

**REPORT OF THE AUDIT OF THE
FORMER MUHLENBERG COUNTY
SHERIFF'S SETTLEMENT - 2019 TAXES**

**For The Period
April 16, 2019 Through May 15, 2020**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE 502.564.5841
FACSIMILE 502.564.2912**

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT 1

SHERIFF’S SETTLEMENT - 2019 TAXES 3

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 7

THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

The Honorable Andy Beshear, Governor

Holly M. Johnson, Secretary

Finance and Administration Cabinet

The Honorable Curtis McGehee, Muhlenberg County Judge/Executive

The Honorable William Ward, Muhlenberg County Sheriff

Members of the Muhlenberg County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We were engaged to audit the former Muhlenberg County Sheriff's Settlement - 2019 Taxes for the period April 16, 2019 through May 15, 2020 - Regulatory Basis, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on conducting an audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Our basis for disclaiming is that we were unable to obtain required written management representations from the former Muhlenberg County Sheriff, which results in a management-imposed scope limitation. Management is required to provide written representations to assert that they have fulfilled their responsibility for the preparation and fair presentation of the financial statements and that the information provided to the auditor is complete. Due to the former Muhlenberg County Sheriff passing away and there was no other member of management that could provide the required representations, we were unable to place appropriate reliance on the information provided during the audit and, therefore, cannot reduce the audit risk to an acceptable level.



To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Curtis McGehee, Muhlenberg County Judge/Executive
The Honorable William Ward, Muhlenberg County Sheriff
Members of the Muhlenberg County Fiscal Court

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statement.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2021, on our consideration of the former Muhlenberg County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the former Muhlenberg County Sheriff's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

