



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: **Michael Goins**
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Pike County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2018 financial statements of Pike County Clerk Rhonda Taylor. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

Auditing standards require the auditor's letter to communicate whether the financial statements present fairly the receipts and disbursements of the Pike County Clerk and the receipts, disbursements, and fund balances of the Pike County Clerk's operating fund and county fund in accordance with accounting principles generally accepted in the United States of America. The clerk's financial statements did not follow this format. However, the clerk's financial statements are fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for all 120 clerk 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 comments:

The clerk's 75% fund had a \$24,722 deficit balance at the term's end: The Pike County Clerk's 75% operating fund had a deficit balance of \$24,722 at the end of her January 1, 2015 to December 31, 2018 term. The county clerk monitored her operating fund; however, the last quarter of the year did not bring in as much revenue as expected. The county clerk spent in excess of her revenues in her 75% operating fund account, resulting in a \$24,722 deficit.

KRS 64.345(4) states, "If seventy-five percent (75%) of the amount paid into the State Treasury in any month by any of such officers is not sufficient to pay the salaries and expenses of his office for that month, the deficit may be made up out of the amount paid in any succeeding month; but

in no event shall the amount allowed by the Finance and Administration Cabinet to any officer for salaries and expenses exceed seventy-five percent (75%) of the amount paid to the Finance and Administration Cabinet by the officer during his term.”

We recommend the county clerk work with the fiscal court to resolve the deficit. We further recommend the county clerk monitor and limit expenses to ensure that future deficits do not occur.

County Clerk's Response: This letter is in reference to our 2018 audit. The Pike County Clerk's Office prides itself with abiding by Kentucky Audit practices. No money has been lost or mismanaged as audit reports have confirmed. We have received an excellent audit despite a \$24,722.00 deficit.

This unfortunate decline in revenue is based on several factors that were beyond the control of the Pike County Clerk's Office as follows:

- 1. Terminated supplemental funding from the previous Pike County Fiscal Court.*
- 2. A decrease in the county's population.*
- 3. An apparent economic downturn for our region of the state.*

It appears that the previous Fiscal Court evidently did not realize the detrimental impact that eliminating supplemental funding would cause. For almost three decades supplemental funding has been critical for the operations of an office this size.

I continue to look for ways to reduce expenses even though we are gravely understaffed. I realize the current Pike County Fiscal Court has only been in office for six months and they continue to review the budget issues they have inherited. However, reinstatement for supplemental funding is necessary for the Pike County Clerk's Office to fulfill its duties to the citizens of this county and to continue to advance with the rest of the state.

The county clerk's responsibilities include collecting certain taxes, issuing licenses, maintaining county records and providing other services. The clerk's office is funded through statutory fees collected in conjunction with these duties.

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

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

