

**REPORT OF THE AUDIT OF THE  
FORMER LETCHER COUNTY  
SHERIFF**

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



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

## 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

### **Report on the Audit of the Financial Statement**

#### **Disclaimer of Opinion**

We were engaged to audit the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the former Sheriff of Letcher County, Kentucky, for the period January 1, 2024 through September 30, 2024, 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 this 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.



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

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

Our responsibility is to conduct an audit of the former Letcher County Sheriff's financial statements 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 to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of the former Letcher County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

### **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, 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. 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.

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

2024-001 The Former Letcher County Sheriff's Office Did Not Have Adequate Segregation Of Duties

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, KY

December 16, 2025

**LETCHER COUNTY  
MICKEY STINES, FORMER SHERIFF  
FOURTH QUARTER FINANCIAL STATEMENT**

For The Period January 1, 2024 Through September 30, 2024

Form For Budget, Cumulative Quarterly Report and Annual Settlement For Calendar Year 2024

Letcher County Sheriff

**Part One - Summary and Reconciliation of All Accounts**

| Show & Describe<br>All Accounts         | Column 1<br>2024 Fee Account<br>Budget Estimate | Column 2<br>2024 Fee Account<br>Actual<br>1st Quarter | Column 3<br>2024 Fee<br>Actual<br>2nd Quarter | Column 4<br>2024 Fee<br>Actual<br>3rd Quarter | Column 5<br>2024 Fee<br>Actual<br>4th Quarter |
|---|---|---|---|---|---|
| 1. Beginning Balance Plus Receipts YTD  | \$939,350.00                                    | \$423,581.09  | \$688,218.69                                  | \$813,503.70                                  |   |
| 2. Total Disbursements YTD              | \$938,750.00                                    | \$133,751.47  | \$302,644.32                                  | \$569,525.79                                  |   |
| 3. Book Balance/Excess Fees             | \$600.00  | \$289,829.62  | \$385,574.37                                  | \$243,977.91                                  |   |
| 4. Bank Statement Balance               |   | \$290,229.62  | \$385,991.83                                  | \$362,021.62                                  |   |
| 5. Plus Deposits in Transit             |   |   | \$320.87                                      | \$531.77                                      |   |
| 6. Less Outstanding Checks              |   | \$400.00  | \$738.33                                      | \$118,554.99                                  |   |
| 7. Other - Accts Receivable & bank fees |   |   |   |   |   |
| 8. Reconciled Bank Balance              |   | \$289,829.62  | \$385,574.37                                  | \$243,998.40                                  | \$0.00  |
| 9. Accounts Receivable as of 12/31      |   |   |   |   |   |
| 10. Unpaid Obligations as of 12/31      |   |   |   |   |   |
| 11. Excess Fees                         |   |   |   |   |   |

Instructions: This form is the required format for the budget and the quarterly report. BUDGET: After completing the budget estimate columns of Parts One, Two and Three, submit to the fiscal court for approval by January 15th and following approval submit to the state local finance officer. QUARTERLY REPORT: The quarterly report is cumulative. Show the status of all funds in the official's charge during calendar year to date in Part One. Line 1 Show total receipts on a cash basis for the year to date including any beginning balances for all accounts. Show current year fee account in column 2 as calculated in Part Two of report. Line 2 Show total disbursements on a cash basis for the year to date for all accounts. Show current year fee account in column 2 as calculated in Part Three of report. Line 3 Show difference between lines 1 and 2 for all accounts. Line 4 Show bank statement balance(s) at close of quarter. Line 5 Show total deposits made prior to close of quarter that are not reflected in bank statements(s). Line 6 Show total amount of checks issued prior to close of quarter that are not reflected in bank statements(s). Line 7 Show investments. Line 8 Show line 4 adjusted for lines 5, 6, and 7. Line 8 should equal line 3 for all accounts. Line 9 Complete for quarter ending 12/31. Show calculation in Part Two of report. Line 10 Complete for quarter ending 12/31. Show calculation in Part Three of report. Line 11 Complete for quarter ending 12/31. Show line 8 adjusted for lines 9 and 10. All deb to be shown in Part Four. Report due to: State Local Finance Officer, 1024 Capital Center Drive, Suite 340, Frankfort, KY 40601-8204 by the 30th day following the close of each quarter. Fax # 502-573-3712 / Ph # 502-573-3710.

