



Auditor of Public Accounts
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Ball Releases Audit of Grayson County Sheriff's Office

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2022 financial statement of Grayson County Sheriff Norman Chaffins. 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 financial statements present fairly the receipts and disbursements of the Grayson County Sheriff and the receipts, disbursements, and fund balances of the Grayson County Sheriff's operating fund and county fund in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statements did not follow this format. However, the sheriff's financial statements are 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.

The audit contains the following findings:

The Grayson County Sheriff's fourth quarter financial report was materially misstated: Receipts were understated by \$99,027 and disbursements were understated by \$7,221 when compared to the bank account for collections and disbursements that occurred after December 31, 2022.

We recommend the quarterly report reflect the total collections and disbursements per calendar year and agree to the receipts and disbursements in the bank account. In addition, any debt obtained by the sheriff's office should be included in the liabilities section of the fourth quarter financial statement.

Sheriff's Response: All money was accounted for, but it was documented incorrectly. We will take measures in the future to ensure that all transactions are properly documented and recorded according to standard(s).

The Grayson County Sheriff did not pay the balance of the promissory note as required: On June 11, 2021, the Grayson Sheriff's Office entered a promissory note in the amount of \$118,062 from a local financial institution for a three-year period to purchase vehicles. During the 2021 calendar year, the sheriff's office paid \$29,508 of principal, and paid \$29,420 of principal during the current calendar year, leaving an unpaid principal balance of \$59,134. The length of this loan is longer than what is allowable per KRS 65.7707.

We recommend that the sheriff follow KRS 65.7707 and not enter into any loans with a maturity date of December 31 of the current calendar year.

Sheriff's Response: This transaction was a fiscal court approved purchase for new patrol vehicles. Initially, it was believed to be a lease; however, it was a promissory note to be paid off in three years. We will ensure that future purchases are leased and not obtained through a conventional loan unless that loan is paid off in the respective calendar year.

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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