

Single Audit Report in Accordance with Uniform Guidance

2023

**Lexington-Fayette Urban County Government**

June 30, 2023



Single Audit Report in Accordance with Uniform Guidance

**Lexington-Fayette Urban County Government**

June 30, 2023

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## **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, 2023, 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 15, 2023. 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.

**Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 15, 2023

**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**

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

We have audited the Lexington-Fayette Urban County Government's (the "Government") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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 \$28.88 million in federal awards which are not included in the Government's Schedule of Expenditures of Federal Awards during the year ended June 30, 2023. 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").

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, 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of the Government 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 the Government'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 the Government's federal programs.

### ***Auditors' 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 the Government'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 the Government'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 the Government'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 the Government'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 the Government'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 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 Auditors' 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.

#### **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, 2023, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements. We issued our report thereon dated December 15, 2023, which contained unmodified opinions on those financial statements.

Our audit was performed 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 GAAS. 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, 2024, except for the last three paragraphs,  
for which the date is December 15, 2023

**Schedule of Expenditures of Federal Awards**

Schedule of Expenditures of Federal Awards

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2023

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		\$ 13,599
Child and Adult Care Food Program	10.558	11475		44,635
10.558 Subtotal				58,234
Farm and Ranch Lands Protection Program	10.913	NR203A750013G023		400
Agricultural Conservation Easement Program	10.931	N2119ALE0010159		821,011
<b>Total US Department of Agriculture</b>				<b>879,645</b>
<b>US Department of Housing and Urban Development:</b>				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B16MC210004		3,941
Community Development Block Grants/Entitlement Grants	14.218	B17MC210004		58,656
Community Development Block Grants/Entitlement Grants	14.218	B18MC210004		47,953
Community Development Block Grants/Entitlement Grants	14.218	B19MC210004	\$ 27,829	683,318
Community Development Block Grants/Entitlement Grants	14.218	B20MC210004	54,433	938,152
Community Development Block Grants/Entitlement Grants	14.218	B21MC210004	112,621	544,935
Community Development Block Grants/Entitlement Grants	14.218	B22MC210004	38,796	334,065
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B20MW210004	9,995	11,089
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B20MW210004	194,988	
14.218 Subtotal			438,662	2,622,109
Emergency Solutions Grant Program	14.231	E20MC210004	99,607	12,911
Emergency Solutions Grant Program	14.231	E21MC210004	96,092	15,736
COVID-19 Emergency Solutions Grant Program	14.231	E20MW210004		19,267
COVID-19 Emergency Solutions Grant Program	14.231	E20MW210004	558,289	3,108
14.231 Subtotal			753,988	51,022
Home Investment Partnerships Program	14.239	M15MC210201		46,917
Home Investment Partnerships Program	14.239	M16MC210201		305
Home Investment Partnerships Program	14.239	M18MC210201	292,574	2,638
Home Investment Partnerships Program	14.239	M19MC210201	61,160	95,555
Home Investment Partnerships Program	14.239	M20MC210201	682,400	26,871
Home Investment Partnerships Program	14.239	M21MC210201	55,690	13,040
Home Investment Partnerships Program	14.239	M22MC210201		26,940
COVID-19 Home Investment Partnerships Program	14.239	M21MP210201		3,175
14.239 Subtotal			1,091,824	215,441
Housing Opportunities for Persons with AIDS	14.241	KY-H200017	516,459	10,660
COVID-19 Housing Opportunities for Persons with AIDS	14.241	KY-H2001W057	36,280	3,233
14.241 Subtotal			552,739	13,893
Continuum of Care Program	14.267	KY0233L4I021900		28,137
Continuum of Care Program	14.267	KY0240L4I022000		28,950
14.267 Subtotal				57,087
<b>Total US Department of Housing and Urban Development</b>			<b>2,837,213</b>	<b>2,959,552</b>
<b>US Department of Justice:</b>				
Direct Programs:				
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001	No Number		798,075
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1279		249,798
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-04065-LEMH		1,621

