

**REPORT OF THE AUDIT OF THE
KENTON COUNTY
SHERIFF**

**For The Year Ended
December 31, 2015**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY
AUDIT OF THE
KENTON COUNTY SHERIFF

For The Year Ended
December 31, 2015

The Auditor of Public Accounts has completed the Kenton County Sheriff's audit for the year ended December 31, 2015. Based upon the audit work performed, the financial statements present fairly in all material respects, the receipts and disbursements of the Kenton County Sheriff and the receipts, disbursements, and fund balances of the Kenton County Sheriff's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting.

Financial Condition:

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in the sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and paid quarterly to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The Kenton County Sheriff had total receipts of \$5,361,676, which was a \$49,990 increase from the prior year. Except for reimbursed expenses in the amount of \$2,256,583 and fiscal court contributions of \$730, the sheriff paid 25% of receipts to the Kenton County Fiscal Court in the amount of \$776,273. This was an increase of \$16,111 from the prior year. In addition, 75% fund operating disbursements increased by \$164,697.

Deposits:

The sheriff's deposits as of October 31, 2015, were exposed to custodial credit risk as follows:

- Uncollateralized And Uninsured \$57,659,476

The sheriff's deposits were covered by FDIC insurance and a properly executed collateral security agreement, but the bank did not adequately collateralize the sheriff's deposits in accordance with the security agreement.

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kris Knochelmann, Kenton County Judge/Executive
Honorable Charles Korzenborn, Kenton County Sheriff
Members of the Kenton County Fiscal Court

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying Statement of Receipts and Disbursements - Regulatory Basis of the Sheriff of Kenton County, Kentucky, and the Statement of Receipts, Disbursements, and Fund Balances of the Sheriff's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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



The Honorable Kris Knochelmann, Kenton County Judge/Executive
Honorable Charles Korzenborn, Kenton County Sheriff
Members of the Kenton County Fiscal Court

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Kenton 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 statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Kenton County Sheriff, as of December 31, 2015, or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the receipts and disbursements of the Kenton County Sheriff and the receipts, disbursements, and fund balances of the sheriff's operating fund and county fund with the state treasurer for the year ended December 31, 2015, 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 February 27, 2017 on our consideration of the Kenton County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 entity's internal control over financial reporting and compliance.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

February 27, 2017

KENTON COUNTY
 CHARLES KORZENBORN, SHERIFF
STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS

For The Year Ended December 31, 2015

Receipts

Federal Fees for Services:

Drug Enforcement Administration/United States Marshall Reimbursements	\$	16,023
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State Grants:

Highway Safety Grant	\$	5,574
Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	106,600	112,174

State Fees for Services:

Prisoners Transports	98,958	
Sheriff Security Service	328,316	
Summons - Witnesses/Jurors	933	428,207

Circuit Court Clerk:

Fines/Fees Collected		69,828
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Fiscal Court

730

County Clerk

217,106

Commission on Taxes

3,710,599

Sheriff's 10% Fee

185,090

Fees Collected for Services:

Auto Inspections	61,585	
Accident /Police Reports	95	
Serving Papers	351,497	
Carry Concealed Deadly Weapon Permits	40,165	453,342

Other:

Expense Reimbursements/Refunds	1,259	
Miscellaneous	1,915	
School Resource Officer Reimbursements	165,403	168,577

Total Receipts

5,361,676

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

KENTON COUNTY
CHARLES KORZENBORN, SHERIFF
STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
For The Year Ended December 31, 2015
(Continued)

Disbursements

Payments to State Treasurer:

75% Operating Fund *	\$ 4,585,403	
25% County Fund	<u>776,273</u>	<u>\$ 5,361,676</u>

Balance Due at Completion of Audit		<u>\$ 0</u>
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* Includes reimbursed expenses in the amount of \$2,256,583 for the audit period.
See Note 1 of Notes to Financial Statements.

KENTON COUNTY
 CHARLES KORZENBORN, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 FUND BALANCES OF THE COUNTY SHERIFF'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2015

	75% Operating Fund	25% County Fund	Totals
	<hr/>	<hr/>	<hr/>
Fund Balance - January 1, 2015	\$ 0	\$ 0	\$ 0
 <u>Receipts</u>			
Fees Paid to State - Operating Funds (75%)	4,585,403		4,585,403
Fees Paid to State - County Funds (25%)		776,273	776,273
	<hr/>	<hr/>	<hr/>
Total Funds Available	4,585,403	776,273	5,361,676
 <u>Disbursements</u>			
Kenton County Fiscal Court		776,273	776,273
Personal Services-			
Official's Statutory Maximum	112,306		112,306
Official's Training Incentive	3,941		3,941
Deputies' Salaries	2,479,567		2,479,567
Overtime Gross	72,713		72,713
Employee Benefits-			
Employer's Share Social Security	190,043		190,043
Employer's Share Retirement	579,783		579,783
Employer's Share Health Insurance	374,012		374,012
Employer's Share Life Insurance	440		440
Workers' Compensation	24,939		24,939
Unemployment Insurance	5,993		5,993
Supplies and Materials-			
Office Supplies	50,525		50,525
Uniforms/Equipment	54,619		54,619
Gasoline	78,645		78,645
Data Processing	7,222		7,222
Other Charges-			
Dues	8,623		8,623
Postage	4,506		4,506
Data Processing	55,395		55,395

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

KENTON COUNTY
 CHARLES KORZENBORN, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND
 AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS
 For The Year Ended December 31, 2015
 (Continued)

