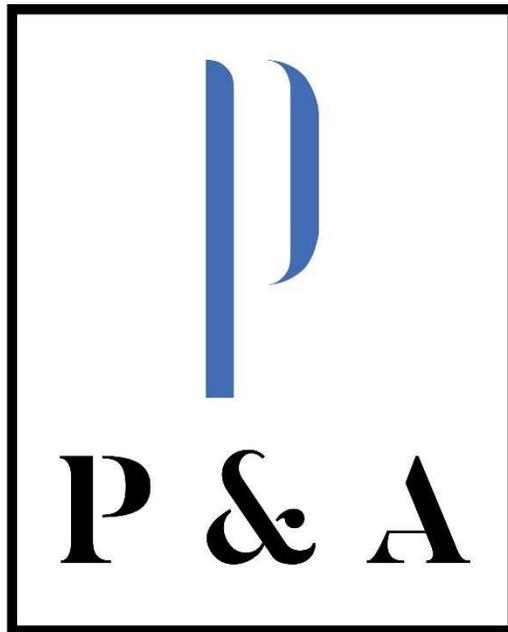


**REPORT OF THE AUDIT OF THE  
JESSAMINE COUNTY  
FISCAL COURT**

**For The Year Ended  
June 30, 2023**



**PATRICK & ASSOCIATES, LLC**

**124 Candlewood Drive  
Winchester, KY 40391**



CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT .....	1
JESSAMINE COUNTY OFFICIALS .....	4
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS.....	6
NOTES TO FINANCIAL STATEMENT .....	10
BUDGETARY COMPARISON SCHEDULES.....	30
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES .....	41
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	44
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	45
SCHEDULE OF CAPITAL ASSETS.....	48
NOTES TO OTHER INFORMATION - REGULATORY BASIS SCHEDULE OF CAPITAL ASSETS.....	49
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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	52
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE .....	56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	61
APPENDIX A: CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	

THIS PAGE LEFT BLANK INTENTIONALLY



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive  
Winchester, KY 40391

## Independent Auditor's Report

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

### **Report on the Audit of the Financial Statement**

#### ***Opinions***

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Jessamine County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Jessamine County Fiscal Court's financial statement as listed in the table of contents.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompany financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Jessamine County Fiscal Court, for the year ended June 30, 2023, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Jessamine County Fiscal Court, for the year ended June 30, 2023, or the changes in financial position and cash flows thereof for the year then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Jessamine County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the Jessamine County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statement***

Jessamine County Fiscal Court's management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jessamine County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jessamine County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

## **Other Matters**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Jessamine County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

The accompanying Budgetary Comparison Schedules and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statement as a whole.

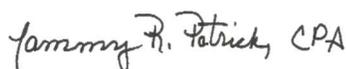
### ***Other Information***

Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2024, on our consideration of the Jessamine County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jessamine County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Tammy R. Patrick, CPA  
Patrick & Associates, LLC

July 8, 2024

**JESSAMINE COUNTY OFFICIALS****For The Year Ended June 30, 2023****Fiscal Court Members:**

David K. West	County Judge/Executive
Justin Ray	Magistrate
Tim Vaughn	Magistrate
Terry Meckstroth	Magistrate
Kent Slusher	Magistrate
Adam Teater	Magistrate
Gary Morgan	Magistrate

**Other Elected Officials:**

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

**Appointed Personnel:**

Ann Cissell	County Treasurer
-------------	------------------

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

**For The Year Ended June 30, 2023**

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

**For The Year Ended June 30, 2023**

	<b>Budgeted Funds</b>			
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>
<b>RECEIPTS</b>				
Taxes	\$ 22,282,517	\$	\$	\$
Excess Fees	1,762,313			
Licenses and Permits	292,408			
Intergovernmental	1,142,592	1,099,361	935,776	201,933
Charges for Services	956,004		129,643	
Miscellaneous	1,567,123	1,042	145,779	7,200
Interest	822,137	58,882	2,520	11,154
Total Receipts	<u>28,825,094</u>	<u>1,159,285</u>	<u>1,213,718</u>	<u>220,287</u>
<b>DISBURSEMENTS</b>				
General Government	6,562,346			55,000
Protection to Persons and Property	378,955		3,199,318	
General Health and Sanitation	2,162,189			
Social Services	232,416			
Recreation and Culture	702,414			20,100
Roads		1,032,663		
Other Transportation Facilities and Service	193,054			
Debt Service	167,471			
Capital Projects	186,649			
Administration	6,606,671	123,921	667,836	
Total Disbursements	<u>17,192,165</u>	<u>1,156,584</u>	<u>3,867,154</u>	<u>75,100</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>11,632,929</u>	<u>2,701</u>	<u>(2,653,436)</u>	<u>145,187</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	18,220		2,570,000	
Transfers To Other Funds	(5,820,000)			
Total Other Adjustments to Cash (Uses)	<u>(5,801,780)</u>		<u>2,570,000</u>	
Net Change in Fund Balance	5,831,149	2,701	(83,436)	145,187
Fund Balance - Beginning	22,052,126	1,321,507	143,831	199,448
Fund Balance - Ending	<u>\$ 27,883,275</u>	<u>\$ 1,324,208</u>	<u>\$ 60,395</u>	<u>\$ 344,635</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 27,919,765	\$ 1,324,294	\$ 61,392	\$ 359,810
Plus: Deposits In Transit				
Less: Outstanding Checks	(36,490)	(86)	(997)	(15,175)
Other Investments				
Fund Balance - Ending	<u>\$ 27,883,275</u>	<u>\$ 1,324,208</u>	<u>\$ 60,395</u>	<u>\$ 344,635</u>