Approved by the Fiscal court on the \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
County Judge/Executive

To the best of my knowledge the information reported herein for the budget/  
quarter ended September is accurate and complete.

  
Signature of Sheriff

10/2/24  
Date

LETCHER COUNTY  
 MICKEY STINES, FORMER SHERIFF  
 FOURTH QUARTER FINANCIAL STATEMENT  
 For The Period January 1, 2024 Through September 30, 2024  
 (Continued)

| Part Two Receipts                                 | Budget Estimate   | 1/1 thru 3/31     | 4/1 thru 6/30     | 7/1 thru 9/30     | 10/1 thru 12/31 | Total YTD         | Accounts Receivable 12/31 | Settlement Total  |
|---|-------------------|-------------------|-------------------|-------------------|-----------------|-------------------|---------------------------|-------------------|
| Federal Grants/Reimbursements                     |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| State Grants                                      |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| State - KLEFFP                                    | 18,500.00         | 2,530.40          | 4,273.51          | 4,729.09          |                 | 11,533.00         |                           | 11,533.00         |
| State Fees for Services                           |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| Finance and Administration Cals.                  | 141,000.00        | 24,160.52         | 40,595.19         | 36,485.22         |                 | 101,240.93        |                           | 101,240.93        |
| Sheriff Security Services                         | 5,500.00          | 1,062.74          | 981.61            | 1,127.27          |                 | 3,171.62          |                           | 3,171.62          |
| Sheriff Bond                                      |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| Janet Expense                                     |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| Circuit Clerk                                     |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| Fines/ Fees Collected                             | 2,000.00          | 515.00            | 510.00            | 90.00             |                 | 1,115.00          |                           | 1,115.00          |
| Restitution                                       |                   | 23.81             | 236.19            | 138.10            |                 | 398.10            |                           | 398.10            |
| Fiscal court                                      | 124,000.00        | 215,000.00        | 50,000.00         | 4,907.26          |                 | 269,907.26        |                           | 269,907.26        |
| County Clerk (Delinquent taxes)                   | 26,000.00         | 5,531.45          | 8,232.25          | 10,194.32         |                 | 23,958.02         |                           | 23,958.02         |
| Board of Education                                |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| School Resource Officer                           | 55,000.00         | 38,502.15         |                   |                   |                 | 38,502.15         |                           | 38,502.15         |
| Commissions on Taxes Collected                    | 350,000.00        | 85,282.07         | 60,830.99         | 5,277.84          |                 | 171,390.90        |                           | 171,390.90        |
| Fees Collected for services                       |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| Auto Inspections                                  | 21,000.00         | 982.00            | 2,073.00          | 3,612.00          |                 | 6,667.00          |                           | 6,667.00          |
| Accident/Police Reports                           | 300.00            | 52.00             | 4.00              | 36.00             |                 | 92.00             |                           | 92.00             |
| Sevving Papers                                    | 35,000.00         | 8,583.00          | 10,230.00         | 10,290.00         |                 | 29,103.00         |                           | 29,103.00         |
| Fingerprints                                      | 300.00            |                   | 20.00             | 20.00             |                 | 40.00             |                           | 40.00             |
| CCDW  | 5,000.00          | 1,440.00          | 1,680.00          | 870.00            |                 | 3,990.00          |                           | 3,990.00          |
| Copy Fees   | 600.00            | 116.50            | 170.80            | 339.60            |                 | 626.90            |                           | 626.90            |
| Other: (describe)                                 |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| 10% Sheriff Fee                                   | 40,000.00         | 9,542.35          | 27,626.29         |                   |                 | 37,168.64         |                           | 37,168.64         |
| Wrong account/ Redeposits/Refunds                 |                   |                   | 101.80            | 23.29             |                 | 125.09            |                           | 125.09            |
| Conveying Prisoners                               | 5,000.00          | 200.00            | 1,492.60          | 1,000.00          |                 | 2,692.60          |                           | 2,692.60          |
| Auction/ Probate                                  |                   |                   |                   | 1,100.00          |                 | 1,100.00          |                           | 1,100.00          |
| Audit   |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| Election Board                                    |                   |                   | 500.00            |                   |                 | 500.00            |                           | 500.00            |
| Interest Earned                                   | 150.00            | 28.79             | 59.05             | 45.02             |                 | 132.86            |                           | 132.86            |
| Tax Interest                                      |                   | 28.31             | 20.32             | 20.49             |                 | 69.12             |                           | 69.12             |
| <b>Total Revenues</b>                             | <b>829,350.00</b> | <b>393,581.09</b> | <b>229,637.60</b> | <b>80,305.50</b>  | <b>0.00</b>     | <b>703,524.19</b> | <b>0.00</b>               | <b>703,524.19</b> |
| Borrowed Money                                    |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| State Advancement                                 | 110,000.00        | 30,000.00         | 35,000.00         | 45,000.00         |                 | 110,000.00        |                           | 110,000.00        |
|   |                   |                   |                   |                   |                 | 0.00              |                           | 0.00              |
| <b>Total Receipts (total lines 23 through 28)</b> | <b>939,350.00</b> | <b>423,581.09</b> | <b>264,637.60</b> | <b>125,305.50</b> | <b>0.00</b>     | <b>813,524.19</b> | <b>0.00</b>               | <b>813,524.19</b> |