Continued

Schedule of Expenditures of Federal Awards--Continued

Lexington-Fayette Urban County Government

Year Ended June 30, 2023

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
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0499		888
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01493-JAGX		42,240
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-01493-JAGX		41,880
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-2021-LEXINGTO-00033		42,323
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-2022-LEXINGTO-00086		4,151
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-2022-LEXINGTO-00086		29,826
16.738 Subtotal				161,308
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2020-AR-BX-0079		210,424
Passed through Commonwealth of Kentucky:				
Crime Victim Assistance	16.575	VOCA-2021-LFUCG-STRE-00018		16,802
Crime Victim Assistance	16.575	VOCA-2022-LEXINGTO-00163		37,942
Crime Victim Assistance	16.575	VOCA-2021-LFUCG-STRE-00075		14,576
Crime Victim Assistance	16.575	VOCA-2022-LEXINGTO-00022		45,318
16.575 Subtotal				114,638
Violence Against Women Formula Grants	16.588	VAWA-2021-LEXINGTO-00006		31,160
Violence Against Women Formula Grants	16.588	VAWA-2022-LEXINGTO-00013		15,913
16.588 Subtotal				47,073
Project Safe Neighborhoods	16.609	DG-PRJSAEAST-2018-LFUCG ST-00001		891
Project Safe Neighborhoods	16.609	DG-PRJSAEAST-2019-LFUCG ST-00001		76,502
16.609 Subtotal				77,393
<b>Total US Department of Justice</b>				<b>1,660,330</b>
<b>US Department of Transportation:</b>				
Highway Planning and Construction Cluster				
Passed through Commonwealth of Kentucky:				
Highway Planning and Construction	20.205	P02-628-1700002505		29,808
Highway Planning and Construction	20.205	PO2-625-1500002693		5,927,080
Highway Planning and Construction	20.205	2200001395		419,355
Highway Planning and Construction	20.205	STPM-3003360		73,800
Highway Planning and Construction	20.205	PO2-628-1700002506		8,022
Highway Planning and Construction	20.205	SC-625-21-00000781		16,837
Highway Planning and Construction	20.205	SC-625-2200000042		207,033
Highway Planning and Construction	20.205	3003365		130,301
Highway Planning and Construction	20.205	PO2-628-1800001345		3,101
Highway Planning and Construction	20.205	SC-628-2000001985		268,843
Highway Planning and Construction	20.205	2200000418		126,557
Highway Planning and Construction	20.205	SC-625-2300001162		726,289
Highway Planning and Construction	21.205	PO2-625-1300001036		87,741
Highway Planning and Construction	20.205	PO2-628-1700004171		114,306
Highway Planning and Construction	20.205	SC 625-2300000068		289,279
Highway Planning and Construction	20.205	PO2-628-1200004353		58,284
Highway Planning and Construction	20.205	PO2-628-1600003719		9,709
Highway Planning and Construction	20.205	PO2-628-1600005544		31,456
Highway Planning and Construction	20.205	PO2-628-1500004792		18,849
Highway Planning and Construction	20.205	PO2-628-1600003706		37,925
<b>Total Highway Planning and Construction Cluster</b>				<b>8,584,575</b>

Continued

Schedule of Expenditures of Federal Awards--Continued

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2023

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
Passed through Commonwealth of Kentucky:				
National Motor Carrier Safety	20.218	No Number		919
National Motor Carrier Safety	20.218	No Number		49,902
National Motor Carrier Safety	20.218	No Number		4,275
National Motor Carrier Safety	20.218	No Number		5,387
20.218 Subtotal				60,483
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	PO33021442		70,094
Highway Safety Cluster:				
State and Community Highway Safety	20.600	SC-625-2100001519-1		43,681
State and Community Highway Safety	20.600	SC-625-2300000239-1		166,465
State and Community Highway Safety	20.600	SC-625-2200000202-1		9,388
State and Community Highway Safety	20.600	SC-625-2300000333-1		17,445
State and Community Highway Safety	20.600	SC-625-2200000182-1		11,610
State and Community Highway Safety	20.600	SC-625-2300000283-1		10,500
20.600 Subtotal				259,089
<b>Total Highway Safety Cluster</b>				259,089
National Infrastructure Investments	20.933	SC-628-1800005041		1,206,667
<b>Total US Department of Transportation</b>				10,180,908
<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		12,221,319
<b>Total US Environmental Protection Agency</b>				12,221,319
<b>US Department of Health and Human Services:</b>				
Direct Programs:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080309-02		52,195
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080309-03		1,731
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080309-04		205,233
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI084804-01		190,030
93.243 Subtotal				449,189
Congressional Directives	93.493	1H79FG000755-01		329,869
Passed through Commonwealth of Kentucky:				
Aging Cluster:				
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AS-2019-2020		222,884

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Schedule of Expenditures of Federal Awards--Continued

