

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

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



**ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS  
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**ALLISON BALL**  
**AUDITOR OF PUBLIC ACCOUNTS**

**Independent Auditor's Report**

To the People of Kentucky

The Honorable Andy Beshear, Governor

Holly M. Johnson, Secretary

Finance and Administration Cabinet

The Honorable Kris Knochelmann, Kenton County Judge/Executive

Members of the Kenton 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 Kenton County Fiscal Court, for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the Kenton 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 Kenton County Fiscal Court, for the year ended June 30, 2024, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Kenton County Fiscal Court, for the year ended June 30, 2024, or the changes in financial position and cash flows thereof for the year then ended.

***Basis for Opinions***

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

Kenton 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 Kenton 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 Kenton 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 Kris Knochelmann, Kenton County Judge/Executive  
 Members of the Kenton 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 Kenton 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 Kenton 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 Kris Knochelmann, Kenton County Judge/Executive  
Members of the Kenton County Fiscal Court

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025, on our consideration of the Kenton 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 Kenton County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

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

Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

March 20, 2025



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

Kris Knochelmann	County Judge/Executive
Beth Sewell	Commissioner
Jon Draud	Commissioner
Joe Nienaber, Jr.	Commissioner

**Other Elected Officials:**

Stacy Tapke	County Attorney
Marc Fields	Jailer
Gabrielle Summe	County Clerk
John Middleton	Circuit Court Clerk
Charles Korzenborn	Sheriff
Darlene Plummer	Property Valuation Administrator
Amber Constantino	Coroner

**Appointed Personnel:**

Joseph Shriver	County Administrator
Scott Gunning	Assistant County Administrator
Roy Cox	County Treasurer
Kurt Greivenkamp	Assistant County Treasurer
Bryan Norton	Occupational License Inspector
Scott Baxley	Assistant County Treasurer

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

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

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

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

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
<b>RECEIPTS</b>				
Taxes	\$ 52,420,039	\$ 2,389,104	\$	\$
In Lieu Tax Payments	198,121			
Excess Fees	2,045,994			
Licenses and Permits	171,410			
Intergovernmental	3,632,229	1,274,325	4,226,694	
Charges for Services	1,952,104	683,296	61,667	
Miscellaneous	7,944,613	264,206	1,307,610	
Interest	5,189,689		8,714	
Total Receipts	73,554,199	4,610,931	5,604,685	
<b>DISBURSEMENTS</b>				
General Government	9,812,624			
Protection to Persons and Property	6,369,671		13,884,646	
General Health and Sanitation	1,964,222			
Social Services	101,800			
Recreation and Culture	1,010,707			
Roads		4,178,265		6,735
Bus Services	8,363,492			
Road Facilities		998,309		
Debt Service	3,911,521			
Capital Projects	4,841,742	1,814,594	986,553	
Administration	8,861,101		4,765,547	
Total Disbursements	45,236,880	6,991,168	19,636,746	6,735
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	28,317,319	(2,380,237)	(14,032,061)	(6,735)
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	7,000,000	3,696,300	14,026,500	
Transfers To Other Funds	(17,968,310)			
Total Other Adjustments to Cash (Uses)	(10,968,310)	3,696,300	14,026,500	
Net Change in Fund Balance	17,349,009	1,316,063	(5,561)	(6,735)
Fund Balance - Beginning	57,276,737	2,955,860	1,413,784	6,735
Fund Balance - Ending	\$ 74,625,746	\$ 4,271,923	\$ 1,408,223	\$ 0
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 15,962,086	\$ 4,271,923	\$ 1,407,523	\$
Plus: Deposits In Transit	1,365			
Less: Outstanding Checks	(1,266,474)			
Investments	59,928,769		700	
Fund Balance - Ending	\$ 74,625,746	\$ 4,271,923	\$ 1,408,223	\$ 0

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

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

Budgeted Funds						
CDBG Fund	Golf Fund	COLT Fund	Dispatch Fund	Opioid Settlement Fund	American Rescue Plan Act Fund	Clerk Record Storage Fund
\$	\$	\$ 5,271,287	\$	\$	\$	\$
199,000			1,262,079			
	185,524		5,689,911			
		91,046		1,323,669		268,810
				46,399		40,412
199,000	185,524	5,362,333	6,951,990	1,370,068		309,222
199,000						779,878
			4,816,468			
		2,494,776		323,973		
		708,173				
	153,006					
			622,400			
	289,750				3,958,254	
			1,466,045			
199,000	442,756	3,202,949	6,904,913	323,973	3,958,254	779,878
	(257,232)	2,159,384	47,077	1,046,095	(3,958,254)	(470,656)
	245,510					
		(7,000,000)				
	245,510	(7,000,000)				
	(11,722)	(4,840,616)	47,077	1,046,095	(3,958,254)	(470,656)
	308,998	17,887,381	5,070,741	1,170,824	13,123,819	1,287,584
\$ 0	\$ 297,276	\$ 13,046,765	\$ 5,117,818	\$ 2,216,919	\$ 9,165,565	\$ 816,928
\$	\$ 297,276	\$ 5,972,463	\$ 5,117,818	\$ 2,216,919	\$ 590	\$ 816,928
		7,074,302			9,164,975	
\$ 0	\$ 297,276	\$ 13,046,765	\$ 5,117,818	\$ 2,216,919	\$ 9,165,565	\$ 816,928

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

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

	<b>Unbudgeted Funds</b>		
	<b>Public</b>		
	<b>Facilities</b>		
	<b>Construction</b>	<b>Jail</b>	
	<b>Corporation</b>	<b>Commissary</b>	<b>Total</b>
	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>
<b>RECEIPTS</b>			
Taxes	\$	\$	\$ 60,080,430
In Lieu Tax Payments			198,121
Excess Fees			2,045,994
Licenses and Permits			171,410
Intergovernmental	1,285,900		11,880,227
Charges for Services		489,668	8,876,646
Miscellaneous			11,294,432
Interest	37		5,376,297
Total Receipts	<u>1,285,937</u>	<u>489,668</u>	<u>99,923,557</u>
<b>DISBURSEMENTS</b>			
General Government			10,791,502
Protection to Persons and Property			25,070,785
General Health and Sanitation			4,782,971
Social Services			809,973
Recreation and Culture		427,597	1,591,310
Roads			4,185,000
Bus Services			8,363,492
Road Facilities			998,309
Debt Service	1,284,400		5,818,321
Capital Projects			11,890,893
Administration	1,500		15,094,193
Total Disbursements	<u>1,285,900</u>	<u>427,597</u>	<u>89,396,749</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	37	62,071	10,526,808
<b>Other Adjustments to Cash (Uses)</b>			
Transfers From Other Funds			24,968,310
Transfers To Other Funds			(24,968,310)
Total Other Adjustments to Cash (Uses)			
Net Change in Fund Balance	37	62,071	10,526,808
Fund Balance - Beginning	<u>3,269</u>	<u>579,528</u>	<u>101,085,260</u>
Fund Balance - Ending	<u>\$ 3,306</u>	<u>\$ 641,599</u>	<u>\$ 111,612,068</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 3,306	\$ 643,346	\$ 36,710,178
Plus: Deposits In Transit			1,365
Less: Outstanding Checks		(1,747)	(1,268,221)
Investments			76,168,746
Fund Balance - Ending	<u>\$ 3,306</u>	<u>\$ 641,599</u>	<u>\$ 111,612,068</u>

