

Single Audit Report in Accordance with Uniform Guidance

2019

**Lexington-Fayette Urban County Government**

June 30, 2019



Strothman+Co

Single Audit Report in Accordance with Uniform Guidance

**Lexington-Fayette Urban County Government**

June 30, 2019

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	3
Schedule of Expenditures of Federal Awards .....	6
Notes to Schedule of Expenditures of Federal Awards .....	11
Schedule of Findings and Questioned Costs .....	12
Summary Schedule of Prior Audit Findings .....	14

## **Reports Required by the Single Audit Act**

**Independent Auditors' Report on Internal  
Control Over Financial Reporting and on  
Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***





**Independent Auditors' Report on Internal  
Control Over Financial Reporting and on  
Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable Mayor Linda Gorton, Members of the  
Urban County Council and Citizens  
Lexington-Fayette Urban County Government  
Lexington, Kentucky

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lexington-Fayette Urban County Government, (the "Government") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements, and have issued our report thereon dated December 9, 2019. Our report includes a reference to other auditors who audited the financial statements of the Transit Authority of the Lexington-Fayette Urban County Government, the Lexington Convention and Visitors Bureau, the Lexington Public Library, the Lexington-Fayette Urban County Airport Board, the Lexington-Fayette Urban County Department of Health, and the Lexington Center Corporation, as described in our report on the Government's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Government's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. Accordingly, we do not express an opinion on the effectiveness of the Government'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Government's financial statements 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Government's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Government'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 Government's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*STROTHMAN AND COMPANY*

Louisville, Kentucky  
December 9, 2019

**Independent Auditors' Report on Compliance  
for Each Major Program; Report on Internal Control  
Over Compliance; and Report on the Schedule  
of Expenditures of Federal Awards  
Required by the Uniform Guidance**



**Independent Auditors' Report on Compliance  
for Each Major Program; Report on Internal Control  
Over Compliance; and Report on the Schedule  
of Expenditures of Federal Awards  
Required by the Uniform Guidance**

The Honorable Mayor Linda Gorton, Members of the  
Urban County Council and Citizens  
Lexington-Fayette Urban County Government  
Lexington, Kentucky

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

We have audited the Lexington-Fayette Urban County Government's (the "Government") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Government's major federal programs for the year ended June 30, 2019. The Government's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

The Government's basic financial statements include the operations of the Lexington-Fayette Urban County Department of Health ("Health Department") and the Transit Authority of the Lexington-Fayette Urban County Government ("Lextran"), discretely presented component units, which expended \$7.3 million in federal awards which are not included in the Government's Schedule of Expenditures of Federal Awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of the Health Department and Lextran because both entities have separate audits performed in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance.



Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Government's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Government, complied, in all material respects, with the types of 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, 2019.

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

Management of the Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Government's 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 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.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Government as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements. We issued our report thereon dated December 9, 2019, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as whole.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*STROTHMAN AND COMPANY*

Louisville, Kentucky  
January 15, 2020, except for the last two paragraphs,  
for which the date is December 9, 2019

**Schedule of Expenditures of Federal Awards**

## Schedule of Expenditures of Federal Awards

## Lexington-Fayette Urban County Government

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
<b>US Department of Agriculture:</b>				
Direct Programs:				
Child and Adult Care Food Program	10.558	11475		\$ 12,629
Child and Adult Care Food Program	10.558	11475		47,231
Urban and Community Forestry Program	10.675	PON2-128-1900001567		5,379
Agricultural Conservation Easement Program	10.931	545C161501JPC		194,168
Agricultural Conservation Easement Program	10.931	68-5C16-16-828		90,714
<b>Total US Department of Agriculture</b>				350,121
<b>US Department of Housing and Urban Development:</b>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B14MC210004		132,730
Community Development Block Grants/Entitlement Grants	14.218	B15MC210004	\$ 58,651	612,429
Community Development Block Grants/Entitlement Grants	14.218	B16MC210004	96,754	773,697
Community Development Block Grants/Entitlement Grants	14.218	B17MC210004	160,696	692,283
Community Development Block Grants/Entitlement Grants	14.218	B18MC210004	470,446	355,184
14.218 Subtotal			786,547	2,566,323
Emergency Solutions Grant Program	14.231	E17MC210004	28,851	59,776
Emergency Solutions Grant Program	14.231	E18MC210004	72,144	791
14.231 Subtotal			100,995	60,567
Home Investment Partnerships Program	14.239	M14MC210201	185,587	116,830
Home Investment Partnerships Program	14.239	M15MC210201	65,061	64,143
Home Investment Partnerships Program	14.239	M16MC210201	433,073	110,537
Home Investment Partnerships Program	14.239	M17MC210201	116,060	
Home Investment Partnerships Program	14.239	M18MC210201	22,059	87,031
14.239 Subtotal			821,840	378,541
Housing Opportunities for Persons with AIDS	14.241	KY-H17-0017-00	416,760	6,218
Continuum of Care Program	14.267	KY0179L4I021600		24,155
Continuum of Care Program	14.267	KY0193L4I021700		16,441
14.267 Subtotal				40,596
<b>Total US Department of Housing and Urban Development</b>			2,126,142	3,052,245
<b>US Department of Justice:</b>				
Direct Programs:				
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001	No Number		337,553
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0161		910
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0607		11,342
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0465		20,927
16.606 Subtotal				33,179