	75%	25%	
	Operating	County	
	Fund	Fund	Totals
Disbursements (Continued)			
Other Charges- (Continued)			
Software	\$ 5,064	\$	\$ 5,064
Vehicle Expense	37,405		37,405
Parking	15,345		15,345
Insurance - Property	72,756		72,756
Telephone/Cell Expense	12,805		12,805
Training	23,440		23,440
Physical/Drug Test	2,540		2,540
Legal Fees	39,822		39,822
Mobilcomm	12,946		12,946
Subscriptions/Publications	5,035		5,035
Advertising	468		468
Bank Fees	90		90
Miscellaneous	65,335		65,335
Capital Outlay-			
Equipment	16,663		16,663
Vehicles	111,571		111,571
Total Disbursements	<u>4,524,557</u>	<u>776,273</u>	<u>5,300,830</u>
Fund Balance - December 31, 2015	<u>\$ 60,846</u>	<u>\$</u>	<u>\$ 60,846</u>

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

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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 due from the sheriff as determined by the audit.

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

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive), at December 31:

- Interest receivable
- Collection on accounts due from others for 2015 services
- Reimbursements for 2015 activities
- Payments due other governmental entities for December tax and fee collections
- Payroll expenditures incurred but not paid
- Payments due vendors for goods or services provided in 2015

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

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 in the County Employees Retirement System (CERS), pursuant to KRS 78.530 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.

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 the plan. The county's contribution rate for nonhazardous employees was 17.67 percent for the first six months and 17.06 percent for the last six months.

Hazardous covered employees are required to contribute eight percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute nine percent of their salary to be allocated as follows: eight percent will go to the member's account and one percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 34.31 percent for the first six months and 32.95 percent for the last six months.

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 account. Members contribute five percent (nonhazardous) and eight percent (hazardous) 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 (nonhazardous) and seven and one half percent (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

The sheriff's contribution for calendar year 2013 was \$613,024, calendar year 2014 was \$608,539, and calendar year 2015 was \$579,783.

KENTON COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015
 (Continued)

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

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.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

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:

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

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.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, such employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. 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.

KENTON COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015
 (Continued)

Note 3. Deposits

The Kenton 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 Kenton 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, 2015, all deposits were covered by FDIC insurance or a properly executed collateral security agreement. However, as of October 31, 2015, public funds were exposed to custodial credit risk because the bank did not adequately collateralize the sheriff's deposits in accordance with the security agreement.

- Uncollateralized and Uninsured \$57,659,476

Note 4. Grants

A. Partnership For A Drug Free America

The office of the sheriff received funds from a grant under the PACT 306 Community Education Programs, Partnership For A Drug Free America. The purpose of the grant is to cover expenses for community prevention education on dealing with existing drug issues and rapidly responding to emerging drug threats. The account had a beginning balance of \$4,767, no receipts, disbursements of \$4,767, leaving an account balance of \$0 as of December 31, 2015.

B. Drive Sober or Get Pulled Over Highway Safety Grant

The office of the sheriff was awarded \$6,000 from the Kentucky Transportation Cabinet, Office of Highway Safety, specifically for Impaired Driving Overtime Enforcement. All grants administered through the Kentucky Office of Highway Safety are reimbursement based. All reimbursement requests must contain documentation which demonstrates the disbursements were incurred and paid for. The sheriff requested and received reimbursements in the amount of \$5,574.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015
(Continued)

Note 5. Reimbursement Agreement

The office of the sheriff entered into a task force agreement with the U.S. Department of Justice, Drug Enforcement Administration. Funds received in conjunction with this agreement are to be used to fund the overtime for a full time deputy assigned to the U.S. Marshall Service. Funds received under this agreement totaled \$16,023 for the year ended December 31, 2015.

Note 6. Federal Asset Drug Forfeiture Account

The office of the sheriff received funds from federal agencies for funds recovered in drug related investigations. The account had a beginning balance of \$115,664, receipts of \$934, and disbursements of \$11,099. The ending balance as of December 31, 2015 was \$105,499.

Note 7. Non-Federal Asset Drug Forfeiture Account

The office of the sheriff received funds from the local and state agencies for funds recovered in drug related investigations. The account had a beginning balance of \$11,875, no receipts, and disbursements of \$2,024. The ending balance as of December 31, 2015 was \$9,851. All funds received were expended for their intended purpose.

Note 8. Discretionary Account

The office of the sheriff maintains a discretionary account which is permitted by KRS 64.345(2). These funds are to cover expenses related to special training and travel related to homeland security emergencies, academy graduations, retirements, state and national sheriff's conventions, and extraordinary office expenses in amounts authorized by the approving authority. There was a beginning balance of \$37 as of January 1, 2015. Receipts totaled \$14,675 and disbursements totaled \$14,530, leaving a balance of \$182 as of December 31, 2015.

Note 9. Donation Account

The office of the sheriff maintains an account for the receipt of donations. These funds may be used for the operations of the sheriff's office pursuant to KRS 61.310. The account had a beginning balance of \$1,211, had receipts of \$6,805 and disbursements of \$7,036. The ending balance as of December 31, 2015 was \$980. All funds received were expended for their intended purpose.

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



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kris Knochelmann, Kenton County Judge/Executive
The Honorable Charles Korzenborn, Kenton County Sheriff
Members of the Kenton County Fiscal Court

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

Independent Auditor's Report

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 and Disbursements - Regulatory Basis of the Sheriff of Kenton County, Kentucky, the Statement of Receipts, Disbursements, and Fund Balances of the Sheriff's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2017. The Kenton County Sheriff's financial statements are prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Kenton County Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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,

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

February 27, 2017