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

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

	<b>Internal Service Funds</b>			
	<b>Liability Self-Insurance Fund</b>	<b>Medical Self-Insurance Fund</b>	<b>Insurance Claims TPA Fund</b>	<b>Total Internal Service Funds</b>
<b>RECEIPTS</b>				
Taxes	\$	\$	\$	\$
In Lieu Tax Payments				
Excess Fees				
Licenses and Permits				
Intergovernmental				
Charges for Services				
Miscellaneous	988,263	5,806,216		6,794,479
Interest	7,123	38,660	3,511	49,294
Total Receipts	995,386	5,844,876	3,511	6,843,773
<b>DISBURSEMENTS</b>				
General Government				
Protection to Persons and Property				
General Health and Sanitation				
Social Services				
Recreation and Culture				
Roads				
Bus Services				
Road Facilities				
Debt Service				
Capital Projects				
Administration	277,578	4,737,678	371,413	5,386,669
Total Disbursements	277,578	4,737,678	371,413	5,386,669
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	717,808	1,107,198	(367,902)	1,457,104
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			340,000	340,000
Transfers To Other Funds	(340,000)			(340,000)
Total Other Adjustments to Cash (Uses)	(340,000)		340,000	
Net Change in Fund Balance	377,808	1,107,198	(27,902)	1,457,104
Fund Balance - Beginning	2,545,528	3,920,492	111,709	6,577,729
Fund Balance - Ending	\$ 2,923,336	\$ 5,027,690	\$ 83,807	\$ 8,034,833
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 237,808	\$ 1,187,210	\$ 92,421	\$ 1,517,439
Plus: Deposits In Transit				
Less: Outstanding Checks	(109)		(8,614)	(8,723)
Investments	2,685,637	3,840,480		6,526,117
Fund Balance - Ending	\$ 2,923,336	\$ 5,027,690	\$ 83,807	\$ 8,034,833

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

**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENT**

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**KENTON COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation (Continued)**

**Budgeted Funds (Continued)**

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

CDBG Fund -The primary purpose of this fund is to account for the community development block grants and related disbursements. The primary source of receipts for this fund is federal grants.

Golf Fund -The primary purpose of this fund is to account for the activities of the county golf courses.

COLT Fund -The primary purpose of this fund is to account for the collection of occupational licenses and payroll taxes.

Dispatch Fund -The primary purpose of this fund is to account for the dispatch expenses of the county. The primary source of receipts for this fund is the 911 parcel fee.

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.

American Rescue Plan Act Fund -The primary purpose of this fund is to account for the American Rescue Plan Act grant receipts and disbursements. The primary source of receipts for this fund is from the American Rescue Plan Act grant.

County Clerk Storage 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.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

Public Facilities Construction 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.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Internal Service Funds**

The fiscal court reports the following internal service funds:

Liability Self-Insurance Fund - The primary purpose of this fund is to account for liability insurances for the county. This insurance covers: real and personal property, automobile physical damage, business income and extra expense, property in transit, data processing media and system equipment, general liability and law enforcement liability, medical payments, good Samaritan, automobile liability, public officials' liability, employer's liability, loss inside and outside premises, forgery or alterations, and workers compensation.

Medical Self-Insurance Fund - The primary purpose of this fund is to account for the administration of the county's health insurance receipts and disbursements.

Insurance Claims TPA Fund - The primary purpose of this fund is to account for medical claims paid. The Department for Local Government does not require the fiscal court to budget these funds.

**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 facilities construction corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

**E. Kenton County Elected Officials**

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**E. Kenton County Elected Officials (Continued)**

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

**F. Deposits and Investments**

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

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

**G. Long-term Obligations**

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

**Note 2. Deposits and Investments**

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.

**Custodial Credit Risk - Deposits**

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

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

**Note 3. Transfers**

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

	General Fund	COLT Fund	Total Transfers In
General Fund	\$	\$ 7,000,000	\$ 7,000,000
Road Fund	3,696,300		3,696,300
Jail Fund	14,026,500		14,026,500
Golf Fund	245,510		245,510
Total Transfers Out	<u>\$ 17,968,310</u>	<u>\$ 7,000,000</u>	<u>\$ 24,968,310</u>

Reason for transfers:

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

**Note 4. 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 funds:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2024, was \$469,795.

Flex Spending Fund - This fund accounts for funds received from employees for their flexible spending accounts. The balance in the flex spending fund as of June 30, 2024, was \$153,166.

HRA Fund - This fund accounts for funds received from the county to reimburse certain employee medical expenses. The balance in the HRA fund as of June 30, 2024, was \$134,530.

COLT Cities Tax Fund - This fund accounts for payroll taxes received from businesses and remitted to local cities and other county funds. The balance in the COLT cities tax fund as of June 30, 2024, was \$7,798.

KCPD Seized Funds Fund - This fund accounts for funds seized by the Kenton County Police and held until the court system issues orders on what to do with the funds. The balance in the county police seized funds fund as of June 30, 2024, was \$10,739.

**Note 5. Leases**

**A. Lessor**

1. On April 26, 2023, the Kenton County Fiscal Court entered into a lease agreement with Administrative Office of the Courts (AOC) for occupancy of office space in the Kenton County courthouse. The lease was for one fiscal year and Kenton County would receive quarterly payments. Kenton County recognized \$851,900 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the Kenton County Fiscal Court's receivable for lease payments was \$0.

