

**REPORT OF THE AUDIT OF THE  
LINCOLN COUNTY  
SHERIFF**

**For The Year Ended  
December 31, 2017**



**MIKE HARMON  
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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Jim W. Adams Jr., Lincoln County Judge/Executive  
The Honorable Curt Folger, Lincoln County Sheriff  
Members of the Lincoln County Fiscal Court

Independent Auditor's Report

**Report on the Financial Statement**

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Lincoln County, Kentucky, for the year ended December 31, 2017, and the related notes to the financial statement.

**Management's Responsibility 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our 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 Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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The Honorable Jim W. Adams Jr., Lincoln County Judge/Executive  
The Honorable Curt Folger, Lincoln County Sheriff  
Members of the Lincoln County Fiscal Court

### **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 Lincoln 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, 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.

### **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 paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Lincoln County Sheriff, as of December 31, 2017, or changes in financial position or cash flows thereof for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Lincoln County Sheriff for the year ended December 31, 2017, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2019, on our consideration of the Lincoln 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 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 Lincoln County Sheriff's internal control over financial reporting and compliance.

The Honorable Jim W. Adams Jr., Lincoln County Judge/Executive  
The Honorable Curt Folger, Lincoln County Sheriff  
Members of the Lincoln County Fiscal Court

**Other Reporting Required by *Government Auditing Standards* (Continued)**

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

- 2017-001 The Lincoln County Sheriff's Office Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2017-002 The Lincoln County Sheriff Did Not Present An Annual Settlement And Did Not Pay Excess Fees To Fiscal Court For Calendar Year 2017

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon  
Auditor of Public Accounts

May 6, 2019

LINCOLN COUNTY  
CURT FOLGER, SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2017

Receipts

State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	\$		22,274
State Fees For Services:			
Finance and Administration Cabinet	\$	11,283	
Sheriff Security Service		7,166	
Court Security		47,412	65,861
Circuit Court Clerk:			
Fines and Fees Collected			9,139
Fiscal Court			75,248
County Clerk - Delinquent Taxes			19,649
Commission On Taxes Collected			347,039
Fees Collected For Services:			
Auto Inspections		4,775	
Accident and Police Reports		3,430	
Serving Papers		25,968	
Carry Concealed Deadly Weapon Permits		8,195	42,368
Other:			
Add-On Fees		34,900	
Lincoln County Ordinance		6,180	
Transports		2,137	
Miscellaneous		2,244	45,461
Interest Earned			19
Borrowed Money:			
State Advancement			150,000
Total Receipts			777,058

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



LINCOLN COUNTY  
 CURT FOLGER, SHERIFF  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS  
 For The Year Ended December 31, 2017  
 (Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-

Deputies' Gross Salaries	\$	214,617
Clerk's Gross Salaries		57,656
Court Security Gross Salaries		67,004
KLEFPF		18,230
Overtime Gross Salaries		6,285

Employee Benefits-

KLEFPF Retirement Employer's Share		4,362
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Materials and Supplies-

Office Materials and Supplies		6,078
Uniforms		7,770

Auto Expense-

Gasoline		50,662
Maintenance and Repairs		29,027
Vehicle Equipment		3,597

Other Charges-

Conventions and Travel		773
Dues		723
Postage		2,013
Office Equipment Lease		3,945
Lincoln County Ordinance		5,886
Phone/Internet/Cable		3,049
Miscellaneous		20,562

Capital Outlay-

Vehicles		<u>16,694</u>	\$	518,933
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Debt Service:

State Advancement		<u>150,000</u>
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Total Disbursements

\$ 668,933

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

LINCOLN COUNTY  
CURT FOLGER, SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS  
For The Year Ended December 31, 2017  
(Continued)

Net Receipts	\$ 108,125
Less: Statutory Maximum	<u>91,163</u>
Excess Fees	16,962
Less: Training Incentive Benefit	<u>4,052</u>
Excess Fees Due Fiscal Court at Completion of Audit	<u><u>\$ 12,910</u></u>

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

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENT

December 31, 2017

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

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

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

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the sheriff as determined by the audit. KRS 134.192 requires the sheriff to settle excess fees with the fiscal court at the time he files his annual settlement with the fiscal court on or before September 1 of each year. KRS 64.830 requires an outgoing sheriff to settle excess fees with the fiscal court of his county by March 15 immediately following the expiration of his term of office.

