

**REPORT OF THE AUDIT OF THE
WHITLEY COUNTY
SHERIFF**

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



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**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS**

Independent Auditor's Report

The Honorable Pat White, Jr., Whitley County Judge/Executive
The Honorable William Elliotte, Whitley County Sheriff
Members of the Whitley County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Whitley County, Kentucky, for the year ended December 31, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Whitley County Sheriff 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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Whitley 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 Whitley 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 Pat White, Jr., Whitley County Judge/Executive
The Honorable William Elliotte, Whitley County Sheriff
Members of the Whitley 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 statement, the financial statement is prepared by the Whitley 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 statement 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 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.

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 Whitley 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 absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 statement.

In performing an audit in accordance with GAAS and GAS, 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 Whitley 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 Whitley County Sheriff's ability to continue as a going concern for a reasonable period of time.

The Honorable Pat White, Jr., Whitley County Judge/Executive
The Honorable William Elliotte, Whitley County Sheriff
Members of the Whitley 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 2, 2025, on our consideration of the Whitley 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 Whitley 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 Whitley County Sheriff's Office Lacks Adequate Segregation Of Duties

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, KY

October 2, 2025

WHITLEY COUNTY
WILLIAM ELLIOTTE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2024

Receipts

Federal Lake Grant	\$ 7,740
State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	67,527
State Fees For Services:	
Finance and Administration Cabinet	\$ 271,108
Sheriff Security Service	<u>18,574</u>
	289,682
Circuit Court Clerk:	
Fines and Fees Collected	2,798
Fiscal Court	775,268
County Clerk - Delinquent Taxes	50,440
Commission On Taxes Collected	409,179
Fees Collected For Services:	
Auto Inspections	27,050
Accident/Police Reports	2,615
Serving Papers	65,588
Carry Concealed Deadly Weapon Permits	8,115
Election Commission from County Clerk	<u>1,300</u>
	104,668
Other:	
Telecom Tax Commission	2,780
Transports	9,486
Miscellaneous	1,409
School Resource Officers	217,144
Add on Fees	<u>42,289</u>
	273,108
Interest Earned Tax From Tax Account	985
Interest Earned	295
Borrowed Money:	
State Advancement	<u>280,000</u>
Total Receipts	2,261,690

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

WHITLEY COUNTY
 WILLIAM ELLIOTTE, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2024
 (Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-

Deputies' Salaries	\$ 590,781
Part-Time Salaries	169,530
Other Salaries	174,867
Overtime	23,837
Vacation/Sick	29,888
KLEFPF	56,594

Employee Benefits-

Employer's Share Social Security	88,823
Employer's Share Retirement	158,321
Employer's Share Hazardous Duty Retirement	21,507
Employer Paid Health Insurance	178,613

Contracted Services-

Advertising	943
Vehicle Maintenance and Repairs	1,001

Materials and Supplies-

Office Materials and Supplies	13,483
Uniforms	61,569
Guns & Supplies	5,175
Evidence Supplies	1,812

Auto Expense-

Gasoline	75,824
Maintenance and Repairs	40,704

Other Charges-

Conventions and Travel	2,341
Dues	1,148
Postage	1,506
Bond	318
Vehicle Expense	3,054
Prisoner Blood Kit	269
Radio/Camera/Supplies	2,995
Miscellaneous	4,628

Capital Outlay-

Vehicles	<u>33,600</u>	\$ 1,743,131
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WHITLEY COUNTY
 WILLIAM ELLIOTTE, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2024
 (Continued)

Disbursements (Continued):

Debt Service:

State Advancement	<u>\$ 280,000</u>
Total Disbursements	<u>\$ 2,023,131</u>
Net Receipts	238,559
Less: Statutory Maximum	<u>115,825</u>
Excess Fees	122,734
Less: Training Incentive Benefit	<u>2,576</u>
Excess Fees Due County for 2024	120,158
Payments to Fiscal Court - January 21, 2025	97,000
February 11, 2025	<u>20,000</u>
	<u>117,000</u>
Balance Due Fiscal Court at Completion of Audit	<u>\$ 3,158</u>

**WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENT**

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. The Manual includes the standardized format 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) as of December 31 that may be included in the excess fees calculation:

- 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 and payroll
- Payments due to vendors for goods or services provided in 2024

B. Measurement Focus and Excess Fees

The measurement focus of a fee official’s financial statement is upon current financial resources. A sheriff must remit to the fiscal court any income of his or her office, including the income from investments, that exceeds the sum of his or her maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants, when making his or her annual settlement. (KRS 134.192(12)). This settlement is due to the fiscal court by March 15 of each year. (KRS 134.192(11)). An outgoing sheriff shall 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). The fiscal court shall collect any amount due from the sheriff as determined by the audit. (KRS 64.820).

