

**REPORT OF THE AUDIT OF THE  
DAVIESS COUNTY  
SHERIFF**

**For The Year Ended  
December 31, 2024**



**ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS  
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**ALLISON BALL**  
**AUDITOR OF PUBLIC ACCOUNTS**

**Independent Auditor's Report**

The Honorable Charlie Castlen, Daviess County Judge/Executive  
The Honorable Bradley Youngman, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying Statement of Receipts and Disbursements - Regulatory Basis of the Sheriff of Daviess County, Kentucky, and the Statement of Receipts, Disbursements, and Fund Balances of the Sheriff's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2024, and the related notes to the financial statements.

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statements present fairly, in all material respects, the receipts and disbursements of the Daviess County Sheriff and the receipts, disbursements, and fund balances of the Daviess County Sheriff's operating fund and county fund with the state treasurer for the year ended December 31, 2024, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws as described in Note 1.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Daviess County Sheriff, as of December 31, 2024, or changes in financial position or cash flows thereof for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States, and the *Audit Program for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Daviess County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



The Honorable Charlie Castlen, Daviess County Judge/Executive  
The Honorable Bradley Youngman, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

### **Basis for Opinion (Continued)**

#### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statements, the financial statements are prepared by the Daviess County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky, to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements 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 and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Daviess County Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Daviess County Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Daviess County Sheriff's ability to continue as a going concern for a reasonable period of time.

The Honorable Charlie Castlen, Daviess County Judge/Executive  
The Honorable Bradley Youngman, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

**Auditor's Responsibilities for the Audit of the Financial Statement (Continued)**

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025, on our consideration of the Daviess County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Daviess County Sheriff's internal control over financial reporting and compliance.

Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report findings:

- 2024-001 The Daviess County Sheriff's Office Did Not Have Adequate Internal Controls Over Procurement Of Vehicles
- 2024-002 The Daviess County Sheriff's 75% Fund Financial Statement Was Materially Misstated
- 2024-003 The Daviess County Sheriff's Office Lacks Adequate Segregation Of Duties

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, KY

October 9, 2025

DAVIESS COUNTY  
BRADLEY YOUNGMAN, SHERIFF  
STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS

For The Year Ended December 31, 2024

Receipts

Federal:

Highway Safety Grant	\$	14,030	
JAG Grant		19,965	\$ 33,995

State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)		223,013
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State Fees for Services:

State Fee Claim - Monthly Claims	\$	58,820	
Sheriff Security Service		55,805	
State Fee Claim - Bailiff's		695,333	
Prisoner Transport		40,907	850,865

Circuit Court Clerk:

Fines/Fees Collected		169,760
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Fiscal Court		3,039,227
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County Clerk - Delinquent Taxes		60,044
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Commission on Taxes		1,156,825
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Fees Collected for Services:

Auto Inspections		88,640	
Accident /Police Reports		13,879	
Serving Papers		40,425	
Carry Concealed Deadly Weapon Permits		18,549	
Serving Papers Fiscal Court		4,640	166,133

Other:

Add-On Fees		178,267	
Contract Overtime		28,590	
County Attorney/Traffic School		9,415	
Reimbursed Expenses		8,148	
Miscellaneous Grants		4,989	229,409

Interest Earned		19,908
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Total Receipts		5,949,179
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The accompanying notes are an integral part of the financial statements.



DAVIESS COUNTY  
 BRADLEY YOUNGMAN, SHERIFF  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS  
 For The Year Ended December 31, 2024  
 (Continued)

Disbursements

Payments to County:

Fees Collected - Fiscal Court	\$	4,640	
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Total Disbursements		\$	4,640
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Net Receipts			5,944,539
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Payments to State Treasurer:

75% Operating Fund *	5,607,270		
25% County Fund	337,269		
			5,944,539

Balance Due at Completion of Audit		\$	0
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\* Includes reimbursed expenses in the amount of \$8,148 for the audit period.  
 See Note 1 of Notes to Financial Statements.