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2023

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
Child Care and Development Fund Cluster:				
COVID-19 Child Care and Development Block Grant	93.575	No Number		88,546
COVID-19 Child Care and Development Block Grant	93.575	No Number		25,982
93.575 Subtotal				114,528
Grants to States for Access and Visitation Programs	93.597	2019-2020-PUBLIC-R		(11,282)
Grants to States for Access and Visitation Programs	93.597	2020-2021-PUBLIC-R		73,633
Grants to States for Access and Visitation Programs	93.597	2022-2023-PUBLIC-R		329,974
93.597 Subtotal				392,325
Opioid STR	93.788	PON2-729-2200000256-1		137,034
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	2021-2022-PUBLIC-R		20,716
<b>Total US Department of Health and Human Services</b>				1,666,545
<b>US Department of Homeland Security Office of Domestic Preparedness:</b>				
Direct Program:				
Staffing for Adequate Fire and Emergency Response SAFER)	97.083	EMW-2021-FF-00394		748,018
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	No Number		107,184
Passed through Commonwealth of Kentucky:				
Hazard Mitigation Grant	97.039	PON2-095-2000003849		(14,630)
Hazard Mitigation Grant	97.039	PON2-095-1700001334		37,502
97.039 Subtotal				22,872
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-1900001734		78
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-2000001643		53,793
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-2100001500		449,248
Chemical Stockpile Emergency Preparedness Program	97.040	SC-095-2200001955		597,303
97.040 Subtotal				1,100,422
Emergency Management Performance Grants	97.042	SC-095-2100000605		2,630
Emergency Management Performance Grants	97.042	SC-095-2100000605		8,178
Emergency Management Performance Grants	97.042	SC-095-2100000605		78,438
Emergency Management Performance Grants	97.042	SC-095-2100000605		2,972
Emergency Management Performance Grants	97.042	SC-095-2200000589		44,445
Emergency Management Performance Grants	97.042	SC-095-2300000589		51,411
97.042 Subtotal				188,074
BRIC: Building Resilient Infrastructure and Communities	97.047	PON2-095-2300001258		3,000
Homeland Security Grant Program	97.067	SC-094-2100001267-1		1,205
Homeland Security Grant Program	97.067	SC-094-2200000946-1		182,953
Homeland Security Grant Program	97.067	SC-094-2300001109-1		115,640
Homeland Security Grant Program	97.067	SC-094-2300000751-1		311,590
Homeland Security Grant Program	97.067	SC-094-2200001020-1		47,358
Homeland Security Grant Program	97.067	SC-094-2200000337-1		47,700
Homeland Security Grant Program	97.067	SC-094-2200000960-1		95,979
Homeland Security Grant Program	97.067	SC-094-2300001104-1		447,898
97.067 Subtotal				1,250,323
<b>Total US Dept. of Homeland Security Office of Domestic Preparedness</b>				3,419,893
Passed through Commonwealth of Kentucky:				
Help America Vote Act Requirements Payments	90.401	PON2-112-2300002490		672,575
90.401 Subtotal				672,575

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Schedule of Expenditures of Federal Awards--Continued

**Lexington-Fayette Urban County Government**

Year Ended June 30, 2023

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 Treasury</b>				
Passed through Commonwealth of Kentucky:				
COVID-19 Coronavirus Relief Fund	21.019	No Number		601,443
COVID-19 Coronavirus Relief Fund	21.019	PON3-527-220000001		<u>74,081</u>
21.019 Subtotal				675,524
COVID-19 Emergency Rental Assistance Program	21.023	No Number	1,170,000	
COVID-19 Emergency Rental Assistance Program	21.023	ERA-2101080903	11,894,071	115,013
COVID-19 Emergency Rental Assistance Program	21.023	ERA2-0245	<u>11,550,000</u>	<u>134,674</u>
21.023 Subtotal			24,614,071	249,687
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	No Number	7,724,461	21,265,237
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SX21067064		112,815
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	KY 0240L41022000		<u>781,837</u>
21.027 Subtotal			<u>7,724,461</u>	<u>22,159,889</u>
<b>Total US Department of Treasury</b>			32,338,532	23,085,100
<b>US Small Business Administration</b>				
COVID-19 Shuttered Venues Operator Grant Program	59.075	SBAHQ21SV010691.2		104,054
COVID-19 Shuttered Venues Operator Grant Program	59.075	SBAHQ21SV011731.2		<u>278,748</u>
59.075 Subtotal				<u>382,802</u>
<b>Total US Small Business Administration</b>				<u>382,802</u>
<b>Totals</b>			<u>\$ 35,175,745</u>	<u>\$ 57,128,669</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 92,304,414</u>

\* 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, 2023

**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, 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 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 Assistance Listing 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, 2023

**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:

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
HOME Investment Partnerships Program	14.239
Emergency Rental Assistance Program	21.023
Coronavirus State and Local Fiscal Recovery Funds	21.027
Capitalization Grants for Clean Water State Revolving Funds	66.458

8. The threshold used for distinguishing between Type A and B programs was \$2,769,132.
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, 2023

**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, 2023

**Financial Statement Audit**

There were no findings to be reported.

**Finding and Questioned Costs – Major Federal Programs Audit**

There were no findings to be reported.