Continued

## Schedule of Expenditures of Federal Awards--Continued

## Lexington-Fayette Urban County Government

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0335		726
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0808		149,485
16.738 Subtotal				150,211
Comprehensive Opioid Abuse Site-Based Program	16.838	2018-AR-BX-K059		22,082
Passed through Commonwealth of Kentucky: Juvenile Justice and Delinquency Prevention	16.540	2016-JF-FX-0029		4,362
Crime Victim Assistance	16.575	VOCA-2017-LFUCG-STRE-00039		10,742
Crime Victim Assistance	16.575	VOCA-2018-LFUCG-STRE-00030		11,101
Crime Victim Assistance	16.575	VOCA-2017-LFUCG-STRE-00058		16,958
Crime Victim Assistance	16.575	VOCA-2018-LFUCG-STRE-00087		68,101
16.575 Subtotal				106,902
Violence Against Women Formula Grants	16.588	VAWA-2017-LFUCG-ST-00531		23,275
Violence Against Women Formula Grants	16.588	VAWA-2018-LFUCG-ST-00614		10,373
16.588 Subtotal				33,648
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAG-LFUCG-STRE-01160		14,081
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAG-LFUCG-STRE-01160	64,455	9,766
16.738 Subtotal			64,455	23,847
<b>Total US Department of Justice</b>			64,455	711,784
<b>US Department of Transportation:</b>				
Passed through Commonwealth of Kentucky:				
Highway Planning and Construction	20.205	SC-625-1900000323		101,200
Highway Planning and Construction	20.205	PO2-628-1700004143		61,154
Highway Planning and Construction	20.205	PO2-628-1700004155		7,280
Highway Planning and Construction	20.205	SC-625-1900000323		52,800
Highway Planning and Construction	20.205	PO2-628-1700004156		35,439
Highway Planning and Construction	20.205	PO2-625-1500002693		80,063
Highway Planning and Construction	20.205	PO2-628-1600005819		482,160
Highway Planning and Construction	20.205	SC-625-1900000307		392,000
Highway Planning and Construction	20.205	PO2-628-1600004546		282,504
Highway Planning and Construction	20.205	PO2-628-1700002506		18,220
Highway Planning and Construction	20.205	PO2-628-1600005725		6,456
Highway Planning and Construction	20.205	SC-625-1700002191		478,623
Highway Planning and Construction	20.205	PO2-625-1200003879		62,965
Highway Planning and Construction	20.205	PO2-628-1400005764		16,801
Highway Planning and Construction	20.205	C-04073306		(7,686)
Highway Planning and Construction	20.205	PO2-628-1800002729		8,000
Highway Planning and Construction	20.205	PO2-625-1400004868		23,199
Highway Planning and Construction	20.205	PO2-625-1400004869		172,931
Highway Planning and Construction	20.205	PO2-628-1800001345		31,777