DAVISS COUNTY  
BRADLEY YOUNGMAN, SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
FUND BALANCES OF THE SHERIFF'S OPERATING FUND  
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2024

	75% Operating Fund	25% County Fund	Totals
Fund Balance - January 1, 2024	\$ 549,126	\$ 339,994	\$ 889,120
<u>Receipts</u>			
Fees Paid to State - Operating Funds (75%)	5,607,270		5,607,270
Fees Paid to State - County Funds (25%)		337,269	337,269
Total Funds Available	6,156,396	677,263	6,833,659
<u>Disbursements</u>			
Daviess County Fiscal Court		493,982	493,982
Personal Services-			
Official's Statutory Maximum	133,842		133,842
Official's Training Incentive	2,576		2,576
Deputies' Salaries	3,116,804		3,116,804
Overtime Gross	219,386		219,386
Employee Benefits-			
Employer's Share Social Security	257,265		257,265
Employer's Share Retirement	1,078,198		1,078,198
Employer's Share Health Insurance	505,948		505,948
Employer's Share Life Insurance	548		548
Workers' Compensation	81,386		81,386
Unemployment Insurance	1,345		1,345
Contracted Services-			
Maintenance Agreements	20,637		20,637
Computer Maintenance	28,500		28,500
Supplies and Materials-			
Office Supplies	5,715		5,715
Uniforms/Equipment	100,538		100,538

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

DAVIESS COUNTY  
 BRADLEY YOUNGMAN, SHERIFF  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND  
 AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS  
 For The Year Ended December 31, 2024  
 (Continued)

	75% Operating Fund	25% County Fund	Totals
<u>Disbursements (Continued)</u>			
Other Charges-			
K-9 Expenses	\$ 7,978	\$	\$ 7,978
Dues	5,150		5,150
Miscellaneous	19,798		19,798
Supplies	22,393		22,393
Telephone/Fax/Cellular	10,413		10,413
Training	36,208		36,208
Prisoner Transport	26,628		26,628
Tax Costs	1,191		1,191
Travel	1,836		1,836
Auto Expenses-			
Gasoline	165,764		165,764
Maintenance and Repairs	75,169		75,169
Capital Outlay-			
Grant Equipment	19,786		19,786
Equipment	77,710		77,710
Office Equipment	32,457		32,457
Vehicles	293,487		293,487
Total Disbursements	6,348,656	493,982	6,842,638
Fund Balance - December 31, 2024	\$ (192,260)	\$ 183,281	\$ (8,979)

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

DAVIESS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

Note 1. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statement has been prepared on a regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Authority for the regulatory basis is found in Kentucky Revised Statutes (KRS).

The Department for Local Government (DLG) is the regulatory agency responsible for establishing minimum accounting requirements for local government entities. The commissioner of the DLG is designated as the state local finance officer. (KRS 68.001). The DLG must prescribe and maintain “a uniform system of accounting and reporting on the receipt, use and handling of all public funds, other than taxes, due and payable to the state” from local government entities. (KRS 46.010(1)). The state local finance officer supervises the administration of the county uniform budget system and accounts and financial operations and must prescribe a “uniform system of accounts for all counties and county officials.” (KRS 68.210). Under this authority, the DLG requires local governments to follow guidelines set forth in its *County Budget Preparation and State Local Finance Officer Policy Manual* (Manual) to meet the minimum required reporting for financial statement purposes.

The regulatory basis is outlined in the Manual and defines the measurement, presentation, disclosure, and recognition requirements for financial transactions when preparing regulatory basis financial statements. This regulatory basis Manual includes the standardized format to follow for quarterly reporting to DLG.

Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed, with the exception of accrual of the following items (not all-inclusive), at December 31:

- Interest receivable
- Collection on accounts due from others for 2024 services
- Reimbursements for 2024 activities
- Payments due to other governmental entities for December tax and fee collections
- Payroll expenditures incurred but not paid
- Payments due to vendors for goods or services provided in 2024

B. Measurement Focus and Excess Fees

A fee official in a county with a population over 70,000 has two funds with the state treasurer for the deposit of fees collected. (KRS 64.350). Seventy-five percent (75%) of the fees collected are deposited in the sheriff's operating fund and used for his or her office expenses. (KRS 64.350.) The remaining twenty-five percent (25%) of fees collected are deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly, no later than April 15, July 15, October 15, and January 15. (KRS 64.350). These funds are closed at the end of each official term by paying the balances to the respective county government. (KRS 64.350).

