

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Jaime Green-Smith, Lyon County Judge/Executive Members of the Lyon County Fiscal Court

Report on the Audit of the Financial Statement Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Lyon County Fiscal Court, for the year ended June30, 2024, and the related notes to the financial statement, which collectively comprise the Lyon County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinionon Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects,the receipts, disbursements, and changes in fund balances – regulatory basis of the Lyon County Fiscal Court, for the year ended June 30, 2024, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1 .

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lyon County Fiscal Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design andperform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not forthe purpose of expressing an opinion on the effectiveness of the Lyon County Fiscal Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as wel las evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lyon County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Lyon County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not are quired part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the Lyon County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisionsof laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lyon County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

Allison Ball

Allison Ball
Auditor of Public Accounts Frankfort, Ky

December 11,2024

State law requires the Auditor of Public Accounts to annually audit fiscal courts, county clerks, and sheriffs; and print the results in a newspaper having general circulation in the county. The complete audit and any other audit of state agencies, fiscal courts, county clerks, sheriffs, and property valuation administrators may be viewed in the reports section of the Auditor of Public Accounts' website at auditor.ky.gov or upon request by calling 1-800-247-9126.

PUBLIC NOTICE

Lyon County Fiscal Court recently received the auditor's report for Fiscal Year ending June 30, 2024. A copy of the complete auditor's report is on file and available for public inspection at the Lyon County Judge/Executive's office during normal business hours. Any citizens may obtain a copy of the complete auditor's report, including financial statements and supplemental information, for personal use at 25 cents per page. Copies of the financial statement prepared in accordance with KRS 424.220 are available to the public at no cost at the judge/executive's office.

LYON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2024

GENERAL FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,368,000	\$ 1,368,000	\$ 1,433,845	\$ 65,845
In Lieu Tax Payments	340,000	368,018	423,176	55,158
Licenses and Permits	9,000	9,000	9,839	839
Intergovernmental	2,888,902	2,964,792	1,804,945	(1,159,847)
Charges for Services	129,000	129,000	223,146	94,146
Miscellaneous	13,000	41,000	51,398	10,398
Interest	15,000	15,000	62,298	47,298
Total Receipts	4,762,902	4,894,810	4,008,647	(886,163)
DISBURSEMENTS				
General Government	1,717,887	1,769,901	1,710,520	59,381
Protection to Persons and Property	207,389	615,724	238,447	377,277
General Health and Sanitation	298,150	365,839	338,927	26,912
Social Services	9,200	9,200	8,485	715
Recreation and Culture	115,500	115,500	107,946	7,554
Debt Service	2,116,275	2,116,275	2,116,275	
Administration	2,428,000	2,031,870	719,507	1,312,363
Total Disbursements	6,892,401	7,024,309	5,240,107	1,784,202
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,129,499)	(2,129,499)	(1,231,460)	898,039

Other Adjustments to Cash (Uses)

Transfers From Other Funds	223,214	223,214	200	(223,014)
Transfers To Other Funds	(377,550)	(377,550)	(250,200)	127,350
Total Other Adjustments to Cash (Uses)	(154,336)	(154,336)	(250,000)	(95,664)
Net Change in Fund Balance	(2,283,835)	(2,283,835)	(1,481,460)	802,375
Fund Balance - Beginning (Restated)	2,283,835	2,283,835	4,350,782	2,066,947

Fund Balance - Ending \$ 0 \$ 0 \$ 2,869,322 \$ 2,869,322

ROAD FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,282,956	\$ 1,408,308	\$ 1,393,217	\$ (15,091)
Miscellaneous	90,000	90,000	89,848	(152)
Interest	3,000	3,000	9,281	6,281
Total Receipts	1,375,956	1,501,308	1,492,346	(8,962)
DISBURSEMENTS				
Roads	944,000	1,193,594	1,070,595	122,999
Administration	341,200	467,671	214,880	252,791
Total Disbursements	1,285,200	1,661,265	1,285,475	375,790
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	90,756	(159,957)	206,871	366,828

Other Adjustments to Cash (Uses)

Transfers To Other Funds	(223,214)	(223,214)		223,214
Total Other Adjustments to Cash (Uses)	(223,214)	(223,214)		223,214
Net Change in Fund Balance	(132,458)	(383,171)	206,871	590,042
Fund Balance - Beginning (Restated)	132,458	383,171	383,580	409

Fund Balance - Ending \$ 0 \$ 0 \$ 590,451 \$ 590,451

JAIL FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 95,500	\$ 95,500	\$ 101,172	\$ 5,672
Charges for Services	21,000	21,000	31,485	10,485
Miscellaneous	100	100	365	265
Interest	300	300	537	237
Total Receipts	116,900	116,900	133,559	16,659
DISBURSEMENTS				
Protection to Persons and Property	452,450	450,871	352,026	98,845
Administration	74,446	76,025	42,814	33,211
Total Disbursements	526,896	526,896	394,840	132,056
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(409,996)	(409,996)	(261,281)	148,715