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

**Note 5. Leases (Continued)**

**A. Lessor (Continued)**

2. On September 16, 2019, the Kenton County Fiscal Court began leasing office space in the Bavarian Building to PDS. Initially, PDS would pay \$6,500 per month for a period of 18 months. Following the initial lease period, the lease period will continue for a period of 20 years and continue for successive 20-year period unless either party gives written notice to the other at least two years before the end of the lease term of its intent to quit the lease arrangement. During this and any subsequent lease term, the county may recalculate the square foot costs every five years. Each installment lease payment shall be due on the first day of each calendar quarter during the lease term. The Kenton County Fiscal Court recognized \$78,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, Kenton County Fiscal Court's receivable for lease payments was \$1,170,000.
3. On May 1, 2020, the Kenton County Fiscal Court amended a lease agreement with Billy Casper Golf, LLC (BCG) to operate the two 18-hole golf courses, putting greens, driving range, maintenance buildings, clubhouse, and golf shop facilities in Kenton County. The term is for five years with BCG having the right to two additional extensions for a period of five years each, upon mutual agreement of both parties. The parties shall reach such mutual agreement at least 90 days prior to the expiration of the then existing term. The county is not required to give a notice of expiration prior to the end of any term or renewal period as set forth herein. The lessee shall pay to the county during the first five-year term of the agreement, an annual license fee of \$50,000 as follows: This fee shall be payable quarterly, due on the last day of the months of May, July, September, and November, in four equal installments of \$12,500 each. The Kenton County Fiscal Court recognized \$50,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, Kenton County Fiscal Court's receivable for the lease payments was \$25,000.

**B. Lessee**

1. On September 28, 2021, the Kenton County Fiscal Court entered into a new five-year lease for 12 copiers and printers. An initial lease liability was recorded in the amount of \$40,520 during fiscal year 2022. The Kenton County Fiscal Court made monthly payments of \$675. The Kenton County Fiscal Court expended \$8,104 in lease payments during the current fiscal year related to this lease. As of June 30, 2024, the value of the lease liability was \$18,234.
2. On April 1, 2021, the Kenton County Fiscal Court entered into a three-year lease agreement as lessee for office equipment. An initial lease liability was recorded in the amount of \$50,283 during fiscal year 2021. The Kenton County Fiscal Court is required to make annual payments of \$16,761. As of June 30, 2024, the value of the lease liability was \$33,522.
3. On July 1, 2023, the Kenton County Fiscal Court entered into a five-year lease agreement as lessee for office equipment. An initial lease liability was recorded in the amount of \$53,690 during fiscal year 2024. The Kenton County Fiscal Court made monthly payments of \$2,685. The Kenton County Fiscal Court expended \$10,738 in lease payments during the current fiscal year related to this lease. As of June 30, 2024, the value of the lease liability was \$32,214.

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

**Note 6. Subscription-Based Information Technology Arrangements (SBITA)**

**A. SBITA – Accounting Subscription**

The Kenton County Fiscal Court entered a subscription-based information technology arrangement for accounting software for the finance department. The subscription terms are five years totaling \$207,892, and Kenton County will receive the right-to-use subscription asset (intangible asset). As of June 30, 2024, the value of the subscription liability was \$187,103. Per the terms of the agreement, Kenton County will make quarterly payments of \$10,395.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 41,578
2026	41,578
2027	41,578
2028	41,578
2029	20,791
Total Minimum Lease Payments	<u>\$ 187,103</u>

**Note 7. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Lease Agreement – Emergency Call Systems**

The Kenton County Fiscal Court entered into a lease agreement dated August 18, 2017, in the amount of \$5,600,000 with US Bancorp Government Leasing and Finance, Inc. The purpose of the lease is for the purchase of a 911 emergency call system. Principal payments are due annually on February 1 of years 2018 through 2027, with interest of 2.191% payable on February 1 and August 1 of each year. In the event of default, the lessor may file suit to assess a tax to cover the lease liability, take immediate possession of the project, sell or lease the project and hold lessee liable for any amount not covered by sublease, increase the interest rate at which interest is calculated, and/or exercise any other right, remedy or privilege which may be available to it under the laws of the Commonwealth. Lease payments outstanding on June 30, 2024, were \$1,788,271. Debt service requirements for future fiscal years are as follows:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2025	\$ 583,219	\$ 39,181
2026	595,997	26,403
2027	609,055	13,344
Totals	<u>\$ 1,788,271</u>	<u>\$ 78,928</u>

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

**Note 7. Long-term Debt (Continued)**

**B. Other Debt**

**1. First Mortgage Revenue Refunding Bonds, Series 2017 – Court Facilities Project**

The Kenton County Public Properties Corporation issued bonds dated February 22, 2017, in the amount of \$12,005,000. The proceeds from the sale of the bonds were used to advance refund the outstanding mortgage revenue bonds, series 2007, of the corporation, dated February 1, 2008, which were issued to refinance the original costs of construction of the courthouse facilities project. The bonds mature on March 1 of years 2018 through 2029, with interest of 2.00% to 3.00% payable on March 1 and September 1 of each year. In the event of default, any bondholder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the issuer of the disclosure agent to comply with its obligations under this undertaking. Bonds outstanding on June 30, 2024, were \$5,905,000. Debt service requirements for future fiscal years are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 1,110,000	\$ 177,150
2026	1,150,000	143,850
2027	1,175,000	109,350
2028	1,215,000	74,100
2029	<u>1,255,000</u>	<u>37,650</u>
Totals	<u>\$ 5,905,000</u>	<u>\$ 542,100</u>

**2. General Obligation Refunding Bonds, Series 2017A – Detention Center**

The Kenton County Fiscal Court issued bonds dated October 4, 2017, in the amount of \$27,225,000. The proceeds from the sale of the bonds were used to advance refund the outstanding general obligation bonds, series 2009, of the Kenton County Public Properties Corporation, which were used for the construction of a new detention center facility. The bonds mature on April 1 of years 2018 through 2034, with interest of 3.00% to 5.00% payable on April 1 and October 1 of each year. In the event of default, any bondholder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the issuer of the disclosure agent to comply with its obligations under this undertaking. Bonds outstanding on June 30, 2024, were \$18,445,000. Debt service requirements for future fiscal years are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 1,525,000	\$ 687,600
2026	1,600,000	611,350
2027	1,680,000	531,350
2028	1,760,000	447,350
2029	1,815,000	394,550
2030-2034	<u>10,065,000</u>	<u>984,150</u>
Totals	<u>\$ 18,445,000</u>	<u>\$ 3,656,350</u>