Copy the figure shown on Line 29 in the Budget Estimate column to the Summary on page 1, column 1, line 1. Copy the figure shown on Line 29 in the Total YTD column to page 1, column 2, line 1. Copy the figure shown on Line 29 in the Receivable column (use for 12/31 report only) to page 1, line 9.

LETCHER COUNTY  
 MICKEY STINES, FORMER SHERIFF  
 FOURTH QUARTER FINANCIAL STATEMENT  
 For The Period January 1, 2024 Through September 30, 2024  
 (Continued)

| Part Three<br>Disbursements  | Budget<br>Estimate | 1/1 thru<br>3/31     | 4/1 thru<br>6/30     | 7/1 thru<br>9/30     | 10/1 thru<br>12/31 | Total<br>YTD        | <sup>12/31</sup> Unpaid<br>Obligations | Settlement<br>Total |
|--|--------------------|----------------------|----------------------|----------------------|--------------------|---------------------|--|---------------------|
| <b>Personal Services</b>   |                    |                      |                      |                      |                    |                     |  |                     |
| Sheriff's Gross Salary   | 110,000.00         | 26,439.78            | 31,183.53            | 26,728.74            |                    | 84,352.05           |  | 84,352.05           |
| Sheriff Training Incentive   | 4,000.00           |                      |                      |                      |                    |                     |  | 0.00                |
| Deputies' Gross Salaries   | 105,000.00         | 16,480.00            | 18,768.00            | 18,720.00            |                    | 53,968.00           |  | 53,968.00           |
| Court Security   | 130,000.00         | 19,644.00            | 26,460.50            | 19,779.50            |                    | 65,884.00           |  | 65,884.00           |
| Office Gross Salaries  | 75,000.00          | 15,964.00            | 19,540.00            | 17,568.00            |                    | 53,072.00           |  | 53,072.00           |
| KLFFF  | 18,500.00          | 3,224.97             | 3,605.85             | 4,056.08             |                    | 10,886.90           |  | 10,886.90           |
| School Resource Officer  | 55,000.00          | 9,515.94             | 11,101.93            | 9,515.94             |                    | 30,133.81           |  | 30,133.81           |
| <b>Employee Benefits</b>   |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Employer's Matching FICA   | 30,000.00          | 7,294.05             | 8,001.61             | 6,981.45             |                    | 22,277.11           |  | 22,277.11           |
| Health/Life/FERCO/Retirement/HRA   | 196,600.00         | 24,645.39            | 36,083.18            | 38,527.12            |                    | 99,255.69           |  | 99,255.69           |
| Unemployment Insurance   |                    |                      | 3,084.65             |                      |                    | 3,084.65            |  | 3,084.65            |
| <b>Contracted Services</b>   |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Vehicle maintenance and repairs  | 11,000.00          | 547.73               | 518.86               | 1,726.63             |                    | 2,793.22            |  | 2,793.22            |
| Accounting Services  | 3,500.00           | 900.00               | 725.00               | 1,275.00             |                    | 2,900.00            |  | 2,900.00            |
| <b>Supplies and Materials</b> (Tangible items with limited lifespan)           |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Office Materials and Supplies  | 5,000.00           | 571.02               | 940.11               | 1,284.51             |                    | 2,795.64            |  | 2,795.64            |
