



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Robertson County Fiscal Court

FRANKFORT, Ky. – State Auditor Mike Harmon has released the audit of the financial statement of the Robertson County Fiscal Court for the fiscal year ended June 30, 2017. 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 Robertson 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 general fund owes the road fund \$63,150 from prior years: This is a repeat finding and was included in the prior year audit report as Finding 2016-001. In Fiscal Year 2009, \$96,500 of restricted road funds was transferred to the general fund in excess of the approved amount, creating a receivable and payable between the funds. The fiscal court has made periodic payments from the general fund to the road fund to reduce the liability to \$63,150 as of June 30, 2017.

Restricted road fund receipts and disbursements are to be separate from the general fund. Excess transfers from the road fund to the general fund are no longer being made.

KRS 177.320 requires road funds to be used for the “construction, reconstruction and maintenance of secondary and rural roads and for no other purpose[.]” The road fund is restricted for transportation, with the exception of the approved amount calculated on the road fund cost allocation worksheet.

Under the regulatory basis of accounting, fund balances are not adjusted on the financial statement for the unpaid liability; however, the liability is still owed. The general fund and road fund balances have been adjusted in Note 12 of the Notes to the Financial Statement.

We recommend the general fund liability be paid as money becomes available.

County Judge/Executive’s Response: Will continue to pay annually as the Fiscal Court approves when funds are available.

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

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