

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

**For The Year Ended
June 30, 2025**



**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 David K. West, Jessamine County Judge/Executive
Members of the Jessamine 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 Jessamine County Fiscal Court, for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the Jessamine 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 Jessamine County Fiscal Court, for the year ended June 30, 2025, 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 Jessamine County Fiscal Court, for the year ended June 30, 2025, 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 Jessamine 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 David K. West, Jessamine County Judge/Executive

Members of the Jessamine 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 Jessamine 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

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

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable David K. West, Jessamine County Judge/Executive
Members of the Jessamine County Fiscal Court

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 Jessamine 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 Jessamine 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
Finance and Administration Cabinet
The Honorable David K. West, Jessamine County Judge/Executive
Members of the Jessamine County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026, on our consideration of the Jessamine 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 Jessamine County Fiscal Court's internal control over financial reporting and compliance.

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

2025-001 The Jessamine County Fiscal Court's Fourth Quarter Report Was Materially Misstated

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

March 24, 2026

JESSAMINE COUNTY OFFICIALS

For The Year Ended June 30, 2025

Fiscal Court Members:

David K. West	County Judge/Executive
Terry Meckstroth	Magistrate
Kent Slusher	Magistrate
Tim Vaughan	Magistrate
Adam Teater	Magistrate
Allen Meyer	Magistrate
Gary Morgan	Magistrate

Other Elected Officials:

Brian Goettl	County Attorney
Jon Sallee	Jailer
Johnny Collier	County Clerk
Doug Fain	Circuit Court Clerk
Kevin Grimes	Sheriff
Brad Freeman	Property Valuation Administrator
Michael Hughes	Coroner

Appointed Personnel:

Ann Cissell	County Treasurer
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JESSAMINE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2025

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

For The Year Ended June 30, 2025

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 26,197,270	\$	\$	\$
Excess Fees	1,854,540			
Licenses and Permits	332,557			
Intergovernmental	1,141,242	1,233,630	668,866	241,361
Charges for Services	841,976		180,284	
Miscellaneous	3,186,081	3,165	63,973	7,200
Interest	1,540,148	40,594	5,557	25,008
Total Receipts	<u>35,093,814</u>	<u>1,277,389</u>	<u>918,680</u>	<u>273,569</u>
DISBURSEMENTS				
General Government	8,076,136			91,125
Protection to Persons and Property	372,291		3,268,378	
General Health and Sanitation	2,348,050			
Social Services	243,672			
Recreation and Culture	1,366,866			12,900
Roads		1,927,993		
Other Transportation Facilities and Services	248,497			
Debt Service	204,971			
Capital Projects	4,288,299	129,322		
Administration	7,680,738	109,882	585,792	
Total Disbursements	<u>24,829,520</u>	<u>2,167,197</u>	<u>3,854,170</u>	<u>104,025</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>10,264,294</u>	<u>(889,808)</u>	<u>(2,935,490)</u>	<u>169,544</u>
Other Adjustments to Cash (Uses)				
Bond Anticipation Note Proceeds				
Cost of Issuance				
Capitalized Interest				
Payroll Revolving Account	55,442			
Transfers From Other Funds		300,000	3,003,641	
Transfers To Other Funds	(6,493,011)			
Total Other Adjustments to Cash (Uses)	<u>(6,437,569)</u>	<u>300,000</u>	<u>3,003,641</u>	
Net Change in Fund Balance	3,826,725	(589,808)	68,151	169,544
Fund Balance - Beginning (Restated)	32,090,583	676,319	51,360	477,759
Fund Balance - Ending	<u>\$ 35,917,308</u>	<u>\$ 86,511</u>	<u>\$ 119,511</u>	<u>\$ 647,303</u>
Composition of Fund Balance				
Bank Balance	\$ 32,325,330	\$ 823,127	\$ 124,713	\$ 647,303
Less: Outstanding Checks	(463,464)	(736,616)	(5,202)	
Payroll Revolving Account Reconciliation Balance	55,442			
Certificates of Deposit	4,000,000			
Investments				
Fund Balance - Ending	<u>\$ 35,917,308</u>	<u>\$ 86,511</u>	<u>\$ 119,511</u>	<u>\$ 647,303</u>

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

JESSAMINE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2025
(Continued)

Budgeted Funds							
Ambulance Fund	County Bond Sinking Fund	Emergency Services Fund	County Clerk Storage Fee Fund	Opioid Settlement Fund	Housing and Urban Development Grant Fund	American Rescue Plan Act Fund	Equitable Sharing Forfeiture Fund
\$	\$	\$ 1,395,766	\$	\$	\$	\$	\$
		371,912			3,025,163		
3,497,248		183,758					
52,088		2,754	84,680	174,119			28,037
13,674	3,292	14,693	6,993	33,761		247,386	
<u>3,563,010</u>	<u>3,292</u>	<u>1,968,883</u>	<u>91,673</u>	<u>207,880</u>	<u>3,025,163</u>	<u>247,386</u>	<u>28,037</u>
					2,950,000		
4,741,458		1,833,023		15,000			
	413,989					7,475,753	
1,429,619		347,276			75,164	77,592	80
<u>6,171,077</u>	<u>413,989</u>	<u>2,180,299</u>		<u>15,000</u>	<u>3,025,164</u>	<u>7,553,345</u>	<u>80</u>
<u>(2,608,067)</u>	<u>(410,697)</u>	<u>(211,416)</u>	<u>91,673</u>	<u>192,880</u>	<u>(1)</u>	<u>(7,305,959)</u>	<u>27,957</u>
2,771,677	420,000						
		(2,307)					
<u>2,771,677</u>	<u>420,000</u>	<u>(2,307)</u>					
163,610	9,303	(213,723)	91,673	192,880	(1)	(7,305,959)	27,957
154,548	451,549	453,853	108,276	608,113	70	8,925,249	59,760
<u>\$ 318,158</u>	<u>\$ 460,852</u>	<u>\$ 240,130</u>	<u>\$ 199,949</u>	<u>\$ 800,993</u>	<u>\$ 69</u>	<u>\$ 1,619,290</u>	<u>\$ 87,717</u>
\$ 324,644	\$ 460,852	\$ 245,035	\$ 199,949	\$ 815,993	\$ 69	\$ 1,616,637	\$ 87,717
(6,486)		(4,905)		(15,000)		(1,000)	
						3,653	
<u>\$ 318,158</u>	<u>\$ 460,852</u>	<u>\$ 240,130</u>	<u>\$ 199,949</u>	<u>\$ 800,993</u>	<u>\$ 69</u>	<u>\$ 1,619,290</u>	<u>\$ 87,717</u>