Also, fee official office revenues could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

The fiscal court shall collect any amount due from the sheriff as determined by the audit. (KRS 64.820).

An outgoing sheriff is to make a final settlement with the fiscal court by March 15 immediately following the expiration of his or her term of office. (KRS 64.830).

DAVIESS COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024  
 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. 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.

D. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in 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 and Other Post-Employment Benefits

The sheriff's office has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which has been governed by the CERS nine-member board of trustees since April 1, 2021. The Kentucky Public Pensions Authority (KPPA) was created by KRS 61.505, effective April 1, 2021, to provide staffing and daily administrative needs for CERS and Kentucky Retirement Systems. CERS is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions, vesting requirements, and provisions are established by statute and are determined by participation date and hazardous or non-hazardous participation.

The sheriff's contribution for calendar year 2022 was \$1,033,942, calendar year 2023 was \$1,128,256, and calendar year 2024 was \$1,078,198. The county's contribution rate for nonhazardous employees for calendar year 2024 was 23.34% for the first six months and 19.71% for the last six months. The county's contribution rate for hazardous employees was 43.69 percent for the first six months and 38.61 percent for the last six months.

Other Post-Employment Benefits (OPEB)

CERS provides post-retirement health care, cost of living adjustments for all recipients of retirement benefits, and a retired member's death benefit, all determined by participation date and hazardous or non-hazardous participation.

Specific details about retiree pension and OPEB benefits can be found online at: <https://www.kyret.ky.gov/Publications>.

DAVIESS COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024  
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

Kentucky Public Pension Authority's Annual Financial Report and Proportionate Share Audit Report

KPPA issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. Many of these annual reports are available online at <https://kyret.ky.gov>. Reports may also be obtained by writing the KPPA, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KPPA also issues proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

Note 3. Deposits

The Daviess County Sheriff maintained deposits of public funds with federally insured banking institutions as required by the Manual. The Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected 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.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The Daviess County Sheriff does not have a deposit policy for custodial credit risk, but rather follows the requirements of the Manual. As of December 31, 2024, all deposits were covered by a properly executed collateral security agreement.

Note 4. Deferred Compensation

All eligible employees of the Daviess County Sheriff's Office may participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax shelter supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate. These deferred compensation plans permit all full-time employees to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plan is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing to the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd Floor, Frankfort, Kentucky, 40601, or by telephone at (502) 573-7925.

DAVISS COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024  
 (Continued)

Note 5. Federal Highway Safety Grants

- A. The Daviess County Sheriff's Office received a FY 2024 Highway Safety Grant passed through from the Kentucky Transportation Cabinet's Office of Highway Safety in the amount of \$20,000. The main purpose of this grant is to reduce fatalities on Kentucky roadways, minimize injuries to individuals and property, and to educate the public in ways to do this. The Daviess County Sheriff's Office was reimbursed \$13,320 from this grant for calendar year 2024.
- B. The Daviess County Sheriff's Office received a FY 2025 Highway Safety Grant passed through from the Kentucky Transportation Cabinet's Office of Highway Safety in the amount of \$20,500. The main purpose of this grant is to reduce fatalities on Kentucky roadways, minimize injuries to individuals and property, and to educate the public in ways to do this. The Daviess County Sheriff's Office was reimbursed \$710 from this grant for calendar year 2024.

Note 6. Special Investigation Account

The Daviess County Sheriff maintained a special investigation account for monies received from court ordered forfeitures in connection with drug related arrests. The account had a beginning balance of \$15,103 with receipts of \$128,282 and \$51,430 of disbursements for calendar year 2024. The account balance was \$91,955 as of December 31, 2024.