| Uniforms/Equipment   | 6,500.00           |                      | 518.65               | 324.20               |                    | 842.85              |  | 842.85              |
| Gasoline   | 30,000.00          | 3,563.92             | 6,211.21             | 6,158.34             |                    | 15,933.47           |  | 15,933.47           |
| Postage  | 5,000.00           | 1,407.14             | 31.09                | 30.45                |                    | 1,468.68            |  | 1,468.68            |
| <b>Other Charges</b> (Non-contracted services, nontangible items)              |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| CCDW   | 150.00             |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Dues   | 1,000.00           |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Bond   | 1,500.00           | 720.60               | 321.40               |                      |                    | 1,042.00            |  | 1,042.00            |
| Phone/Radios   | 7,500.00           | 1,758.00             | 966.00               | 1,726.00             |                    | 4,450.00            |  | 4,450.00            |
| Training Services  | 3,500.00           | 400.00               |                      | 2,142.01             |                    | 2,542.01            |  | 2,542.01            |
| Water Services   |                    |                      | 114.50               | 97.50                |                    | 212.00              |  | 212.00              |
| Juice Expense  |                    |                      | 71.02                |                      |                    | 71.02               |  | 71.02               |
| Computer   |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Copy Machine   | 1,000.00           | 240.00               | 240.00               | 240.00               |                    | 720.00              |  | 720.00              |
| Transport Prisoners  |                    | 284.93               | 114.16               |                      |                    | 399.09              |  | 399.09              |
| Property Tax Expense   | 9,000.00           | 150.00               | 99.00                |                      |                    | 249.00              |  | 249.00              |
| Audit  |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Medical  |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Wrong Account/Refund   |                    |                      | 192.60               |                      |                    | 192.60              |  | 192.60              |
| <b>Debt Service</b> (Reversed money, interest, lease/purchase)                 |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| State Advancement  | 110,000.00         |                      |                      | 110,000.00           |                    | 110,000.00          |  | 110,000.00          |
| Fiscal Court   | 20,000.00          |                      |                      |                      |                    | 0.00                |  | 0.00                |
| <b>Capital Outlay</b> (Straight purchases of tangible items lasting in nature) |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| Vehicles   |                    |                      |                      |                      |                    | 0.00                |  | 0.00                |
| <b>Total Disbursements</b>   | <b>938,750.00</b>  | <b>\$ 133,751.47</b> | <b>\$ 168,892.85</b> | <b>\$ 266,881.47</b> | <b>\$</b>          | <b>\$569,525.79</b> | <b>0.00</b>                            | <b>569,525.79</b>   |

LETCHER COUNTY  
 MICKEY STINES, FORMER SHERIFF  
 FOURTH QUARTER FINANCIAL STATEMENT  
 For The Period January 1, 2024 Through September 30, 2024  
 (Continued)