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

JESSAMINE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2025
(Continued)

	<u>Unbudgeted Funds</u>			<u>Internal Service Fund</u>
	<u>PPC Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>	<u>Health Insurance Fund</u>
RECEIPTS				
Taxes	\$	\$	\$ 27,593,036	\$
Excess Fees			1,854,540	
Licenses and Permits			332,557	
Intergovernmental			6,682,174	
Charges for Services			4,703,266	
Miscellaneous		124,788	3,726,885	4,143,510
Interest	72,381		2,003,487	10,410
Total Receipts	<u>72,381</u>	<u>124,788</u>	<u>46,895,945</u>	<u>4,153,920</u>
DISBURSEMENTS				
General Government			11,117,261	
Protection to Persons and Property			10,230,150	
General Health and Sanitation			2,348,050	
Social Services			243,672	
Recreation and Culture		127,512	1,507,278	
Roads			1,927,993	
Other Transportation Facilities and Services			248,497	
Debt Service	4,116,000		4,734,960	
Capital Projects	274,841		12,168,215	
Administration	18,500		10,324,643	4,050,388
Total Disbursements	<u>4,409,341</u>	<u>127,512</u>	<u>54,850,719</u>	<u>4,050,388</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,336,960)</u>	<u>(2,724)</u>	<u>(7,954,774)</u>	<u>103,532</u>
Other Adjustments to Cash (Uses)				
Bond Anticipation Note Proceeds	5,000,000		5,000,000	
Cost of Issuance	(25,000)		(25,000)	
Capitalized Interest	(100,556)		(100,556)	
Payroll Revolving Account			55,442	
Transfers From Other Funds			6,495,318	
Transfers To Other Funds			(6,495,318)	
Total Other Adjustments to Cash (Uses)	<u>4,874,444</u>		<u>4,929,886</u>	
Net Change in Fund Balance	537,484	(2,724)	(3,024,888)	103,532
Fund Balance - Beginning (Restated)	<u>1,214,981</u>	<u>41,460</u>	<u>45,313,880</u>	<u>207</u>
Fund Balance - Ending	<u>\$ 1,752,465</u>	<u>\$ 38,736</u>	<u>\$ 42,288,992</u>	<u>\$ 103,739</u>
Composition of Fund Balance				
Bank Balance	\$ 1,752,465	\$ 46,830	\$ 39,470,664	\$ 103,739
Less: Outstanding Checks		(8,094)	(1,240,767)	
Payroll Revolving Account Reconciliation Balance			55,442	
Certificates of Deposit			4,000,000	
Investments			3,653	
Fund Balance - Ending	<u>\$ 1,752,465</u>	<u>\$ 38,736</u>	<u>\$ 42,288,992</u>	<u>\$ 103,739</u>

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

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

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**JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(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.

Ambulance Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the debt the county has acquired as a result of various projects in the county.

County Bond Sinking Fund - The primary purpose of this fund is to account for receipts and disbursements associated with the debt the county has acquired as a result of various projects in the county.

Emergency Services Fund - The primary purpose of this fund is to account for disaster and emergency expenses of the county. The primary sources of receipts for this fund are federal and state grants.

County Clerk Storage Fee Fund - The primary purpose of this fund is to account for receipts and disbursements related to the county clerk's permanent storage of county records. The funds are used for the maintenance of records and for the facilities used to store those records.

Opioid Settlement Fund - The primary purpose of this fund is to account for revenues received as a result of the opioid settlement related to oxycontin. Funds received under this settlement are to be used in efforts to reduce the illicit use of opioids.

Housing and Urban Development (HUD) Grant Fund - The primary purpose of this fund is to account for HUD grants and related disbursements. The primary source of receipts for this fund are federal grants received from Housing and Urban Development Program.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary source of receipts for this fund are federal grants received under the American Rescue Plan Act.

Equitable Sharing Forfeiture Fund - The primary purpose of this fund is to account for receipts and disbursements associated with assets forfeited to the county.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Commissary Fund.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Internal Service Fund

The fiscal court reports the following internal service fund:

Health Insurance Fund - The fund is used to account for the self-funded health insurance activity of the Jessamine County Fiscal Court.

D. Budgetary Information

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

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

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

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

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

E. Jessamine County Elected Officials

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

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

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments

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

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

G. Long-term Obligations

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

H. Joint Venture

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

Nicholasville/Jessamine County Parks and Recreation

The Jessamine County Fiscal Court entered into a joint venture with the City of Nicholasville Parks and Recreation department to establish a board with members appointed by the city and the county to oversee the operations of parks within the city and county.

Note 2. Deposits and Investments

A. Deposits

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

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 2. Deposits and Investments (Continued)

A. Deposits (Continued)

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 DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2025, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

B. Investments

As of June 30, 2025, the fiscal court had the following investments and maturities:

Type	Cost Basis	Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Investments:					
U.S. Government and U.S. Agencies Bonds	\$ 3,653		\$ 3,653		
Total Investments	3,653		3,653		
Total Fund Balance	\$ 3,653	\$ 0	\$ 3,653	\$ 0	\$ 0

Custodial Credit Risk is the risk that, in the event of failure of the counterparty, the fiscal court will not be able to recover the value of its certificates of deposit, investments, or collateral securities that are in the possession of an outside party. The fiscal court's investment policy requires counterparties to provide sufficient collateral or other insurance if any investments or deposits exceed the insurance provided by Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). All certificates of deposit and investments must be held by the counterparty in the fiscal court's name. The fiscal court has \$4,000,000 of certificates of deposit and \$3,653 of investments in securities held by the counterparties' trust departments in the fiscal court's name. The counterparty maintains the \$4,000,000 of certificates of deposit at depository institutions insured by the FDIC and limits certificates of deposit at each depository institution to the \$250,000 FDIC coverage limit. In addition, the SIPC provides up to \$500,000 coverage for securities and cash (limit of \$250,000 for cash) per client and the counterparties maintain additional insurance coverage for loss of securities and cash above the coverage provided by FDIC and SIPC.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The fiscal court is statutorily limited as to credit ratings, at the time of purchase. KRS 66.480 and the fiscal court's investment policy define the following items as permissible investments:

