
Section II Financial Statement Findings

Internal Control Matters

Material Weaknesses in Internal Control Over Financial Reporting


2022-001

Material Audit Adjustments

Criteria

Strong internal controls require personnel to be responsible and capable of financial record keeping and reporting.

Condition


The County, including the component unit personnel, were unable to identify all balances and necessary adjustments which were significant to the financial records and financial statements. Material audit adjustments were required to present the financial statements from being materially misstated in accordance with accounting principles generally accepted in the United States (GAAP). 

Cause

Personnel are relying primarily on the budgetary basis of accounting without full consideration of all adjustments required for GAAP reporting.

Effect or potential effect

Significant journal entries were posted in the following areas: 

- Cash and cash equivalents
- Investments
- Prepaid items
- Property taxes receivable and related items
- Receivables, net of allowance
- Lease receivable
- Accounts payable
- Due to other governments - specific purpose sales and use taxes
- Fiduciary Fund – due to other taxing units, custodial additions, and custodial deductions
- Pension liability, deferred inflows, and outflows for pension plan items
- Weed and Pest – accounts receivable and accounts payable
- Fund balance and net position
- Transfers in and out
- Activity of the Airport and Justice Center JPB 

These journal entries were required to correct the balances for governmental funds financial statements, government wide financial statements, and the Statement of Fiduciary Net Position. While these entries are not part of the assessment of budgetary compliance, they do include balances that are significant to the financial information.