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

**Note 7. Long-term Debt (Continued)**

**B. Other Debt (Continued)**

**3. General Obligation Refunding Bonds, Series 2017B – County Administration Building**

The Kenton County Fiscal Court issued bonds dated October 4, 2017, in the amount of \$31,000,000. The proceeds from the sale of the bonds are being used to finance the costs of various public improvements to the County Administration Building. The bonds mature on October 1 of years 2018 through 2039, with interest of 3.30% to 5.00% payable on October 1 and April 1 of each year. In the event of default, any bondholder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the issuer of the disclosure agent to comply with its obligations under this undertaking. Bonds outstanding on June 30, 2024, were \$27,450,000. Debt service requirements for future fiscal years are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 705,000	\$ 970,269
2026	740,000	934,144
2027	775,000	896,269
2028	815,000	856,519
2029	855,000	819,044
2030-2034	4,790,000	3,575,544
2035-2039	5,755,000	2,614,222
2040-2044	6,755,000	1,609,447
2045-2048	6,260,000	430,564
Totals	<u>\$ 27,450,000</u>	<u>\$ 12,706,022</u>

**4. General Obligation Bonds, Series 2018 – Latonia Lakes**

The Kenton County Fiscal Court issued bonds dated September 20, 2018, in the amount of \$320,000. The proceeds from the sale of the bonds are being used to finance the costs of substantial reconstruction of public ways in the Latonia Lakes subdivision. The bonds mature on December 20 of years 2018 through 2037, with interest of 4.00% to 5.00% payable on June 20 and December 20 of each year. In the event of default, after thirty days, the non-defaulting party may enforce the obligations of the defaulting party under the agreement. Bonds outstanding on June 30, 2024, were \$250,000. Debt service requirements for future fiscal years are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2025	\$ 15,000	\$ 10,040
2026	15,000	9,289
2027	15,000	8,540
2028	15,000	7,790
2029	15,000	7,040
2030-2034	95,000	25,566
2035-2038	80,000	6,756
Totals	<u>\$ 250,000</u>	<u>\$ 75,021</u>

**KENTON COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2024**

**Note 7. Long-term Debt (Continued)**

**C. Changes In Long-term Debt**

Long-term Debt activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 2,358,985	\$	\$ 570,714	\$ 1,788,271	\$ 583,219
Other Debt	55,260,000		3,210,000	52,050,000	3,355,000
Total Long-term Debt	<u>\$ 57,618,985</u>	<u>\$ 0</u>	<u>\$ 3,780,714</u>	<u>\$53,838,271</u>	<u>\$ 3,938,219</u>

**D. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations at June 30, 2024, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 3,355,000	\$ 1,845,059	\$ 583,219	\$ 39,181
2026	3,505,000	1,698,633	595,997	26,403
2027	3,645,000	1,545,509	609,055	13,344
2028	3,805,000	1,385,759		
2029	3,940,000	1,258,284		
2030-2034	14,950,000	4,585,260		
2035-2039	5,835,000	2,620,978		
2040-2044	6,755,000	1,609,447		
2045-2048	6,260,000	430,564		
Totals	<u>\$ 52,050,000</u>	<u>\$ 16,979,493</u>	<u>\$ 1,788,271</u>	<u>\$ 78,928</u>

**Note 8. Commitments and Contingencies**

- On May 23, 2023, the Kenton County Fiscal Court entered in a 30-year sublease agreement with the Northern Kentucky Port Authority (Port Authority) for the One NKY Office Building Project (Project). The sublease terms state that the Port Authority will sublease the project to the county in exchange for rental payments sufficient to make payments under the lease, when due, in the event revenues, as defined in the lease, are not adequate to make the payments. The project lease agreement between the Port Authority and KACo is \$8,800,000. Should the Port Authority be unable to meet the lease requirements, the county will be responsible for the payment. As of June 30, 2024, the Fiscal Court has made no payments to KACo.

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

**Note 8. Commitments and Contingencies (Continued)**

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

The county's contribution for FY 2022 was \$4,349,108, FY 2023 was \$4,911,334, and FY 2024 was \$4,953,348.

Nonhazardous

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

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

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

The county's contribution rate for nonhazardous employees was 23.34%.

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

**Note 9. Employee Retirement System (Continued)**

Hazardous

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

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

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

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

The county's contribution rate for hazardous employees was 43.69%.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

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

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

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

**Note 9. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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.

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.

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

**Note 9. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

**D. Cost of Living Adjustments - Tier 1**

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

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

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

**F. Death Benefit**

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

**G. Ky. Ret. Sys. Annual Financial Report and Proportionate Share Audit Report**

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

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

**Note 10. Deferred Compensation**

The Kenton 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.

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

**Note 10. Deferred Compensation (Continued)**

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. Self-Insurance Fund**

The Kenton County Fiscal Court elected to begin a self-funded liability, workers' compensation, and health insurance plan in April 1992. This self-funded plan covers all employees and county property. The county purchased a stop-loss insurance policy to cover losses from individual and aggregate claims once the county has reached the individual and aggregate attachment points. Employees are required to assume liability for claims in excess of maximum lifetime reimbursements established by the insurance company.

The Kenton County Fiscal Court contracts with a third-party administrator to administer the health insurance fund. This vendor administers the enrollment of eligible individuals, maintains records of plan coverage, adjudicates claims incurred by plan participants, and processes and issues claim checks, etc. Pharmaceutical benefits are administered by a different vendor.

The Kenton County Fiscal Court contracts with an insurance company for property and casualty insurance. This insurance covers: real and personal property; automobile physical damage; business income and extra expense; property in transit; data processing media and system equipment; general liability and law enforcement liability; medical payments; good Samaritan; automobile liability; public officials' liability; employer's liability; Joss inside and outside the premises; forgery or alterations, and workers' compensation.

**Note 12. Health Reimbursement Account/Flexible Spending Account**

The health reimbursement account was a health savings plan in which the county reimbursed the employee for incurred medical expenses. Under the plan the county had, any employees that were enrolled were eligible for either \$500 (single) or \$1,000 (family or employee+ spouse) in reimbursements. Insurance premiums were not eligible for reimbursement, only actual incurred medical expense. The county no longer offers this type of plan to its employees. The ending balance in the account as of June 30, 2021, is available to the employees already in the fund until their balances are depleted.

The flexible spending account is an account in which an employee can withhold pre-tax dollars to be used for incurred medical expenses. Before 2014, any money in a flexible spending account must be used by the end of the plan year or it is forfeited. Starting in 2014, up to \$500 may be "rolled-over" into the following plan year. Insurance premiums are not eligible for reimbursement, only actual incurred medical expenses.