- 1) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

- 2) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
 - a. United States Treasury;
 - b. Export-Import Bank of the United States;
 - c. Farmers Home Administration;
 - d. Government National Mortgage Corporation; and
 - e. Merchant Marine bonds.
- 3) Obligations of any corporation of the United States government, including but not limited to:
 - a. Federal Home Loan Mortgage Corporation;
 - b. Federal Farm Credit Banks;
 - c. Bank for Cooperatives;
 - d. Federal Intermediate Credit Banks;
 - e. Federal Land Banks;
 - f. Federal Home Loan Banks;
 - g. Federal National Mortgage Association; and
 - h. Tennessee Valley Authority.
- 4) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- 5) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;
- 6) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;
- 7) Commercial paper rated in the highest category by a competent rating agency;
- 8) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- 9) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;
- 10) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:
 - a. The mutual funds shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended.
 - b. The management company of the investment company shall have been in operation for at least five years; and
 - c. All of the securities in the mutual fund shall be eligible investments pursuant to this section.
- 11) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and
- 12) Individual high-quality corporate bonds that are managed by a professional investment manager that:
 - a. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
 - b. Have a standard maturity of no more than ten years; and
 - c. Are rated in the three highest rating categories by at least two competent credit rating agencies.

According to KRS 66.480, the fiscal court is limited to investing no more than 20 percent in categories 5, 6, 7, 9, and 10 above per state statute and the fiscal court's investment policy. As of June 30, 2025, the fiscal court does not have any investments in these categories.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 2. Deposits and Investments (Continued)

B. Investments (Continued)

The fiscal court's rated investments, as of June 30, 2025, and the ratings are presented in the table below. All issuers of the municipal bonds are located in the Commonwealth of Kentucky.

Type	Standard & Poor's/Moody's Credit Ratings					Cost Basis
	AAA/Aaa	AA/Aa	A	WR	Unrated/NA	
Investments:						
U.S. Government and U.S. Agencies Bonds	\$ 3,653					\$ 3,653
Total Investments	3,653					3,653
Total Fund Balance	\$ 3,653	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,653

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the fiscal court's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk. The fiscal court does not have 5 percent or more of the fiscal court's investments invested in any single security.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The fiscal court's policy provides that, to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. See table above for investments listed by type and duration.

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The fiscal court's policy historically has been to invest only in securities in U.S. denominations.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2025.

	General Fund	Emergency Services Fund	Total Transfers In
Road Fund	\$ 300,000	\$	\$ 300,000
Jail Fund	3,001,334	2,307	3,003,641
Ambulance Fund	2,771,677		2,771,677
County Bond Sinking Fund	420,000		420,000
Total Transfers Out	\$ 6,493,011	\$ 2,307	\$ 6,495,318

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.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 4. Custodial Funds

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. In accordance with the regulatory basis of accounting, custodial funds are not presented on the financial statement.

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2025, was \$57,828.

Note 5. Commitments – Lease Agreements

A. Leases – Lessor

The Jessamine County Fiscal Court was committed to the following lease agreements as lessor as of June 30, 2025:

Description	Effective Date	Length of Term (Years)	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Central KY Hauling, LLC	12/1/2021	1	monthly	8/30/2024	\$ 2,000	\$ 0
Jessamine County Extension Office	9/4/2008	30	annually	9/4/2038	\$ 130,200	\$ 1,692,600
Central KY Hauling, LLC	8/2/2022	1	monthly	8/30/2024	\$ 1,000	\$ 0
Choice Radio	1/1/2023	5	monthly	1/1/2028	\$ 9,600	\$ 24,800
Christian Creech, Attorney-At-Law PLLC	1/1/2024	1	monthly	10/1/2024	\$ 6,750	\$ 0
Nicholasville Café	1/1/2024	1	monthly	1/1/2025	\$ 800	\$ 1,600
Soul on Main	4/15/2025	1	monthly	4/15/2026	\$ 2,100	\$ 6,300
Fred Frick	2/1/2024	1	monthly	2/1/2025	\$ 2,800	\$ 0
Lorin Waller	2/23/2024	1	none		\$ 0	\$ 0
Republic Services	9/1/2024	1	monthly	8/30/2025	\$ 2,000	\$ 8,000
Republic Services	9/1/2024	1	monthly	8/30/2025	\$ 1,000	\$ 4,000
Jessamine County Conservation District	5/27/2025	4	none		\$ 0	\$ 0
City of Nicholasville	3/1/2025	3	yearly	3/1/2028	\$ 1	\$ 0
County Attorney	7/1/2023	1	monthly	7/1/2024	\$ 30,000	\$ 0

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 5. Commitments – Lease Agreements (Continued)

B. Leases – Lessee

The Jessamine County Fiscal Court was committed to the following lease agreements as lessee as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Quadient Leasing	6/27/2022	60 months	quarterly	6/27/2027	\$ 1,953	\$ 3,906
Metronet	3/24/2022	36 months	monthly	3/24/2025	\$ 54,220	\$ 0
Parking Lot Rental	5/16/2023	monthly	monthly		\$ 10,000	\$ 0
Quadient Leasing	7/1/2022	63 months	quarterly	10/1/2027	\$ 1,953	\$ 4,395
Toshiba Business Solutions	1/1/2020	63 months	monthly	4/1/2025	\$ 3,544	\$ 0
Cannon Solutions America	7/1/2022	36 months	monthly	10/1/2027	\$ 4,608	\$ 9,600
Quadient Leasing	6/27/2022	60 months	quarterly	6/27/2027	\$ 3,369	\$ 6,738
Boat Ramp	1/1/2024	300 months	annually	1/3/2049	\$ 166,667	\$ 8,333
Stryker Medical Equipment	1/1/2024	120 months	annually	1/1/2034	\$ 228,720	\$ 1,829,661
Quadient Leasing	1/1/2024	60 months	quarterly	1/1/2029	\$ 3,714	\$ 13,005

Note 6. Short-term Debt

A. Revenue Bond Anticipation Notes – Judicial Center Project – Series 2023 and

The Jessamine County Public Properties Corporation issued a First Mortgage Revenue Bond Anticipation Note Series 2023 on October 31, 2023. Principal amount due on the Note is \$4,000,000 and interest capitalized was \$116,000. The loan was paid off with funds from the issuance of the First Mortgage Revenue Bond Anticipation Note – Series 2024.