Note 7. Federal Investigation Account

The Daviess County Sheriff maintained a federal investigation account for monies received from federal forfeitures in connection with drug related arrests. The account had a beginning balance of \$0 with receipts of \$26,091 and there were no disbursements for calendar year 2024. The account balance was \$26,091 as of December 31, 2024.

Note 8. Fiduciary Accounts – Trust Accounts

The Daviess County Sheriff is periodically required by the Daviess County Judicial System to act as the Public Administrator of decedents' estates until these estates can be settled. Additionally, the Daviess County Sheriff is periodically required by the Daviess County Judicial System to act as the Public Administrator for minor beneficiaries until they reach the appropriate age to receive benefits. The Daviess County Sheriff maintains the following custodial accounts:

1. Roberts Estate

The account had a beginning balance of \$8,293 with receipts of \$1,934 and \$59 of disbursements for calendar year 2024. The account balance was \$10,168 as of December 31, 2024.

2. Kiniman Estate

The account had a beginning balance of \$1,098 there were no receipts and \$1,098 of disbursements for calendar year 2024. The account balance was \$0 as of December 31, 2024.

3. Bruner Estate

The account had a beginning balance of \$39,710 there were no receipts and \$39,710 of disbursements for calendar year 2024. The account balance was \$0 as of December 31, 2024.

DAVIESS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024  
(Continued)

Note 8. Fiduciary Accounts – Trust Accounts (Continued)

4. Gaither Beneficiary

The account had a beginning balance of \$9,780 with receipts of \$1 and there were no disbursements for calendar year 2024. The account balance was \$9,781 as of December 31, 2024.

5. White Beneficiary

The account had a beginning balance of \$33,946 with receipts of \$34 and there were no disbursements for calendar year 2024. The account balance was \$33,980 as of December 31, 2024.

6. Matthews Estate

The account had a beginning balance of \$1,150 there were no receipts and \$40 of disbursements for calendar year 2024. The account balance was \$1,110 as of December 31, 2024.

7. Pytlick Estate

The account had a beginning balance of \$2,828 with receipts of \$438 and there were no disbursements for calendar year 2024. The account balance was \$3,266 as of December 31, 2024.

8. Welch Beneficiary

The account had a beginning balance of \$9,198 with receipts of \$7,087 and \$10 of disbursements for calendar year 2024. The account balance was \$16,275 as of December 31, 2024.

9. Glass Beneficiary

The account had a beginning balance of \$17,492 with receipts of \$2 and there were no disbursements for calendar year 2024. The account balance was \$17,494 as of December 31, 2024.

10. Wilson Estate

The account had a beginning balance of \$46,696 with receipts of \$1,580 and \$48,276 of disbursements for calendar year 2024. The account balance was \$0 as of December 31, 2024.

11. Sparks Estate

The account had a beginning balance of \$1,000 there were no receipts or disbursements for calendar year 2024. The account balance was \$1,000 as of December 31, 2024.

12. Waters Estate

The account had a beginning balance of \$7,632 there were no receipts or disbursements for calendar year 2024. The account balance was \$7,632 as of December 31, 2024.

13. Jarvis Beneficiary

The account had a beginning balance of \$12,395 with receipts of \$1 and there were no disbursements for calendar year 2024. The account balance was \$12,396 as of December 31, 2024.



DAVIESS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024  
(Continued)

Note 9. 75% Operating Fund

The Daviess County Sheriff's 75% operating fund had a deficit balance of \$192,260 as of December 31, 2024. If the fees paid into the State Treasury 75% operating fund in any one month are insufficient to pay the sheriff's office's salaries and expenses for that month, the deficit may be made up with an amount paid any succeeding month. (KRS 64.345(4)). However, amounts allowed to the sheriff's office for salaries and expenses shall not exceed 75% of the total amount collected and paid over to the Finance and Administration Cabinet by the sheriff during his or her term. (KRS 64.345(4)). The 75% operating fund has to be settled at the end of the sheriff's term, which ends December 31, 2026.