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework. 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 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2017 services
- Reimbursements for 2017 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2017

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

C. Cash and Investments

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 county official and employees have elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This 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 and provisions are established by statute.

LINCOLN COUNTY  
 NOTES TO FINANCIAL STATEMENT  
 December 31, 2017  
 (Continued)

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

The sheriff's contributions for the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) for calendar year 2015 was \$2,685, calendar year 2016 was \$3,444, and calendar year 2017 was \$4,362.

Nonhazardous

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute six percent of their salary to be allocated as follows: five percent will go to the member's account and one percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous members contribute five percent of their annual creditable compensation and one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 18.68 percent for the first six months and 19.18 percent for the last six months.

Health Insurance Coverage

CERS also provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

<b>Years of Service</b>	<b>% Paid by Insurance Fund</b>	<b>% Paid by Member through Payroll Deduction</b>
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2017  
(Continued)

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

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The Lincoln County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

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 Lincoln County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. As of December 31, 2017, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Lease Agreement

The Lincoln County Sheriff's office was committed to a lease agreement for computer hardware and support. During calendar year 2017 the lease agreement expired on September 1, 2017. The sheriff and the company renewed the agreement starting September 1, 2017 and requires a monthly payment of \$322 for 36 months to be completed on September 1, 2020. The total remaining balance of the agreement was \$10,626 as of December 31, 2017.

Note 5. Forfeiture Account

The Lincoln County Sheriff's office maintains an account for the deposit of funds forfeited as a result of court cases. Disbursements from this account are restricted in accordance with court orders related to each individual case. The account had a balance of \$999 on January 1, 2017. Receipts were \$3,139 and disbursements were \$900 during the year. The account had a balance of \$3,238 as of December 31, 2017.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2017  
(Continued)

Note 6. Donation Account

The Lincoln County Sheriff's office maintains a donation account, an operating account consisting of profits from fund-raising events and donations. Disbursements from this account are to promote law enforcement programs and to purchase equipment for law enforcement. The account had a balance of \$1,625 on January 1, 2017. Receipts were \$10,629 and disbursements were \$10,707 during the year. The account had a balance of \$1,547 as of December 31, 2017.

Note 7. K-9 Account

The Lincoln County Sheriff's office maintains a K-9 donation account to deposit funds donated for the purchase and upkeep of a drug dog. The account had a balance of \$510 on January 1, 2017. There was \$1 in receipts of interest and no disbursements during the year. The account had a balance of \$511 as of December 31, 2017.

Note 8. Escrow Account

The Lincoln County Sheriff's office maintains an escrow account established to maintain funds considered unclaimed property. The funds in this account are to be held by the sheriff for a period of three years. After the three year period, if the funds remain unclaimed, they are turned over to the Kentucky State Treasurer. The account had a balance of \$0 on January 1, 2017. There were no receipts or disbursements from this account during the year. The account had a \$0 balance as of December 31, 2017.

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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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Jim W. Adams Jr., Lincoln County Judge/Executive  
The Honorable Curt Folger, Lincoln County Sheriff  
Members of the Lincoln County Fiscal Court

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

We have audited, 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 Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Lincoln County Sheriff for the year ended December 31, 2017, and the related notes to the financial statement and have issued our report thereon dated May 6, 2019. The Lincoln 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.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Lincoln County Sheriff's internal control over financial reporting (internal control) to determine the 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 Lincoln County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lincoln 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 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. *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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified. We identified a certain deficiency in internal control, which is described in the accompanying Schedule of Findings and Responses as item 2017-001 that we consider to be a significant deficiency.



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)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lincoln 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Responses as item 2017-002.