**Note 13. 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 Kenton 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, 2024, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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

**Note 14. Tax Abatements**

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, the Kenton County Fiscal Court is required to disclose certain information about tax abatements as defined in the statement. GASB 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the county or its citizens.

The Kenton County Fiscal Court offers property tax abatements through the following agreements.

- A 25-year, tiered tax abatement bound by an agreement dated November 4, 2004, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct a car dealership in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$6,212. The payment in lieu of taxes is calculated by an agreed upon percentage of a specific dollar amount of assessed value that increases every 5 years. The payment in lieu of taxes is paid to the City of Covington each calendar year at which point the City of Covington deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer.
- A 20-year tax abatement bound by an agreement dated August 24, 2005, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct a mixed use commercial and residential property in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The 75% tax abatement in FY24 amounted to \$64,952. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment in lieu of taxes is paid to the City of Covington each calendar year at which point the City of Covington deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer.
- A 30-year tiered tax abatement bound by an agreement dated April 1, 2016, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct a mixed use commercial and residential property in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$14,676 in abated taxes. The payment in lieu of taxes is set forth in the agreement as a specific dollar amount that increases every 5 years. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of a default payment that is not cured by the developer within 30 days, the PILOT shall become null and void as of the tax year of the default payment and the developer shall pay the amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes.
- A 30-year tiered tax abatement bound by an agreement dated October 31, 2016, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct a mixed use commercial and residential property in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$20,384. The payment in lieu of taxes is set forth in the agreement as a specific dollar amount that increases every 5 years. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment as required to the county which is not cured by the developer within 30 days, the PILOT shall become null and void as of the tax year of the default payment and the developer shall pay the amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes.



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

**Note 14. Tax Abatements (Continued)**

- A 30-year tiered tax abatement bound by an agreement dated August 8, 2017, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct a mixed use commercial and residential property in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$28,952. The payment in lieu of taxes is set forth in the agreement as a specific dollar amount that increases every 5 years. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment as required to the county which is not cured by the developer within 30 days, the PILOT shall become null and void as of the tax year of the default payment and the developer shall pay the amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes.
- A 30-year tiered tax abatement bound by an agreement dated November 1, 2017, between the Kenton County Fiscal Court, the City of Erlanger, and a developer to construct industrial/office use building(s) in an effort to boost economic development as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$34,494. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. This percentage increases by 5% every 5 years. The payment in lieu of taxes is paid to the City of Erlanger each calendar year at which point the City of Erlanger deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer. If a Party (the "Failing Party") fails to perform its obligations, covenants or agreements contained in this agreement, the other party (the "Objecting Party") shall be entitled to deliver notice of such failure. Subject to other provisions of this agreement, if the Failing Party does not commence to cure such failure within 14 days after receipt of such notice or thereafter does not diligently prosecute such cure with commercially reasonable efforts, then the Failing Party will be in default under this Agreement. However, if the Failing Party disputes such alleged failure in good faith, then the 14-day cure period shall not begin until the fact of such failure is adjudicated. (If, after the initial 14-day notice period, the Objecting Party believes that cure has not been commenced or is not being prosecuted as set forth above, such Objecting Party may then take steps necessary to obtain adjudication of whether there has been an actual failure to perform and/or whether the cure is being prosecuted as required, but under no circumstances whatsoever shall this Agreement be terminated due to a default until both (a) existence of the failure to perform and/or failure to prosecute the cure as required are adjudicated and no longer subject to appeal, and (b) the Failing Party, after being judged to be in default, has failed to commence a cure of such default within a 14-day period after such final adjudication or thereafter fails to prosecute such cure to completion.
- A 30-year tax abatement bound by an agreement dated May 14, 2019, between the Kenton County Fiscal Court, the City of Covington, the City of Park Hills, and a developer to construct residential housing in an effort to boost economic development, increase property values and also increase real estate tax revenue. The tax abatement in FY24 amounted to \$10,021. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment in lieu of taxes is paid to the Trustee each calendar year at which point the trustee pays the county's share to the Kenton County Treasurer. If the trustee fails to use commercially reasonable efforts to enforce the obligations contained in the PILOT mortgage or to collect and remit, as required, the PILOT payments pursuant to this agreement and the trust indenture, each party shall have the right to enforce the provisions of the PILOT mortgage against each defaulting unit.

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

**Note 14. Tax Abatements (Continued)**

- A 20-year tax abatement bound by an agreement dated March 17, 2020, between the Kenton County Fiscal Court, the City of Covington, and a developer to renovate an existing property into commercial office space in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$9,241. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 30-year tax abatement bound by an agreement dated May 26, 2020, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct multi-family rental residential housing, together with related site amenities in an effort to boost economic development, increase property values and also increase real estate tax revenue. The tax abatement in FY24 amounted to \$32,184. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 40-year tax abatement bound by an agreement dated November 10, 2020, between the Kenton County Fiscal Court, the City of Covington, and a developer to redevelop an existing property for commercial office, retail and hospitality uses, together with related site amenities in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$12,629. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.

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

**Note 14. Tax Abatements (Continued)**

- A 20-year tax abatement bound by an agreement dated April 23, 2021, between the Kenton County Fiscal Court, the City of Covington, and a developer to renovate the former Kenton County Administration Building, located at 303 Court Street, into a mixed used commercial and residential property in an effort to boost economic development and increase property values as well as occupational tax revenue. The agreement is a 100% abatement of the real estate tax liability. The tax abatement in FY24 amounted to \$18,221. In the event of default in payment as required to the city or school district which is not cured by the developer within 30 days, the PILOT shall become null and void as of the tax year of the default payment and the developer shall pay the amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes.
- A 30-year tax abatement bound by an agreement dated September 14, 2021, between the Kenton County Fiscal Court, the City of Edgewood, and a developer to construct a medical office building, together with site amenities in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The tax abatement in FY24 amounted to \$14,227. The payment is sent directly to the Kenton County Treasurer each calendar year. In the In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 30-year tiered tax abatement bound by an agreement dated January 11, 2022, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct a mixed use commercial and office project, together with site amenities, in an effort to boost economic development and increase property values as well as real estate and occupational tax revenue. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place, increasing every 10 years. The tax abatement in FY24 amounted to \$3,279. The payment is sent directly to the Kenton County Treasurer each calendar year. In the In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 30-year tax abatement agreement dated July 30, 2020, between the Kenton County Fiscal Court, the City of Elsmere, and a developer to construct an industrial-flex building in an effort to boost economic development as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$53,630. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment in lieu of taxes is paid to the City of Elsmere each calendar year at which point the City of Elsmere deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer. In the In the event of default in payment which is not cured by the developer within 30 days, the city may terminate the project lease and the full amount of ad valorem taxes shall be assessed starting in the year of the default.

