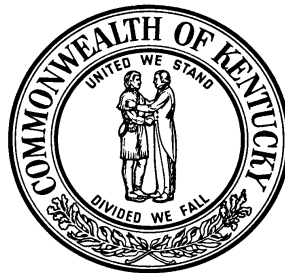


**REPORT OF THE AUDIT OF THE
FORMER LETCHER COUNTY
SHERIFF'S SETTLEMENT - 2023 TAXES**

**For The Period
September 1, 2023 Through September 30, 2024**



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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Terry Adams, Letcher County Judge/Executive
The Honorable Mickey Stines, Former Letcher County Sheriff
The Honorable Billy Jones, Letcher County Sheriff
Members of the Letcher County Fiscal Court

Report on the Audit of the Financial Statement

Disclaimer of Opinion

We engaged to audit the former Letcher County Sheriff's Settlement - 2023 Taxes for the period September 1, 2023 through September 30, 2024 - Regulatory Basis, and the related notes to the financial statement..

We do not express an opinion on the accompanying financial statement of the former Letcher County Sheriff. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial settlement.

Basis for Disclaimer Opinion

Our basis for disclaiming is that we were unable to obtain required written management representations from the former Letcher 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. 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.

Responsibilities of Management 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 and budget laws. 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.



To the People of Kentucky
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Holly M. Johnson, Secretary
Finance and Administration Cabinet
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The Honorable Mickey Stines, Former Letcher County Sheriff
The Honorable Billy Jones, Letcher County Sheriff
Members of the Letcher County Fiscal Court

Responsibilities of Management for the Financial Statement (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the former Letcher 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 statement as a whole is 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 an 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 control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statement.

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 statement, 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 statement.
- 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 former Letcher 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the former Letcher County Sheriff's ability to continue as a going concern for a reasonable period of time.

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

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Terry Adams, Letcher County Judge/Executive
The Honorable Mickey Stines, Former Letcher County Sheriff
The Honorable Billy Jones, Letcher County Sheriff
Members of the Letcher County Fiscal Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the former Letcher 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 effectiveness of 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 Letcher County Sheriff's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

December 16, 2025

LETCHER COUNTY
 MICKEY STINES, FORMER SHERIFF
 SHERIFF'S SETTLEMENT - 2023 TAXES
 For The Period September 1, 2023 Through September 30, 2024
 (Continued)

2023 PROPERTY TAX SETTLEMENT

	STATE	COUNTY	SCHOOL	LIBRARY	HEALTH	EXTENSION	SOIL	Jenkins		Fire Acres
Real Estate	428,041.83	837,314.07	2,274,293.09	461,837.54	300,380.67	694,629.88	123,908.23	415,554.20		3,689.40
Tangible	207,312.81	101,221.44	275,647.24	69,130.17	36,312.57	122,555.12		49,783.06		
Bank Shares/Deposits										
Franchise - Real Estate										
Franchise - Tangible										
Exoneration Increases (Real Estate)										
Exoneration Increases (Tangible)										
Add/Supp/Omitted Charges	2,726.63	646.59	1,972.16	356.64	231.96	536.41	95.68			
Penalties	3,655.50	6,926.92	18,280.42	3,836.15	2,484.30	5,792.36	1,007.70	4,089.49		19.01
TOTAL CHARGES	641,736.77	946,109.02	2,570,192.91	535,160.50	339,409.50	823,513.77	125,011.61	469,426.75		3,708.41
Exoneration Decreases (Real Estate)	6,128.25	11,987.72	33,981.54	6,612.06	4,300.53	9,944.97	1,773.97	4,194.58		
Exoneration Decreases (Tangible)										
Delinquents - 62A359 (Real Estate)	33,630.58	65,786.13	152,029.25	36,285.62	23,600.40	54,575.93	9,735.17	64,968.34		381.84
Delinquents - 62A359 (Tangible)	554.43	690.70	1,962.10	471.72	247.78	836.27				
Delinquents - 62A362 (Real Estate)	45.60	89.20	278.80	49.20	32.00	74.00	13.20			
Delinquents - 62A362 (Tangible)										
Discounts	8,809.14	13,332.00	36,908.52	7,596.85	4,780.99	11,771.56	1,692.88	5,847.25		55.87
TOTAL CREDITS	49,168.00	91,885.75	225,160.21	51,015.45	32,961.70	77,202.73	13,215.22	75,010.17		437.71
CHARGES LESS CREDITS	592,568.77	854,223.27	2,345,032.70	484,145.05	306,447.80	746,311.04	111,796.39	394,416.58		3,270.70
Less Commissions	25,182.25	36,300.71	87,964.06	20,574.11	13,022.69	31,715.12	4,750.74	15,624.41		138.70
Amount Due To Taxing District	567,386.52	817,922.56	2,257,068.64	463,570.94	293,425.11	714,595.92	107,045.65	378,792.17		3,132.00
Less Amount Previously Remitted	565,885.72	815,964.48	2,256,213.45	462,412.13	292,727.49	712,798.00	106,806.41	372,186.03		3,124.63
Less Current & Prior Year Refunds	1,456.74	1,871.50	3,508.52	1,110.77	666.77	1,726.38	225.40	2,799.75		4.14
AMOUNT DUE TO COMPLETE SETTLEMENT	44.06	86.58	(2,653.33)	48.04	30.85	71.54	13.84	3,806.39		3.23

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*

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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
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

The Honorable Terry Adams, Letcher County Judge/Executive
The Honorable Mickey Stines, Former Letcher County Sheriff
The Honorable Billy Jones, Letcher County Sheriff
Members of the Letcher County Fiscal Court

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, the former Letcher County Sheriff's Settlement – 2023 Taxes for the period September 1, 2023 through September 30, 2024 - Regulatory Basis and the related notes to the financial statement and have issued our report thereon dated December 16, 2025. The former Letcher County Sheriff's financial statement is 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. Our report disclaims an opinion on the financial statement because we were unable to obtain written management representation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the former Letcher 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the former Letcher County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the former Letcher 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 or significant deficiencies may exist that have not been identified.



Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former Letcher 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 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 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,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

December 16, 2025