The Jessamine County Public Properties Corporation issued a First Mortgage Revenue Bond Anticipation Note – Series 2024 on October 31, 2024. Principal amount due on the Note is \$5,000,000, which consists of \$4,116,000 to pay off First Mortgage Revenue Bond Anticipation Note – Series 2023, \$758,444 to the Project Fund, and \$25,000 for cost of issuance. Capitalized interest was \$100,556. The loan will be paid off from funds when the bonds are sold for construction of the building.

B. Changes In Short-term Debt

Short-term Debt activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Other Debt	\$ 4,000,000	\$ 5,000,000	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000
Total Short-term Debt	\$ 4,000,000	\$ 5,000,000	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 7. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Cassity Governmental Building #1

On November 21, 2007, the Jessamine County Fiscal Court entered into a 20-year lease with the Kentucky Association of Counties Leasing Trust Program in the amount of \$500,000 at an assumed interest rate of 4.63 percent for the construction and renovation of a county administrative building. Payments of interest and fees are due monthly with an annual principal payment due on July 20. In the event of default, the lessor may terminate the lease and give notice to surrender the property within 60 days, recover the lease payments which would have otherwise been payable during the lease period, or sell/sublease the property for the account of the lessee, yet holding the lessee liable for all lease payments that would be due under the lease for which any proceeds or the sale/lease of the property do not provide. The outstanding principal balance as of June 30, 2025, was \$70,000. Future principal and interest payments are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$	\$ 3,651
2027	35,000	2,067
2028	35,000	161
Totals	<u>\$ 70,000</u>	<u>\$ 5,879</u>

2. Cassity Governmental Building #2

On May 5, 2008, the Jessamine County Fiscal Court entered into a 20-year lease agreement with the Kentucky Association of Counties Leasing Trust Program in the amount of \$1,000,000 at an assumed interest rate of 4.53 percent to cover additional costs of the construction and renovation of the county administrative building. Payments of interest and fees are due monthly with an annual principal payment due on September 20. In the event of default, the lessor may terminate the lease and give notice to surrender the property within 60 days, recover the lease payments which would have otherwise been payable during the lease period, or sell/sublease the property for the account of the lessee yet holding the lessee liable for all lease payments that would be due under the lease for which any proceeds of the sale/lease of the property do not provide. The outstanding principal balance as of June 30, 2025, was \$205,000. Future principal and interest payments are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 65,000	\$ 7,333
2027	70,000	4,315
2028	70,000	887
Totals	<u>\$ 205,000</u>	<u>\$ 12,535</u>

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 7. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

3. Sheriff's Cruisers – Bank Loan

On September 28, 2020, the Jessamine County Fiscal Court borrowed \$250,000 at an interest rate of 2.350% per annum from a bank to purchase sheriff's cruisers. The loan will be paid in ten payments of \$26,667, to be paid on March 28 and September 28, annually. In the event of default, all commitments and obligations of the lender will terminate, including any obligation to make further loan advances or disbursements, and at the lender's option, all indebtedness immediately will become due and payable, without notice of any kind to the borrower, except that in the case of an event of default of the type described as insolvency, such acceleration shall be automatic and not optional. The outstanding principal balance as of June 30, 2025, was \$26,350. Future principal and interest payments are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 26,350	\$ 316
Totals	\$ 26,350	\$ 316

B. Other Debt

1. General Obligation Bonds – Series 2018

On October 23, 2018, the Jessamine County Fiscal Court issued \$2,699,380 of General Obligation Bonds, Series 2018. Proceeds from the bonds were used for the purpose of renovations to the detention center and courthouse. Interest on the outstanding principal amount shall be payable June 1 and December 1, commencing June 1, 2020. Interest only shall be paid for the first two years from the date of the original issue. Thereafter, the bonds shall mature as to principal on December 1, 2021, and each December 1 thereafter through and including December 1, 2028. In the event of default, the bank may seek all remedies available to it under the law in the state of Kentucky, including foreclosure of the mortgage. The outstanding principal balance as of June 30, 2025, was \$1,431,657. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 341,761	\$ 38,328
2027	352,311	27,778
2028	363,187	16,902
2029	374,398	5,691
Totals	\$ 1,431,657	\$ 88,699

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 7. Long-term Debt (Continued)

B. Other Debt (Continued)

2. General Obligation Bonds – Series 2020

On November 20, 2020, the Jessamine County Fiscal Court issued \$1,490,000 of general obligation bonds, series 2020. Proceeds from the bonds were used for the purpose of renovations to the detention center. Interest on the outstanding principal amount shall be payable June 1 and December 1, commencing June 1, 2021. In the event of default, the bank may seek all remedies available to it under the law in the state of Kentucky, including foreclosure of the mortgage. The outstanding principal balance as of June 30, 2025, was \$1,440,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 10,000	\$ 28,800
2027	10,000	28,600
2028	15,000	28,400
2029	125,000	28,100
2030	105,000	25,600
2031-2035	555,000	95,800
2036-2040	<u>620,000</u>	<u>37,700</u>
Totals	<u>\$ 1,440,000</u>	<u>\$ 273,000</u>

C. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 488,126	\$	\$ 186,776	\$ 301,350	\$ 91,350
Other Debt	<u>3,208,184</u>		<u>336,527</u>	<u>2,871,657</u>	<u>351,761</u>
Total Long-term Debt	<u>\$ 3,696,310</u>	<u>\$</u>	<u>\$ 523,303</u>	<u>\$ 3,173,007</u>	<u>\$ 443,111</u>

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 7. Long-term Debt (Continued)

D. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations on June 30, 2025, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$ 351,761	\$ 67,128	\$ 91,350	\$ 11,300
2027	362,311	56,378	105,000	6,382
2028	378,187	45,302	105,000	1,048
2029	499,398	33,791		
2030	105,000	25,600		
2031-2035	555,000	95,800		
2036-2040	620,000	37,700		
Totals	<u>\$ 2,871,657</u>	<u>\$ 361,699</u>	<u>\$ 301,350</u>	<u>\$ 18,730</u>

Note 8. Contingencies

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

Note 9. Employee Retirement System

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

The county's contribution for FY 2023 was \$4,364,762, FY 2024 was \$4,149,542, and FY 2025 was \$3,705,792.

Nonhazardous

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

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Nonhazardous (Continued)

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

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

The county's contribution rate for nonhazardous employees was 19.71%.