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

**JESSAMINE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>Budgeted Funds</b>						
<b>Ambulance Fund</b>	<b>County Bond Sinking Fund</b>	<b>Emergency Services Fund</b>	<b>County Clerk Storage Fund</b>	<b>Opioid Settlement Fund</b>	<b>American Rescue Plan Act Fund</b>	<b>Equitable Sharing Fund</b>
\$	\$	\$ 1,433,158	\$	\$	\$	\$
10,000		402,837			5,255,602	
2,620,563		172,470				
2,792		190	78,212	285,933	290,288	57,457
4,326	1,861	32,153	343	1,301	7,981	
<u>2,637,681</u>	<u>1,861</u>	<u>2,040,808</u>	<u>78,555</u>	<u>287,234</u>	<u>5,553,871</u>	<u>57,457</u>
3,957,643		1,886,578				
	414,341					
1,644,741		387,651	55		983,418	
<u>5,602,384</u>	<u>414,341</u>	<u>2,274,229</u>	<u>55</u>		<u>7,277</u>	<u>193</u>
					990,695	193
<u>(2,964,703)</u>	<u>(412,480)</u>	<u>(233,421)</u>	<u>78,500</u>	<u>287,234</u>	<u>4,563,176</u>	<u>57,264</u>
2,900,000	350,000					
(18,220)						
<u>2,881,780</u>	<u>350,000</u>					
(82,923)	(62,480)	(233,421)	78,500	287,234	4,563,176	57,264
256,724	505,396	1,158,137			4,979,703	55
<u>\$ 173,801</u>	<u>\$ 442,916</u>	<u>\$ 924,716</u>	<u>\$ 78,500</u>	<u>\$ 287,234</u>	<u>\$ 9,542,879</u>	<u>\$ 57,319</u>
\$ 187,182	\$ 442,916	\$ 925,707	\$ 78,500	\$ 287,234	\$ 1,444,596	\$ 57,319
(13,381)		(991)				
					8,098,283	
<u>\$ 173,801</u>	<u>\$ 442,916</u>	<u>\$ 924,716</u>	<u>\$ 78,500</u>	<u>\$ 287,234</u>	<u>\$ 9,542,879</u>	<u>\$ 57,319</u>

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

**JESSAMINE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<u>Unbudgeted Funds</u>			<u>Internal</u> <u>Service Fund</u>
	<u>Public</u> <u>Properties</u> <u>Corporation</u> <u>Fund</u>	<u>Jail</u> <u>Commissary</u> <u>Fund</u>	<u>Total</u> <u>Funds</u>	<u>Health</u> <u>Insurance</u> <u>Fund</u>
<b>RECEIPTS</b>				
Taxes	\$	\$	\$ 23,715,675	\$
Excess Fees			1,762,313	
Licenses and Permits			292,408	
Intergovernmental			9,048,101	
Charges for Services			3,878,680	
Miscellaneous		222,800	2,658,816	2,998,672
Interest	41,122		983,780	
Total Receipts	<u>41,122</u>	<u>222,800</u>	<u>42,339,773</u>	<u>2,998,672</u>
<b>DISBURSEMENTS</b>				
General Government			6,617,346	2,460,193
Protection to Persons and Property			9,422,494	
General Health and Sanitation			2,162,189	
Social Services			232,416	
Recreation and Culture		221,900	944,414	
Roads			1,032,663	
Other Transportation Facilities and Service			193,054	
Debt Service	385,242		967,054	
Capital Projects			1,170,067	
Administration			9,438,345	526,495
Total Disbursements	<u>385,242</u>	<u>221,900</u>	<u>32,180,042</u>	<u>2,986,688</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(344,120)</u>	<u>900</u>	<u>10,159,731</u>	<u>11,984</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			5,838,220	
Transfers To Other Funds			(5,838,220)	
Total Other Adjustments to Cash (Uses)				
Net Change in Fund Balance	(344,120)	900	10,159,731	11,984
Fund Balance - Beginning	<u>1,548,364</u>	<u>64,964</u>	<u>32,230,255</u>	<u>202</u>
Fund Balance - Ending	<u>\$ 1,204,244</u>	<u>\$ 65,864</u>	<u>\$ 42,389,986</u>	<u>\$ 12,186</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 1,204,244	\$ 65,864	\$ 34,358,823	\$ 147,786
Plus: Deposits In Transit				122,370
Less: Outstanding Checks			(67,120)	(257,970)
Other Investments			8,098,283	
Fund Balance - Ending	<u>\$ 1,204,244</u>	<u>\$ 65,864</u>	<u>\$ 42,389,986</u>	<u>\$ 12,186</u>

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

**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENT**

NOTE 1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	10
NOTE 2.	DEPOSITS AND INVESTMENTS.....	13
NOTE 3.	TRANSFERS.....	16
NOTE 4.	CUSTODIAL FUND.....	16
NOTE 5.	LEASES .....	16
NOTE 6.	SHORT-TERM DEBT .....	18
NOTE 7.	LONG-TERM DEBT .....	19
NOTE 8.	CONTINGENCIES .....	21
NOTE 9.	EMPLOYEE RETIREMENT SYSTEM .....	22
NOTE 10.	DEFERRED COMPENSATION.....	25
NOTE 11.	HEALTH REIMBURSEMENT ACCOUNT/FLEXIBLE SPENDING ACCOUNT .....	25
NOTE 12.	HEALTH INSURANCE FUND.....	25
NOTE 13.	CONDUIT DEBT.....	26
NOTE 14.	TAX ABATEMENTS .....	26
NOTE 15.	RELATED PARTY TRANSACTIONS.....	27
NOTE 16.	SUBSEQUENT EVENT .....	27

**JESSAMINE COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2023**

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

**A. Reporting Entity**

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

**B. Basis of Accounting**

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

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

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

**C. Basis of Presentation**

**Budgeted Funds**

The fiscal court reports the following budgeted funds:

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

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

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

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

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

**Budgeted Funds (Continued)**

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

Ambulance Fund - The primary purpose of this fund is to account for receipts and disbursements related to providing ambulance services to the county

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

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

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

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

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

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

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

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

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

**Internal Service Fund**

The fiscal court reports the following internal service fund:

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

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

**D. Budgetary Information**

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

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

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

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

The state local finance officer does not require the public properties corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

**E. Jessamine County Elected Officials**

Kentucky law provides for election of the officials listed below from the geographic area constituting Jessamine County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of the Jessamine County Fiscal Court.

