



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Breckinridge County Fiscal Court**

**FRANKFORT, Ky.** – State Auditor Mike Harmon has released the audit of the financial statement of the Breckinridge County Fiscal Court for the fiscal year ended June 30, 2019. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor’s letter to communicate whether the financial statement presents fairly the receipts, disbursements, and changes in fund balances of the Breckinridge County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court’s financial statement did not follow this format. However, the fiscal court’s financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for 115 of 120 fiscal court audits in Kentucky.

As part of the audit process, the auditor must comment on noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving internal control over financial operations and reporting.

The audit contains the following comment:

**The Breckinridge County Fiscal Court’s fourth quarter report did not include the Mortgage Revenue Refunding Bonds (Justice Center Project) Series 2017:** During our audit, we noted that Breckinridge County Public Properties Corporation issued the Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2017 on June 13, 2017, for the purpose of financing the costs of the refunding and partial refinancing the outstanding Breckinridge County Public Properties Corporation First Mortgage Revenue Bonds (Justice Center Project), Series 2010. However, the Breckinridge County Fiscal Court did not update their liability section of their fourth quarter report to reflect the partial refinancing of the First Mortgage Revenue Bonds (Justice Center Project), Series 2010 and the new debt of the Mortgage Revenue Refunding Bonds (Justice Center Project), Series 2017.

This was due to a lack of internal controls to ensure that all activity concerning payment of old debt and the liability of new debt is entered into the accounting system and is reflected on the fourth quarter report. When the activity of debt is not reflected on the fourth quarter report, the fourth quarter report will not actually reflect the liabilities that the Breckinridge County Fiscal Court have incurred. Proper internal controls require that policies and procedures are in place to prevent, detect and correct errors in financial reporting timely.

We recommend the Breckinridge County Fiscal Court review their policy and procedures concerning entering transactions into the accounting system to ensure that all transaction in entered properly and timely.

*County Judge/Executive Response: The Long-Term Liabilities Report has been adjusted.*

The audit report can be found on the [auditor's website](#).

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