



**Auditor of  
Public Accounts  
Allison Ball**

# Trigg County Fiscal Court Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Trigg 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 Trigg 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: Materially misstated outstanding debt obligations.**

This is a repeat finding and was included in the prior year audit report as finding 2024-001. The Trigg County Fiscal Court did not report all outstanding debt bearing the county’s name. Omitted from the county’s long-term liabilities schedule were debt obligations related to the justice center bonds and the Pennyryle Area Development District (PADD) 2018 bond series and the 2023 bond series. The outstanding principal balance of the justice center bonds as of June 30, 2025, was \$2,610,000, and outstanding interest was \$120,950. The outstanding principal balance of the 2018 PADD bond series as of June 30, 2025 was \$357,500, and outstanding interest was \$104,468. The outstanding principal balance of the 2023 PADD bond series as of June 30, 2025, was \$182,500, and outstanding interest was \$106,640.

Additionally, the principal balance reported for the hospital lease was understated by \$5,000 and the interest balance was understated by \$2,825. The principal balance for the senior citizens center lease was understated by \$14,000 and interest was overstated by \$58,895.

## **Recommendations**

We recommend the Trigg County Fiscal Court establish control procedures to ensure all outstanding debt obligations bearing the county’s name are accurately reported on the long-term liabilities schedule.

## **County Officials Response**

*County Judge/Executive’s Response: The numbers used in the budget were from original debt schedules, however, there may have been changes to the debt schedules that were overlooked. They will be confirmed for the next budget cycle.*

## **Finding: Does not have adequate internal controls over disbursements.**

This is a repeat finding and was included in the prior year audit report as finding 2024-003. During fiscal year 2025, the Trigg County Fiscal Court had material weaknesses in internal control and noncompliances over disbursements. The following findings were noted regarding Trigg County Fiscal Court’s disbursements:

- The Trigg County Fiscal Court’s purchase order system did not function as designed. Nineteen disbursements totaling \$2,877,350 had purchase orders that were issued after the expense had already been incurred and seven disbursements totaling \$1,163,099 had purchase orders that were not dated.
- Purchase orders for 22 disbursements totaling \$4,261,904 did not include the account number in which

the disbursement should be posted.

- Seven disbursements totaling \$1,364,370 were not paid within 30 working days.
- The claim for one disbursement totaling \$60,900 was not presented to the fiscal court for approval.
- The cancelled check for one disbursement totaling \$886 did not contain dual signatures.
- The fiscal court paid \$238 of sales tax.
- Itemized invoices were not maintained for five transactions totaling \$63.
- The fiscal court failed to obtain three quotes prior to purchasing two vehicles that were purchased using the Finance and Administration Cabinet's master agreements.
- The fiscal court utilized a cooperative purchasing organization to source two pieces of heavy equipment totaling \$338,392; however, no documentation was maintained of the evaluation of the vendor as required by KRS 45A.310.
- The fiscal court repaired the judicial center roof for \$149,627; however, the fiscal court did not follow the bidding requirements set forth by state law.

## Recommendations

We recommend the Trigg County Fiscal Court strengthen internal controls over disbursements by ensuring that purchase orders are issued prior to purchases being made and that the purchase orders include the applicable account numbers to aid in recording the transactions. We also recommend the fiscal court thoroughly inspect invoices and receipts to prevent payment of sales tax, and we recommend that fiscal court pay all invoices within 30 working days of receipt. Lastly, we recommend the fiscal court comply with state law by advertising for bids for all purchases exceeding \$40,000 and implement controls to ensure the minimum number of quotes are obtained when purchases are made using the Finance and Administration Cabinet's master agreements.

## County Officials Response

*County Judge/Executive's Response: We will procure 3 bids from vendors even on State contract bid pricing. We will get approval for purchase orders to ensure that each line item that is used has the proper funds available.*

## Finding: Did not prepare a financial statement for the Public Justice Center Corporation Fund.

*This is a repeat finding and was included in the prior year audit report as finding 2024-002. The Trigg County Fiscal Court maintains an unbudgeted fund, the Public Justice Center Corporation Fund, to account for bond issuance and debt payments related to the construction of the justice center. During fiscal year 2025, this fund received \$913,359 from the Administrative Office of the Courts and expended \$912,101 on debt payments and administrative fees. The fiscal court maintains ledgers related to the Public Justice Center Corporation Fund but did not prepare an annual financial statement.*