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

**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).

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

**G. Long-term Obligations**

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

**H. Joint Venture**

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

**Note 2. Deposits and Investments**

**A. Deposits**

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

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2023, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**B. Investments**

As of June 30, 2023, the fiscal court had the following investments and maturities:

Type	Cost Basis	Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Cash Equivalents	\$ 4,100,060	\$ 4,100,060	\$	\$	\$
Investments:					
U. S. Government Issues	3,998,223	3,998,223			
Total Investments	3,998,223	3,998,223			
Total Fund Balance	\$ 8,098,283	\$ 8,098,283	\$ 0	\$ 0	\$ 0

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 2. Deposits and Investments (Continued)**

**B. Investments (Continued)**

**Custodial Credit Risk** is the risk that, in the event of failure of the counterparty, the fiscal court will not be able to recover the value of its certificates of deposit, investments, or collateral securities that are in the possession of an outside party. The fiscal court's investment policy requires counterparties to provide sufficient collateral or other insurance if any investments or deposits exceed the insurance provided by Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). All certificates of deposit and investments must be held by the counterparty in the fiscal court's name. The fiscal court has \$-0- of certificates of deposit and \$3,998,223 of investments in securities held by the counterparties' trust departments in the fiscal court's name. The counterparty maintains certificates of deposit at depository institutions insured by the FDIC and limits certificates of deposit at each depository institution to the \$250,000 FDIC coverage limit. Additionally, the SIPC provides up to \$500,000 coverage for securities and cash (limit of \$250,000 for cash) per client and the counterparties maintain additional insurance coverage for loss of securities and cash above the coverage provided by FDIC and SIPC.

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

- 1) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;
- 2) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
  - a. United States Treasury;
  - b. Export-Import Bank of the United States;
  - c. Farmers Home Administration;
  - d. Government National Mortgage Corporation; and
  - e. Merchant Marine bonds.
- 3) Obligations of any corporation of the United States government, including but not limited to:
  - a. Federal Home Loan Mortgage Corporation;
  - b. Federal Farm Credit Banks;
  - c. Bank for Cooperatives;
  - d. Federal Intermediate Credit Banks;
  - e. Federal Land Banks;
  - f. Federal Home Loan Banks;
  - g. Federal National Mortgage Association; and
  - h. Tennessee Valley Authority.
- 4) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- 5) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;
- 6) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;
- 7) Commercial paper rated in the highest category by a competent rating agency;
- 8) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- 9) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 2. Deposits and Investments (Continued)**

**B. Investments (Continued)**

**Credit Risk (Continued)**

- 10) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:
- The mutual funds shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended.
  - The management company of the investment company shall have been in operation for at least five years; and
  - All of the securities in the mutual fund shall be eligible investments pursuant to this section.
- 11) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and
- 12) Individual high-quality corporate bonds that are managed by a professional investment manager that:
- Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
  - Have a standard maturity of no more than ten years; and are rated in the three highest rating categories by at least two competent credit rating agencies.

According to KRS 66.480, the fiscal court is limited to investing no more than 20 percent in categories 5, 6, 7, 9, and 10 above per state statute and the fiscal court's investment policy. As of June 30, 2023, the fiscal court's investments of \$3,998,223 do not fall in these categories.

The fiscal court's rated investments, as of June 30, 2023, and the ratings are presented in the table below. All issuers of the municipal bonds are located in the Commonwealth of Kentucky.

Type	Standard & Poor's/Moody's Credit Ratings				Unrated/NA	Cost Basis
	AAA/Aaa	AA/Aa	A	WR		
Cash Equivalents	\$ 4,100,060	\$	\$	\$	\$	\$ 4,100,060
Investments:						
U. S. Government Issues		3,998,223				3,998,223
Total Investments		3,998,223				3,998,223
Total Fund Balance	\$ 4,100,060	\$ 3,998,223	\$	\$	\$	\$ 8,098,283

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the fiscal court's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk. More than 5 percent of the fiscal court's investments are in U.S. Government Issues. These investments are 100 percent of the fiscal court's total investments. All of the investments reported in the fiscal court's American Rescue Plan Act Fund are U.S. Government Issues.

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

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

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2022.

	General Fund	Ambulance Fund	Total Transfers In
General Fund	\$	\$ 18,220	\$ 18,220
Jail Fund	2,570,000		2,570,000
Ambulance Fund	2,900,000		2,900,000
County Bond Sinking Fund	350,000		350,000
Total Transfers Out	<u>\$ 5,820,000</u>	<u>\$ 18,220</u>	<u>\$ 5,838,220</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 Fund**

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2023, was \$30,296.

**Note 5. Leases**

**A. Lessor**

**1. Central Kentucky Hauling, LLC**

On December 1, 2017, Jessamine County Fiscal Court began leasing a portion of the building and premises located at 123 Hendren Way, Nicholasville, KY, to Central Kentucky Hauling, LLC. The lease requires a monthly payment of \$1,000 to the Jessamine County Fiscal Court. Jessamine County Fiscal Court recognized \$12,000 in lease revenue during the current fiscal year as a result of this lease.

**2. Jessamine County Extension Office**

On September 4, 2008, Jessamine County Fiscal Court entered into a Lease Agreement with the Jessamine County Extension Office for office space at 95 Park Drive, Nicholasville, KY. The lease is for a term of 360 months, and will terminate on September 3, 2038. Jessamine County Fiscal Court recognized \$130,200 in lease revenue during the current fiscal year as a result of this lease. As of June 30, 2023, terms of the agreement were up to date.

**3. Central Kentucky Hauling, LLC**

On January 1, 2022, Jessamine County Fiscal Court began leasing a portion of the building and premises located at 123 Hendren Way, Nicholasville, KY, to Central Kentucky Hauling, LLC. The lease requires a monthly payment of \$500 to the Jessamine County Fiscal Court. Jessamine County Fiscal Court recognized \$5,500 in lease revenue during the current fiscal year as a result of this lease.

**JESSAMINE COUNTY  
NOTES TO FINANCIAL STATEMENT  
June 30, 2023  
(Continued)**

**Note 5. Leases (Continued)**

**A. Lessor (Continued)**

**4. Choice Radio NJK**

On December 20, 2014, Jessamine County Fiscal Court entered into a Lease Agreement with Choice Radio NJK, for office space located at 116 North Main Street, Suite 3, Nicholasville, KY. The term of this lease is for five years (renewable), and requires a monthly payment of \$800 to the Jessamine County Fiscal Court. Jessamine County Fiscal Court recognized \$9,600 in lease revenue during the current fiscal year as a result of this lease. As of June 30, 2023, terms of the agreement were up to date.

