



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Webster County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2020 taxes for Webster County Sheriff Donald Jones. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account, and the other reporting on the audit of the fee account used to operate the office.

Auditing standards require the auditor's letter to communicate whether the sheriff's settlement presents fairly the taxes charged, credited and paid in accordance with accounting principles generally accepted in the United States of America. The sheriff's settlement is prepared on the regulatory basis, which is described in the auditor's opinion letter. Regulatory basis reporting for the sheriff's settlement is an acceptable reporting methodology, and this reporting methodology is followed for all 120 sheriff settlements in Kentucky.

The sheriff's financial statement fairly presents the taxes charged, credited and paid for the period January 1, 2021 through April 15, 2021 in conformity with the regulatory basis of accounting.

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 the internal control over financial operations and reporting.

The audit contains the following comment:

**The Webster County Sheriff's tax settlement was materially misstated:** The Webster County Sheriff's tax settlement, for the period January 1, 2021 through April 15, 2021, was materially inaccurate. The sheriff's settlement was overstated by the following:

- Franchise taxes of \$889,683

- Bank franchise taxes of \$67,724
- Discounts of \$1,789
- Tax commissions of \$37,231
- Taxes paid of \$926,618

This was due to an error when preparing the tax settlements that were presented to the fiscal court. The franchise and ditch tax settlements that were approved by the fiscal court also included franchise and ditch taxes that were collected by the outgoing sheriff in 2020. As a result, the sheriff's settlement presented and approved by the fiscal court was not a complete and accurate reporting of taxes collected as of April 15, 2021.

KRS 134.215(3) states, “[e]ach outgoing sheriff shall make a final settlement with the department, the fiscal court, and all districts for which his or her office collected taxes by March 15 immediately following the expiration of his or her term of office. The settlement shall address all charges of taxes made against the sheriff and all money received by him or her as sheriff, and shall include all of the information required for the annual settlement pursuant to KRS 134.192.” KRS 134.192(5) states, in part, “[t]he settlement shall show the amount of ad valorem tax collected for the county, the school district, and all taxing districts, and an itemized statement of the money disbursed to or on behalf of the county, the school district, and all taxing districts.” Additionally, good internal controls dictate the sheriff review the settlement for accuracy.

We recommend the sheriff only include activity that occurred during his time as sheriff on all future settlements.

*County Sheriff's Response: Bookkeeper is aware of problem. Will keep in mind if two sheriffs serve in same tax collection period.*

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

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

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