

Single Audit Report in Accordance with Uniform Guidance

2021

**Lexington-Fayette Urban County Government**

June 30, 2021



Strothman+Co



Single Audit Report in Accordance with Uniform Guidance

**Lexington-Fayette Urban County Government**

June 30, 2021

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, 2021, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements, and have issued our report thereon dated November 22, 2021. 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) as a basis for designing 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 financial statements. 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.

A handwritten signature in black ink that reads "Strothman and Company". The script is cursive and fluid, with a long horizontal line extending from the end of the word "Company".

Louisville, Kentucky  
November 22, 2021

**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, 2021. 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 \$12.1 million in federal awards which are not included in the Government's Schedule of Expenditures of Federal Awards during the year ended June 30, 2021. 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, 2021.

### **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, 2021, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements. We issued our report thereon dated November 22, 2021, 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

February 21, 2022, except for the last two paragraphs,  
for which the date is November 22, 2021

## **Schedule of Expenditures of Federal Awards**

## Schedule of Expenditures of Federal Awards

## Lexington-Fayette Urban County Government

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing 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		\$ 5,651
Child and Adult Care Food Program	10.558	11475		26,636
Agricultural Conservation Easement Program	10.931	68-5C16-16-828		318,364
<b>Total US Department of Agriculture</b>				<b>350,651</b>
<b>US Department of Housing and Urban Development:</b>				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B14MC210004	\$ 44,196	389,881
Community Development Block Grants/Entitlement Grants	14.218	B15MC210004		20,114
Community Development Block Grants/Entitlement Grants	14.218	B16MC210004		13,670
Community Development Block Grants/Entitlement Grants	14.218	B17MC210004		52,722
Community Development Block Grants/Entitlement Grants	14.218	B18MC210004	6,578	344,588
Community Development Block Grants/Entitlement Grants	14.218	B19MC210004	35,476	192,044
Community Development Block Grants/Entitlement Grants	14.218	B20MC210004	5,883	66,693
COVID-19 Community Development Block Grants /Entitlement Grants	14.218	B20MW210004	576,826	331,077
14.218 Subtotal			668,959	1,410,789
Emergency Solutions Grant Program	14.231	E18MC210004	33,420	10,949
Emergency Solutions Grant Program	14.231	E19MC210004	61,614	37,516
COVID-19 Emergency Solutions Grant Program	14.231	E20MW210004	540,734	5,534
COVID-19 Emergency Solutions Grant Program	14.231	E20MW210004	929,359	170
14.231 Subtotal			1,565,127	54,169
Home Investment Partnerships Program	14.239	M15MC210201		1,149
Home Investment Partnerships Program	14.239	M16MC210201		6,247
Home Investment Partnerships Program	14.239	M17MC210201	97,659	3,623
Home Investment Partnerships Program	14.239	M18MC210201	142,121	70,019
Home Investment Partnerships Program	14.239	M19MC210201	156,892	125,225
Home Investment Partnerships Program	14.239	M20MC210201		22,669
14.239 Subtotal			396,672	228,932
Housing Opportunities for Persons with AIDS	14.241	KY-H17-0017-00	405,827	10,447
Housing Opportunities for Persons with AIDS	14.241	KY-H200017	46,471	125
COVID-19 Housing Opportunities for Persons with AIDS	14.241	KY-H2001W057	67,602	1,651
14.241 Subtotal			519,900	12,223
Continuum of Care Program	14.267	KY0215L4I021800		22,782
Continuum of Care Program	14.267	KY0233L4I021900		20,304
14.267 Subtotal				43,086
<b>Total US Department of Housing and Urban Development</b>			<b>3,150,658</b>	<b>1,749,199</b>
<b>US Department of Justice:</b>				
Direct Programs:				
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001	No Number		254,627
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1279		175,198