## Recommendations

*We recommend that the Trigg County Fiscal Court establish procedures to ensure compliance with DLG's requirements for reporting financial activity related to the Public Justice Center Corporation.*

## County Officials Response

*County Judge/Executive's Response: A spreadsheet is maintained for the Justice Center, however, it has not been presented as a financial statement.*

## Finding: Did not maintain a complete and accurate schedule of leases.

This is a repeat finding and was included in the prior year audit report as finding 2024-004. A schedule of leases is a required part of the financial statement reporting package required by the Department for Local Government (DLG); yet the Trigg County Fiscal Court failed to maintain a complete and accurate schedule of leases. For fiscal year 2025, the county reported receiving \$3,720 in lease payments; however, the county actually received \$963,608.

## Recommendations

*We recommend Trigg County Fiscal Court maintain a complete schedule of all leases and follow the standards set forth by GASB 87. We further recommend the fiscal court strengthen internal controls over financial reporting by implementing a proper review process to ensure the county's lease schedule is accurate.*

## County Officials Response

*County Judge/Executive's Response: The PADD Lease and AOC Lease will be maintained.*

## Finding: Investments did not comply with KRS 68.020 or KRS 66.480.

This is a repeat finding and was included in the prior year audit report as finding 2024-010. During fiscal year 2025, the Trigg County Fiscal Court invested in a certificate of deposit in the amount of \$650,000 and a mutual fund in the amount of \$180,000 without proper authorization and documentation in the fiscal court minutes. Additionally, per inquiry of the county judge/executive and county treasurer, the fiscal court does not have an investment policy as required by KRS 66.480.

## Recommendations

We recommend the Trigg County Fiscal Court implement controls over investments by authorizing all investment transactions and ensuring that approval of all such transactions is adequately documented in the fiscal court minutes. Furthermore, we recommend the fiscal court establish an investment policy that complies with the requirements set forth by KRS 66.480.

## County Officials Response

*County Judge/Executive's Response: The investments were short term and accessible at any time, however, we can comply with the mentioned KRS. We will begin looking into an investment policy.*

## Finding: Failed to approve a cash transfer.

A cash transfer in the amount of \$500,000 was made from the American Rescue Plan Act Fund to the Government Projects Fund. However, approval of the transfer was not documented in the fiscal court minutes.

## Recommendations

We recommend all cash transfers be presented to, and approved by, the Trigg County Fiscal Court prior to the transfer being made by the county treasurer.

## County Officials Response

*County Judge/Executive's Response: Creating a new fund/account was part of the approved budget. Transferring the money was part of what we had stated we were going to do and that is why we did not have it approved at the time of the transfer.*

## Finding: Failed to implement adequate controls to ensure complete and accurate accounting records were maintained.

This is a repeat finding and was included in the prior year audit report as finding 2024-005. There were no functioning internal controls in place over the work performed by the county treasurer. The fiscal court failed to provide adequate oversight, allowing the county treasurer complete control over the accounting and reporting functions. The following deficiencies and errors were noted during the performance of the audit:

- The fiscal court approved a budget amendment to increase Road Fund receipts by \$413,302. However, this budget amendment was not reported on the fourth quarter financial statement.
- The fiscal court failed to account for debt service payments made directly by the Pennyrile Area Development District (PADD). As the debt is in the county's name and subleased by PADD, the payments are required to be recorded as both a receipt and expenditure of the county. This resulted in the General Fund's miscellaneous revenue, and debt service line-items being

understated by \$52,007. This also resulted in the General Fund debt service line-item's budget being overspent by \$52,006.

- Debt service payments totaling \$167,550 for the hospital financing agreement were recorded under general health and sanitation instead of debt service.

## Recommendations

We recommend the Trigg County Fiscal Court strengthen oversight and internal controls in order to ensure complete and accurate accounting records are maintained. We also recommend the fiscal court ensure that no one individual has control over the accounting functions without first establishing checks and balances to verify amounts recorded and reported are accurate.

## County Officials Response

*County Judge/Executive's Response: We had received information from the PADD office based on their debt, however, it was not properly stated.*

## Finding: Overspent the budget of the General Fund.

For fiscal year 2025, the Trigg County Fiscal Court set a final budget for the General Fund in the amount of \$6,239,729. However, General Fund disbursements totaled \$6,527,355; therefore, the total fund budget was overspent by \$287,626. While not all line-items were overspent, the recreation and culture line-item was overspent by \$953; debt service was overspent by \$52,006; and administration was overspent by \$241,681.

