

**KENTON COUNTY
PLANNING COMMISSION**

FINANCIAL STATEMENTS

Year Ended June 30, 2025

KENTON COUNTY

PLANNING COMMISSION

FINANCIAL STATEMENTS

Year Ended June 30, 2025

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KENTON COUNTY
PLANNING COMMISSION

Members of the Commission

June 30, 2025

COMMISSIONERS

Brian Dunham, Chair	Kenton County Fiscal Court
Paul J. Darpel, Vice Chair	City of Edgewood
Philip Ryan, III, Treasurer	City of Park Hills
Gabriella DeAngelis	City of Covington
Todd Herrmann	City of Erlanger
Debbie Vaughn	Kenton County Fiscal Court
Gailen Bridges	City of Bromley
Greg Sketch	City of Crescent Springs
Jeff Bethell	City of Fort Mitchell
Betsy Janes	City of Villa Hills
Open	City of Elsmere
Sean Pharr	City of Covington
Open	City of Lakeside Park
Margo Baumgardner	City of Crestview Hills
Matthew Martin	City of Taylor Mill
Maura Snyder	City of Independence
Kareem Simpson	City of Covington
Quin Wichmann	City of Ryland Heights
Todd Berling	City of Fort Wright
Tom France	City of Ludlow

Legal Counsel

Matt Smith, Attorney at Law

Pamela Bushelman, Recording Secretary

INDEPENDENT AUDITOR'S REPORT

**To the Board of Commissioners of the
Kenton County Planning Commission
Covington, Kentucky**

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Kenton County Planning Commission, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Kenton County Planning Commission as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with accounting standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Kenton County Planning Commission 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are 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 Kenton County Planning Commission'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 Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 generally accepted 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 influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kenton County Planning Commission'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 well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kenton County Planning Commission'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and the budgetary comparison schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of the Kenton County Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of 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 the Kenton County Planning Commission's 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 Kenton County Planning Commission's internal control over financial reporting and compliance.

Chamberlin Owen & Co., Inc.

Chamberlin Owen, & Co., Inc.

Erlanger, Kentucky

November 24, 2025



November 24, 2025

This discussion and analysis of the Kenton County Planning Commission's financial performance is intended to provide an overview of the organization's financial activities for FY25. Please read it in conjunction with the Commission's basic financial statements which begin on page 8.

This annual report consists of a series of financial statements. The statement of net position and statement of activities (pages 8 and 9) provide information about the activities of the Commission as a whole and present a longer-term view of its finances.

Fund financial statements begin on page 10. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report on the Commission's operations in more detail than the organization-wide statements by providing information about the Commission's funds.

The Commission's expenses exceeded its revenues at the close of the most recent fiscal year by (\$10,182) (change in net position).

At the close of FY25, the Commission's governmental fund reported a combined ending fund balance of \$553,920. This combined fund balance consists of \$0 unassigned, a committed balance of \$53,920 (interest on surety bonds savings account), and an assigned balance of \$500,000 (KPCPC Reserve).

One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole in a better or worse position as a result of the year's activities?"

The statement of net position and the statement of activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report on the Commission's net assets and changes in them. You can think of the Commission's net positions--the difference between assets and liabilities--as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in Kenton County's rate of development/redevelopment and the number of applications the Planning Commission is expected to handle to assess the overall health of the Commission.

Governmental activities include the Commission's general administration. In governmental activities, revenues come primarily from application fees for services provided and contractual contributions provided by Planning and Development Services of Kenton County (PDS) according to a June 2014 Memorandum of Understanding between the two parties.

Statement of Net Position

The statement of net position for FY 2025 and FY 2024 is as follows:

	Governmental Activities	
	2025	2024
Current assets	\$ 713,923	\$ 846,771
Long-term assets		
Surety bonds	184,255	163,932
Total assets	898,178	1,010,703
Current liabilities	213,923	329,613
Long-term liabilities surety bonds payable	130,335	116,988
Total liabilities	344,258	446,601
Unrestricted	553,920	564,102
Total net position	\$ 553,920	\$ 564,102

Statement of Activities

The statement of activities reports a change in net position of (\$10,182) which decreased the ending net position to \$553,920 as follows:

	Governmental Activities	
	2025	2024
General revenues	\$ 35,783	\$ 41,578
Program revenues		
Charges for services	143,853	143,951
PDS contributions	1,699,997	1,590,374
Total revenues	1,879,633	1,775,903
Program expenses		
General government	1,889,815	1,749,857
Total program expense	1,889,815	1,749,857
Prior period adjustment	-	(150,294)
Net change in position	\$ (10,182)	\$ (124,248)

Governmental Funds

The analysis of the Commission's major funds begins on page 10 and provides detailed information about the most significant funds, not the Commission as a whole.