Continued

## Schedule of Expenditures of Federal Awards--Continued

## Lexington-Fayette Urban County Government

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
Highway Planning and Construction	20.205	SC-625-1900000323		122,000
Highway Planning and Construction	20.205	C-00343167		91,680
Highway Planning and Construction	20.205	PO2-628-1500003392		3,399
Highway Planning and Construction	20.205	PO2-628-1700004160		2,578
Highway Planning and Construction	20.205	PO2-625-1300001036		14,471
Highway Planning and Construction	20.205	PO2-628-1700004176		8,876
Highway Planning and Construction	20.205	PO2-628-1600003546		2,765
Highway Planning and Construction	20.205	PO2-628-1700004177		27,665
Highway Planning and Construction	20.205	PO2-628-1200004353		26,444
Highway Planning and Construction	20.205	PO2-628-1600003719		69,775
Highway Planning and Construction	20.205	PO2-628-1600005544		350,466
Highway Planning and Construction	20.205	PO2-628-1500004792		12,566
Highway Planning and Construction	20.205	PO2-628-1500003706		212,049
Highway Planning and Construction	20.205	PO2-628-1600005956		149,250
Highway Planning and Construction	20.205	PO2-628-1700004178		98,761
Highway Planning and Construction	20.205	PO2-628-1600003038		214,400
<b>Total Highway Planning and Construction Cluster</b>				3,713,031
Passed through Commonwealth of Kentucky:				
National Motor Carrier Safety	20.218	No Number		14,389
National Motor Carrier Safety	20.218	No Number		50,286
National Motor Carrier Safety	20.218	No Number		15,698
20.218 Subtotal				80,373
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	PO30217442		48,400
Highway Safety Cluster				
State and Community Highway Safety	20.600	PO2-625-18000010731		6,918
State and Community Highway Safety	20.600	SC-625-19000008211		47,457
State and Community Highway Safety	20.600	PO2-625-18000045321		40,300
State and Community Highway Safety	20.600	SC-625-19000015351		7,276
20.600 Subtotal				101,951
National Priority Safety Programs	20.616	SC-625-19000009091		21,499
National Priority Safety Programs	20.616	PO2-625-18000009371		3,513
National Priority Safety Programs	20.616	SC-625-19000008141		22,305
20.616 Subtotal				47,317
<b>Total Highway Safety Cluster</b>				149,268
National Infrastructure Investments	20.933	SC-628-1800005041		890,041
<b>Total US Department of Transportation</b>				4,881,113

Continued



## Schedule of Expenditures of Federal Awards--Continued

## Lexington-Fayette Urban County Government

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
<b>US Environmental Protection Agency</b>				
Passed through Commonwealth of Kentucky:				
Clean Water State Revolving Fund Cluster				
Capitalization Grants for Clean Water State Revolving Funds	66.458	A13-002 SWR		54,230
Capitalization Grants for Clean Water State Revolving Funds	66.458	A14-001 SWR		127,420
Capitalization Grants for Clean Water State Revolving Funds	66.458	A17-005 SWR		4,367,248
Capitalization Grants for Clean Water State Revolving Funds	66.458	A13-015 SWR		11,000
Capitalization Grants for Clean Water State Revolving Funds	66.458	A15-026 SWR		20,336,512
Capitalization Grants for Clean Water State Revolving Funds	66.458	A13-002 SWR		28,770
<b>Total US Environmental Protection Agency</b>				24,925,180
<b>US Department of Health and Human Services:</b>				
Direct Programs:				
Substance Abuse & Mental Health Services Projects of Regional and National Significance	93.243	1H79SP080309-01		323,563
Passed through Commonwealth of Kentucky:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AS-2018-2019		55,284
Paralysis Resource Center	93.325	90PRRC0001-01-01		15,765
Refugee and Entrant Assistance Targeted Assistance Grants	93.584	257-107042-2018		17,090
Grants to States for Access and Visitation Programs	93.597	2016-2017-PUBLIC-R		290,883
Head Start	93.600	No Number		31,811
<b>Total US Department of Health and Human Services</b>				734,396
<b>US Department of Homeland Security Office of Domestic Preparedness:</b>				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2016-FO-04181		141,083
Assistance to Firefighters Grant	97.044	EMW-2017-FP-00614		47,618
97.044 Subtotal				188,701
Passed through Commonwealth of Kentucky:				
Hazard Mitigation Grant	97.039	PON2-095-17000013341		23,042
Hazard Mitigation Grant	97.039	PON2-095-17000013341		52,196
97.039 Subtotal				75,238
Chemical Stockpile Emergency Preparedness Program	97.040	PO2-095-16000047103		88,081
Chemical Stockpile Emergency Preparedness Program	97.040	PO2-095-17000054304		178,881
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-17000054303		346,841
97.040 Subtotal				613,803
Emergency Management Performance Grants	97.042	PO2-095-18000015671		6,647
Emergency Management Performance Grants	97.042	SC-095-19000009781		76,892
97.042 Subtotal				83,539