Hazardous

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

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

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

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 38.61%.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

Hazardous employees whose participation began on or after July 1, 2003, earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous

Once members reach a minimum vesting period of 15 years, they earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5%. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

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

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

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

Once members reach a minimum vesting period of 15 years, they earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5%. Upon the death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's hazardous service. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

D. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of Ky. Ret. Sys. benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5%. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.

E. Cost of Living Adjustments - Tier 2 and Tier 3

No COLA is given unless authorized by the legislature with specific criteria. To this point, no COLA has been authorized by the legislature for Tier 2 or Tier 3 members.

F. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KPPA will pay a \$5,000 death benefit payment to the beneficiary designated by the member specifically for this benefit. Members with multiple accounts are entitled to only one death benefit.

Annual Financial Report and Proportionate Share Audit Report

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

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

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 10. Deferred Compensation

The Jessamine 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 11. Health Reimbursement Account/Flexible Spending Account

The Jessamine County Fiscal Court established a flexible spending account to provide employees an additional health benefit. The county has contracted with a third-party administrator to administer the plan. The plan provides \$2,400 per employee. Employees may also contribute additional pre-tax funds through payroll deduction. The balance of the plan is \$45,192, this balance is included in the General Fund ending fund balance.

Note 12. Insurance

The Jessamine County Fiscal Court participates in a self-funded insurance plan. The county has contracted with a third-party administrator to administer the plan. The county maintains one insurance plan with various levels of coverage (i.e., single, family, etc.). The plan covers all county employees. The fiscal court elected to purchase a stop-loss policy to cover losses from individual and aggregate claims once the county reaches the individual and aggregate attachment points. Employees are required to assume liability claims in excess of maximum lifetime reimbursements established by the insurance company.

Note 13. Related Party Transaction

The county judge/executive is a part owner of Betts & West Funeral Home. Betts & West Funeral Home is one of two funeral homes in the county that receive funding for indigent burials on a rotating basis. During the fiscal year ended June 30, 2025, Betts & West Funeral Home was paid \$3,000 by the county for indigent burials.

Note 14. Payroll Revolving Account

The reconciled balance of the payroll revolving account as of June 30, 2025, was added to the General Fund cash balance for financial reporting purposes.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 15. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Jessamine County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2025, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 16. Tax Abatements

A. SMC, LLC

The occupational tax license fee was abated under the authority of the Kentucky Business Investment (KBI) Program. SMC, LLC (the company) is eligible to receive this tax abatement as a result of its commitment to create certain jobs and investments in Nicholasville, Kentucky. The taxes are abated by allowing the company to retain or have rebated to them 0.40 percent of subject wages and compensation earned in Jessamine County, Kentucky in accordance with the Jessamine County Occupational License Fee ordinance for ten years from approval of the project by KBI. Abatement of taxes can be suspended if the company does not maintain the required baseline of 100 employees and at least 94 employees associated with the new Kentucky Business Investment Program Project. For fiscal year ended June 30, 2025, the Jessamine County Fiscal Court abated occupational taxes totaling \$0.

B. Astecnos America, Inc.

The occupational tax license fee was abated under the authority of the Kentucky Business Investment (KBI) Program. Astecnos America, Inc. (the company) is eligible to receive this tax abatement as a result of its commitment to create certain jobs and investments in Nicholasville, Kentucky. The taxes are abated by allowing the company to retain or have rebated to them 0.40 percent of subject wages and compensation earned in Jessamine County, Kentucky in accordance with the Jessamine County Occupational License Fee ordinance for ten years from approval of the project by KBI. Abatement of taxes applies only to new jobs created and is limited to a maximum of 41 new jobs as outlined in the KBI applications. For fiscal year ended June 30, 2025, the Jessamine County Fiscal Court abated occupational taxes totaling \$0.

C. Taylor Made Compounding, Inc.

The occupational tax license fee was abated under the authority of the Kentucky Business Investment (KBI) Program. Taylor Made Compounding, Inc. (the company) is eligible to receive this tax abatement as a result of its commitment to create certain jobs and investments in Nicholasville, Kentucky. The taxes are abated by allowing the company to retain or have rebated to them 0.50 percent of subject wages and compensation earned in Jessamine County, Kentucky in accordance with the Jessamine County Occupational License Fee ordinance for ten years from approval of the project by KBI. Abatement of taxes will apply to the wages and salaries or new employees hired as a result of the expansion project approved for KBI and can be suspended if the company does not meet all terms and conditions of its eligibility under the KBI Act. For fiscal year ended June 30, 2025, the Jessamine County Fiscal Court abated occupational taxes totaling \$0.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 17. Prior Period Adjustments

The prior year ending balances of the General Fund, Jail Fund, Ambulance Fund, and American Rescue Plan Act Fund have been increased based on voided outstanding prior year checks. The schedule below indicates the total of voided outstanding prior year checks:

General Fund	\$	6,429
Jail Fund	\$	461
Ambulance Fund	\$	125
American Rescue Plan Act Fund	\$	1,074