**5. Christian Creech, Attorney at Law, PLLC**

On March 19, 2014, Jessamine County Fiscal Court entered into a Lease Agreement with Christian Creech, Attorney at Law, PLLC, for office space located upstairs, at 116 North Main Street, Nicholasville, KY. The term of the lease is for one year (lessee can renew for one year by request thirty days prior to renewal, sixty days' notice is required for termination). The lease requires a monthly payment of \$750 to the Jessamine County Fiscal Court. Jessamine County Fiscal Court recognized \$12,000 in lease revenue during the current fiscal year as a result of this lease.

**6. Deeken Restaurants Incorporated (Nicholasville Cafe)**

On August 3, 2017, Jessamine County Fiscal Court began leasing certain real property at 111 North Main Street, Nicholasville, KY, to Deeken Restaurants Incorporated (Nicholasville Cafe). The lease is for a period of 12 months, for \$400 per month. The lessor or lessee may terminate the lease at any time with a thirty (30) day notice, and the lease is renewable with thirty (30) days notification prior to the end of the lease. The lease has been negotiated to amend payments to \$200 per month. Jessamine County Fiscal Court recognized \$2,400 during the current fiscal year as a result of this lease.

**7. Fred Fick**

Jessamine County Fiscal Court entered into an agreement with Fred Fick to lease the Farmhouse located at the Aline Ludwig Center at Hickman Creek, within the Camp Nelson Heritage Park in Jessamine County, KY. The term of the lease requires a \$200 monthly payment for twelve (12) months (with an option to renew the Lease for an additional year at a time). Jessamine County Fiscal Court recognized \$2,200 in lease revenue during the current fiscal year as a result of this lease.

**8. Lorin Waller**

Jessamine County Fiscal Court entered into an agreement with Lorin Waller to lease the mobile home located within High Bridge Park in Jessamine County, KY, in exchange for services rendered to the fiscal court as enumerated in lease agreement. As a result of this agreement, Jessamine County Fiscal Court did not recognize any lease revenue during the current fiscal year.

**9. Jessamine County Attorney**

Jessamine County Fiscal Court entered into a Lease Agreement with the Jessamine County Attorney, for office space located at 117 South Main Street, Suite 100, Nicholasville, KY. Jessamine County Fiscal Court will receive monthly payments of \$7,425, with said payments to be paid partially through "in-kind" contributions. Jessamine County Fiscal Court recognized \$30,000 in lease revenue during the current fiscal year as a result of this lease.

**JESSAMINE COUNTY  
NOTES TO FINANCIAL STATEMENT  
June 30, 2023  
(Continued)**

**Note 5. Leases (Continued)**

**B. Lessee**

**1. Quadient Leasing – Postage Meter**

On April 29, 2022, Jessamine County Fiscal Court entered into a lease agreement with Quadient Leasing for a postage meter for the County Accounts Payable Office. Jessamine County Fiscal Court will pay \$163 per month for a term of sixty months and a total of \$9,766.

**2. Quadient Leasing – Postage Meter**

On April 29, 2022, Jessamine County Fiscal Court entered into a lease agreement with Quadient Leasing for a postage meter for the County Attorney's Office. Jessamine County Fiscal Court will pay \$281 per month for a term of sixty months and a total of \$16,844.

**3. Metronet - Telephones**

On September 13, 2021, Jessamine County Fiscal Court entered into a lease agreement with Metronet for telephones. Jessamine County Fiscal Court will pay \$2,017 per month for a term of 36 months.

**4. Toshiba Business Solutions – Copier**

On October 3, 2019, the Jessamine County Fiscal Court entered into a lease agreement with Toshiba Business Solutions for a Toshiba copier and service contract for Animal Shelter. The Jessamine County Fiscal Court will pay \$290 per month for a term of sixty-three months and total of \$18,255.

**5. Cannon Solutions America – Copier**

On July 12, 2022, the Jessamine County Fiscal Court entered into a lease agreement with Cannon Solutions America, Inc. for a copier machine for County Detention Center. The Jessamine County Fiscal Court will pay \$384 per month for a term of sixty months and total of \$23,040.

**6. Quadient Leasing – Postage Meter**

On April 29, 2022, the Jessamine County Fiscal Court entered into a lease agreement with Quadient Leasing for a postage meter for County Tax Office. The Jessamine County Fiscal Court will pay \$281 per month for a term of sixty months and total of \$16,844.

**Note 6. Short-term Debt**

**Revenue Bond Anticipation Note – Judicial Center Project - Series 2021**

The Jessamine County Public Properties Corporation issued a First Mortgage Revenue Bond Anticipation Note - Series 2021 to begin a Judicial Center Project. As of June 30, 2023, the total issue amount was \$3,500,000 and interest capitalized for fiscal year 2023 was \$531. All interest will be capitalized and added to the principal amount of the loan. Maturity date is November 1, 2023. The loan will be paid off with funds from the bond issuance when the bonds are sold for construction of the Judicial Center. Due as of June 30, 2023 are principal of \$1,203,713 and interest of \$561, for a total of \$1,204,244.

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 7. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Cassity Governmental Building #1**

On November 27, 2007, Jessamine County Fiscal Court entered into a 20-year lease with the Kentucky Association of Counties Leasing Trust Program in the amount of \$500,000 at an assumed interest rate of 4.63 percent for the construction and renovation of a county administrative building. Payments of interest and fees are due monthly with an annual principal payment due on July 20. In the event of default, the lessor may terminate the lease and give notice to surrender the property within 60 days, recover the lease payments which would have otherwise been payable during the lease period, or sell/sublease the property for the account of the lessee, yet holding the lessee liable for all lease payments that would be due under the lease for which any proceeds or the sale/lease of the property do not provide. The outstanding principal balance as of June 30, 2023, was \$170,000. Future principal and interest payments are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 30,000	\$ 6,800
2025	35,000	5,235
2026	35,000	3,651
2027	35,000	2,067
2028	35,000	161
Totals	<u>\$ 170,000</u>	<u>\$ 17,914</u>