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

**Note 14. Tax Abatements (Continued)**

- A 30-year tax abatement agreement dated July 30, 2020, between the Kenton County Fiscal Court, the City of Elsmere, and a developer to construct an industrial-flex building in an effort to boost economic development as well as real estate and occupational tax revenue. The tax abatement in FY24 amounted to \$21,535. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 30-year tax abatement agreement dated November 10, 2022, between the Kenton County Fiscal Court, the City of Ludlow, and a developer to construct single family homes and residential condominium units/townhomes and residential apartments in an effort to boost economic development and increase property value as well as real estate tax revenue. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment in lieu of taxes is paid to the City of Ludlow each calendar year at which point the City of Ludlow deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 20-year tax abatement agreement dated March 23, 2023, between the Kenton County Fiscal Court, the City of Crestview Hills, and a developer to construct market rate multi-family residential apartments in an effort to boost economic development and increase property value as well as real estate tax revenue. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment in lieu of taxes is paid to the City of Crestview Hills each calendar year at which point the City of Crestview Hills deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.

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

**Note 14. Tax Abatements (Continued)**

- A 15-year tax abatement agreement dated March 24, 2023, between the Kenton County Fiscal Court, the City of Covington, and a developer to construct one or more industrial buildings in an effort to boost economic development and increase property value as well as real estate tax revenue. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment is sent directly to the Kenton County Treasurer each calendar year. In the event of default in payment which is not cured by the developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.
- A 40-year tax abatement agreement dated November 14, 2023, between the Kenton County Fiscal Court, the City of Fort Mitchell, and a developer to construct a mixed-use commercial development in an effort to boost economic development and increase property value as well as real estate tax revenue. The payment in lieu of taxes is calculated as a percentage of the real estate taxes the county would receive if there was no agreement in place. The payment in lieu of taxes is paid to the City of Fort Mitchell each calendar year at which point the City of Fort Mitchell deducts their share of the payment in lieu of taxes and forwards the county's share to the Kenton County Treasurer. In the event of default in payment which is not cured by the Developer within 30 days, then and in that event, it is agreed that this agreement shall become null and void as of the tax year of the default in payment, and that from that point on, the developer shall pay an amount equal to 100% of the amount of ad valorem property tax payments that the county would have derived from the project but for the exemption of the project from ad valorem taxation pursuant to the provisions of Section 103.285 of the Kentucky Revised Statutes. It is further agreed that the developer will pay all costs of collections, including the county's reasonable attorney fees, in the event of default.

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**KENTON COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

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

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**KENTON COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

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

	<b>GENERAL FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Taxes	\$ 49,154,430	\$ 49,154,430	\$ 52,420,039	\$ 3,265,609
In Lieu Tax Payments	135,500	135,500	198,121	62,621
Excess Fees	2,030,000	2,030,000	2,045,994	15,994
Licenses and Permits	170,000	170,000	171,410	1,410
Intergovernmental	18,831,510	18,831,510	3,632,229	(15,199,281)
Charges for Services	1,994,990	1,994,990	1,952,104	(42,886)
Miscellaneous	3,905,290	3,905,290	7,944,613	4,039,323
Interest	1,700,000	1,700,000	5,189,689	3,489,689
Total Receipts	<u>77,921,720</u>	<u>77,921,720</u>	<u>73,554,199</u>	<u>(4,367,521)</u>
<b>DISBURSEMENTS</b>				
General Government	14,462,080	15,814,177	9,812,624	6,001,553
Protection to Persons and Property	7,682,300	7,881,369	6,369,671	1,511,698
General Health and Sanitation	2,231,100	2,248,206	1,964,222	283,984
Social Services	116,000	116,000	101,800	14,200
Recreation and Culture	1,127,400	1,160,648	1,010,707	149,941
Bus Services	8,475,230	8,475,230	8,363,492	111,738
Debt Service	3,911,530	3,911,530	3,911,521	9
Capital Projects	28,294,500	29,473,203	4,841,742	24,631,461
Administration	28,917,720	26,137,497	8,861,101	17,276,396
Total Disbursements	<u>95,217,860</u>	<u>95,217,860</u>	<u>45,236,880</u>	<u>49,980,980</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(17,296,140)</u>	<u>(17,296,140)</u>	<u>28,317,319</u>	<u>45,613,459</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	7,000,000	7,000,000	7,000,000	
Transfers To Other Funds	<u>(25,300,000)</u>	<u>(25,300,000)</u>	<u>(17,968,310)</u>	<u>7,331,690</u>
Total Other Adjustments to Cash (Uses)	<u>(18,300,000)</u>	<u>(18,300,000)</u>	<u>(10,968,310)</u>	<u>7,331,690</u>
Net Change in Fund Balance	(35,596,140)	(35,596,140)	17,349,009	52,945,149
Fund Balance - Beginning	<u>35,596,140</u>	<u>35,596,140</u>	<u>57,276,737</u>	<u>21,680,597</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 74,625,746</u>	<u>\$ 74,625,746</u>

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

	<b>ROAD FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Taxes	\$ 1,900,000	\$ 1,900,000	\$ 2,389,104	\$ 489,104
Intergovernmental	4,275,840	4,275,840	1,274,325	(3,001,515)
Charges for Services	381,000	381,000	683,296	302,296
Miscellaneous	310,110	310,110	264,206	(45,904)
Total Receipts	6,866,950	6,866,950	4,610,931	(2,256,019)
<b>DISBURSEMENTS</b>				
Roads	11,681,070	12,716,224	4,178,265	8,537,959
Road Facilities	1,496,420	1,513,420	998,309	515,111
Capital Projects	2,266,880	2,910,636	1,814,594	1,096,042
Administration	3,372,220	1,676,310		1,676,310
Total Disbursements	18,816,590	18,816,590	6,991,168	11,825,422
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(11,949,640)	(11,949,640)	(2,380,237)	9,569,403
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	9,000,000	9,000,000	3,696,300	(5,303,700)
Total Other Adjustments to Cash (Uses)	9,000,000	9,000,000	3,696,300	(5,303,700)
Net Change in Fund Balance	(2,949,640)	(2,949,640)	1,316,063	4,265,703
Fund Balance - Beginning	2,949,640	2,949,640	2,955,860	6,220
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,271,923	\$ 4,271,923