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.

WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 \$239,055, calendar year 2023 was \$185,961, and calendar year 2024 was \$179,828. 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>.

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.

WHITLEY COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2024
 (Continued)

Note 3. Deposits

The Whitley 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 Whitley 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. Federal Grant – Lake Patrol

The Whitley County Sheriff's Office received a grant from the U.S. Army Corps of Engineers in the amount of \$9,360. Funds totaling \$7,740 were expended during the year. The unexpended grant balance was \$1,620 as of December 31, 2024.

Note 5. Short-term Debt

A. Direct Borrowings

During 2024, the Finance and Administration Cabinet issued an advancement in the amounts of \$280,000 to the Whitley County Sheriff's Office, per KRS 64.140. This amount was due on or before January 15, 2025, at zero percent interest. The advancement was repaid on December 28, 2024.

B. Changes in Short-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance
State Advancement	\$ 280,000	\$ 280,000	\$ 280,000	\$ 0
Total Short-term Debt	\$ 0	\$ 280,000	\$ 280,000	\$ 0

WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2024
(Continued)

Note 6. Drug Fund Account

Drug investigation funds are to be used for drug enforcement expenses of the Whitley County Sheriff's Office and are kept separate from the sheriff's fee account. The balance as of January 1, 2024, was 25,692 (restated). During the period of January 1, 2024 through December 31, 2024, the sheriff received \$161 and disbursed \$1,510. The balance as of December 31, 2024, was \$24,343.

Note 7. Fiduciary Account

A. Sheriff's Evidence Holding Account

The Whitley County Sheriff deposited cash evidence into a custodial bank account. These funds are held until a resolution in the form of a court order is received. The funds are then remitted in accordance with the court order. The account had a beginning balance of \$11,072 with receipts of \$0 and \$150 of disbursements for calendar year 2024. The account balance was \$10,922 as of December 31, 2024.

Note 8. Donation Account

The Whitley County Sheriff's Office received donations throughout calendar year 2024. Donations are to be used as outlined by the donator of the funds. The donation account had a balance of \$1,442 on January 1, 2024. The sheriff received \$2 of interest and disbursed \$0 from the donation account during calendar year 2024, leaving the account with a balance of \$1,444 as of December 31, 2024.

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 Pat White, Jr., Whitley County Judge/Executive
The Honorable William Elliotte, Whitley County Sheriff
Members of the Whitley 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, Disbursements, and Excess Fees - Regulatory Basis of the Whitley County Sheriff for the year ended December 31, 2024, and the related notes to the financial statement and have issued our report thereon dated October 2, 2025. The Whitley 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Whitley 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 Whitley County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Whitley 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 Whitley 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

October 2, 2025

SCHEDULE OF FINDINGS AND RESPONSES

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WHITLEY COUNTY
WILLIAM ELLIOTTE, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended December 31, 2024

2024-001 The Whitley County Sheriff's Office Lacks Adequate Segregation Of Duties

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The Whitley County Sheriff's office did not have adequate segregation of duties. The Whitley County Sheriff's bookkeeper collected payments from customers, posted transactions to the receipt's ledger, wrote checks, posted checks to the disbursement's ledger, and prepared monthly and quarterly reports. According to the sheriff, the office had a limited number of employees that prevented an adequate segregation of duties over most accounting functions of the office. A lack of 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." The adequate segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports and would prevent the same person from having a significant role in these incompatible functions.

We recommend the Whitley County Sheriff's Office separate the duties involved in receiving cash, preparing deposits, writing checks, posting to ledgers, and preparing monthly bank reconciliations. If this is not feasible due to a limited budget, cross checking procedures should be implemented and documented by the individual performing the procedures.

Sheriff's Response: The official did not provide a response.