,608
In Lieu Tax Payments	10,000	10,000	5,987	(4,013)
Excess Fees	190,000	190,000	248,738	58,738
Licenses and Permits	29,000	29,000	29,451	451
Intergovernmental	256,650	276,888	324,738	47,850
Charges for Services	125	125	150	25
Miscellaneous	409,900	704,330	663,806	(40,524)
Interest	18,200	18,200	36,120	17,920
Total Receipts	<u>3,236,875</u>	<u>3,588,625</u>	<u>3,866,680</u>	<u>278,055</u>
DISBURSEMENTS				
General Government	1,330,507	1,758,127	1,554,867	203,260
Protection to Persons and Property	109,069	109,431	101,371	8,060
General Health and Sanitation	28,950	29,132	23,929	5,203
Social Services	15,000	15,000	11,770	3,230
Recreation and Culture	32,813	32,813	26,000	6,813
Airports	11,500	11,500	11,500	
Administration	1,282,671	1,310,445	1,175,414	135,031
Total Disbursements	<u>2,810,510</u>	<u>3,266,448</u>	<u>2,904,851</u>	<u>361,597</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>426,365</u>	<u>322,177</u>	<u>961,829</u>	<u>639,652</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			63,813	63,813
Transfers To Other Funds	<u>(1,376,365)</u>	<u>(1,376,365)</u>	<u>(1,134,926)</u>	<u>241,439</u>
Total Other Adjustments to Cash (Uses)	<u>(1,376,365)</u>	<u>(1,376,365)</u>	<u>(1,071,113)</u>	<u>305,252</u>
Net Change in Fund Balance	(950,000)	(1,054,188)	(109,284)	944,904
Fund Balance - Beginning	<u>950,000</u>	<u>1,054,188</u>	<u>1,054,188</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 944,904</u>	<u>\$ 944,904</u>

FLEMING 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				
Intergovernmental	\$ 1,751,186	\$ 1,831,297	\$ 1,680,198	\$ (151,099)
Miscellaneous	6,500	11,900	21,837	9,937
Interest	3,300	6,930	7,128	198
Total Receipts	1,760,986	1,850,127	1,709,163	(140,964)
DISBURSEMENTS				
Transportation Facilities and Services	10,000	10,000	9,628	372
Roads	2,210,807	2,377,480	2,127,221	250,259
Administration	331,343	341,085	336,243	4,842
Total Disbursements	2,552,150	2,728,565	2,473,092	255,473
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(791,164)	(878,438)	(763,929)	114,509
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	716,364	716,364	627,376	(88,988)
Total Other Adjustments to Cash (Uses)	716,364	716,364	627,376	(88,988)
Net Change in Fund Balance	(74,800)	(162,074)	(136,553)	25,521
Fund Balance - Beginning	74,800	162,074	162,074	
Fund Balance - Ending	\$ 0	\$ 0	\$ 25,521	\$ 25,521

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

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 92,900	\$ 93,162	\$ 93,536	\$ 374
Charges for Services	5,000	5,000	145	(4,855)
Miscellaneous	100	5,851	7,237	1,386
Total Receipts	98,000	104,013	100,918	(3,095)
DISBURSEMENTS				
Protection to Persons and Property	696,523	712,198	560,232	151,966
Administration	61,977	54,601	43,471	11,130
Total Disbursements	758,500	766,799	603,703	163,096
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(660,500)	(662,786)	(502,785)	160,001
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	660,000	660,000	507,300	(152,700)
Total Other Adjustments to Cash (Uses)	660,000	660,000	507,300	(152,700)
Net Change in Fund Balance	(500)	(2,786)	4,515	7,301
Fund Balance - Beginning	500	2,786	2,786	
Fund Balance - Ending	\$ 0	\$ 0	\$ 7,301	\$ 7,301

FLEMING 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	\$ 42,000	\$ 42,000	\$ 45,447	\$ 3,447
Miscellaneous	50	50		(50)
Interest	770	2,717	4,987	2,270
Total Receipts	42,820	44,767	50,434	5,667
DISBURSEMENTS				
Roads	10,000	10,000		10,000
Administration	67,820	72,821		72,821
Total Disbursements	77,820	82,821		82,821
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(35,000)	(38,054)	50,434	88,488
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(50,000)	(50,000)		50,000
Total Other Adjustments to Cash (Uses)	(50,000)	(50,000)		50,000
Net Change in Fund Balance	(85,000)	(88,054)	50,434	138,488
Fund Balance - Beginning	85,000	88,054	88,054	
Fund Balance - Ending	\$ 0	\$ 0	\$ 138,488	\$ 138,488