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

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JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 17,850,200	\$ 17,850,200	\$ 26,197,270	\$ 8,347,070
Excess Fees	1,031,736	1,031,736	1,854,540	822,804
Licenses and Permits	269,000	269,000	332,557	63,557
Intergovernmental	486,692	486,692	1,141,242	654,550
Charges for Services	713,000	713,000	841,976	128,976
Miscellaneous	1,399,575	1,399,575	3,186,081	1,786,506
Interest	550,000	550,000	1,540,148	990,148
Total Receipts	<u>22,300,203</u>	<u>22,300,203</u>	<u>35,093,814</u>	<u>12,793,611</u>
DISBURSEMENTS				
General Government	9,001,054	9,631,054	8,076,136	1,554,918
Protection to Persons and Property	468,649	469,249	372,291	96,958
General Health and Sanitation	2,617,349	2,694,349	2,348,050	346,299
Social Services	299,500	299,500	243,672	55,828
Recreation and Culture	1,745,548	1,773,998	1,366,866	407,132
Other Transportation Facilities and Services	272,014	275,764	248,497	27,267
Debt Service	168,772	205,022	204,971	51
Capital Projects	695,000	4,760,503	4,288,299	472,204
Administration	29,556,008	20,521,425	7,680,738	12,840,687
Total Disbursements	<u>44,823,894</u>	<u>40,630,864</u>	<u>24,829,520</u>	<u>15,801,344</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(22,523,691)</u>	<u>(18,330,661)</u>	<u>10,264,294</u>	<u>28,594,955</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(8,001,218)	(8,001,218)	(6,493,011)	1,508,207
Total Other Adjustments to Cash (Uses)	<u>(8,001,218)</u>	<u>(8,001,218)</u>	<u>(6,493,011)</u>	<u>1,508,207</u>
Net Change in Fund Balance	(30,524,909)	(26,331,879)	3,771,283	30,103,162
Fund Balance - Beginning (Restated)	<u>30,524,909</u>	<u>30,524,909</u>	<u>32,090,583</u>	<u>1,565,674</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 4,193,030</u>	<u>\$ 35,861,866</u>	<u>\$ 31,668,836</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,187,107	\$ 1,187,107	\$ 1,233,630	\$ 46,523
Miscellaneous	1,000	1,000	3,165	2,165
Interest	5,000	5,000	40,594	35,594
Total Receipts	<u>1,193,107</u>	<u>1,193,107</u>	<u>1,277,389</u>	<u>84,282</u>
DISBURSEMENTS				
Roads	2,262,928	2,265,428	1,927,993	337,435
Capital Projects	300,000	300,000	129,322	170,678
Administration	285,582	283,082	109,882	173,200
Total Disbursements	<u>2,848,510</u>	<u>2,848,510</u>	<u>2,167,197</u>	<u>681,313</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,655,403)</u>	<u>(1,655,403)</u>	<u>(889,808)</u>	<u>765,595</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>787,520</u>	<u>787,520</u>	<u>300,000</u>	<u>(487,520)</u>
Total Other Adjustments to Cash (Uses)	<u>787,520</u>	<u>787,520</u>	<u>300,000</u>	<u>(487,520)</u>
Net Change in Fund Balance	(867,883)	(867,883)	(589,808)	278,075
Fund Balance - Beginning	<u>867,883</u>	<u>867,883</u>	<u>676,319</u>	<u>(191,564)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,511</u>	<u>\$ 86,511</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 903,345	\$ 903,345	\$ 668,866	\$ (234,479)
Charges for Services	158,000	158,000	180,284	22,284
Miscellaneous	88,069	88,069	63,973	(24,096)
Interest	1,000	1,000	5,557	4,557
Total Receipts	<u>1,150,414</u>	<u>1,150,414</u>	<u>918,680</u>	<u>(231,734)</u>
DISBURSEMENTS				
Protection to Persons and Property	3,729,206	3,744,106	3,268,378	475,728
Administration	810,831	795,931	585,792	210,139
Total Disbursements	<u>4,540,037</u>	<u>4,540,037</u>	<u>3,854,170</u>	<u>685,867</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,389,623)</u>	<u>(3,389,623)</u>	<u>(2,935,490)</u>	<u>454,133</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	3,339,318	3,339,318	3,003,641	(335,677)
Total Other Adjustments to Cash (Uses)	<u>3,339,318</u>	<u>3,339,318</u>	<u>3,003,641</u>	<u>(335,677)</u>
Net Change in Fund Balance	(50,305)	(50,305)	68,151	118,456
Fund Balance - Beginning (Restated)	<u>50,305</u>	<u>50,305</u>	<u>51,360</u>	<u>1,055</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 119,511</u>	<u>\$ 119,511</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 213,466	\$ 213,466	\$ 241,361	\$ 27,895
Miscellaneous	8,475	8,475	7,200	(1,275)
Interest	200	200	25,008	24,808
Total Receipts	<u>222,141</u>	<u>222,141</u>	<u>273,569</u>	<u>51,428</u>
DISBURSEMENTS				
General Government	107,500	107,500	91,125	16,375
Recreation and Culture	22,650	22,650	12,900	9,750
Administration	343,543	343,543		343,543
Total Disbursements	<u>473,693</u>	<u>473,693</u>	<u>104,025</u>	<u>369,668</u>
Net Change in Fund Balance	(251,552)	(251,552)	169,544	421,096
Fund Balance - Beginning	<u>251,552</u>	<u>251,552</u>	<u>477,759</u>	<u>226,207</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 647,303</u>	<u>\$ 647,303</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	AMBULANCE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 10,000	\$ 10,000	\$	\$ (10,000)
Charges for Services	2,475,000	3,061,000	3,497,248	436,248
Miscellaneous	51,500	51,500	52,088	588
Interest	3,600	3,600	13,674	10,074
Total Receipts	<u>2,540,100</u>	<u>3,126,100</u>	<u>3,563,010</u>	<u>436,910</u>
DISBURSEMENTS				
Protection to Persons and Property	4,878,996	5,126,096	4,741,458	384,638
Administration	1,585,484	1,924,384	1,429,619	494,765
Total Disbursements	<u>6,464,480</u>	<u>7,050,480</u>	<u>6,171,077</u>	<u>879,403</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,924,380)</u>	<u>(3,924,380)</u>	<u>(2,608,067)</u>	<u>1,316,313</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>3,874,380</u>	<u>3,874,380</u>	<u>2,771,677</u>	<u>(1,102,703)</u>
Total Other Adjustments to Cash (Uses)	<u>3,874,380</u>	<u>3,874,380</u>	<u>2,771,677</u>	<u>(1,102,703)</u>
Net Change in Fund Balance	(50,000)	(50,000)	163,610	213,610
Fund Balance - Beginning (Restated)	<u>50,000</u>	<u>50,000</u>	<u>154,548</u>	<u>104,548</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 318,158</u>	<u>\$ 318,158</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	COUNTY BOND SINKING FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Interest	\$ 120	\$ 120	\$ 3,292	\$ 3,172
Total Receipts	120	120	3,292	3,172
DISBURSEMENTS				
Debt Service	413,989	413,989	413,989	
Administration	36,955	36,955		36,955
Total Disbursements	450,944	450,944	413,989	36,955
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(450,824)	(450,824)	(410,697)	40,127
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			420,000	420,000
Total Other Adjustments to Cash (Uses)			420,000	420,000
Net Change in Fund Balance	(450,824)	(450,824)	9,303	460,127
Fund Balance - Beginning	450,824	450,824	451,549	725
Fund Balance - Ending	\$ 0	\$ 0	\$ 460,852	\$ 460,852