Other Adjustments to Cash (Uses)

Transfers From Other Funds	377,550	377,550	250,000	(127,550)
Total Other Adjustments to Cash (Uses)	377,550	377,550	250,000	(127,550)
Net Change in Fund Balance	(32,446)	(32,446)	(11,281)	21,165
Fund Balance - Beginning	32,446	32,446	35,887	3,441

Fund Balance - Ending \$ 0 \$ 0 \$ 24,606 \$ 24,606

HB 577 FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 37,372	\$ 2,372
Interest	2,000	2,000	3,134	1,134
Total Receipts	37,000	37,000	40,506	3,506
DISBURSEMENTS				
General Government	111,000	154,202	146,524	7,678
Administration	226,000	182,798		182,798
Total Disbursements	337,000	337,000	146,524	190,476
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(300,000)	(300,000)	(106,018)	193,982

Net Change in Fund Balance	(300,000)	(300,000)	(106,018)	193,982
Fund Balance - Beginning	300,000	300,000	331,169	31,169

Fund Balance - Ending \$ 0 \$ 0 \$ 225,151 \$ 225,151

ABC FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 20,000	\$ 20,000	\$ 19,342	\$ (658)
Licenses and Permits	1,500	1,500	6,800	5,300
Interest	100	100	164	64
Total Receipts	21,600	21,600	26,306	4,706
DISBURSEMENTS				
General Government	20,500	24,033	23,196	837
Administration	46,100	18,475		18,475
Total Disbursements	66,600	42,508	23,196	19,312

Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)

Disbursements Before Other Adjustments to Cash (Uses)	(45,000)	(20,908)	3,110	24,018
Net Change in Fund Balance	(45,000)	(20,908)	3,110	24,018
Fund Balance - Beginning	45,000	20,908	20,908	

Fund Balance - Ending \$ 0 \$ 0 \$ 24,018 \$ 24,018

DOJ ASSET FORFEITURE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$	\$	\$ 5,662	\$ 5,662
Total Receipts			5,662	5,662
DISBURSEMENTS				
Administration	310	310		310
Total Disbursements	310	310		310

Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)

Disbursements Before Other Adjustments to Cash (Uses)	(310)	(310)	5,662	5,972
Net Change in Fund Balance	(310)	(310)	5,662	5,972
Fund Balance - Beginning	310	310	310	

Fund Balance - Ending \$ 0 \$ 0 \$ 5,972 \$ 5,972

TREASURY ASSET FORFEITURE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
DISBURSEMENTS				
Administration	\$ 100	\$ 100	\$	\$ 100
Total Disbursements	100	100		100

Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)

Disbursements Before Other Adjustments to Cash (Uses)	(100)	(100)		100
Net Change in Fund Balance	(100)	(100)		100
Fund Balance - Beginning	100	100	100	

Fund Balance - Ending \$ 0 \$ 0 \$ 100 \$ 100

CLERK DOCUMENT STORAGE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 16,100	\$ (8,900)
Interest	50	50	3	(47)
Total Receipts	25,050	25,050	16,103	(8,947)
DISBURSEMENTS				
General Government	20,000	20,000	15,381	4,619
Administration	7,000	6,122		6,122
Total Disbursements	27,000	26,122	15,381	10,741

Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)

General Government	20,000	20,000	15,381	4,619
Administration	7,000	6,122		6,122
Total Disbursements	<u>27,000</u>	<u>26,122</u>	<u>15,381</u>	<u>10,741</u>
Excess (Deficiency) of Receipts Over				

Fund Balance - Ending \$ 0 \$ 0 \$ 1,794 \$ 1,794

OPIOID SETTLEMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 6,000	\$ 6,000	\$ 59,695	\$ 53,695
Interest			708	708
Total Receipts	6,000	6,000	60,403	54,403
DISBURSEMENTS				
Administration	59,354	59,354		59,354
Total Disbursements	59,354	59,354		59,354

Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)

			Actual	Variance with
			Amounts,	Final Budget
			(Budgetary	Positive
			Basis)	(Negative)

Fund Balance - Ending \$ 0 \$ 0 \$ 113,852 \$ 113,852

AMERICAN RESCUE PLAN ACT FUND

DISBURSEMENTS			
Administration	59,354	59,354	59,354
Total Disbursements	59,354	59,354	59,354
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			
	(53,354)	(53,354)	60,403
Net Change in Fund Balance	(53,354)	(53,354)	60,403
Fund Balance - Beginning	53,354	53,354	53,449
Fund Balance - Ending	\$ 0	\$ 0	\$ 113,852
			\$ 113,852