April 26, 2021

**MUHLENBERG COUNTY
RICKI ALLEN, FORMER SHERIFF
SHERIFF'S SETTLEMENT - 2019 TAXES**

For The Period April 16, 2019 Through May 15, 2020

RECAP OF SHERIFF'S 2019 TAX SETTLEMENTS

| | STATE | COUNTY | SCHOOL | LIBRARY | HEALTH | EXTENSION | SOIL CONS | AIRPORT | W MUHL FP | FLOOD PLAIN | FIRE ACRES | EAST POND | MUD RIVER | POND CREEK |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|------------------|-------------------|------------------|-----------------|-----------------|------------------|-----------------|------------------|
| Real Estate | 1,250,533.50 | 1,199,300.03 | 5,801,691.10 | 1,178,814.36 | 348,517.96 | 215,463.23 | 53,302.16 | 102,504.37 | 17,152.50 | 7,005.00 | 1,394.34 | 25,119.25 | 4,960.23 | 44,992.85 |
| Tangible | 353,231.29 | 98,791.37 | 526,340.11 | 180,094.45 | 33,314.83 | 25,890.32 | | 9,777.86 | | | | | | |
| Bank Shares/Deposits | | | | | | | | | | | | | | |
| Franchise - Real Estate | | 405,016.95 | 1,523,039.19 | 389,841.63 | 91,988.57 | 62,510.65 | 4,845.78 | 27,056.42 | | | | 134.33 | 116.34 | 1,058.20 |
| Franchise - Tangible | | | | | | | | | | | | | | |
| Exoneration Increases (Real Estate) | | | | | | | | | | | | | | |
| Exoneration Increases (Tangible) | | | | | | | | | | | | | | |
| Mineral Charges | 30,096.40 | 28,863.07 | 139,627.68 | 28,369.61 | 8,387.52 | 5,182.39 | 791.74 | 2,466.90 | | | | | | |
| Add/Supp/Omitted Charges | 1,057.58 | 1,077.30 | 5,291.48 | 1,167.42 | 313.79 | 197.12 | 38.49 | 92.66 | | | | | | |
| Penalties | 7,367.07 | 6,511.73 | 31,542.27 | 6,550.56 | 1,896.35 | 1,183.71 | 275.94 | 557.30 | 209.18 | 2.25 | 5.03 | 121.33 | 31.05 | 225.44 |
| TOTAL CHARGES | 1,642,285.84 | 1,739,560.45 | 8,027,531.83 | 1,784,838.03 | 484,400.82 | 310,427.42 | 59,254.11 | 142,455.51 | 17,361.68 | 7,007.25 | 1,399.37 | 25,374.91 | 5,107.62 | 46,276.49 |
| Exoneration Decreases (Real Estate) | 12,392.37 | 11,604.09 | 56,182.09 | 11,473.88 | 3,374.72 | 2,091.21 | 511.63 | 992.62 | | | | 90.42 | 35.46 | 237.19 |
| Exoneration Decreases (Tangible) | | | | | | | | | | | | | | |
| Delinquents - 62A359 (Real Estate) | 51,116.04 | 49,021.84 | 237,145.21 | 48,184.34 | 14,245.09 | 8,806.91 | 2,178.50 | 4,189.90 | 5,059.50 | | | 17.20 | 600.48 | 158.04 |
| Delinquents - 62A359 (Tangible) | 3,125.71 | 1,880.04 | 10,038.73 | 3,259.90 | 603.03 | 468.62 | | 177.36 | | | | | | |
| Delinquents - 62A362 (Oil Gas LSG UMC) | 1,065.22 | 1,021.56 | 4,941.88 | 1,004.11 | 296.85 | 183.35 | 33.96 | 87.31 | | | | | | |
| Delinquents - 62A362 (Tangible) | | | | | | | | | | | | | | |
| Discounts | 24,303.51 | 22,592.24 | 99,696.76 | 21,514.02 | 6,021.98 | 3,812.78 | 826.64 | 1,770.98 | 151.83 | 130.56 | 22.84 | 419.00 | 72.41 | 712.06 |
| TOTAL CREDITS | 92,002.85 | 86,119.77 | 408,004.67 | 85,436.25 | 24,542.27 | 15,362.87 | 3,550.73 | 7,218.17 | 5,211.33 | 130.56 | 40.04 | 1,109.90 | 265.91 | 2,022.02 |
| CHARGES LESS CREDITS | 1,550,282.99 | 1,653,440.68 | 7,619,527.16 | 1,699,401.78 | 459,858.55 | 295,064.55 | 55,703.38 | 135,237.34 | 12,150.35 | 6,876.69 | 1,359.33 | 24,265.01 | 4,841.71 | 44,254.47 |
| Less Commissions | 65,887.08 | 70,271.63 | 209,537.06 | 72,224.57 | 19,544.01 | 12,540.30 | 2,368.29 | 5,747.60 | 516.40 | 292.26 | 57.76 | 1,031.26 | 205.75 | 1,880.82 |
| Amount Due To Taxing District | 1,484,395.91 | 1,583,169.05 | 7,409,990.10 | 1,627,177.21 | 440,314.54 | 282,524.25 | 53,335.09 | 129,489.74 | 11,633.95 | 6,584.43 | 1,301.57 | 23,233.75 | 4,635.96 | 42,373.55 |
| Less Amount Previously Remitted | 1,481,450.88 | 1,580,351.12 | 7,396,421.63 | 1,624,519.45 | 439,499.89 | 282,026.19 | 53,209.74 | 129,249.94 | 11,633.95 | 6,584.43 | 1,301.57 | 23,233.75 | 4,630.61 | 42,230.32 |
| Less Current & Prior Year Refunds | 2,944.25 | 2,817.79 | 13,588.49 | 2,657.78 | 814.67 | 498.12 | 125.55 | 239.82 | | | | | 5.35 | 143.33 |
| AMOUNT DUE TO COMPLETE SETTLEMENT | 0.78 | 0.14 | (0.02) | (0.02) | (0.02) | (0.06) | (0.20) | (0.02) | | | | | | |