**2. Cassity Governmental Building #2**

On May 5, 2008, Jessamine County Fiscal Court entered into a 20-year lease agreement with the Kentucky Association of Counties Leasing Trust Program in the amount of \$1,000,000 at an assumed interest rate of 4.53 percent to cover additional costs of the construction and renovation of the county administrative building. Payments of interest and fees are due monthly with an annual principal payment due on September 20. In the event of default, the lessor may terminate the lease and give notice to surrender the property within 60 days, recover the lease payments which would have otherwise been payable during the lease period, or sell/sublease the property for the account of the lessee yet holding the lessee liable for all lease payments that would be due under the lease for which any proceeds of the sale/lease of the property do not provide. The outstanding principal balance as of June 30, 2023, was \$330,000. Future principal and interest payments are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 60,000	\$ 12,986
2025	65,000	10,186
2026	65,000	7,333
2027	70,000	4,315
2028	70,000	887
Totals	<u>\$ 330,000</u>	<u>\$ 35,707</u>

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

**A. Direct Borrowings and Direct Placements (Continued)**

**3. Sheriff's Cruisers – Bank Loan**

On September 28, 2020, the Jessamine County Fiscal Court borrowed \$250,000 at an interest rate of 2.350% per annum from a bank to purchase sheriff's cruisers. The loan will be paid in ten payments of \$26,667, to be paid on March 28 and September 28, annually. In the event of default, all commitments and obligations of the lender will terminate, including any obligation to make further loan advances or disbursements, and at the lender's option, all indebtedness immediately will become due and payable, without notice of any kind to the borrower, except that in the case of an event of default of the type described as insolvency, such acceleration shall be automatic and not optional. The outstanding principal balance as of June 30, 2023, was \$128,683. Future principal and interest payments are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 50,557	\$ 2,776
2025	51,776	1,557
2026	26,350	316
Totals	\$ 128,683	\$ 4,649

**B. Other Debt**

**1. General Obligation Bonds – Series 2018**

On October 23, 2018, the Jessamine County Fiscal Court issued \$2,699,380 of general obligation bonds, series 2018. Proceeds from the bonds were used for the purpose of renovations to the detention center and courthouse. Interest on the outstanding principal amount shall be payable June 1 and December 1, commencing June 1, 2020. Interest only shall be paid for the first two years from the date of the original issue. Thereafter, the bonds shall mature as to principal on December 1, 2021, and each December 1 thereafter through and including December 1, 2028. In the event of default, the bank may seek all remedies available to it under the law in the state of Kentucky, including foreclosure of the mortgage. The outstanding principal balance as of June 30, 2023, was \$2,084,784. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 321,600	\$ 58,489
2025	331,527	48,562
2026	341,761	38,328
2027	352,311	27,778
2028	363,187	16,902
2029	374,398	5,691
Totals	\$ 2,084,784	\$ 195,750

**2. General Obligation Bonds - Series 2020**

On November 20, 2020, the Jessamine County Fiscal Court issued \$1,490,000 of general obligation bonds, series 2020. Proceeds from the bonds were used for the purpose of renovations to the detention center. Interest on the outstanding principal amount shall be payable June 1 and December 1, commencing June 1, 2021. In the event of default, the bank may seek all remedies available to it under the law in the state of Kentucky, including foreclosure of the mortgage. The outstanding principal balance as of June 30, 2021, was \$1,455,000. Future principal and interest requirements are:

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

**2. General Obligation Bonds - Series 2020 (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 10,000	\$ 29,100
2025	5,000	28,900
2026	10,000	28,800
2027	10,000	28,600
2028	15,000	28,400
2029-2033	555,000	117,800
2034-2038	595,000	61,700
2039-2040	255,000	7,700
Totals	<u>\$ 1,455,000</u>	<u>\$ 331,000</u>

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

Long-term Debt activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 768,063	\$	\$ 139,380	\$ 628,683	\$ 140,557
Other Debt	3,856,753		316,969	3,539,784	331,600
Total Long-term Debt	<u>\$ 4,624,816</u>	<u>\$ 0</u>	<u>\$ 456,349</u>	<u>\$ 4,168,467</u>	<u>\$ 472,157</u>

**C. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations at June 30, 2023, were as follows:

Fiscal Year Ending June 30	Direct Borrowings and Direct Placements		Other Debt	
	Principal	Scheduled Interest	Principal	Scheduled Interest
2024	\$ 140,557	\$ 22,562	\$ 331,600	\$ 87,589
2025	151,776	16,978	336,527	77,462
2026	126,350	11,300	351,761	67,128
2027	105,000	6,382	362,311	56,378
2028	105,000	1,048	378,187	45,302
2029-2033			929,398	123,491
2034-2038			595,000	61,700
2039-2040			255,000	7,700
Totals	<u>\$ 628,683</u>	<u>\$ 58,270</u>	<u>\$ 3,539,784</u>	<u>\$ 526,750</u>

**Note 8. Contingencies**

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

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**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 (9) member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2021 was \$2,672,285, FY 2022 was \$3,480,954, and FY 2023 was \$4,364,762.

Nonhazardous

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent 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 percent of their annual creditable compensation. Nonhazardous members also contribute 1 percent 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 percent 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 26.79 percent.

Hazardous

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

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

Hazardous (Continued)

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8 percent of their annual creditable compensation and also contribute 1 percent 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 percent 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 49.59 percent.

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%

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 ten dollars 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 dollars 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 ten dollars 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.

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

Other Post-Employment Benefits (OPEB) (Continued)

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

Once members reach a minimum vesting period of 15 years, they earn ten dollars 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 percent. 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 percent 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 fifteen dollars 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 percent. Upon the death of a hazardous employee, the employee's spouse receives ten dollars 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 percent COLA since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

D. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of Ky. Ret. Sys. benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5 percent. 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.

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

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**

Jessamine County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax-sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full-time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

**Note 11. Health Reimbursement Account/Flexible Spending Account**

The Jessamine County Fiscal Court established a health reimbursement account to provide employees an additional health benefit. The county contracted with a third-party administrator to administer the plan. The plan provides \$2,400 per employee. Employees may also contribute additional pre-tax funds through payroll deduction.

**Note 12. Health Insurance Fund**

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

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**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 Jessamine County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2023, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

**Note 14. Tax Abatements**

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, Jessamine 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.

