REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
GREENUP COUNTY SHERIFF

Calendar Year 2000

EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
WWW.KYAUDITOR.NET

144 CAPITOL ANNEX
FRANKFORT, KY 40601
TELE. (502) 564-5841
FAX (502) 564-2912

EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE GREENUP COUNTY SHERIFF

Calendar Year 2000

The Auditor of Public Accounts has completed the Greenup County Sheriff's audit for calendar year 2000. We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects.

Financial Condition:

Fee account balances decreased by $37,617 from the prior calendar year, resulting in a cash surplus of $7,001 as of December 31, 2000. Revenues increased by $209,534 from the prior year and disbursements increased by $247,151.

Deposits:

The Sheriff's deposits were insured and collateralized by bank securities or bonds.

CONTENTS PAGE

INDEPENDENT AUDITOR'S REPORT 1
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES 3
NOTES TO FINANCIAL STATEMENT 6
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS 11

EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Robert Carpenter, Greenup County Judge/Executive
Honorable Keith M. Cooper, Greenup County Sheriff
Members of the Greenup County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Sheriff of Greenup County Kentucky, for the year ended December 31, 2000. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office prepares the financial statement on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 2000, in conformity with the basis of accounting described above.

144 Capitol Annex
Frankfort, KY 40601–3448
Tele. 502.564.5841
FAX 502.564.2912
ehatchett@kyauditor.net

An Equal Opportunity Employer M / F / D

2501 Georgetown Road, Suite 2
Frankfort, KY 40601–5539
Tele. 502.573.0050
FAX 502.573.0067

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Robert Carpenter, Greenup County Judge/Executive
Honorable Keith M. Cooper, Greenup County Sheriff
Members of the Greenup County Fiscal Court

In accordance with Government Auditing Standards, we have also issued a report dated August 3, 2001, on our consideration of the County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
August 3, 2001

GREENUP COUNTY
KEITH M. COOPER, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 2000

Receipts				
Federal Grants			$	34,760
State - Kentucky Law Enforcement Foundation Program Fund				31,765
State Fees For Services:				
Finance and Administration Cabinet				88,555
Circuit Court Clerk:				
Sheriff Security Service	$	13,707		
Fines and Fees Collected		1,680		15,387
County Clerk - Delinquent Taxes				12,374
Commission On Taxes Collected				359,747
Fees Collected For Services:				
Auto Inspections	$	17,570		
Accident and Police Reports		1,072		
Serving Papers		19,200		
Carrying Concealed Deadly Weapon Permits		13,475		
Fiscal Court Service Fees		1,520		52,837
Other:				
Drug Forfeiture	$	15,157		
Governor's Strike Force		3,305		
Insurance Reimbursement		11,462		
Tax Collection Fees		68,114		
Miscellaneous		12,440		110,478
Interest Earned				13,629
Borrowed Money:				
State Advancement	$	214,795		
Bank Note		50,000		264,795
Gross Receipts			$	984,327

GREENUP COUNTY
KEITH M. COOPER, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
Calendar Year 2000
(Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-	
Deputies' Salaries	$ 292,828
Other Salaries	52,491
Employee Benefits-	
Employer's Share Social Security	35,954
Contracted Services-	
Advertising	253
Contract Labor	16,016
Dispatching	15,000
Professional Services	28,686
Materials and Supplies-	
Deputies' Supplies	8,597
K-9 Unit	505
Office Materials and Supplies	5,030
Uniforms	12,154
Auto Expense-	
Gasoline	24,243
Maintenance and Repairs	26,778
Other Charges-	
Bank Charge	51
Bonds	2,815
Carrying Concealed Deadly Weapon Permits	7,335
Computer Expense	5,106
Drug Enforcement	7,818
Fiscal Court Service Fees	1,520
Insurance	5,816
Postage	7,385
Radio Expense	12,447
Telephone	5,867
Travel, Training, and Transporting	14,754
Miscellaneous	10,033

GREENUP COUNTY
KEITH M. COOPER, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
Calendar Year 2000
(Continued)

Disbursements (Continued)

Operating Disbursements and Capital Outlay: (Continued)

Capital Outlay-			
Vehicles		$ 48,929	
Debt Service:			
State Advancement	$ 214,795		
Notes	50,000		
Interest	578	265,373	
Total Disbursements			$ 913,784
Net Receipts			$ 70,543
Less: Statutory Maximum			63,542
Excess Fees			$ 7,001
Less: Training Incentive Benefit			688
Excess Fees Due County for Calendar Year 2000			$ 6,313
Payments to County Treasurer - April 27, 2001		$ 5,964	
August 3, 2001		349	6,313
Balance Due at Completion of Audit			$ 0

The accompanying notes are an integral part of the financial statement.

GREENUP COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2000

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2000.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent.

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2000, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bonds which named the Sheriff as beneficiary/obligee on the bonds.

Note 4. Federal Grants

The Sheriff's office received a COPS In School award in the amount of $31,765 from the United States Department of Justice. The grant was used to hire deputies for the local school system. As of December 31, 2000, the Greenup County Sheriff's office is in compliance with the terms of the grant agreement.

THIS PAGE LEFT BLANK INTENTIONALLY

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

EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Robert Carpenter, Greenup County Judge/Executive
Honorable Keith M. Cooper, Greenup County Sheriff
Members of the Greenup County Fiscal Court

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

We have audited the Greenup County Sheriff for the year ended December 31, 2000, and have issued our report thereon dated August 3, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Greenup County Sheriff's financial statement for the year ended December 31, 2000, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greenup County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

144 Capitol Annex
Frankfort, KY 40601–3448
Tele. 502.564.5841
FAX 502.564.2912
ehatchett@kyauditor.net

An Equal Opportunity Employer M / F / D

2501 Georgetown Road, Suite 2
Frankfort, KY 40601–5539
Tele. 502.573.0050
FAX 502.573.0067

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

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party.

Respectfully submitted,

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
August 3, 2001