



Auditor of Public Accounts Allison Ball

FOR IMMEDIATE RELEASE

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Ball Releases Audit of Menifee County Fiscal Court

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Menifee County Fiscal Court for the fiscal year ended June 30, 2023. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor’s letter to communicate whether the financial statements present fairly the receipts, disbursements, and changes in fund balances of the Menifee 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 116 of 120 fiscal court audits in Kentucky.

The audit contains the following findings:

The fourth quarter financial report was materially misstated: The General Fund reclassified a short-term loan from Traditional Bank for \$200,000 and reclassified the Local Assistance and Tribal Consistency Fund (LATCF), or Revenue Sharing grant, by \$187,799. Additionally, the Debt Service Fund had post financing obligation proceeds for an ambulance purchased for \$202,831. Adjustments and reclassifications were necessary for disbursements to be recorded and classified correctly on the financial statement. These adjustments included the General Fund reclassifying \$10,489, the Road Fund reclassifying \$18,750, and the Ambulance Debt Service Fund posting \$202,831.

We recommend the county treasurer examine each account line item on the quarterly. Each adjustment has been presented and reviewed with the county treasurer. We recommend the county treasurer use the adjustments as guidance when preparing future financial statements. We also recommend the fiscal court establish adequate internal controls, oversight, and review procedures to ensure all financial data is completely and accurately recorded and reported.

County Judge/Executive’s Response: We will ensure that all financial information is logged correctly.

The Fiscal Court did not properly budget for and record all debt-related disbursements: The fiscal court did not comply with reporting requirements for debt bearing the fiscal court’s name, causing the budget appropriated for a line item in the Ambulance Debt Service Fund to be in excess of the amount appropriated. This transaction did not run through the fiscal court’s bank account and was not included in the budget process or reflected on the fiscal court’s fourth quarter financial report. As a result, the fiscal court failed to properly budget and record the debt-related disbursement in the Ambulance Debt Service Fund of \$202,831.

We recommend the fiscal court comply with KRS 68.300 and KRS 68.280 by budgeting all disbursements and amending the budget as necessary to reflect unanticipated receipts and disbursements.

County Judge/Executive’s Response: We will correctly log and budget all debt-related transactions.

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

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