Jessamine County Fiscal Court offers property tax abatements through the following agreements;

**A. SMC LLC**

The occupational tax license fee was abated under the authority of the Kentucky Business Investment (KBI) Program. SMC, LLC (the company) is eligible to receive this tax abatement as a result of its commitment to create certain jobs and investments in Nicholasville, Kentucky. The taxes are abated by allowing the company to retain or have rebated to them 0.40 percent of subject wages and compensation earned in Jessamine County, Kentucky in accordance with the Jessamine County Occupational License Fee ordinance for ten years from approval of the project by KBI. Abatement of taxes can be suspended if the company does not maintain the required baseline of 100 employees and at least 94 employees associated with the new Kentucky Business Investment Program Project. For fiscal year ended June 30, 2023, Jessamine County Fiscal Court abated occupational taxes totaling \$7,851.

**B. Astecnos America, Inc**

The occupational tax license fee was abated under the authority of the Kentucky Business Investment (KBI) Program. SMC, LLC (the company) is eligible to receive this tax abatement as a result of its commitment to create certain jobs and investments in Nicholasville, Kentucky. The taxes are abated by allowing the company to retain or have rebated to them 0.40 percent of subject wages and compensation earned in Jessamine County, Kentucky in accordance with the Jessamine County Occupational License Fee ordinance for ten years from approval of the project by KBI. Abatement of taxes applies only to new jobs created and is limited to a maximum of 41 new jobs as outlined in the KBI applications. For fiscal year ended June 30, 2023, Jessamine County Fiscal Court abated occupational taxes totaling \$0.

**JESSAMINE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

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

**C. Taylor Made Compounding, Inc.**

The occupational tax license fee was abated under the authority of the Kentucky Business Investment (KBI) Program. SMC, LLC (the company) is eligible to receive this tax abatement as a result of its commitment to create certain jobs and investments in Nicholasville, Kentucky. The taxes are abated by allowing the company to retain or have rebated to them 0.50 percent of subject wages and compensation earned in Jessamine County, Kentucky in accordance with the Jessamine County Occupational License Fee ordinance for ten years from approval of the project by KBI. Abatement of taxes will apply to the wages and salaries of new employees hired as a result of the expansion project approved for KBI and can be suspended if the company does not meet all terms and conditions of its eligibility under the KBI Act. For fiscal year ended June 30, 2023, Jessamine County Fiscal Court abated occupational taxes totaling \$0.

**Note 15. Related Party Transactions**

The county judge/executive is a part owner of Betts & West Funeral Home. Betts & West Funeral Home is one of two funeral homes in the county that receive funding for indigent burials on a rotating basis. During the fiscal year ended June 30, 2023, Betts & West Funeral Home was paid \$300 by the county for indigent burials.

**Note 16. Subsequent Event**

The Jessamine County Public Properties Corporation issued a First Mortgage Revenue Bond Anticipation Note - Series 2023 on October 31, 2023. Principal amount due on the Note is \$4,000,000, which consists of \$3,515,575 to pay off First Mortgage Revenue Bond Anticipation Note - Series 2021, \$346,031 to the Project Fund, \$21,750 for cost of issuance. Capitalized interest was \$116,644. The loan will be paid off from funds when the bonds are sold for construction of the building.

