Auditor of Public Accounts Allison Ball

Menifee County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Menifee 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 Menifee 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.

Finding: The Fourth Quarter Financial Report Was Materially Misstated

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The fourth quarter financial report, which serves as the county's year-end financial statement, was materially misstated. The following errors and omissions occurred:

- General Fund receipts of $199,600 were incorrectly posted as prior year carryover but should have been posted as borrowed money. Also, loan fees of $400 were not included in loan origination amount and had to be posted to the fourth quarter financial report as borrowed money.
- General Fund receipts of $187,799 for the Local Assistance and Tribal Consistency Fund (LATCF), or Revenue Sharing grant, was incorrectly posted as prior year carryover but should have been posted as federal grants.
- General Fund receipts of $1,498,500 were incorrectly posted as borrowed money but should have been posted as bond proceeds.
- General Fund receipts of $38,500 were incorrectly posted as borrowed money but should have been posted as bond premiums.
- Road Fund receipts of $228,683 were not posted to the fourth quarter financial report for the financing obligation proceeds of the purchase of a John Deere loader.
- General Fund disbursements for $400 were not posted to the fourth quarter for loan fees.
- Road Fund disbursements of $228,683 were not posted for the purchase of a John Deere loader.
- The Road Fund, roads line item exceeded budgeted appropriations by $227,081.

Recommendations

We recommend the fiscal court establish adequate internal controls, oversight, and review procedures to ensure that all financial data is completely and accurately recorded and reported.

County Officials Response

County Judge/Executive's Response: To prevent this from occurring in the future, we will ensure all transactions are recorded using the correct account codes and that sufficient detail is included in the description section to clearly identify each transaction.

The Treasurer will review transactions more closely before quarter-end reporting to ensure proper coding and accurate financial reporting.

The audit report can be found on the auditor's website.