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

FOREST FIRE PROTECTION FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 1,380	\$ 1,380	\$ 1,255	\$ (125)
Charges for Services	100	100		(100)
Total Receipts	1,480	1,480	1,255	(225)
DISBURSEMENTS				
Protection to Persons and Property	1,480	1,480	1,480	
Total Disbursements	1,480	1,480	1,480	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			(225)	(225)
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			250	250
Total Other Adjustments to Cash (Uses)			250	250
Net Change in Fund Balance			25	25
Fund Balance - Beginning			59	59
Fund Balance - Ending	\$ 0	\$ 0	\$ 84	\$ 84

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

COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,448,516	\$ 1,448,516	\$ 1,398,135	\$ (50,381)
Miscellaneous	100,000	100,000		(100,000)
Total Receipts	1,548,516	1,548,516	1,398,135	(150,381)
DISBURSEMENTS				
General Government	1,448,516	1,451,293	1,398,136	53,157
Administration	100,000	97,223		97,223
Total Disbursements	1,548,516	1,548,516	1,398,136	150,380
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			(1)	(1)
Net Change in Fund Balance			(1)	(1)
Fund Balance - Beginning			1	1
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

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

	DISPATCH FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 145,000	\$ 145,000	\$ 145,657	\$ 657
Intergovernmental	160,000	282,958	295,520	12,562
Miscellaneous	1,000	1,000	78	(922)
Interest	3,600	5,651	9,029	3,378
Total Receipts	309,600	434,609	450,284	15,675
DISBURSEMENTS				
Protection to Persons and Property	386,875	481,474	418,644	62,830
Administration	247,725	290,493	93,760	196,733
Total Disbursements	634,600	771,967	512,404	259,563
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(325,000)	(337,358)	(62,120)	275,238
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	50,000	50,000		(50,000)
Total Other Adjustments to Cash (Uses)	50,000	50,000		(50,000)
Net Change in Fund Balance	(275,000)	(287,358)	(62,120)	225,238
Fund Balance - Beginning	275,000	287,358	287,358	
Fund Balance - Ending	\$ 0	\$ 0	\$ 225,238	\$ 225,238

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

COUNTY CLERK STORAGE FEES FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Miscellaneous	\$ 22,000	\$ 22,000	\$ 26,010	\$ 4,010
Interest	10	10	16	6
Total Receipts	22,010	22,010	26,026	4,016
DISBURSEMENTS				
General Government	25,000	28,000	28,000	
Administration	5,510	3,397		3,397
Total Disbursements	30,510	31,397	28,000	3,397
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(8,500)	(9,387)	(1,974)	7,413
Net Change in Fund Balance	(8,500)	(9,387)	(1,974)	7,413
Fund Balance - Beginning	8,500	9,387	9,387	
Fund Balance - Ending	\$ 0	\$ 0	\$ 7,413	\$ 7,413

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

AMERICAN RESCUE PLAN ACT (ARPA) FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	\$ 19,970	\$ 19,970	\$
Interest	20,000	76,428	74,881	(1,547)
Total Receipts	20,000	96,398	94,851	(1,547)
DISBURSEMENTS				
General Government	1,358,800	1,389,455	1,229,274	160,181
Administration	745,200	877,043	110,206	766,837
Total Disbursements	2,104,000	2,266,498	1,339,480	927,018
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
	(2,084,000)	(2,170,100)	(1,244,629)	925,471
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(63,813)	(63,813)
Total Other Adjustments to Cash (Uses)			(63,813)	(63,813)
Net Change in Fund Balance	(2,084,000)	(2,170,100)	(1,308,442)	861,658
Fund Balance - Beginning	2,084,000	2,164,600	2,164,600	
Fund Balance - Ending	\$ 0	\$ (5,500)	\$ 856,158	\$ 861,658

