



Auditor of Public Accounts Allison Ball

FOR IMMEDIATE RELEASE

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Ball Releases Audit of Boyd County Fiscal Court

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Boyd 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 Boyd 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 fiscal court's fourth quarter financial report was materially misstated: Adjustments and reclassifications were necessary to record and classify transactions properly, net totaling \$8,233,873. Likewise, adjustments and reclassifications net totaling \$1,562,255 were necessary for disbursements to be recorded and classified correctly on the financial statement. According to the treasurer, she was not aware the way she recorded certain transactions was incorrect.

We recommend the county treasurer thoroughly examine each account line-item on the quarterly report to ensure items were posted properly. Each adjustment made by auditors has been presented to and reviewed with the county treasurer. We recommend the county treasurer use these adjustments as guidance when preparing future financial statements. In addition, we recommend the fiscal court establish adequate internal controls, oversight, and review procedures to ensure that all financial data is completely and accurately recorded and reported.

County Judge/Executive's Response: County has a new financial system and the finance officer and treasurer have established internal controls to oversee the reports.

Several fund line-item disbursements exceeded approved budget appropriations:

The total available budget for all funds was \$49,594,325 and the total disbursements for all funds was \$34,396,311. However, certain fund line-item disbursements exceeded approved budget appropriations as follows:

- The Road Fund, administration line-item exceeded budgeted appropriations by \$499,953.
- The Jail Fund, administration line-item exceeded budgeted appropriations by \$325,406.
- The Economic Development Fund, general government line-item exceeded budgeted appropriations by \$4,027.
- The Economic Development Fund, administration line-item exceeded budgeted appropriations by \$49,312.
- The Special Projects Fund, roads line-item exceeded budgeted appropriations by \$71,905.
- The Special Projects Fund, administration line-item exceeded budgeted appropriations by \$1,386,288.
- The Senior Center Fund, social services line-item exceeded budgeted appropriations by \$3,000.
- The FEMA Fund, general government line-item exceeded budgeted appropriations by \$1,464,244.

- The FEMA Fund, debt service line-item exceeded budgeted appropriations by \$1,860,177.
- The ABC Fund, general government line-item exceeded budgeted appropriations by \$144,317.

We recommend the fiscal court and the county treasurer monitor the budget more closely and transfer necessary appropriations in order to prevent the county from exceeding the budget on individual line items. Further, we recommend the fiscal court make sure all transfers are accurately reflected on the quarterly report.

County Judge/Executive's Response: Corrections have been made in our financial system for future budget amendments and how to enter them correctly.

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

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