The following schedules and charts present a summary of general fund revenues and expenditures for FY25, and the amount and percentage of increases and decreases in relation to the prior fiscal year.

Revenues	FY 2025 Amount	Percent of Total	FY 2024 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Fees collected	\$ 143,724	7.6%	\$ 143,812	\$ (88)	-0.1%
PDS Contribution	1,699,997	90.4%	1,590,374	109,623	6.9%
Other	35,912	1.9%	41,717	(5,805)	-13.9%
	<u>\$ 1,879,633</u>	<u>100.0%</u>	<u>\$ 1,775,903</u>	<u>\$ 103,730</u>	<u>5.8%</u>

Expenditures	FY 2025 Amount	Percent of Total	FY 2024 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Planning & Development	\$ 1,807,864	96.2%	\$ 1,673,531	\$ 134,333	8.0%
Professional services	72,114	3.8%	70,037	2,077	3.0%
Office expense	9,837	0.5%	6,289	3,548	56.4%
	<u>\$ 1,889,815</u>	<u>100.5%</u>	<u>\$ 1,749,857</u>	<u>\$ 139,958</u>	<u>8.0%</u>

FY 2025 ended with a \$10,825 surplus in revenues compared to budget due to the PDS contribution being less than estimated, which is offset by PDS expenses. Similarly, actual expenditures were \$101,707 under budget (excluding internal transfers). Application fees received were \$6,276 under budget and were \$18,812 over budget in the previous year.

The fiscal year 2025-2026 budget was adopted by the Commission in May 2025. The budget calls for a 10% decrease in revenues and expenses.

The financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives.

If you have questions about this report or need additional financial information, please contact PDS Finance/HR Director Nicole Cullum.



Joshua R. Wice, Ed.D.
Executive Director

KENTON COUNTY PLANNING COMMISSION STATEMENT OF NET POSITION June 30, 2025
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	Governmental Activities	
	2025	(Memo Only) 2024
Assets		
Current assets		
Cash	\$ 22,045	\$ 300,596
Reserve cash	565,207	542,547
Accounts receivable	126,671	1,456
Prepaid expenses	-	2,172
Total current assets	713,923	846,771
Long-term assets		
Surety bonds	184,255	163,932
Total assets	898,178	1,010,703
Liabilities		
Current liabilities		
Accounts payable - related party	213,338	329,111
Accrued liabilities	585	502
Long-term liabilities		
Surety payable	130,335	116,988
Total liabilities	344,258	446,601
Net position		
Unrestricted	553,920	564,102
Total net position	\$ 553,920	\$ 564,102

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY PLANNING COMMISSION STATEMENT OF ACTIVITIES For the Year Ended June 30, 2025

Functions/Programs		Program Revenues & Contributions			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	Expenses				
Governmental activities					
Commission activities	\$ 1,889,815	\$ 143,853	\$ 1,699,997	\$ -	\$ (45,965)
Total governmental activities	<u>\$ 1,889,815</u>	<u>\$ 143,853</u>	<u>\$ 1,699,997</u>	<u>\$ -</u>	<u>(45,965)</u>
General revenues					
Unrestricted investment earnings					35,783
Total general revenues					<u>35,783</u>
Change in net position					(10,182)
Net position, beginning					564,102
Net position, ending					<u>\$ 553,920</u>

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY PLANNING COMMISSION BALANCE SHEET - GOVERNMENTAL FUND June 30, 2025
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	Governmental Fund	
	General Fund 2025	(Memo Only) General Fund 2024
Assets		
Current assets		
Cash	\$ 22,045	\$ 300,596
Reserve cash	565,207	542,547
Accounts receivable - related party	126,671	1,456
Prepaid expenses	-	2,172
Total current assets	713,923	846,771
Long-term assets		
Surety bonds	184,255	163,932
Total assets	\$ 898,178	\$ 1,010,703
Liabilities and fund balance		
Liabilities		
Current liabilities		
Accounts payable - related party	\$ 213,338	\$ 329,111
Accrued liabilities	585	502
Long-term liabilities		
Surety payable	130,335	116,988
Total liabilities	344,258	446,601
Fund balances		
Committed		
Surety interest reserve	53,920	46,944
Assigned		
KCPC reserve	500,000	500,000
Unassigned	-	17,158
Total fund balance	553,920	564,102
Total liabilities and fund balance	\$ 898,178	\$ 1,010,703