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	EMERGENCY SERVICES FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 1,225,000	\$ 1,225,000	\$ 1,395,766	\$ 170,766
Intergovernmental	275,000	275,000	371,912	96,912
Charges for Services	170,000	170,000	183,758	13,758
Miscellaneous	100	100	2,754	2,654
Interest	5,000	5,000	14,693	9,693
Total Receipts	<u>1,675,100</u>	<u>1,675,100</u>	<u>1,968,883</u>	<u>293,783</u>
DISBURSEMENTS				
Protection to Persons and Property	1,832,602	1,975,252	1,833,023	142,229
Administration	389,148	386,498	347,276	39,222
Total Disbursements	<u>2,221,750</u>	<u>2,361,750</u>	<u>2,180,299</u>	<u>181,451</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(546,650)</u>	<u>(686,650)</u>	<u>(211,416)</u>	<u>475,234</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			<u>(2,307)</u>	<u>(2,307)</u>
Total Other Adjustments to Cash (Uses)			<u>(2,307)</u>	<u>(2,307)</u>
Net Change in Fund Balance	(546,650)	(686,650)	(213,723)	472,927
Fund Balance - Beginning	<u>546,650</u>	<u>546,650</u>	<u>453,853</u>	<u>(92,797)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (140,000)</u>	<u>\$ 240,130</u>	<u>\$ 380,130</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

COUNTY CLERK STORAGE FEE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 75,000	\$ 75,000	\$ 84,680	\$ 9,680
Interest	100	100	6,993	6,893
Total Receipts	<u>75,100</u>	<u>75,100</u>	<u>91,673</u>	<u>16,573</u>
DISBURSEMENTS				
General Government	75,000	75,000		75,000
Administration	29,100	29,100		29,100
Total Disbursements	<u>104,100</u>	<u>104,100</u>		<u>104,100</u>
Net Change in Fund Balance	(29,000)	(29,000)	91,673	120,673
Fund Balance - Beginning	<u>29,000</u>	<u>29,000</u>	<u>108,276</u>	<u>79,276</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 199,949</u>	<u>\$ 199,949</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

OPIOID SETTLEMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 57,605	\$ 57,605	\$ 174,119	\$ 116,514
Interest	100	100	33,761	33,661
Total Receipts	<u>57,705</u>	<u>57,705</u>	<u>207,880</u>	<u>150,175</u>
DISBURSEMENTS				
Protection to Persons and Property		15,000	15,000	
Administration	657,975	642,975		642,975
Total Disbursements	<u>657,975</u>	<u>657,975</u>	<u>15,000</u>	<u>642,975</u>
Net Change in Fund Balance	(600,270)	(600,270)	192,880	793,150
Fund Balance - Beginning	<u>600,270</u>	<u>600,270</u>	<u>608,113</u>	<u>7,843</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 800,993</u>	<u>\$ 800,993</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

HOUSING AND URBAN DEVELOPMENT GRANT FUND

	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 2,000,000	\$ 3,025,000	\$ 3,025,163	\$ 163
Total Receipts	<u>2,000,000</u>	<u>3,025,000</u>	<u>3,025,163</u>	<u>163</u>
DISBURSEMENTS				
General Government	2,000,000	2,950,000	2,950,000	
Administration		75,020	75,164	(144)
Total Disbursements	<u>2,000,000</u>	<u>3,025,020</u>	<u>3,025,164</u>	<u>(144)</u>
Net Change in Fund Balance		(20)	(1)	19
Fund Balance - Beginning			<u>70</u>	<u>70</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (20)</u>	<u>\$ 69</u>	<u>\$ 89</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	AMERICAN RESCUE PLAN ACT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$ 100,000	\$ 100,000	\$ 247,386	\$ 147,386
Total Receipts	<u>100,000</u>	<u>100,000</u>	<u>247,386</u>	<u>147,386</u>
DISBURSEMENTS				
Capital Projects	9,135,554	9,135,554	7,475,753	1,659,801
Administration	92,782	92,782	77,592	15,190
Total Disbursements	<u>9,228,336</u>	<u>9,228,336</u>	<u>7,553,345</u>	<u>1,674,991</u>
Net Change in Fund Balance	(9,128,336)	(9,128,336)	(7,305,959)	1,822,377
Fund Balance - Beginning (Restated)	<u>9,128,336</u>	<u>9,128,336</u>	<u>8,925,249</u>	<u>(203,087)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,619,290</u>	<u>\$ 1,619,290</u>

JESSAMINE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

EQUITABLE SHARING FORFEITURE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 28,037	\$ 18,037
Total Receipts	10,000	10,000	28,037	18,037
DISBURSEMENTS				
General Government	10,000	10,000		10,000
Administration	59,760	59,760	80	59,680
Total Disbursements	69,760	69,760	80	69,680
Net Change in Fund Balance	(59,760)	(59,760)	27,957	87,717
Fund Balance - Beginning	59,760	59,760	59,760	
Fund Balance - Ending	\$ 0	\$ 0	\$ 87,717	\$ 87,717

**JESSAMINE COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES**

June 30, 2025

Note 1. Budgetary Information

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

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

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

Note 2. Reconciliation of the General Fund

Reconciliation of the General Fund

Other Adjustments to Cash (Uses)	\$ (6,493,011)
To adjust for revolving account	<u>55,442</u>
Total Intergovernmental - Regulatory Basis	<u>\$ (6,437,569)</u>
Fund Balance - Ending	\$ 35,861,866
To adjust for revolving account	<u>55,442</u>
Total Debt Service - Regulatory Basis	<u>\$ 35,917,308</u>

Note 3. Excess of Disbursements Over Appropriations

The Housing and Urban Development Grant Fund, administration line-item exceeded budgeted appropriations by \$144.

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**JESSAMINE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2025

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JESSAMINE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2025

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 Treasury</u>				
<i>Direct Program</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$	\$ 7,553,345
Total U.S. Department of Treasury				7,553,345
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through Kentucky Department of Military Affairs</i>				
Chemical Stockpile Emergency Preparedness Program	97.040	SC0952100001500	\$	\$ 84,395
Emergency Management Performance Grant Program	97.042	Unknown		29,821
Total U.S. Department of Homeland Security				114,216
<u>U. S. Department of Justice</u>				
<i>Direct Program</i>				
Equitable Sharing Program	16.922	N/A	\$	\$ 80
Total U.S. Department of Justice				80
<u>U. S. Department of Housing and Urban Development</u>				
<i>Direct Program</i>				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	N/A	\$ 2,950,000	\$ 3,025,000
Total U.S. Department of Housing and Urban Development			2,950,000	3,025,000
Total Expenditures of Federal Awards			\$ 2,950,000	\$ 10,692,641

The accompanying notes are an integral part of this schedule.