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

<b>JAIL FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 4,918,460	\$ 4,918,460	\$ 4,226,694	\$ (691,766)
Charges for Services	56,000	56,000	61,667	5,667
Miscellaneous	1,351,000	1,351,000	1,307,610	(43,390)
Interest			8,714	8,714
Total Receipts	<u>6,325,460</u>	<u>6,325,460</u>	<u>5,604,685</u>	<u>(720,775)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	15,204,930	15,564,930	13,884,646	1,680,284
Capital Projects	1,534,000	1,766,100	986,553	779,547
Administration	6,997,290	6,405,190	4,765,547	1,639,643
Total Disbursements	<u>23,736,220</u>	<u>23,736,220</u>	<u>19,636,746</u>	<u>4,099,474</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(17,410,760)</u>	<u>(17,410,760)</u>	<u>(14,032,061)</u>	<u>3,378,699</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	<u>16,000,000</u>	<u>16,000,000</u>	<u>14,026,500</u>	<u>(1,973,500)</u>
Total Other Adjustments to Cash (Uses)	<u>16,000,000</u>	<u>16,000,000</u>	<u>14,026,500</u>	<u>(1,973,500)</u>
Net Change in Fund Balance	(1,410,760)	(1,410,760)	(5,561)	1,405,199
Fund Balance - Beginning	<u>1,410,760</u>	<u>1,410,760</u>	<u>1,413,784</u>	<u>3,024</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,408,223</u>	<u>\$ 1,408,223</u>

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

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$	\$ (10,000)
Total Receipts	10,000	10,000		(10,000)
<b>DISBURSEMENTS</b>				
Roads	16,740	16,740	6,735	10,005
Total Disbursements	16,740	16,740	6,735	10,005
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(6,740)	(6,740)	(6,735)	5
Net Change in Fund Balance	(6,740)	(6,740)	(6,735)	5
Fund Balance - Beginning	6,740	6,740	6,735	(5)
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

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

<b>CDBG FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 546,300	\$ 546,300	\$ 199,000	\$ (347,300)
Total Receipts	546,300	546,300	199,000	(347,300)
<b>DISBURSEMENTS</b>				
General Government	546,300	546,300	199,000	347,300
Total Disbursements	546,300	546,300	199,000	347,300
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

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

	<b>GOLF FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Miscellaneous	\$ 100,000	\$ 100,000	\$ 185,524	\$ 85,524
Total Receipts	100,000	100,000	185,524	85,524
<b>DISBURSEMENTS</b>				
Recreation and Culture	68,500	161,986	153,006	8,980
Capital Projects	305,000	332,000	289,750	42,250
Administration	230,470	109,984		109,984
Total Disbursements	603,970	603,970	442,756	161,214
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(503,970)	(503,970)	(257,232)	246,738
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	300,000	300,000	245,510	(54,490)
Total Other Adjustments to Cash (Uses)	300,000	300,000	245,510	(54,490)
Net Change in Fund Balance	(203,970)	(203,970)	(11,722)	192,248
Fund Balance - Beginning	203,970	203,970	308,998	105,028
Fund Balance - Ending	\$ 0	\$ 0	\$ 297,276	\$ 297,276

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

	<b>COLT FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts, (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>RECEIPTS</b>				
Taxes	\$ 4,537,500	\$ 4,537,500	\$ 5,271,287	\$ 733,787
Miscellaneous	200,000	200,000		(200,000)
Interest	25,000	25,000	91,046	66,046
Total Receipts	4,762,500	4,762,500	5,362,333	599,833
<b>DISBURSEMENTS</b>				
General Health and Sanitation	2,581,050	2,651,050	2,494,776	156,274
Social Services	913,080	954,080	708,173	245,907
Administration	10,530,580	10,419,580		10,419,580
Total Disbursements	14,024,710	14,024,710	3,202,949	10,821,761
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(9,262,210)	(9,262,210)	2,159,384	11,421,594
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds	(7,000,000)	(7,000,000)	(7,000,000)	
Total Other Adjustments to Cash (Uses)	(7,000,000)	(7,000,000)	(7,000,000)	
Net Change in Fund Balance	(16,262,210)	(16,262,210)	(4,840,616)	11,421,594
Fund Balance - Beginning	16,262,210	16,262,210	17,887,381	1,625,171
Fund Balance - Ending	\$ 0	\$ 0	\$ 13,046,765	\$ 13,046,765

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

<b>DISPATCH FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 940,000	\$ 940,000	\$ 1,262,079	\$ 322,079
Charges for Services	5,730,000	5,730,000	5,689,911	(40,089)
Interest	1,000	1,000		(1,000)
Total Receipts	6,671,000	6,671,000	6,951,990	280,990
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	5,991,560	6,119,521	4,816,468	1,303,053
Debt Service	682,410	682,410	622,400	60,010
Administration	4,728,800	4,600,839	1,466,045	3,134,794
Total Disbursements	11,402,770	11,402,770	6,904,913	4,497,857
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(4,731,770)	(4,731,770)	47,077	4,778,847
Net Change in Fund Balance	(4,731,770)	(4,731,770)	47,077	4,778,847
Fund Balance - Beginning	4,731,770	4,731,770	5,070,741	338,971
Fund Balance - Ending	\$ 0	\$ 0	\$ 5,117,818	\$ 5,117,818



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

<b>OPIOID SETTLEMENT FUND</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts, (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 234,650	\$ 234,650	\$ 1,323,669	\$ 1,089,019
Interest			46,399	46,399
Total Receipts	<u>234,650</u>	<u>234,650</u>	<u>1,370,068</u>	<u>1,135,418</u>
<b>DISBURSEMENTS</b>				
General Health and Sanitation	<u>1,788,010</u>	<u>1,788,010</u>	<u>323,973</u>	<u>1,464,037</u>
Total Disbursements	<u>1,788,010</u>	<u>1,788,010</u>	<u>323,973</u>	<u>1,464,037</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,553,360)</u>	<u>(1,553,360)</u>	<u>1,046,095</u>	<u>2,599,455</u>
Net Change in Fund Balance	(1,553,360)	(1,553,360)	1,046,095	2,599,455
Fund Balance - Beginning	<u>1,553,360</u>	<u>1,553,360</u>	<u>1,170,824</u>	<u>(382,536)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,216,919</u>	<u>\$ 2,216,919</u>