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY PLANNING COMMISSION STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND For the Year Ended June 30, 2025

	Governmental Fund	
	General Fund	(Memo Only)
	2025	General Fund
		2024
Revenues and contributions		
Fees - planning/zoning	\$ 143,724	\$ 143,812
Recording fees	129	139
PDS contractual contribution	1,699,997	1,590,374
Interest income	35,783	41,578
Total revenues and contributions	1,879,633	1,775,903
Expenditures		
Planning & Development Services		
Administration	1,807,864	1,673,531
Accounting and auditing	11,034	10,393
Commission expense	10,695	10,487
Education and training	400	810
Insurance	17,984	16,347
Legal and professional services	26,001	26,000
Legal advertising	1,786	1,648
Memberships and dues	1,451	1,481
Miscellaneous	4,580	1,709
Printing	346	-
Recording fees	124	50
Secretarial services	6,000	6,000
Website/technology	1,550	1,401
Total expenditures	1,889,815	1,749,857
Excess of revenues over expenditures	(10,182)	26,046
Fund balance, beginning of year	564,102	688,350
<i>Prior period adjustment</i>	-	(150,294)
Fund balance, end of year	\$ 553,920	\$ 564,102

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY PLANNING COMMISSION NOTES TO FINANACIAL STATEMENTS June 30, 2025

NOTE A – SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The Kenton County and Municipal Planning and Zoning Commission, doing business as the Kenton County Planning Commission (Commission), as authorized by KRS 100 was formed in order to carry out a joint city-county planning program for Kenton County and various municipalities within the county.

The Commission members are appointed for four-year terms by the county's Judge Executive and by the mayors of the represented cities. The members of this Commission, and their respective committees, act as management for the Commission; except for day-to-day operational tasks which are the responsibility of the Executive Director of Planning & Development Services of Kenton County, a related party with which the Commission shares resources.

Basis of Accounting

The accounts of Kenton County Planning Commission are maintained, and the accompanying financial statements are prepared on a modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. The accounting policies of the Commission conform to the accounting principles generally accepted in the United States of America.

Fund Accounting

The accounts of the Commission are organized on the basis of funds. The operations of the fund are accounted for by providing a set of self-balancing accounts which are comprised of assets, liabilities and fund equity, revenues and expenditures, as appropriate. The financial statements in the report consist of one general fund.

The Commission adopted GASB Statement 54 in fiscal year 2011. GASB 54 reallocates the Commission's fund balance into the following categories:

Non-spendable: This category consists of prepaid expenses.

Committed: This category recognizes funds which are committed by formal action of the Commission's board for a specific purpose. This category includes the Surety Bond Cash being held, less the portion of that amount that is currently payable to contractors.

Assigned: This category includes funds the Commission intends to use for some future purpose. This category includes the Kenton County Planning Commission Reserve.

Unassigned: This category includes everything that is not includable in one of the other fund categories.

General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources.

Budget

The Kenton County Planning Commission operates under a budget approved by the Commission and presented to the Kenton County Fiscal Court, for review.

KENTON COUNTY PLANNING COMMISSION NOTES TO FINANACIAL STATEMENTS June 30, 2025

Revenues

The Kenton County Planning Commission's sources for operating funds are fees collected with applications to be considered by the Commission and from contributions provided by Planning and Development Services of Kenton County (PDS). The Commission uses its fee revenue to cover its overhead costs and the contributions from PDS as provided in the Agreement (Memorandum of Agreement, June 2014) to provide services.

Cash

Statutes authorize the Commission to invest in obligations of the United States and of its agencies and instrumentalities, certificates of deposit, passbooks, bankers' acceptances, commercial paper, bonds of other states or local governments and mutual funds.