JESSAMINE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2025

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Jessamine County, Kentucky under programs of the federal government for the year ended June 30, 2025. 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 Jessamine County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jessamine 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

Jessamine 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.

**JESSAMINE COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis**

For The Year Ended June 30, 2025

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JESSAMINE COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance (Restated *)	Additions	Deletions	Ending Balance
Land	\$ 3,120,936	\$ 4,897,577	\$	\$ 8,018,513
Construction In Progress	365,215	36,125		401,340
Buildings *	28,610,144	4,994,437		33,604,581
Vehicles and Equipment *	11,943,605	2,708,666	295,124	14,357,147
Vehicles and Equipment - Jail Commissary *	143,613		3,891	139,722
Infrastructure	58,422,086	1,609,964		60,032,050
Total Capital Assets	\$102,605,599	\$ 14,246,769	\$ 299,015	\$116,553,353

JESSAMINE COUNTY
NOTES TO OTHER INFORMATION - REGULATORY BASIS
SCHEDULE OF CAPITAL ASSETS

June 30, 2025

Note 1. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 12,500	10-60
Buildings and Building Improvements	\$ 25,000	10-75
Vehicles and Equipment	\$ 2,500	3-25
Infrastructure	\$ 20,000	10-50

Note 2. Prior Period Adjustment

The beginning balance of capital assets has been restated to correct a prior year misstatement in buildings, vehicles and equipment, and vehicles and equipment – jail commissary. The prior year ending balance and the amounts reflected in the schedule has been adjusted to correct the understatement.

Buildings	\$ 341
Vehicles and Equipment	\$ 343,322
Vehicles and Equipment – Jail Commissary	\$ 143,613

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

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

The Honorable David K. West, Jessamine County Judge/Executive
Members of the Jessamine 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 Jessamine County Fiscal Court for the fiscal year ended June 30, 2025, and the related notes to the financial statement which collectively comprise the Jessamine County Fiscal Court's financial statement and have issued our report thereon dated March 24, 2026.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be a material weakness.



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 Jessamine County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001.

Views of Responsible Official and Planned Corrective Action

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

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

March 24, 2026

**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 David K. West, Jessamine County Judge/Executive
Members of the Jessamine County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jessamine 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 Jessamine County Fiscal Court's major federal programs for the year ended June 30, 2025. The Jessamine 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 Jessamine 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, 2025.

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 Jessamine 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 Jessamine 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 Jessamine 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 Jessamine 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 Jessamine 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 Jessamine 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 Jessamine 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 Jessamine 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

March 24, 2026

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**JESSAMINE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2025

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**JESSAMINE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2025

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 checked="" type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input 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>
14.251	Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

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

JESSAMINE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2025
(Continued)

Section II: Financial Statement Findings

2025-001 The Jessamine County Fiscal Court's Fourth Quarter Report Was Materially Misstated

Condition and Context

The fiscal court incorrectly reported Internal Service Fund receipts as transfers from the General Fund and the Public Properties Corporation (PPC) did not report proceeds from the bond anticipation note issued in October 2024. These errors caused the following misstatements on the fourth quarter financial statement:

General Fund

- Transfers Out to Other Funds were overstated by \$3,550,000
- Disbursements were understated by \$3,550,000

Internal Service Fund

- Transfers In were overstated by \$3,550,000
- Miscellaneous Revenues were understated by \$3,550,000

Public Properties Corporation Fund

- Miscellaneous Revenues were overstated by \$4,116,000
- Interest Earned was understated by \$48,970
- Bond Anticipation Note was understated by \$5,000,000
- Bond Anticipation Note Capitalized Interest of 100,556 was not reported
- Bond Anticipation Note Cost of Issuance of \$25,000 was not reported
- Debt Service disbursements were understated by \$4,116,000
- Capital Projects disbursements were understated by \$274,841
- Administration disbursements were overstated by \$5,330,924

The county treasurer and judge/executive accepted corrections to these errors on the fourth quarter financial statement.

Cause

The county changed insurance brokers and opened a separate bank account for self-insurance program activity. This activity was incorrectly recorded since the treasurer was not aware of the accounting and financial reporting standards for risk financing and insurance-related activities of local governmental entities. The county overlooked including the new bond anticipation note proceeds that paid off the previous anticipation note.

Effect

A materially misstated financial statement was submitted to the Department for Local Government, who is the oversight body, and also the fiscal court who relies on that information to make financial decisions. Additionally, the county was not in compliance with reporting standards and did not accurately report program revenue and expenses related to the costs of providing health insurance through a self-insurance fund.

JESSAMINE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2025
(Continued)

Section II: Financial Statement Findings (Continued)

2025-001 The Jessamine County Fiscal Court's Fourth Quarter Report Was Materially Misstated (Continued)

Criteria

According to *Governmental Accounting Standards Board (GASB) Statement 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, paragraph 67, "Charges made in accordance with the foregoing provisions should be recognized as revenue by the internal service fund and as expenditures/expenses by the other funds of the entity.

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

The review and monitoring of receipts and disbursements, along with quarterly and annual financial reports, are basic internal controls necessary to ensure the county's annual financial statements are accurate.

Recommendation

We recommend the county report all self-insurance costs as expenses in the related funds and as program receipts in the internal service fund as prescribed by *GASB Statement 10*. We also recommend the county report all bond activity related to their Public Properties Corporation. Lastly, we recommend the county implement stronger internal controls over financial reporting to ensure these amounts are properly reflected

Views of Responsible Official and Planned Corrective Action:

County Judge/Executive's Response: The Jessamine County Fiscal Court concurs with finding #2025-001.

The Jessamine County Fiscal Court reported Self Insurance cost erroneously as transfers out of the general fund and transfers in the self-insurance fund. Effective immediately, the County Treasurer will record Self Insurance costs as expenses, not transfers out of the general fund. The County Treasurer will record Self Insurance costs as receipts, not transfers in the Self Insurance account.

Section III: Federal Award Findings And Questioned Costs

None Noted.

Section IV: Summary Schedule of Prior Audit Findings

None Noted.

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

JESSAMINE COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2025

The Jessamine County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



County Judge/Executive



County Treasurer