Continued

## Schedule of Expenditures of Federal Awards--Continued

## Lexington-Fayette Urban County Government

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0086		2,541
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0789		1,406
State Criminal Alien Assistance Program	16.606	2020-AP-BX-1189		4,349
16.606 Subtotal				8,296
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0808		55
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0168		150,949
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0499		57,261
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0873		133,975
16.738 Subtotal				342,240
Comprehensive Opioid Abuse Site-Based Program	16.838	2018-AR-BX-K059		148,893
Comprehensive Opioid Abuse Site-Based Program	16.838	2020-AR-BX-0079		8,103
16.838 Subtotal				156,996
Passed through Commonwealth of Kentucky:				
Crime Victim Assistance	16.575	VOCA-2019-LFUCG-STRE-00091		12,759
Crime Victim Assistance	16.575	VOCA-2020-LFUCG-STRE-00008		42,912
Crime Victim Assistance	16.575	VOCA-2019-LFUCG-STRE-00072		8,301
Crime Victim Assistance	16.575	VOCA-2020-LFUCG-STRE-00136		67,830
16.575 Subtotal				131,802
Violence Against Women Formula Grants	16.588	VAWA-2019-LFUCG-ST-00645		17,786
Violence Against Women Formula Grants	16.588	VAWA-2020-LFUCG-ST-00719		23,398
16.588 Subtotal				41,184
Project Safe Neighborhoods	16.609	3-PRJSAEAST-2018-LFUCG ST-00001		57,586
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAG-LFUCG-STRE-01216		25,620
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAG-LFUCG-STRE-01216		74,179
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAG-LFUCG-STRE-01223		8,496
16.738 Subtotal				108,295
<b>Total US Department of Justice</b>				<b>1,276,224</b>
<b>US Department of Transportation:</b>				
Highway Planning and Construction Cluster				
Passed through Commonwealth of Kentucky:				
Highway Planning and Construction	20.205	2000001997		88,672
Highway Planning and Construction	20.205	PO2-628-1700004143		10,696
Highway Planning and Construction	20.205	PO2-628-1700004155		(720)
Highway Planning and Construction	20.205	2000001997		59,029
Highway Planning and Construction	20.205	PO2-628-1700002505		2,147,309
Highway Planning and Construction	20.205	PO2-628-1700004156		214,751
Highway Planning and Construction	20.205	PO2-625-1500002693		501,769
Highway Planning and Construction	20.205	2000001666		97,155
Highway Planning and Construction	20.205	3003-357		480,000
Highway Planning and Construction	20.205	2000001393		397,552
Highway Planning and Construction	20.205	PO2-628-1700002506		1,553
Highway Planning and Construction	20.205	PO2-628-1600005725		525,743
Highway Planning and Construction	20.205	PO2-625-1700002191		15,200
Highway Planning and Construction	20.205	SC-625-21-00000781		268,182
Highway Planning and Construction	20.205	PO2-628-1400005764		(1,154)

Continued



## Schedule of Expenditures of Federal Awards--Continued

## Lexington-Fayette Urban County Government

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
Highway Planning and Construction	20.205	PO2-628-1800002729		
Highway Planning and Construction	20.205	PO2-628-1800001345		67,210
Highway Planning and Construction	20.205	2000001997		88,395
Highway Planning and Construction	20.205	C-00343167	400,000	50,039
Highway Planning and Construction	20.205	SC-625-1900002248		109,600
Highway Planning and Construction	20.205	PO2-628-1500003392		75,311
Highway Planning and Construction	20.205	PO2-628-1700004160		47,034
Highway Planning and Construction	20.205	PO2-625-1300001036		2,275,096
Highway Planning and Construction	20.205	PO2-628-1700004171		7,070
Highway Planning and Construction	20.205	PO2-628-1600003546		938
Highway Planning and Construction	20.205	PO2-628-1700004177		134,682
Highway Planning and Construction	20.205	PO2-628-1200004353		460
Highway Planning and Construction	20.205	PO2-628-1600003719		1,628,393
Highway Planning and Construction	20.205	PO2-628-1600005544		1,015,381
Highway Planning and Construction	20.205	PO2-628-1500003706		20,352
Highway Planning and Construction	20.205	PO2-628-1600005956		12,178
Highway Planning and Construction	20.205	PO2-628-1700004178		1,020
<b>Total Highway Planning and Construction Cluster</b>			400,000	10,338,896
Passed through Commonwealth of Kentucky:				
National Motor Carrier Safety	20.218	No Number		18,683
National Motor Carrier Safety	20.218	No Number		51,496
20.218 Subtotal				70,179
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	PO30217442	155,458	38,865
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	PO30217442		46,571
20.218 Subtotal			155,458	85,436
Highway Safety Cluster:				
State and Community Highway Safety	20.600	SC-625-20000002891		45,453
State and Community Highway Safety	20.600	SC-625-2100000400-1		55,207
20.600 Subtotal				100,660
National Priority Safety Programs	20.616	SC-625-20000003411		15,110
National Priority Safety Programs	20.616	SC-625-2100000458-1		15,291
National Priority Safety Programs	20.616	SC-625-20000003641		15,540
National Priority Safety Programs	20.616	SC-625-2100000493-1		9,955
20.616 Subtotal				55,896
<b>Total Highway Safety Cluster</b>				156,556
National Infrastructure Investments	20.933	SC-628-1800005041		4,856,614
<b>Total US Department of Transportation</b>			555,458	15,507,681
<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	A15-026 SWR		387,646
<b>Total US Environmental Protection Agency</b>				387,646

