



Auditor of Public Accounts
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Edelen Releases Audit of Madison County Sheriff's Office

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 20141 financial statement of Madison County Sheriff Mike Coyle. 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.

Recent changes in auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the revenues, expenditures and excess fees of the Madison County Sheriff in accordance with generally accepted accounting principles in the United States. The report found that the financial statement of the Sheriff did not follow this format; however, the Sheriff'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 all 120 sheriff audits in Kentucky.

As part of the audit process, the auditor must comment on non-compliance 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 Sheriff's 75% fund had a deficit balance of \$802,117 at the end of the Sheriff's term. The Sheriff's 75% operating fund had a deficit balance of \$802,117 as of December 31, 2014. KRS 64.345(4) states, "If seventy-five percent (75%) of the amount paid into the State Treasury in any month by any of such officers is not sufficient to pay the salaries and expenses of his/her office for that month, the deficit may be made up out the amount paid in any succeeding month; but in no event shall the amount allowed by the Finance and Administration Cabinet to any officer for salaries and expenses exceed seventy-five percent (75%) of the amount paid to Finance and Administration by the officer during his/her term." Salaries and expenses of the

Sheriff's office for the term exceeded the 75% allowed by the Finance and Administration Cabinet, resulting in this deficit. The 75% operating fund had to be settled at the end of the Sheriff's term which ended December 31, 2014. The Fiscal Court presented a check to the Kentucky State Treasurer on March 10, 2015 for the deficit balance. We recommend the Sheriff's office monitor the 75% operating fund and work with the Fiscal Court to ensure the fund balance is settled by the end of each term.

Sheriff's response: The deficit balance of \$802,117 as of December 31, 2014 did not reflect the \$777,431.55 due to the Sheriff's Office from the Madison County Fiscal Court. The Fiscal Court was unable to cut the check due to the fact that the state had not yet reimbursed the county the 25% since that does not occur until the end of the financial quarter (which does not close until December 31, 2014). For this reason, it is not possible for the Sheriff's Office to reflect the deposit of the 25% until after the auditing 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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