Continued

Schedule of Expenditures of Federal Awards--Continued

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2019

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Direct/ Pass-through Grantor's Number</b>	<b>Passed Through to Subrecipients Expenditures*</b>	<b>Federal Expenditures</b>
Homeland Security Grant Program	97.067	PO2-094-1700002251		9,240
Homeland Security Grant Program	97.067	PO209418000022321		24,000
97.067 Subtotal				33,240
<b>Total US Dept. of Homeland Security Office of Domestic Preparedness</b>				994,521
<b>Totals</b>			<b>\$2,190,597</b>	<b>\$35,649,360</b>
<b>Grand Total of Direct Federal Expenditures and Amounts Passed Through to Subrecipients</b>				<b>\$37,839,957</b>

\* These amounts are also considered Federal Expenditures.

See Accompanying Notes to Schedule  
of Expenditures of Federal Awards

## Notes to Schedule of Expenditures of Federal Awards

### Lexington-Fayette Urban County Government

Year Ended June 30, 2019

#### Note A--Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes federal award activity for Lexington-Fayette Urban County Government (the "Government") under programs of the federal government for the year ended June 30, 2019. 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 the Government, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Government.

Federal program funds can be received directly from the federal government or passed through from another entity. Uniform Guidance Part 200, Subpart A defines a recipient as "a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program" and a pass-through entity as a "non-federal entity that provides a federal award to a sub-recipient" to carry out a federal program."

Amounts in the column titled "Federal Expenditures" represent amounts expended related to programs managed by the Government. Amounts in the column titled "Passed Through to Subrecipient Expenditures" represent amounts expended by subrecipients. Such amounts are not included in the Federal Expenditures column.

#### Note B--Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The basic financial statements of the Government are presented on the modified accrual basis of accounting for the governmental fund financial statements and the accrual basis of accounting for the government-wide, proprietary fund, and fiduciary fund financial statements. Thus, amounts reported on the Schedule may not directly agree to the amounts reported in the basic financial statements.

The accompanying Schedule reflects certain adjustments resulting from transfers of funds between grants, adjustments, or credits made in the normal course of business. As a result, certain grants reflect negative expenditures.

Federal CFDA numbers or other identifying numbers listed on the Schedule were obtained from the respective grant/contract agreement.

#### Note C--Indirect Cost Rate

The Government has not elected to use the 10% de minimis indirect cost rate as allowed under Section 200.414(f) of the Uniform Guidance.

## **Schedule of Findings and Questioned Costs**

## Schedule of Findings and Questioned Costs

### Lexington-Fayette Urban County Government

Year Ended June 30, 2019

#### Section I - Summary of Auditors' Results

1. The Independent Auditors' Report expresses an unmodified opinion on whether the financial statements of Lexington-Fayette Urban County Government (the "Government") were prepared in accordance with generally accepted accounting principles.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of the Government, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weakness or significant deficiencies relating to internal control over major federal programs are reported.
5. The auditors' report on compliance for the major federal programs for the Government expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with the 2 CFR Section 200.516(a) of the Uniform Guidance are reported in this Schedule.
7. The programs tested as major programs are as follows:

<b>Name of Federal Program or Cluster</b>	<b>CFDA Number</b>
Community Development Block Grants/Entitlement Grants	14.218
Highway Planning and Construction	20.205
National Infrastructure Investments	20.933

8. The threshold used for distinguishing between Type A and B programs was \$1,135,199.
9. The Government was determined to be a low-risk auditee.

Schedule of Findings and Questioned Costs--Continued

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2019

**Section II – Financial Statement Audit**

There are no findings.

**Section III – Findings and Questioned Costs - Major Federal Programs Audit**

There are no findings.



## **Summary Schedule of Prior Audit Findings**

Summary Schedule of Prior Audit Findings

**Lexington-Fayette Urban County Government**

For the Year Ended June 30, 2019

**Prior Year Major Federal Program Finding and Questioned Costs**

There were no findings.