Continued

## Schedule of Expenditures of Federal Awards--Continued

## Lexington-Fayette Urban County Government

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Direct/ Pass-through Grantor's Number	Passed Through to Subrecipients Expenditures*	Federal Expenditures
<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		18,550
Substance Abuse & Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080309-02		185,352
Substance Abuse & Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080309-03		38,944
93.243 Subtotal				242,846
Passed through Commonwealth of Kentucky:				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AS-2020-2021		37,492
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AS-2019-2020		44,775
93.044 Subtotal				82,267
Child Care and Development Fund Cluster:				
COVID-19 Child Care and Development Block Grant	93.575	No Number		22,149
COVID-19 Child Care and Development Block Grant	93.575	No Number		93,660
93.575 Subtotal				115,809
Grants to States for Access and Visitation Programs	93.597	2018-2019-PUBLIC-R		296,900
Head Start Cluster:				
Head Start	93.600	No Number		33,665
<b>Total US Department of Health and Human Services</b>				771,487
<b>US Department of Homeland Security Office of Domestic Preparedness:</b>				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2017-FO-03956		23,806
Passed through Commonwealth of Kentucky:				
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-17000054303		420,524
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-1900001734		221,383
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-2000001643		455,530
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-2100001500		11,000
97.040 Subtotal				1,108,437
Emergency Management Performance Grants	97.042	EMA-2019-EP-00008-S01		33,700
Emergency Management Performance Grants	97.042	SC-095-2100000605		62,446
97.042 Subtotal				96,146
Homeland Security Grant Program	97.067	SC-094-2100000991		8,865
<b>Total US Dept. of Homeland Security Office of Domestic Preparedness</b>				1,237,254

Continued

Schedule of Expenditures of Federal Awards--Continued

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2021

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Direct/ Pass-through Grantor's Number</b>	<b>Passed Through to Subrecipients Expenditures*</b>	<b>Federal Expenditures</b>
<b>US Election Assistance Commission</b>				
Passed through Fayette County Clerk's Office:				
2020 Supplemental COVID-19 Election Security Grants	90.404	15-7363644		61,440
<b>Total US Election Assistance Commission</b>				61,440
<b>US Department of Treasury</b>				
Passed through Commonwealth of Kentucky:				
COVID-19 Coronavirus Relief Fund	21.019	FAP111-44-00	2,400	6,148,835
COVID-19 Coronavirus Relief Fund	21.019	No Number		35,122
21.019 Subtotal			2,400	6,183,957
Emergency Rental Assistance Program	21.023		5,100,000	174,783
<b>Total US Department of Treasury</b>			5,102,400	6,358,740
<b>Totals</b>			<b>\$ 8,808,516</b>	<b>\$ 27,700,322</b>
<b>Grand Total of Direct Federal Expenditures and Amounts Passed Through to Subrecipients</b>				<b>\$ 36,508,838</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, 2021

#### **Note A--Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity for Lexington-Fayette Urban County Government (the "Government") under programs of the federal government for the year ended June 30, 2021. 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 the 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 the Uniform Guidance.

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



## Schedule of Findings and Questioned Costs

### Lexington-Fayette Urban County Government

Year Ended June 30, 2021

#### 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>
Emergency Solutions Grant Program	14.231
Edward Byrne Memorial Justice Assistance Grant Program	16.738
National Infrastructure Investments	20.933
Emergency Rental Assistance Program	21.023
Chemical Stockpile Emergency Preparedness Program	97.040

8. The threshold used for distinguishing between Type A and B programs was \$1,095,265
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, 2021

**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, 2021

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

There were no findings.