Restricted Assets

Investments consist of highly liquid investments plus accumulated interest that is held to satisfy development surety deposits. These deposits are refunded to the developers upon satisfactorily completing the construction projects, or as otherwise directed according to the Kentucky Revised Statutes.

Use of Estimates

Kenton County Planning Commission management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could differ from those estimates.

NOTE B – DEPOSITS

The Kenton County Planning Commission maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). As allowed by law, the depository bank should pledge securities along with FDIC insurance at least equal to the amount on deposit at all times. As of June 30, 2025, the bank balance was fully insured or collateralized with securities pledged on the Commission's behalf.

NOTE C – RELATED PARTY

The Kenton County Planning Commission is linked in several ways with the agency that provides its professional staff. Planning and Development Services of Kenton County (PDS) and the Commission signed a Memorandum of Agreement (MOA) in June 2014. The MOA directs the financial actions taken by the two organizations. The Commission has \$126,671 in receivables from PDS at June 30, 2025 and \$213,338 payable to PDS at June 30, 2025.

NOTE D – CONTINGENCIES

The Commission is at risk for possible litigation due to the enforcement of various zoning codes and regulations. The Commission's legal counsel vigorously contests these cases when they arise. The Commission has insurance coverage through a commercial insurance company. There is no current litigation filed or threatened against the Commission.

NOTE E – IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Statement No. 102 – *Certain Risk Disclosures* – Establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This implementation of this statement should have no direct material impact on the Commission.

KENTON COUNTY PLANNING COMMISSION NOTES TO FINANACIAL STATEMENTS June 30, 2025

NOTE F – FUTURE ACCOUNTING STANDARDS

Statement No. 103 – *Financial Reporting Model Improvements* – Implementation in FY 2026

Statement No. 104 – *Disclosure of Certain Capital Assets* – Implementation in FY 2026

NOTE G – SUBSEQUENT EVENTS

Management has evaluated events through November 24, 2025, the date on which the financial statements were available for issue. The Commission did not have any events subsequent to June 30, 2025, through November 24, 2025, to disclose.

KENTON COUNTY PLANNING COMMISSION STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended June 30, 2025
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	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and contributions			
Application fees	\$ 150,000	\$ 143,724	\$ (6,276)
Interest income	45,000	35,783	(9,217)
Recording fees	250	129	(121)
PDS contractual contribution	1,673,558	1,699,997	26,439
Total revenues and contributions	1,868,808	1,879,633	10,825
Expenditures			
Planning & Development Services			
Administration	1,881,966	1,807,864	74,102
Accounting and auditing	10,200	11,034	(834)
Commission expense	13,000	10,695	2,305
Education and training	1,000	400	600
Insurance	16,000	17,984	(1,984)
Legal and professional services	30,000	26,001	3,999
Legal advertisements	2,500	1,786	714
Memberships and dues	1,500	1,451	49
Miscellaneous	1,000	4,580	(3,580)
Printing	500	346	154
Recording fees	250	124	126
Secretarial services	6,000	6,000	-
Website/technology	1,550	1,550	-
Surety interest reserve	8,900	6,976	1,924
Transfer out to KCPC reserve	24,132	-	24,132
Total expenditures	1,998,498	1,896,791	101,707
Excess (deficiency) of revenues over (under) expenditures	(129,690)	(17,158)	112,532
Fund balance, beginning - GAAP basis	564,102	564,102	-
Fund balance, ending - budgetary basis	\$ 434,412	\$ 546,944	\$ 112,532

Reconciliation of fund balance: budgetary basis to GAAP basis

Fund balance, ending - budgetary basis	\$ 546,944
KCPC Reserve	-
Surety Interest Reserve	6,976
Fund balance, ending - GAAP basis	<u>\$ 553,920</u>

**INDEPENDENT AUDITOR'S 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**

**To the Board of Commissioners of the
Kenton County Planning Commission
Covington, 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 and each major fund of the Kenton County Planning Commission as of June 30, 2025 and the related notes to the financial statements which collectively comprise the Kenton County Planning Commission's financial statements, and have issued our report thereon dated November 24, 2025.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Kenton County Planning Commission'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 Kenton County Planning Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Kenton County Planning Commission'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 Kenton County Planning Commission's financial statements are free of 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 audits, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chamberlin Owen & Co., Inc.

Chamberlin Owen & Co., Inc.

Erlanger, Kentucky

November 24, 2025