



Auditor of Public Accounts
Allison Ball

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Auditor Ball Releases Special Examination of Elkhorn City Containing Four Findings Related to the City's Financial Activity

Frankfort, Ky. (April 17, 2024) – State Auditor Allison Ball released the results of a special examination of Elkhorn City, her office announced today. The examination, which differs from a standard financial audit, covers the City's activities between July 1, 2020, and March 31, 2023.

“This special examination was initiated after we received reports of improper financial activity in Elkhorn City government,” Auditor Ball said. “This report will provide a clear path forward for the Elkhorn City leaders to restore order in their finances so that tax dollars can be used to best serve the community.”

Special Examination Findings Include:

- Elkhorn City failed to pay required employer contributions totaling \$116,555 to the Kentucky Public Pension Authority for City employee pensions.
- The City failed to file required reports with the Department for Local Government, causing the Department to withhold more than \$50,000 in state grant dollars.
- On numerous occasions, City employees' paychecks were unpaid due to insufficient funds in the City's bank account.
- \$89,276 of Local Government Economic Assistance Fund dollars were spent without documentation.
- Elkhorn City impermissibly issued Christmas bonuses to employees, totaling \$17,948.
- The City's water utility billing and collection process resulted in 245 water utility customers with past due balances, totaling \$116,498.
- City Council members were consistently given financial reports that did not accurately convey the City's financial position.
- The City routinely failed to justify its expenditures with adequate supporting documentation, questioning the legitimacy of those expenditures.
- At least 12 City contractors did not have 1099 forms issued.

To view the complete report and a response from Elkhorn City leadership, [visit our website](#).

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