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

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**ALLISON BALL**  
**AUDITOR OF PUBLIC ACCOUNTS**

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

**Independent Auditor's Report**

The Honorable Charlie Castlen, Daviess County Judge/Executive  
The Honorable Bradley Youngman, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

We have audited, 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 Program for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky, the Statement of Receipts and Disbursements - Regulatory Basis of the Sheriff of Daviess County, Kentucky, the Statement of Receipts, Disbursements, and Fund Balances of the Sheriff's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 9, 2025. The Daviess County Sheriff's financial statements are prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Daviess County Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Daviess County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Daviess County Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2024-001, 2024-002, and 2024-003 to be material weaknesses.



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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Daviess County Sheriff's financial statements are free of 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 financial statement. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Responses as item 2024-001.

**Views of Responsible Official and Planned Corrective Action**

*Government Auditing Standards* require the auditor to perform limited procedures on the Daviess County Sheriff's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Daviess County Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on the response.

**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,



Allison Ball  
Auditor of Public Accounts  
Frankfort, KY

October 9, 2025

## SCHEDULE OF FINDINGS AND RESPONSES

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DAVIESS COUNTY  
BRADLEY YOUNGMAN, SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended December 31, 2024

2024-001    The Daviess County Sheriff's Office Did Not Have Adequate Internal Controls Over Procurement Of Vehicles

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This is a repeat finding and was included in the prior year audit report as finding 2023-001. The Daviess County Sheriff lacks adequate internal controls over the procurement of vehicles. Rather than procuring vehicles by soliciting bids per KRS 424.260, the sheriff opted to procure six vehicles totaling \$238,848 using the state pricing contract during calendar year 2024. However, the sheriff failed to obtain quotes from a minimum of three dealers who have Master Agreements with the Finance and Administration Cabinet.

According to staff, these were vehicles that were ordered in 2023 but were not received and paid for until February 2024. The sheriff's office staff were unaware of the Finance and Administration Cabinet's new policies and procedures regarding the state pricing contract until the calendar year 2023 audit was conducted in mid-2024. Because the sheriff chose to opt out of the bidding process per KRS 424.260 and failed to obtain quotes from at least three dealers when procuring vehicles at the state contract price, the sheriff is not in compliance with procurement policies established by the Finance and Administration Cabinet. Additionally, it is possible that the sheriff may not have received the best value for services or products provided.

When purchasing vehicles, a county or fee official should advertise for bids in accordance with KRS 424.260. KRS 424.260(1) states, "[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for: (a) Materials; (b) Supplies, except perishable foods such as meat, poultry, fish, egg products, fresh vegetables, and fresh fruits; (c) Equipment, or (d) Contractual services other than professional; involving an expenditure of more than forty thousand dollars (\$40,000) without first making newspaper advertisement for bids[.]"

However, if the county has adopted purchasing policies in which the bid threshold is more restrictive than the bid threshold alluded to in KRS 424.260, then the county or fee official should adhere to the county's policies. Chapter 3, Section 6 of Daviess County's Administrative Code states, "[i]n accordance with KRS 424.260, expenditures of twenty thousand dollars (\$20,000) or more for materials, supplies, equipment or for contractual services other than professional, require advertisement for bids."

On the other hand, per KRS 45A.050(3), a county or fee official can opt out of the bidding process altogether and procure vehicles at the state contract price using the Finance and Administration Cabinet's Master Agreements. KRS 45A.055(1) states, "the secretary of the Finance and Administration Cabinet shall publish the initial state purchasing regulations in accordance with current Finance and Administration Cabinet policies and procedures." The Finance and Administration Cabinet has developed an updated Vehicle Purchasing Requirements that took effect as of February 1, 2023. As part of the requirement of using these Master Agreements, a county or fee official would be responsible for obtaining a quote from a minimum of three of these dealers.

Furthermore, KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." Strong internal controls require management to monitor disbursements to ensure compliance with procurement laws.