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

The Lincoln County Sheriff's views and planned corrective action for the findings identified in our audit are included in the accompanying Schedule of Findings and Responses. The Lincoln County Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

**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,



Mike Harmon  
Auditor of Public Accounts

May 6, 2019

## SCHEDULE OF FINDINGS AND RESPONSES

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LINCOLN COUNTY  
CURT FOLGER, SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended December 31, 2017

INTERNAL CONTROL - SIGNIFICANT DEFICIENCY:

2017-001 The Lincoln County Sheriff's Office Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations

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This is a repeat finding that was included in the prior year audit report as finding 2016-001. The sheriff's internal control procedures indicate the bookkeeper opens mail, collects payments from customers, prepares deposits, writes and signs checks, posts transactions to the receipts and disbursements ledgers, prepares monthly and quarterly reports, and prepares account reconciliations. The sheriff's review of these activities is not adequately documented.

According to the sheriff, the sheriff's office has a limited number of employees that prevents the segregation of duties over most accounting functions of the office. The bookkeeper's work is reviewed by the sheriff; however, the review is not adequately documented.

The lack of adequate segregation of duties, or documentation of strong oversight, increases the risk of undetected errors. 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.

The segregation of duties over various accounting functions such as opening mail, preparing deposits, recording receipts and disbursements, and preparing monthly reports and reconciliations, or the implementation of compensating controls is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the sheriff separate the duties involved in receiving cash, preparing deposits, writing checks, posting to ledgers, preparing monthly bank reconciliations, and comparing financial reports to ledgers. However, if an adequate segregation of duties is not feasible, due to a limited budget, compensating controls should be implemented and documented by the individual performing the procedure. We recommend the sheriff document strong oversight over all aspects on internal control procedures by reviewing and initialing daily deposit records, reviewing and initialing monthly reports and reconciliations, requiring dual signatures on checks (with one being the sheriff's), and reviewing and initialing all invoices upon payment.

*Sheriff's Response: Try to segregate duties.*

STATE LAWS AND REGULATIONS:

2017-002 The Lincoln County Sheriff Did Not Present An Annual Settlement And Did Not Pay Excess Fees To Fiscal Court For Calendar Year 2017

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The Lincoln County Sheriff did not present an annual settlement and did not pay excess fees to the fiscal court for calendar year 2017. The sheriff had an ending balance in his 2017 fee account of \$13,010. The Lincoln County Sheriff failed to submit both the annual settlement and excess fees to the fiscal court.

The failure to present an annual settlement to the fiscal court and submit payment of excess fees is a noncompliance with the requirements of KRS 134.192. As a result, the sheriff shall pay liabilities of \$100 to his 2018 fee account for 2018 child support summons erroneously deposited to his 2017 fee account, leaving a balance of \$12,910 in excess fees due to the fiscal court.

LINCOLN COUNTY  
CURT FOLGER, SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Year Ended December 31, 2017  
(Continued)

STATE LAWS AND REGULATIONS: (Continued)

2017-002 The Lincoln County Sheriff Did Not Present An Annual Settlement And Did Not Pay Excess Fees  
To Fiscal Court For Calendar Year 2017 (Continued)

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KRS 134.192(11) states, “[i]n counties containing a population of less than seventy thousand (70,000), the sheriff shall file annually with his or her settlement: (a) A complete statement of all funds received by his or her office for official services, showing separately the total income received by his or her office for services rendered, exclusive of his or her commissions for collecting taxes, and the total funds received as commissions for collecting state, county, and school taxes; and (b) A complete statement of all expenditures of his or her office, including his or her salary, compensation of deputies and assistants, and reasonable expenses.” The sheriff is required to present the settlement to the fiscal court no later than September 1 each year.

KRS 134.192(12) states, in part, “[a]t the time he or she files the statements required by subsection (11) of this section, the sheriff shall pay to the governing body of the county any fees, commissions, and other income of his or her office, including income from investments, which exceed the sum of his or her maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants.”

We recommend the Lincoln County Sheriff present a complete annual settlement statement of receipts and disbursements and pay excess fees to fiscal court by September 1 each year as required by KRS 134.192. We also recommend the sheriff pay the outstanding liability of \$100 to his 2018 fee account and remit the balance of \$12,910 left in his 2017 fee account to the fiscal court as excess fees.

*Sheriff's Response: Will work submitting annual settlement.*