

**SHERIFF'S SETTLEMENT AND INDEPENDENT
ACCOUNTANT'S COMPILATION REPORT**

FAYETTE COUNTY SHERIFF

APRIL 15, 2025

SHERIFF’S SETTLEMENT AND INDEPENDENT
ACCOUNTANT’S COMPILATION REPORT

FAYETTE COUNTY SHERIFF

Table of Contents

	<u>Page</u>
INDEPENDENT ACCOUNTANT’S COMPILATION REPORT.....	1
FINANCIAL STATEMENT	
Sheriff’s Settlement – 2024 Taxes	2 - 3
Notes to Financial Statement	4 - 5



Independent Accountant's Compilation Report

The Honorable Linda Gorton, Mayor,
Lexington-Fayette Urban County Government
The Honorable Kathy H. Witt,
Fayette County Sheriff
Members of the Lexington-Fayette Urban County Government

Management is responsible for the accompanying Sheriff's Settlement - 2024 Taxes (the "Statement") of the Fayette County Sheriff for the period April 16, 2024 through April 15, 2025 and the related notes to the Sheriff's Settlement in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the Statement and the related notes, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the Statement and the related notes.

We draw attention to Note A which describes the basis of accounting. The Statement is prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Crosslin, PLLC

Nashville, Tennessee
July 30, 2025

Sheriff's Settlement - 2024 Taxes
Fayette County Sheriff
For the Period April 16, 2024 through April 15, 2025

	County Taxes	Special Taxing Districts	School Taxes	State Taxes	Downtown Taxes
Charges					
Real estate	\$ 28,705,315	\$ 89,437,867	\$ 304,711,914	\$ 41,059,587	\$ 571,052
Tangible personal property	1,852,220	2,000,571	17,253,840	6,195,060	-
Increase through exonerations	32,584	112,103	346,221	48,650	-
Franchise taxes	1,466,797	2,146,867	14,418,559	-	-
Additional billings	15,017	24,246	135,344	22,253	-
Limestone, sand, and mineral reserves	2,016	2,369	21,461	2,891	-
Penalties	59,981	178,273	629,813	100,586	2,688
	<u>32,133,930</u>	<u>93,902,296</u>	<u>337,517,152</u>	<u>47,429,027</u>	<u>573,740</u>
Gross Charges to Sheriff					
	32,133,930	93,902,296	337,517,152	47,429,027	573,740
Credits					
Exonerations	34,159	78,368	348,644	61,207	-
Discounts	547,660	1,640,027	5,771,297	840,890	9,071
	(30)	710	115	-	-
Delinquents					
Real estate	161,906	473,212	1,638,665	220,785	5,310
Tangible personal property	31,512	32,072	293,543	95,052	-
Additional billings	1,817	1,848	17,095	3,014	-
Franchise taxes	3,124	3,184	29,588	-	-
Uncollected					
Additional billings	77	84	725	414	-
Franchise taxes	304,141	348,073	3,164,572	-	-
	<u>1,084,366</u>	<u>2,577,578</u>	<u>11,264,244</u>	<u>1,221,362</u>	<u>14,381</u>
Total Credits					
	1,084,366	2,577,578	11,264,244	1,221,362	14,381
Taxes collected	31,049,564 (A)	91,324,718 (C)	326,252,908 (B)	46,207,665 (A)	559,359 (A)
Less commissions	<u>1,319,606</u>	<u>1,534,405</u>	<u>4,893,794</u>	<u>1,963,826</u>	<u>23,773</u>
Taxes due	29,729,958	89,790,313	321,359,114	44,243,839	535,586
Taxes paid	29,699,190	89,705,935	321,039,038	44,198,963	535,586
Refunds (current and prior year)	<u>29,959</u>	<u>83,288</u>	<u>318,128</u>	<u>44,449</u>	<u>-</u>
Due Districts (Refunds due Sheriff)					
as of Completion of Audit	<u>\$ 809</u>	<u>\$ 1,090</u>	<u>\$ 1,948</u>	<u>\$ 427</u>	<u>\$ -</u>

See accompanying notes and independent accountant's compilation report.

Sheriff's Settlement - 2024 Taxes - Continued
Fayette County Sheriff
For the Period April 16, 2024 through April 15, 2025

- (A) Commission rate of 4.25%
- (B) Commission rate of 1.5%
- (C) Commission rate of \$350,000 on \$55,221,753 and 4.25% on \$36,103,690
- (D) Special Taxing Districts

Health District	\$ 127
Soil Conservation District	2
Lextran	316
LFUCG - Full/Partial Services District	<u>645</u>
Due Districts	<u><u>\$ 1,090</u></u>

See accompanying notes and independent accountant's compilation report.

FAYETTE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENT
FOR THE PERIOD APRIL 16, 2024 THROUGH APRIL 15, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting -The tax collection duties of the Fayette County Sheriff (the “Sheriff”) are limited to acting as an agent for assessed property owners and taxing districts. A fund is used to account for the collection and distribution of taxes. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Basis of Accounting - The financial statement has been prepared on a modified cash basis of accounting. Basis of accounting refers to when charges, credits, and taxes paid are reported in the Sheriff’s Statement. It relates to the timing of measurements regardless of the measurement focus.

Charges are sources of revenue which are recognized in the tax period in which they become available and measurable. Credits are reductions of revenue which are recognized when there is proper authorization. Taxes paid are uses of revenue which are recognized when distributions are made to the taxing districts and others.

Cash and Investments - At the direction of the Lexington-Fayette Urban County Government Council, Kentucky Revised Statute (“KRS”) 66.480 authorizes the Sheriff’s office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (“FDIC”) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

B. DEPOSITS

The Sheriff maintained deposits of public funds with depository institutions insured by the FDIC as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, always equals or exceeds the amount of public funds on deposit. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

FAYETTE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENT
FOR THE PERIOD APRIL 16, 2024 THROUGH APRIL 15, 2025

B. DEPOSITS - Continued

Custodial Credit Risk Deposits - Custodial credit risk is the risk that in the event of a depository institution failure, the Sheriff's deposits may not be returned. The Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of April 15, 2025, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

C. TAX COLLECTION PERIOD

The real and personal property tax assessments were levied as of January 1, 2024. Property taxes were billed to finance governmental services for the fiscal year ending June 30, 2025. All regular unpaid tax bills are considered delinquent as of January 1, 2025, and are subject to a 5% penalty during the month of January. Beginning February 1, 2025, all unpaid tax bills are subject to a 21% total penalty, which includes statutory penalties and applicable sheriff fees. The collection period for these assessments runs from October 1, 2024, through December 31, 2024, before being delinquent. In accordance with KRS 134.122, the sheriff transferred all delinquent property tax bills to the county clerk as of the close of business on April 15, 2025, or three months and fifteen days from the date the taxes were due under an alternative collection schedule.

D. INTEREST INCOME

The Sheriff earned \$12,232 in interest income on 2024 taxes. This amount was used to pay account analysis and processing fees charged by the financial institutions utilized by the Sheriff's office. The Sheriff paid \$24,000 in bank fees.

E. SHERIFF'S TEN PERCENT ADD-ON FEE

The Sheriff collected \$650,237 of 10% add-on fees allowed by KRS 134.119(7). This amount was used to operate the Sheriff's office.

F. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 30, 2025, which represents the date the financial statement was available to be issued.