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

**For The Year Ended June 30, 2023**

THIS PAGE LEFT BLANK INTENTIONALLY

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

**For The Year Ended June 30, 2023**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 15,598,200	\$ 15,598,200	\$ 22,282,517	\$ 6,684,317
Excess Fees	864,031	864,031	1,762,313	898,282
Licenses and Permits	264,500	264,500	292,408	27,908
Intergovernmental	664,192	664,192	1,142,592	478,400
Charges for Services	628,000	628,000	956,004	328,004
Miscellaneous	1,073,486	1,073,486	1,567,123	493,637
Interest	12,000	12,000	822,137	810,137
Total Receipts	<u>19,104,409</u>	<u>19,104,409</u>	<u>28,825,094</u>	<u>9,720,685</u>
<b>DISBURSEMENTS</b>				
General Government	6,442,682	7,533,532	6,562,346	971,186
Protection to Persons and Property	792,355	800,370	378,955	421,415
General Health and Sanitation	2,184,203	2,248,953	2,162,189	86,764
Social Services	262,090	262,115	232,416	29,699
Recreation and Culture	964,000	927,450	702,414	225,036
Other Transportation Facilities and Service	239,290	243,690	193,054	50,636
Debt Service	167,350	167,500	167,471	29
Capital Projects	405,000	385,000	186,649	198,351
Administration	22,757,392	21,474,202	6,606,671	14,867,531
Total Disbursements	<u>34,214,362</u>	<u>34,042,812</u>	<u>17,192,165</u>	<u>16,850,647</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(15,109,953)</u>	<u>(14,938,403)</u>	<u>11,632,929</u>	<u>26,571,332</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			18,220	18,220
Transfers To Other Funds	<u>(5,063,847)</u>	<u>(5,063,847)</u>	<u>(5,820,000)</u>	<u>(756,153)</u>
Total Other Adjustments to Cash (Uses)	<u>(5,063,847)</u>	<u>(5,063,847)</u>	<u>(5,801,780)</u>	<u>(737,933)</u>
Net Change in Fund Balance	(20,173,800)	(20,002,250)	5,831,149	25,833,399
Fund Balance - Beginning	<u>20,173,800</u>	<u>20,173,800</u>	<u>22,052,126</u>	<u>1,878,326</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 171,550</u>	<u>\$ 27,883,275</u>	<u>\$ 27,711,725</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,167,645	\$ 1,167,645	\$ 1,099,361	\$ (68,284)
Miscellaneous	1,000	1,000	1,042	42
Interest	1,500	1,500	58,882	57,382
Total Receipts	<u>1,170,145</u>	<u>1,170,145</u>	<u>1,159,285</u>	<u>(10,860)</u>
<b>DISBURSEMENTS</b>				
Roads	1,305,086	1,399,086	1,032,663	366,423
Capital Projects	150,000	150,000		150,000
Administration	865,059	771,059	123,921	647,138
Total Disbursements	<u>2,320,145</u>	<u>2,320,145</u>	<u>1,156,584</u>	<u>1,163,561</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,150,000)</u>	<u>(1,150,000)</u>	<u>2,701</u>	<u>1,152,701</u>
Net Change in Fund Balance	(1,150,000)	(1,150,000)	2,701	1,152,701
Fund Balance - Beginning	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,321,507</u>	<u>171,507</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,324,208</u>	<u>\$ 1,324,208</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 917,293	\$ 990,093	\$ 935,776	\$ (54,317)
Charges for Services	131,000	140,000	129,643	(10,357)
Miscellaneous	67,666	139,666	145,779	6,113
Interest	1,000	1,000	2,520	1,520
Total Receipts	<u>1,116,959</u>	<u>1,270,759</u>	<u>1,213,718</u>	<u>(57,041)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	2,854,563	3,202,488	3,199,318	3,170
Administration	618,701	672,026	667,836	4,190
Total Disbursements	<u>3,473,264</u>	<u>3,874,514</u>	<u>3,867,154</u>	<u>7,360</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,356,305)</u>	<u>(2,603,755)</u>	<u>(2,653,436)</u>	<u>(49,681)</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	<u>2,306,000</u>	<u>2,306,000</u>	<u>2,570,000</u>	<u>264,000</u>
Total Other Adjustments to Cash (Uses)	<u>2,306,000</u>	<u>2,306,000</u>	<u>2,570,000</u>	<u>264,000</u>
Net Change in Fund Balance	(50,305)	(297,755)	(83,436)	214,319
Fund Balance - Beginning	<u>50,305</u>	<u>143,805</u>	<u>143,831</u>	<u>26</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (153,950)</u>	<u>\$ 60,395</u>	<u>\$ 214,345</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 173,779	\$ 173,779	\$ 201,933	\$ 28,154
Miscellaneous	8,475	8,475	7,200	(1,275)
Interest	200	200	11,154	10,954
Total Receipts	<u>182,454</u>	<u>182,454</u>	<u>220,287</u>	<u>37,833</u>
<b>DISBURSEMENTS</b>				
General Government	107,500	107,500	55,000	52,500
Recreation and Culture	22,650	22,650	20,100	2,550
Administration	215,974	215,974		215,974
Total Disbursements	<u>346,124</u>	<u>346,124</u>	<u>75,100</u>	<u>271,024</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(163,670)</u>	<u>(163,670)</u>	<u>145,187</u>	<u>308,857</u>
Net Change in Fund Balance	(163,670)	(163,670)	145,187	308,857
Fund Balance - Beginning	<u>163,670</u>	<u>163,670</u>	<u>199,448</u>	<u>35,778</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 344,635</u>	<u>\$ 344,635</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>AMBULANCE FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,000	\$
Charges for Services	2,351,000	2,351,000	2,620,563	269,563
Miscellaneous	216,500	216,500	2,792	(213,708)
Interest	150	150	4,326	4,176
Total Receipts	<u>2,577,650</u>	<u>2,577,650</u>	<u>2,637,681</u>	<u>60,031</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	3,835,302	3,963,677	3,957,643	6,034
Administration	1,555,195	1,645,420	1,644,741	679
Total Disbursements	<u>5,390,497</u>	<u>5,609,097</u>	<u>5,602,384</u>	<u>6,713</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,812,847)</u>	<u>(3,031,447)</u>	<u>(2,964,703)</u>	<u>66,744</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	2,757,847	2,757,847	2,900,000	142,153
Transfers To Other Funds			(18,220)	(18,220)
Total Other Adjustments to Cash (Uses)	<u>2,757,847</u>	<u>2,757,847</u>	<u>2,881,780</u>	<u>123,933</u>
Net Change in Fund Balance	(55,000)	(273,600)	(82,923)	190,677
Fund Balance - Beginning	55,000	256,000	256,724	724
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (17,600)</u>	<u>\$ 173,801</u>	<u>\$ 191,401</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>COUNTY BOND SINKING FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Interest	\$ 70	\$ 70	\$ 1,861	\$ 1,791
Total Receipts	70	70	1,861	1,791
<b>DISBURSEMENTS</b>				
Debt Service	414,300	419,300	414,341	4,959
Administration	91,120	86,120		86,120
Total Disbursements	505,420	505,420	414,341	91,079
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(505,350)	(505,350)	(412,480)	92,870
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			350,000	350,000
Total Other Adjustments to Cash (Uses)			350,000	350,000
Net Change in Fund Balance	(505,350)	(505,350)	(62,480)	442,870
Fund Balance - Beginning	505,350	505,350	505,396	46
Fund Balance - Ending	\$ 0	\$ 0	\$ 442,916	\$ 442,916

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>EMERGENCY SERVICES FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 1,285,000	\$ 1,285,000	\$ 1,433,158	\$ 148,158
Intergovernmental	250,000	250,000	402,837	152,837
Charges for Services	150,000	150,000	172,470	22,470
Miscellaneous	100	100	190	90
Interest	500	500	32,153	31,653
Total Receipts	<u>1,685,600</u>	<u>1,685,600</u>	<u>2,040,808</u>	<u>355,208</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	2,062,402	2,062,452	1,886,578	175,874
Administration	859,328	859,278	387,651	471,627
Total Disbursements	<u>2,921,730</u>	<u>2,921,730</u>	<u>2,274,229</u>	<u>647,501</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,236,130)</u>	<u>(1,236,130)</u>	<u>(233,421)</u>	<u>1,002,709</u>
Net Change in Fund Balance	(1,236,130)	(1,236,130)	(233,421)	1,002,709
Fund Balance - Beginning	<u>1,236,130</u>	<u>1,236,130</u>	<u>1,158,137</u>	<u>(77,993)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 924,716</u>	<u>\$ 924,716</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>COUNTY CLERK STORAGE FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 120,000	\$ 120,000	\$ 78,212	\$ (41,788)
Interest	500	500	343	(157)
Total Receipts	<u>120,500</u>	<u>120,500</u>	<u>78,555</u>	<u>(41,945)</u>
<b>DISBURSEMENTS</b>				
General Government	120,500	120,440		120,440
Administration		60	55	5
Total Disbursements	<u>120,500</u>	<u>120,500</u>	<u>55</u>	<u>120,445</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>78,500</u>	<u>78,500</u>
Net Change in Fund Balance			78,500	78,500
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 78,500</u>	<u>\$ 78,500</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>OPIOID SETTLEMENT FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$	\$ 285,000	\$ 285,933	\$ 933
Interest			1,301	1,301
Total Receipts		285,000	287,234	2,234
<b>DISBURSEMENTS</b>				
Administration		285,000		285,000
Total Disbursements		285,000		285,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			287,234	287,234
Net Change in Fund Balance			287,234	287,234
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 287,234	\$ 287,234