DAVIESS COUNTY  
 BRADLEY YOUNGMAN, SHERIFF  
 SCHEDULE OF FINDINGS AND RESPONSES  
 For The Year Ended December 31, 2024  
 (Continued)

2024-001 The Daviess County Sheriff's Office Did Not Have Adequate Internal Controls Over Procurement Of Vehicles (Continued)

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We recommend the sheriff implement internal controls for vehicle purchases and comply with Daviess County's Administrative Code by advertising for bids when the purchase price of a vehicle exceeds \$20,000. If the sheriff chooses to opt out of the bidding process by purchasing vehicles at the state contract price, we recommend the sheriff comply with the Finance and Administration Cabinet's policies by obtaining quotes with a minimum of three dealers who have Master Agreements with the Finance and Administration Cabinet.

*Sheriff's Response: We are aware of this issue, as it came up during our 2023 Audit as well. When we were notified of the law change during the 2023 audit in mid-2024, we had already made purchases for that fiscal year. We have since implemented steps to comply with the change, including utilizing Daviess County Fiscal Court's assistance in obtaining bids since they are well-versed in doing so. We ordered vehicles in early 2025 in accordance with the new regulation and foresee no future issues.*

2024-002 The Daviess County Sheriff's 75% Fund Financial Statement Was Materially Misstated

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The Daviess County Sheriff's 75% fund financial statement for calendar year 2024 was materially inaccurate. The revenue and disbursements were understated by \$743,615 and \$8,148; respectively. The finance director failed to include \$826,110 for December 2024 receipts and he incorrectly added November 2024 receipts of \$90,642, which was already included in the year-to-date revenue total. Additionally, he omitted \$8,148 of reimbursed expenses.

According to the finance director he was unsure as to how to handle the reimbursed expenses on the 75% fund financial statement and the other items were an error, he thought he was adding December 2024, not November 2024. As a result, the 75% fund financial statement was incorrect and did not reflect an accurate and complete financial presentation of the Daviess County Sheriff's Office for the period that ended on December 31, 2024.

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." The Daviess County Sheriff failed to establish the basic internal controls necessary to ensure an accurate 75% fund financial statement was prepared.

We recommend the Daviess County Sheriff strengthen internal controls to ensure the 75% fund financial statement is accurate and complete.

*Sheriff's Response: The Finance Director simply made a mistake in the reporting document, as he was unfamiliar with that document since he was inherited it by the previous CFO. The prior CFO started the year maintaining these reports and records, but the current Finance Director ended the year and he is still grasping how certain things are to be reported. We agree with the Auditor's findings that items were incorrectly documented and that no funds were actually unaccounted for. We view this as a transitional year for personnel and may seek guidance from the Auditor of Public Accounts on how they would like such data reported in the future.*

DAVISS COUNTY  
BRADLEY YOUNGMAN, SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Year Ended December 31, 2024  
(Continued)

2024-003 The Daviess County Sheriff's Office Lacks Adequate Segregation Of Duties

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The Daviess County Sheriff's Office lacks adequate segregation of duties over accounting and reporting functions of the sheriff's office. The sheriff's finance director reconciles checking accounts, occasionally collects money, makes deposits, and prepares monthly and quarterly reports and the 75% fund financial statement. The sheriff implemented compensating controls to help alleviate the risks associated with the lack of segregation of duties, however, these controls were deemed to be ineffective.

According to the finance director, the lack of adequate segregation of duties is a result of the county choosing not to spend the resources necessary to hire more individuals to perform the accounting and reporting functions. A lack of segregation of duties or strong oversight increases the risk that errors or fraud could occur without being detected.

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." A lack of adequate segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports. Proper segregation of duties over the accounting and reporting functions or the implementation of compensating controls is essential for providing protection from errors occurring and not being detected. Additionally, a proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the Daviess County Sheriff's Office segregate duties over the accounting and reporting functions. If segregation of duties is not feasible due to a lack of staff, we recommend the sheriff implement and document effective compensating controls to offset this control deficiency in the form of strong oversight from an employee not performing any of those functions.

*Sheriff's Response: Sheriff Youngman & the Finance Director have implemented an immense number of changes to the way DCSO operates since 2023. One of those areas is proper staffing in the DCSO business office. More personnel have been slowly added to help alleviate this issue and more efficient solutions are always being pursued; but ultimately the cited duties are, we feel, exclusive to the role of finance director as administrator of department funds.*