



## Administrative Office of the Courts

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Frankfort, Kentucky 40601  
502-573-2350 or 800-928-2350  
kycourts.gov

**John D. Minton, Jr.**  
Chief Justice of Kentucky

**Laurie K. Givens**  
Director

November 28, 2022

Hon. Kevin Neal  
Marshall County Judge Executive  
1101 Main Street  
Benton, KY 42025

Re: Facility Audit of Marshall County

Dear Judge Neal:

The Administrative Office of the Courts, Division of Audit Services, has audited the expenses of the Marshall County Kentucky Court of Justice (KCOJ) facility for the period of July 1, 2021 - June 30, 2022 (FY 2022). This report is a summary of the field work completed. Our responsibility is to review and evaluate expenses for reimbursement and budgetary projections. For this FY 2022 audit, we are auditing for compliance with Administrative Office of the Courts *Policies for the Operation and Maintenance of Court Facilities* dated February 2018.

Attached with this letter is the following information for your records:

- A Cost Summary Report showing a comparison of FY 2022 estimated expenses and actual expenses. You will also see where we have compared the FY 2022 actual expenses to the FY 2021 actual expenses for future planning purposes.
- 4 reports (if applicable) classified as:
  - Report #1 Reimbursement Denied
  - Report #2 Unauthorized Expenses
  - Report #3 Approved Projects
  - Report #4 Non- KCOJ Expenses

An explanation of each report that may be attached to the Cost Summary Report is below:

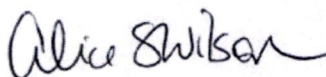
- Report #1 Reimbursement Denied - will list expenses where prior approval from AOC was not obtained by the local unit of government consistent with the requirements listed above.
- Report #2 Unauthorized Expenses - will list expenses defined as not necessary for the operation of the KCOJ facility.
- Report #3 Approved Projects - will list all nonrecurring expenses that have been reviewed and approved for the KCOJ facility or KCOJ occupied portion of the facility.
- Report #4 Non-KCOJ Expenses - will list expenses that are not related to the KCOJ Facility or KCOJ occupied portion of the facility.

As noted during last year's engagement letter and final report, if your county collects court facility fees, these should be recorded in account code 4561-Fiscal Court Filing fees per the Department for Local Government memo dated July 29, 2020 and deposited into the General Fund to be used for court facility purposes pursuant to KRS 23A.220, 64.091, or 24A.185. That memo further states that court facility fee expenditures should be recorded in account code 5081 – Judicial Center AOC.

For this FY2022 audit, we reviewed the receipt and expenditure of court facility fees. Your county does not appear to be recording the receipt and expenditure of court facility fees appropriately. Please contact Robert Brown, State Local Finance Officer, Department for Local Government, for further guidance.

Should you have questions regarding the audit, please contact Debbie Kissick at (502) 573-2350, ext. 50861. If you have questions about any denied expenses, please contact Danny Rhoades at (502) 573-2350, ext. 50077.

Respectfully submitted,



Alice S. Wilson, CPA, CIA  
Director, Office of Audits

cc: Danny Rhoades, Executive Officer, Department of Court Facilities

MARSHALL COUNTY

FISCAL YEAR ENDED: 06/30/2022

JUDICIAL FACILITY

TOTAL BUILDING SPACE  
COURT SPACE RATIO

55,599.0  
92.0%

	<u>ESTIMATED COST</u>	<u>ACTUAL FY2022</u>	<u>ACTUAL FY2021</u>
UTILITIES	\$ 83,400.00	\$ 96,497.14	\$ 87,734.92
JANITORIAL SERVICES & SUPPLIES	89,400.00	72,270.00	66,351.00
INSURANCE	61,300.00	54,594.48	54,813.00
RECURRING REPAIRS & MAINTENANCE	58,100.00	68,822.29	56,141.45
NONRECURRING R&M UNDER THRESHOLD	-	25,834.86	11,223.84
TOTAL OPERATING COST	<u>\$ 292,200.00</u>	<u>\$ 318,018.77</u>	<u>\$ 276,264.21</u>
ADJUSTMENT (SEE EXPLANATION)		-	-
ADJUSTED TOTAL OPERATING COST	\$ 292,200.00	\$ 318,018.77	\$ 276,264.21
<b>COURTS % OPERATING COSTS</b>	<b>\$ 268,824.00</b>	<b>\$ 292,577.27</b>	<b>\$ 254,163.07</b>

