



**Auditor of
Public Accounts
Allison Ball**

Hopkins County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Hopkins County Fiscal Court for the fiscal year ended June 30, 2025. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor's letter to communicate whether the financial statements present fairly the receipts, disbursements, and changes in fund balances of the Hopkins County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court's financial statement did not follow this format. However, the fiscal court's financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for 116 of 120 fiscal court audits in Kentucky.

Finding: The Hopkins County Jail Commissary Report Was Materially Misstated

This is a repeat finding and was included in the prior year audit report as finding 2024-001. The Hopkins County Jail provided a commissary report to the treasurer that combined inmate money activity with the activity of the jail commissary fund. Jail commissary activity was not reconciled separately from the inmate monies activity. During testing, we found that inmate account receipts of \$1,039,060 and inmate account disbursements of \$970,472 were included in the report as jail commissary activity and were required to be removed from the commissary fund financial information. Inmate money is held on behalf of the inmates and is considered fiduciary activity. In addition, commissions earned on commissary sales were netted against the commissary items' costs, resulting in both commissions receipts and commissary costs each being understated by \$115,930.

Recommendations

We recommend the Hopkins County Jail maintain and record all activity of the inmate trust account separately from the commissary funds. We recommend that the jail open a separate account for inmate funds if the activity cannot be separated while held in the one bank account. We also recommend that all commissions received, and commissary costs paid be properly recorded in the jail commissary receipts and disbursements ledgers. Inmate trust activity should reflect all monies received for and disbursements made from inmate funds.

County Officials Response

Jailer's Response: The Hopkins County Jail has opened a secondary bank account to separate the funds of the commissary and inmate accounts to provide more legible account information, this was completed on 07/01/2025.

Finding: The Hopkins County Fiscal Court's Schedule Of Expenditures Of Federal Awards Was Misstated

The Hopkins County Fiscal Court's original Schedule of Expenditures of Federal Awards (SEFA) was overstated by \$1,447,567. The total overstatements are made up of the following errors made on the following programs:

- Assistance Listing Number 21.027 - \$180,800 of expenditures included for fiscal year 2025 were expenditures reimbursed by other federal awards, and were included twice on the SEFA.
- Assistance Listing Number 97.036 - \$1,266,767 of expenditures included on the SEFA were not reimbursed by federal awards.

Recommendations

We recommend the Hopkins County Fiscal Court implement or strengthen controls over federal award expenditures reporting to ensure amounts reported represent true federal expenditures during the year.

County Officials Response

County Judge/Executive's Response: Judge Executive Admin Asst will try to get the correct totals from ER Assist.

Finding: Occupational And Net Profit Tax Receipts Were Not Processed Or Deposited Timely

This is a repeat finding and was included in the prior year audit report as finding 2024-003. Occupational and net profit tax receipts were not always processed and deposited timely. There appeared to be delays of up to two weeks between the dates occupational and net profit taxes were received and when they were processed and deposited. Of the occupational and net profit tax receipts tested, \$199,084 of the \$1,1091,294 receipts were not processed or deposited timely.

Recommendations

We recommend the county treasurer and occupational tax administrator work together to develop a new system of handling occupational and net profit tax receipts that will help ensure such receipts are deposited in a timely manner and all businesses are filing their monthly or quarterly occupational tax returns and net profit returns, if applicable.

County Officials Response

County Judge/Executive's Response: The county does not have enough staff to get all the checks deposited on a daily basis. We will continue to strive to complete this task daily.

The audit report can be found on the [auditor's website](#).

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