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

OPIOID SETTLEMENT FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Miscellaneous	\$ 14,572	\$ 14,572	\$ 113,752	\$ 99,180
Interest	300	2,310	4,819	2,509
Total Receipts	14,872	16,882	118,571	101,689
DISBURSEMENTS				
General Government	50,000	50,000		50,000
Administration	49,872	46,382		46,382
Total Disbursements	99,872	96,382		96,382
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(85,000)	(79,500)	118,571	198,071
Net Change in Fund Balance	(85,000)	(79,500)	118,571	198,071
Fund Balance - Beginning	85,000	85,000	85,339	339
Fund Balance - Ending	\$ 0	\$ 5,500	\$ 203,910	\$ 198,410

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

CAPITAL IMPROVEMENT FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$	\$ 100,000	\$ 100,000	\$
Miscellaneous	500	7,210	6,710	(500)
Interest	2,570	8,369	14,252	5,883
Total Receipts	3,070	115,579	120,962	5,383
DISBURSEMENTS				
General Government	6,000	15,800	5,400	10,400
Capital Projects	10,000	110,000	100,000	10,000
Administration	287,070	291,058		291,058
Total Disbursements	303,070	416,858	105,400	311,458
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(300,000)	(301,279)	15,562	316,841
Net Change in Fund Balance	(300,000)	(301,279)	15,562	316,841
Fund Balance - Beginning	300,000	301,279	301,279	
Fund Balance - Ending	\$ 0	\$ 0	\$ 316,841	\$ 316,841

FLEMING 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.

FLEMING COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2024

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FLEMING 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>U. S. Department of the Treasury</u>				
<i>Direct Program</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$	\$ 1,339,480
Total U.S. Department of the Treasury				<u>1,339,480</u>
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through Kentucky Department of Military Affairs</i>				
Emergency Management Performance Grants Program	97.042	EMA-2022-EP-00011	\$	\$ 11,866
Total U.S. Department of Homeland Security				<u>11,866</u>
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through Kentucky Department for Local Government</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20C-179	\$	\$ 1,398,136
Total U.S. Department of Housing and Urban Development				<u>1,398,136</u>
 Total Expenditures of Federal Awards			 \$ 0	 <u>\$2,749,482</u>

The accompanying notes are an integral part of this schedule.

FLEMING 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 Fleming 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 Fleming County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Fleming 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

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

FLEMING COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

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FLEMING COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2024

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 2,392,380	\$	\$	\$ 2,392,380
Buildings	13,679,291			13,679,291
Vehicles	1,556,203	10,000	54,998	1,511,205
Equipment	1,531,458	163,108	200,045	1,494,521
Infrastructure	11,801,791	736,517		12,538,308
 Total Capital Assets	 <u>\$ 30,961,123</u>	 <u>\$ 909,625</u>	 <u>\$ 255,043</u>	 <u>\$ 31,615,705</u>

FLEMING 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 and Land Improvements	\$ 12,500	10-60
Buildings	\$ 25,000	10-75
Vehicles	\$ 2,500	3-25
Equipment	\$ 2,500	3-25
Infrastructure	\$ 20,000	10-50

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF 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 John Sims, Jr., Fleming County Judge/Executive
Members of the Fleming 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 Fleming County Fiscal Court for the fiscal year ended June 30, 2024 and the related notes to the financial statement which collectively comprise the Fleming County Fiscal Court's financial statement and have issued our report thereon dated August 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Fleming 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 Fleming County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fleming County Fiscal Court's internal control.

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 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. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Fleming 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
Auditor of Public Accounts
Frankfort, Ky

August 28, 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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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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 John Sims, Jr., Fleming County Judge/Executive
Members of the Fleming County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Fleming 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 Fleming County Fiscal Court's major federal programs for the year ended June 30, 2024. The Fleming 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 Fleming 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 Fleming 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 Fleming County Fiscal Court's compliance with the compliance requirements referred to above.



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

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

Report on Internal Control Over Compliance (Continued)

Our 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
Auditor of Public Accounts
Frankfort, Ky

August 28, 2025

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FLEMING COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

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FLEMING 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:		
• Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants and Non-Entitlement Grants in Hawaii
21.027	COVID-19 – Coronavirus State And Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000		
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Section II: Financial Statement Findings

None.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

None.

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**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

FLEMING COUNTY FISCAL COURT

For The Year Ended June 30, 2024

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
FLEMING COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Fleming 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.



Fleming County Judge/Executive

Fleming County Treasurer