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

<b>AMERICAN RESCUE PLAN ACT FUND</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts, (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>DISBURSEMENTS</b>				
Capital Projects	\$ 8,408,110	\$ 11,309,807	\$ 3,958,254	\$ (7,351,553)
Administration	3,162,710	261,013		(261,013)
Total Disbursements	11,570,820	11,570,820	3,958,254	(7,612,566)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(11,570,820)	(11,570,820)	(3,958,254)	7,612,566
Net Change in Fund Balance	(11,570,820)	(11,570,820)	(3,958,254)	7,612,566
Fund Balance - Beginning	11,570,820	11,570,820	13,123,819	1,552,999
Fund Balance - Ending	\$ 0	\$ 0	\$ 9,165,565	\$ 9,165,565

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

**CLERK RECORD STORAGE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 235,000	\$ 235,000	\$ 268,810	\$ 33,810
Interest	10,000	10,000	40,412	30,412
Total Receipts	245,000	245,000	309,222	64,222
<b>DISBURSEMENTS</b>				
General Government	1,465,880	1,465,880	779,878	686,002
Total Disbursements	1,465,880	1,465,880	779,878	686,002
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,220,880)	(1,220,880)	(470,656)	750,224
Net Change in Fund Balance	(1,220,880)	(1,220,880)	(470,656)	750,224
Fund Balance - Beginning	1,220,880	1,220,880	1,287,584	66,704
Fund Balance - Ending	\$ 0	\$ 0	\$ 816,928	\$ 816,928

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

**June 30, 2024**

**Note 1. Budgetary Information**

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

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

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

**KENTON COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

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**KENTON COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of the Treasury</u>				
<i>Direct Program:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ -	\$ 3,958,254
Total U. S. Department of Treasury			-	3,958,254
<u>U. S. Department of Justice</u>				
<i>Direct Program:</i>				
2022 Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	24,188
2023 Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	16,953
Comprehensive Opioid, Stimulant, and other Substance Use Program	16.838		-	215,343
Equitable Sharing Program	16.922		-	100,578
Total U.S. Department of Justice			-	357,062
<u>U. S. Department of Homeland Security</u>				
<i>Direct Program:</i>				
Port Security Grant Program	97.056		-	40,538
<i>Passed-Through Kentucky Emergency Management:</i>				
Emergency Management Performance Grant	97.042	SC 095 2200000589	-	98,565
Total U.S. Department of Homeland Security			-	139,103
<u>U. S. Department of Health and Human Services</u>				
<i>Passed-Through Kentucky Cabinet of Health and Family Services:</i>				
Opioid STR	93.788	PON2 729 2300002520	-	340,502
Total U. S. Department of Health and Human Services			-	340,502
<u>U. S. Department of Transportation: National Highway Traffic Safety Administration</u>				
<i>Passed-Through Kentucky Transportation Cabinet of Highway Safety:</i>				
<i>Highway Safety Cluster:</i>				
2023 State and Community Highway Safety	20.600	PT-2023-33	-	1,305
2024 State and Community Highway Safety	20.600	PT-24-84	-	376
<i>Sub-total for Highway Safety Cluster:</i>			-	1,681
Total U. S. Department of Transportation: National Highway Traffic Safety Administration			-	1,681
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through Department for Local Government:</i>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	22-038	190,000	199,000
Total U.S. Department of Housing & Urban Development			190,000	199,000
Total Expenditures of Federal Awards			\$ 190,000	\$ 4,995,602

The accompanying notes are an integral part of this schedule.

**KENTON COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2024**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Kenton County, Kentucky under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kenton County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Kenton 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**

Kenton County has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

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

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

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

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 23,696,973	\$	\$ 750,000	\$ 22,946,973
Construction In Progress	3,173,813	1,956,022	1,316,683	3,813,152
Buildings	134,597,515	566,950		135,164,465
Land and Building Improvements	5,303,429	412,290		5,715,719
Vehicles and Equipment	25,986,474	3,235,366	744,996	28,476,844
Infrastructure	19,375,593	270,817		19,646,410
 Total Capital Assets	 <u>\$ 212,133,797</u>	 <u>\$ 6,441,445</u>	 <u>\$ 2,811,679</u>	 <u>\$ 215,763,563</u>

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

**June 30, 2024**

**Note 1. Capital Assets**

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 25,000	10-75
Buildings	\$ 50,000	10-75
Building Improvements	\$ 50,000	10-75
Vehicles and Equipment	\$ 10,000	3-15
Infrastructure	\$ 25,000	10-50

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

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**ALLISON BALL**  
**AUDITOR OF PUBLIC ACCOUNTS**

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

**Independent Auditor's Report**

The Honorable Kris Knochelmann, Kenton County Judge/Executive  
Members of the Kenton 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 Kenton County Fiscal Court for the fiscal year ended June 30, 2024 and the related notes to the financial statement which collectively comprise the Kenton County Fiscal Court's financial statement and have issued our report thereon dated March 20, 2025.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



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

**Report on Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Kenton County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

March 20, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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**ALLISON BALL**  
**AUDITOR OF PUBLIC ACCOUNTS**

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

**Independent Auditor's Report**

The Honorable Kris Knochelmann, Kenton County Judge/Executive  
Members of the Kenton County Fiscal Court

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited the Kenton 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 Kenton County Fiscal Court's major federal programs for the year ended June 30, 2024. The Kenton 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 Kenton County Fiscal Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Kenton 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 Kenton 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 Kenton 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 Kenton 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 Kenton 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 Kenton 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 Kenton 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 Kenton 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 20, 2025

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

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

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

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

**Section I: Summary of Auditor's Results**

***Financial Statement***

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP:  
 Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:		
• Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

***Federal Awards***

Internal control over major programs:		
• Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u> 21.027	<u>Name of Federal Program or Cluster</u> COVID-19 Coronavirus State and Local Fiscal Recovery Funds
--------------------------------------------	---------------------------------------------------------------------------------------------------------

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

**KENTON COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2024**  
**(Continued)**

**Section II: Financial Statement Findings**

None.

**Section III: Federal Award Findings And Questioned Costs**

None.

**Section IV: Summary Schedule of Prior Audit Findings**

None.

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

**KENTON COUNTY FISCAL COURT**

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

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM  
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Kenton 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.

A large, stylized handwritten signature in blue ink, written over a horizontal line. The signature is cursive and appears to be "DSE".

County Judge/Executive

A handwritten signature in blue ink, written over a horizontal line. The signature is cursive and appears to be "HAB".

County Treasurer