Muhlenberg COUNTY Ricki Allen SHERIFF 8/27/2020 DATE

RECAP OF SHERIFF'S 2018 UNMINED COAL TAX SETTLEMENT

| | STATE | COUNTY | SCHOOL | LIBRARY | HEALTH | EXTENSION | SOIL | AIRPORT | W MUHL FP | FLOOD PLAIN | FIRE ACRES |
|--|------------------|------------------|------------------|------------------|-----------------|-----------------|---------------|-----------------|-----------|-------------|------------|
| Real Estate | | | | | | | | | | | |
| Tangible | | | | | | | | | | | |
| Bank Shares/Deposits | | | | | | | | | | | |
| Franchise - Real Estate | | | | | | | | | | | |
| Franchise - Tangible | | | | | | | | | | | |
| Exoneration Increases (Real Estate) | | | | | | | | | | | |
| Exoneration Increases (Tangible) | | | | | | | | | | | |
| Mineral Charges | 18,358.95 | 17,606.54 | 84,421.06 | 15,499.75 | 5,116.40 | 3,024.64 | 782.56 | 1,504.84 | | | |
| Penalties | 568.29 | 545.00 | 2,613.21 | 479.78 | 158.38 | 93.63 | 24.23 | 46.58 | | | |
| TOTAL CHARGES | 18,927.24 | 18,151.54 | 87,034.27 | 15,979.53 | 5,274.78 | 3,118.27 | 806.79 | 1,551.42 | | | |
| Exoneration Decreases (Real Estate) | | | | | | | | | | | |
| Exoneration Decreases (Tangible) | | | | | | | | | | | |
| Delinquents - 62A359 (Real Estate) | | | | | | | | | | | |
| Delinquents - 62A359 (Tangible) | | | | | | | | | | | |
| Delinquents - 62A362 (Real Estate) | 338.51 | 324.62 | 1,556.60 | 285.79 | 94.34 | 55.77 | 14.44 | 27.75 | | | |
| Delinquents - 62A362 (Tangible) | | | | | | | | | | | |
| Discounts | 225.23 | 216.00 | 1,035.67 | 180.15 | 62.77 | 37.11 | 9.60 | 18.46 | | | |
| TOTAL CREDITS | 563.74 | 540.62 | 2,592.27 | 475.94 | 157.11 | 92.88 | 24.04 | 46.21 | | | |
| CHARGES LESS CREDITS | 18,363.50 | 17,610.92 | 84,442.00 | 15,503.59 | 5,117.67 | 3,025.39 | 782.75 | 1,505.21 | | | |
| Less Commissions | 780.45 | 748.46 | 2,322.16 | 658.91 | 217.49 | 128.57 | 33.26 | 63.97 | | | |
| Amount Due To Taxing District | 17,583.05 | 16,862.46 | 82,119.84 | 14,844.68 | 4,900.18 | 2,896.82 | 749.49 | 1,441.24 | | | |
| Less Amount Previously Remitted | 17,583.05 | 16,862.46 | 82,119.84 | 14,844.68 | 4,900.18 | 2,896.82 | 749.49 | 1,441.24 | | | |
| Less Current & Prior Year Refunds | | | | | | | | | | | |
| AMOUNT DUE TO COMPLETE SETTLEMENT | | | | | | | | | | | |

Muhlenberg COUNTY Ricki Allen SHERIFF 10/22/2019 DATE

MUHLENBERG COUNTY
 RICKI ALLEN, FORMER SHERIFF
 SHERIFF'S SETTLEMENT - 2019 TAXES
 For The Period April 16, 2019 Through May 15, 2020
 (Continued)