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>AMERICAN RESCUE PLAN ACT FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 10,237,184	\$ 10,237,184	\$ 5,255,602	\$ (4,981,582)
Miscellaneous			290,288	290,288
Interest	2,500	2,500	7,981	5,481
Total Receipts	<u>10,239,684</u>	<u>10,239,684</u>	<u>5,553,871</u>	<u>(4,685,813)</u>
<b>DISBURSEMENTS</b>				
Capital Projects	10,239,684	10,232,399	983,418	9,248,981
Administration		7,285	7,277	8
Total Disbursements	<u>10,239,684</u>	<u>10,239,684</u>	<u>990,695</u>	<u>9,248,989</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>4,563,176</u>	<u>4,563,176</u>
Net Change in Fund Balance			4,563,176	4,563,176
Fund Balance - Beginning			<u>4,979,703</u>	<u>4,979,703</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,542,879</u>	<u>\$ 9,542,879</u>

**JESSAMINE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>EQUITABLE SHARING FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$	\$ 51,300	\$ 57,457	\$ 6,157
Total Receipts		51,300	57,457	6,157
<b>DISBURSEMENTS</b>				
Administration		51,300	193	51,107
Total Disbursements		51,300	193	51,107
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			57,264	57,264
Net Change in Fund Balance			57,264	57,264
Fund Balance - Beginning			55	55
Fund Balance - Ending	\$	\$ 0	\$ 57,319	\$ 57,319

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

**June 30, 2023**

**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.

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

**For The Year Ended June 30, 2023**

THIS PAGE LEFT BLANK INTENTIONALLY

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

**For The Year Ended June 30, 2023**

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
<b><u>U. S. Department of Treasury</u></b>				
<b><i>Direct Program</i></b>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$	\$ 990,695
<b>Total U.S. Department of Treasury</b>				<b>990,695</b>
<b><u>U. S. Department of Homeland Security</u></b>				
<b><i>Passed-Through Kentucky Department of Military Affairs</i></b>				
Chemical Stockpile Emergency Preparedness Program	97.040	SC0952100001500		245,889
Emergency Management Performance Grants	97.042	Unknown		34,691
<b>Total U.S. Department of Homeland Security</b>				<b>280,580</b>
Total Expenditures of Federal Awards			\$ 0	\$ 1,271,275

The accompanying notes are an integral part of this schedule

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

**June 30, 2023**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Jessamine County, Kentucky under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jessamine County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jessamine County, Kentucky.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

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

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

**For The Year Ended June 30, 2023**

THIS PAGE LEFT BLANK INTENTIONALLY

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

**For The Year Ended June 30, 2023**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 2,920,717	\$ 200,219	\$	\$ 3,120,936
Construction In Progress	3,649,994	52,500	3,389,779	312,715
Buildings and Building Improvements	20,565,256	5,418,527		25,983,783
Vehicles and Equipment	9,209,874	1,246,947	341,067	10,115,754
Infrastructure	57,167,675	396,904		57,564,579
Total Capital Assets	<u>\$ 93,513,516</u>	<u>\$ 7,315,097</u>	<u>\$ 3,730,846</u>	<u>\$ 97,097,767</u>

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

**June 30, 2023**

**Note 1. Capital Assets**

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

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

**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***

THIS PAGE LEFT BLANK INTENTIONALLY



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive  
Winchester, KY 40391

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Jessamine County Fiscal Court for the fiscal year ended June 30, 2023 and the related notes to the financial statement which collectively comprise the Jessamine County Fiscal Court's financial statement and have issued our report thereon dated July 8, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Jessamine County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Jessamine County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jessamine County Fiscal Court's internal control.

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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance And Other Matters**

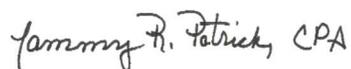
As part of obtaining reasonable assurance about whether the Jessamine County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

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)

**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,

A handwritten signature in black ink that reads "Tammy R. Patrick, CPA". The signature is written in a cursive style.

Tammy R. Patrick, CPA  
Patrick & Associates, LLC

July 8, 2024

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

THIS PAGE LEFT BLANK INTENTIONALLY



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive  
Winchester, KY 40391

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

Independent Auditor's Report

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

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

*Opinion on Each Major Federal Program*

We have audited the Jessamine County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Jessamine County Fiscal Court's major federal programs for the year ended June 30, 2023. The Jessamine County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Jessamine County Fiscal Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

*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 Jessamine County Fiscal Court and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jessamine County Fiscal Court's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jessamine County Fiscal Court's federal programs.

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

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jessamine County Fiscal Court's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jessamine County Fiscal Court's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jessamine County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jessamine County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jessamine County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

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

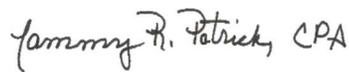
**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Tammy R. Patrick, CPA". The signature is written in a cursive style.

Tammy R. Patrick, CPA  
Patrick & Associates, LLC

July 8, 2024

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

**For The Year Ended June 30, 2023**

THIS PAGE LEFT BLANK INTENTIONALLY

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

**For The Year Ended June 30, 2023**

**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

**Section II: Financial Statement Findings**

None.

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

None.

**JESSAMINE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2023**  
(Continued)

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

Finding Number	Prior Year Finding Title	Status	Corrective Action
2022-001	Jessamine County Fiscal Court Did Not Properly Account For The Debt Proceeds Or The Payment Of Debt By The Bank On County's Financial Statement On The Sale of Property Related To The Series 2016 General Obligation Bonds On The Fourth Quarter Financial Statement	Corrected	Debt proceeds properly accounted for in current year.
2022-002	Jessamine County Fiscal Court Did Not Record The Public Properties Corporation Debt On The Liabilities Section Of The Fourth Quarter Financial Statement	Corrected	Public Properties Corporation debt recorded in current year.
2022-003	Jessamine County Fiscal Court Failed To Properly Monitor Internal Controls Over Animal Control Receipts	Corrected	Internal controls implemented.

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

**JESSAMINE COUNTY FISCAL COURT**

**For The Year Ended June 30, 2023**

THIS PAGE LEFT BLANK INTENTIONALLY

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
JESSAMINE COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2023

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



County Judge/Executive



County Treasurer