



Auditor of Public Accounts
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Ball Releases Audit of Oldham County Fiscal Court

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Oldham County Fiscal Court for the fiscal year ended June 30, 2024. 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 Oldham 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 finding:

The Oldham County Fiscal Court’s fourth quarter financial statement was materially misstated: The fourth quarter report presented to the Department for Local Government (DLG) was inaccurate and materially misstated due to the following:

- Public Properties Corporation Fund (PPC) receipts and disbursements totaling \$2,854,187 were included in the General Obligation Bond Fund in error.
- The Public Facilities Construction First Mortgage Revenue Bonds (Court Facilities Project) with an outstanding balance of \$42,225,000 was not included on the long-term debt liability schedule.
- Cash transfers from the ARPA Fund to the General Fund totaling \$4,930,823 were recorded as a Capital Project expenditure on both the ARPA Fund and the General Fund.
- Activity for the Planning and Zoning Escrow Fund was not included on the fourth quarter report.
- Transfers In and Transfers Out were netted together in the General Fund, Road Fund, Jail Fund, LGEA Fund, and Central Dispatch Fund instead of being presented separately as required.

We recommend the fiscal court implement procedures to ensure the fourth quarter report submitted to DLG reflects the county’s final financial statement with all adjustments made. Additionally, the PPC fund activity should not be included with another budgeted fund, Planning and Zoning Escrow Fund activity should be disclosed, all debt should be properly disclosed on the liability schedule, bank cash transfers between funds should not be posted to receipts and disbursements; there should be transfers in and out between funds, and all transfers in should be reported separately from transfers out on the fourth quarterly report.

County Judge/Executive’s Response: The Fourth Quarter Report submitted did not match the Statement of Receipts, Disbursements, and Changes in Fund Balances provided to the auditors. The above listed conditions except the ones related to ARPA and Planning and Zoning Escrow were correctly shown on the report provided. The accounting treatment for the ARPA transaction was debated even by the auditors, and we had reached out for guidance from various sources, including DLG and auditors as how the transaction should be shown. We agree with the final resolution as shown on the audit report.

Fourth quarter reporting related to the Planning and Zoning Escrow Fund was consistent with prior audits, and in fact was not included on the Financial Statements until FY 2021. The General Obligation Bond Fund was considered an unbudgeted fund until FY 2021. We will now include activity in the fund on the fourth quarter report.

Management now understands that the Fourth Quarter Report should include all adjustments and match this report. The Fourth Quarter Report did agree to the county's reconciled cash balances but did show some of the activity within the funds on a net basis. The county's fourth quarter report is not provided to or relied upon by fiscal court members for fiscal decision making. Detailed actual to budget by department reports are provided monthly to fiscal court members for such purposes. Management understands the current requirements related to the fourth quarter report and will immediately comply with such.

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

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