EXPLANATION OF ADJUSTMENT:

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ESTIMATED COURTS % OPERATING COST	\$ (268,824.00)
ACTUAL COURTS % OPERATING COST	292,577.27
ESTIMATED OUTSIDE RENTAL	-
ACTUAL OUTSIDE RENTAL	-
<b>DIFFERENCE</b>	<b>\$ 23,753.27</b>

NON-RECURRING PROJECTS/REPAIRS

AOC PAYMENTS FOR APPROVED EXPENSES	\$ (10,191.76)
APPROVED N-R COSTS - CURRENT YEAR	10,191.76

DIFFERENCE

\$	-
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FY2022 ADJUSTMENT

\$	<b>23,753.27</b>
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**COURT FACILITY FEES-COUNTY**

Collected-Per AOC	\$ 21,816.00
Received-Per County	\$ 28,036.00

Difference due to 4th quarter FY21 payment being received FY22



REPORT #1 REIMBURSEMENT DENIED

MARSHALL COUNTY  
 FISCAL YEAR ENDED: 06/30/2022

FACILITY	NAME	DATE	AMOUNT	CATEGORY	DESCRIPTION
JUDICIAL FACILITY	SHI INTERNATIONAL CORP	7/20/2021	\$ 411.25	DENIED	COUNTY PORTION OF NR PROJECT 21-879.2-02, PAID WITH CFF FUNDS
JUDICIAL FACILITY	SHI INTERNATIONAL CORP	8/3/2021	\$ 475.00	DENIED	COUNTY PORTION OF NR PROJECT 21-879.2-02, PAID WITH CFF FUNDS
JUDICIAL FACILITY	HMC SERVICE COMPANY	3/1/2022	\$ 1,736.92	DENIED	NOT PRE-APPROVED SERVICE DATE 11/16/21 - 2ND FLOOR HOLDING ROOM UNIT
JUDICIAL FACILITY	HMC SERVICE COMPANY	3/1/2022	\$ 1,736.92	DENIED	NOT PRE-APPROVED-SERVICE DATE 11/16/21 - 1ST FLOOR CIRCUIT CLERK UNIT
JUDICIAL FACILITY	HMC SERVICE COMPANY	3/1/2022	\$ 1,736.92	DENIED	NOT PRE-APPROVED- SERVICE DATE 11/16/21 - 2ND FLOOR BACK ENTRANCE UNIT
<b>Total</b>			<b>\$ 6,097.01</b>		

REPORT #3 APPROVED PROJECTS

MARSHALL COUNTY

FISCAL YEAR ENDED: 06/30/2022

FACILITY	NAME	DATE	AMOUNT	CATEGORY	DESCRIPTION
JUDICIAL FACILITY	SHI INTERNATIONAL CORP	7/20/2021	\$ 2,023.76	APPROVED-PAID	APPROVED NR PROJECT 21-879.2-02 - FY2021 PAID OUT IN FY2022 - SOFTWARE/HARDWARE UPGRADE
JUDICIAL FACILITY	AUTOMATED BUILDING CONCEPTS	10/12/2021	\$ 8,168.00	APPROVED-PAID	APPROVED NR PROJECT 21-879.2-02 - FY2021 PAID OUT IN FY2022 - SOFTWARE/HARDWARE UPGRADE
JUDICIAL FACILITY	HMC SERVICE COMPANY	3/1/2022	\$ 4,145.00	PENDING REIMBURSEMENT	APPROVED NR PROJECT 22.879.2-05 FOR FY2022 NEW EVAPORATOR FOR SERVICE ROOM
JUDICIAL FACILITY	HMC SERVICE COMPANY	6/7/2022	\$ 3,947.00	PENDING REIMBURSEMENT	APPROVED NR PROJECT 22.879.2-04 FOR FY2022 2ND FLOOR BATHROOM UNIT REPAIR
<b>Total</b>			<b>\$ 18,283.76</b>		

REPORT #4 NON-KCOJ EXPENSES

MARSHALL COUNTY  
FISCAL YEAR ENDED: 06/30/2022

FACILITY	NAME	DATE	AMOUNT	DESCRIPTION
JUDICIAL FACILITY	HMC SERVICE COMPANY	8/17/2021	\$ 419.93	COUNTY ATTORNEY'S OFFICE
<b>Total</b>			<b>\$ 419.93</b>	