Part Four - Liabilities Outstanding

Quarter Ending: September

| Multi-year Issues             | Issue   | Issue        | Totals        |
|-------------------------------|---|--------------|---------------|
| Where Budgeted                |   |              |               |
| Description                   |   |              |               |
| Term (# of Years)             |   |              |               |
| Current Interest Rate         |   |              |               |
| Issue Date                    |   |              |               |
| Total Principal Amount        |   |              |               |
| Total Interest Amount         |   |              |               |
| Total Issue                   |   |              |               |
| Principal Balance Remaining   |   |              |               |
| Interest Balance Remaining    |   |              |               |
| Less Reserve Earnings         |   |              |               |
| Net Outstanding               |   |              | \$0.00        |
| Next Payment Date             |   |              |               |
| Next Payment Amount           |   |              |               |
| Final Payment Date            |   |              |               |
| <b>Short Term Liabilities</b> | <b>Issue</b>  | <b>Issue</b> |               |
| Where Budgeted                | 110,000.00  |              |               |
| Description                   | Advancement   |              |               |
| Term                          | 12 months   |              |               |
| Current Interest Rate         |   |              |               |
| Issue Date                    | 2/1/2024  |              |               |
| Total Principal Amount        | \$110,000.00  |              |               |
| Total Interest Amount         |   |              |               |
| Total Issue                   | \$110,000.00  |              |               |
| Principal Balance Remaining   |   |              |               |
| Interest Balance Remaining    |   |              |               |
| Total Outstanding             |   |              |               |
| Next Payment Date             |   |              |               |
| Next Payment Amount           |   |              |               |
| Final Payment Date            | 1/15/2025   |              |               |
| <b>Total Outstanding Debt</b> | <small>(If no outstanding advancements, loans, leases, or other debt, show "0")</small> |              | <b>\$0.00</b> |

Comments:

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, 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, Disbursements, and Excess Fees - Regulatory Basis of the former Letcher County Sheriff for the period January 1, 2024 through September 30, 2024 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.

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 a certain deficiency in internal control that we consider to be a material weakness.

*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 statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-001 to be a material weakness.



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)

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the former Letcher County Sheriff's financial statement is 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 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

## SCHEDULE OF FINDINGS AND RESPONSES

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LETCHER COUNTY  
MICKEY STINES, FORMER SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended September 30, 2024

2024-001 The Former Letcher County Sheriff's Office Did Not Have Adequate Segregation Of Duties

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The former sheriff's bookkeeper collected payments from customers and prepared receipts, prepared deposits, and posted receipts to the receipts ledger. In addition, the bookkeeper prepared disbursement checks, distributed payroll checks, posted checks to the disbursements ledger, and prepared the monthly bank reconciliations. The former sheriff put some controls in place, such as assigning two employees to review and initial daily checkout sheets, and all disbursement checks were signed by two people, one being the former sheriff. There was not sufficient evidence available that would show that the former sheriff, or another employee, periodically reviewed deposits, ledgers, invoices, or bank reconciliations to offset the risk caused by the lack of segregation of duties.

The sheriff's office stated the office did not have enough funds to hire additional personnel to segregate duties. The lack of sufficient oversight could result in undetected misappropriation of assets and inaccurate financial reporting to external agencies such as the Department for Local Government.

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." Adequate segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports. The segregation of duties over various accounting functions such as preparing deposits, recording receipts and disbursements, and preparing bank reconciliation, or the implementation of compensating controls, is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties could protect employees in the normal course of performing their daily responsibilities.

We recommend that the sheriff's office segregate the duties within the office to adequately protect employees and prevent inaccurate financial reporting or misappropriation of assets. If this is not possible due to lack of funds, the sheriff's office should implement strong oversight over these areas, either by an employee independent of those functions or by the sheriff. Any oversight or reviews should be evidenced by the individual's signature or initials on the source documentation.

*Former Sheriff's Response: The former sheriff did not provide a response.*