SHERIFF’S SETTLEMENT AND INDEPENDENT ACCOUNTANT’S COMPILATION REPORT

FAYETTE COUNTY SHERIFF

APRIL 15, 2026

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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 - 2025 Taxes (the "Statement") of the Fayette County Sheriff for the period April 16, 2025 through April 15, 2026 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 29, 2026

Sheriff's Settlement - 2025 Taxes
Fayette County Sheriff
For the Period April 16, 2025 through April 15, 2026

	County Taxes		Special Taxing Districts		School Taxes		State Taxes		Downtown Taxes	
Charges										
Real estate	$ 29,988,628		$ 103,066,793		$ 318,395,235		$ 42,298,201		$ 600,627	
Tangible personal property	1,938,685		2,034,565		17,663,001		6,226,042		-	
Increase through exonerations	365		813		3,888		516		-	
Franchise taxes	1,621,810		2,648,208		15,875,633		-		-	
Additional billings	34,023		70,866		330,225		67,386		-	
Limestone, sand, and mineral reserves	-		-		-		-		-	
Penalties	59,011		188,218		615,214		87,542		2,885	
Gross Charges to Sheriff	33,642,522		108,009,463		352,883,196		48,679,687		603,512	
Credits										
Exonerations	26,297		79,700		273,270		54,129		4,532	
Discounts	573,758		1,884,650		6,039,210		864,105		9,606	
Delinquents										
Real estate	171,986		529,392		1,733,653		230,285		4,872	
Tangible personal property	23,924		23,710		217,971		76,164		-	
Additional billings	6		12		57		20		-	
Franchise taxes	8,084		8,534		78,561		-		-	
Uncollected										
Additional billings	1,012		2,630		10,328		1,862		-	
Franchise taxes	167,118		503,677		1,712,547		-		-	
Total Credits	972,185		3,032,305		10,065,597		1,226,565		19,010	
Taxes collected	32,670,337	(A)	104,977,158	(C)	342,817,599	(B)	47,453,122	(A)	584,502	(A)
Less commissions	1,388,489		2,584,756		5,142,264		2,016,758		24,841	
Taxes due	31,281,848		102,392,402		337,675,335		45,436,364		559,661	
Taxes paid	31,217,514		102,298,442		336,973,985		45,300,951		559,661	
Refunds (current and prior year)	64,603		90,285		704,209		135,719		-	
Due Districts (Refunds due Sheriff) as of Completion of Audit	$ (269)		$ 3,675		$ (2,859)		$ (306)		$ -	

See accompanying notes and independent accountant's compilation report.

Sheriff's Settlement - 2025 Taxes - Continued
Fayette County Sheriff
For the Period April 16, 2025 through April 15, 2026

(A) Commission rate of 4.25%
(B) Commission rate of 1.5%
(C) Commission rate of 1% on $57,746,875 and 4.25% on $47,230,282
(D) Special Taxing Districts

Health District	$	154
Soil Conservation District		7
Lextran		365
LFUCG		
Full/Partial Service		267
Park Fund		2,905
Extension		(23)
Total Due to LFUCG		3,149
Total Due to All Districts	$	3,675

See accompanying notes and independent accountant's compilation report.

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, which is a special purpose framework and a basis of accounting other than accounting principles generally accepted in the United States of America. 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.

The report is intended to present the Sheriff's tax collection activity for the period and is prepared in the context of Kentucky sheriff tax collection and settlement reporting requirements, including Kentucky Revised Statute ("KRS") Chapter 134, KRS 134.191 9, KRS 134.192 7, KRS 134.122 8, and KRS 133.220 5, as applicable.

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.

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, 2026, 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, 2025. Property taxes were billed to finance governmental services for the fiscal year ending June 30, 2026. All regular unpaid tax bills are considered delinquent as of January 1, 2026, and are subject to a 5% penalty during the month of January. Beginning February 1, 2026, all unpaid tax bills are subject to a 10% penalty and an additional 10% fee for the sheriff. The collection period for these assessments runs from October 1, 2025, through December 31, 2025, 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, 2026, or three months and fifteen days from the date the taxes were due under an alternative collection schedule.

D. INTEREST INCOME

The Sheriff earned $32,974 in interest income on 2025 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 $615,187 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 29, 2026, which represents the date the financial statement was available to be issued.