RECAP OF SHERIFF'S RICKI ALLEN 2020 FRANCHISE TAX SETTLEMENTS

| | STATE | COUNTY | SCHOOL | LIBRARY | HEALTH | EXTENSION | SOIL CONS | AIRPORT | W MUHL FP | FLOOD PLAIN | FIRE ACRES | EAST POND | MUD RIVER | POND CREEK |
|--|-------|-------------------|-------------------|-------------------|------------------|------------------|-----------------|------------------|-----------|-------------|------------|--------------|---------------|-----------------|
| Real Estate | | | | | | | | | | | | | | |
| Tangible | | | | | | | | | | | | | | |
| Bank Shares/Deposits | | | | | | | | | | | | | | |
| Franchise - Real Estate | | 194,021.75 | 994,515.51 | 274,357.00 | 59,741.18 | 42,611.35 | 3,672.97 | 17,570.89 | | | | 18.16 | 107.04 | 1,062.61 |
| Franchise - Tangible | | | | | | | | | | | | | | |
| Exonerations Increases (Real Estate) | | | | | | | | | | | | | | |
| Exonerations Increases (Tangible) | | | | | | | | | | | | | | |
| Add/Supp/Omitted Charges | | | | | | | | | | | | | | |
| Penalties | | 13.22 | 70.61 | 22.93 | 4.24 | 3.30 | | 1.25 | | | | | | |
| TOTAL CHARGES | | 194,034.97 | 994,586.12 | 274,380.53 | 59,745.42 | 42,614.65 | 3,672.97 | 17,572.14 | | | | 18.16 | 107.04 | 1,062.61 |
| Exonerations Decreases (Real Estate) | | | | | | | | | | | | | | |
| Exonerations Decreases (Tangible) | | | | | | | | | | | | | | |
| Delinquents - 62A359 (Real Estate) | | | | | | | | | | | | | | |
| Delinquents - 62A359 (Tangible) | | | | | | | | | | | | | | |
| Delinquents - 62A362 (OIL GAS LSG UMC) | | | | | | | | | | | | | | |
| Delinquents - 62A362 (Tangible) | | | | | | | | | | | | | | |
| Discounts | | | | | | | | | | | | | | |
| TOTAL CREDITS | | | | | | | | | | | | | | |
| CHARGES LESS CREDITS | | 194,034.97 | 994,586.12 | 274,380.53 | 59,745.42 | 42,614.65 | 3,672.97 | 17,572.14 | | | | 18.16 | 107.04 | 1,062.61 |
| Less Commissions | | 8,246.49 | 27,351.14 | 11,661.18 | 2,539.17 | 1,811.13 | 156.11 | 746.82 | | | | 0.77 | 4.55 | 45.16 |
| Amount Due To Taxing District | | 185,788.48 | 967,234.98 | 262,719.35 | 57,206.25 | 40,803.52 | 3,516.86 | 16,825.32 | | | | 17.39 | 102.49 | 1,017.45 |
| Amount Previously Remitted | | 185,788.48 | 967,235.02 | 262,719.34 | 57,205.25 | 40,803.53 | 3,516.86 | 16,825.32 | | | | 17.39 | 102.49 | 1,017.45 |
| Current & Prior Year Refunds | | | | | | | | | | | | | | |
| AMOUNT DUE TO COMPLETE SETTLEMENT | | | (6.04) | 0.01 | | (6.61) | | | | | | | | |

Muhlenberg

COUNTY

Ricki Allen

SHERIFF

2/15/2021

DATE

MUHLENBERG COUNTY
 FC2021 PG127

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Curtis McGehee, Muhlenberg County Judge/Executive
The Honorable William Ward, Muhlenberg County Sheriff
Members of the Muhlenberg County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

We were engaged to audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky, the former Muhlenberg County Sheriff's Settlement - 2019 Taxes for the period April 16, 2019 through May 15, 2020 - Regulatory Basis and the related notes to the financial statement and have issued our report thereon dated April 26, 2021. Our report disclaims an opinion on the financial statement because we were unable to obtain written management representation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the former Muhlenberg County Sheriff's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the former Muhlenberg County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the former Muhlenberg County Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former Muhlenberg County Sheriff's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Accounts

April 26, 2021