## Recommendations

We recommend the Trigg County Fiscal Court strengthen internal controls by implementing an effectively designed purchase order system that includes proper budget monitoring procedures. We further recommend the fiscal court issue purchase orders before purchases are made and liabilities are incurred. Lastly, we recommend the fiscal court approve budget amendments throughout the year as needed.

## County Officials Response

*County Judge/Executive's Response: Fiscal year 2025 was an expensive year for us. We do not anticipate any other years where this will be a problem. We had money to cover the expenses, but they were not part of the original budget.*

## Finding: Failed to implement adequate controls over reconciliations and off-site collections.

This is a repeat finding and was included in the prior year audit report as finding 2024-006. The Trigg County Fiscal Court has not implemented adequate controls over bank reconciliations and receipts collected by off-site locations. The county treasurer performs the monthly bank reconciliations; however, the reconciliations are not reviewed by fiscal court or an individual independent of the duties involved in the processing of receipts and disbursements. Additionally, the fiscal court receives money from off-site locations for concession sales and recycling fees. While these off-site locations are required to turn over all collections to the county treasurer and submit documentation to support the amounts remitted, the fiscal court does not thoroughly inspect the documentation to ensure all funds collected at the off-site locations have been accounted for properly.

## Recommendations

We recommend the Trigg County Fiscal Court segregate duties by having bank reconciliations be performed by an individual who is not involved in processing receipts and disbursements. If segregating these duties is not feasible, we recommend the fiscal court implement compensating controls and ensure that all documents reviewed are signed and dated by the employee performing the review.

## County Officials Response

*County Judge/Executive's Response: We have made small changes at the recycling center to help mitigate these issues, however, we are looking at a plan for the concession site to ensure more controls.*

## Finding: Does not have adequate controls over payroll processing.

This is a repeat finding and was included in the prior year audit report as finding 2024-007. The Trigg County Fiscal Court lacks adequate internal controls over payroll and timekeeping processes. During payroll testing, the following issues were noted:

- No salary schedule could be obtained for the time period under audit. Therefore, auditors could not determine that salaries were appropriately approved by the fiscal court.
- Five timesheets did not agree to the payroll summary for the pay period ending September 30, 2024. Three of these employees were paid a set amount, yet the number of hours recorded on their timesheets did not agree to the number of hours for which the employees were paid. The fourth employee's timesheet showed nine hours of overtime worked; however, the employee was paid for sixteen and a half hours of overtime. And the fifth employee accumulated compensatory time leave while also receiving overtime pay. That employee's timesheet showed sixteen and a half hours of compensatory time earned, and the employee's leave balance report showed that the employee had been credited for these hours; however, the employee was also paid sixteen and a half hours of overtime per the payroll summary.
- Three timesheets did not agree to the employees' leave balance reports.
- Retirement reports did not agree to the amount withheld per the payroll summaries for the quarter ending December 2024.
- The fiscal court did not approve the jailer's salary by resolution as required by KRS 441.245 for the audit period.

## Recommendations

We recommend the Trigg County Fiscal Court approve salaries and hourly wage rates at fixed amounts for all county employees. The fiscal court should also pass a resolution each year detailing the jailer's duties and compensation. We also recommend the fiscal court strengthen internal controls over the timekeeping function by requiring timesheets to be compared to payroll summary reports to ensure employees receive accurate wages and leave time. Additionally, we recommend the fiscal court strengthen internal controls over retirement payments by comparing the amount of retirement withholdings on the payroll summaries to the amount paid to retirement.

## County Officials Response

*County Judge/Executive's Response: Changes or updates will be noted on timesheets to ensure that the pay is accurate to the pay period and not a correction from a previous pay period. Leave balances will be monitored more closely to ensure they match what is used.*

## Finding: Failed to implement adequate controls over the health reimbursement account (HRA) program.

This is a repeat finding and was included in the prior year audit report as finding 2024-009. The Trigg County Fiscal Court does not have adequate control procedures over the Health Reimbursement Account (HRA) Program. The HRA is currently set up so that the fiscal court periodically transfers funds into the insurance account. Throughout the plan year, the fiscal court allows the service organization that handles this program to draw lump sum amounts from the insurance account. The service organization sends an email requesting an amount to be withdrawn. However, there is no documentation for which employees the draws are made or the balances in each employees' accounts. It also did not appear that the bank account was reconciled monthly.

## Recommendations

We recommend the Trigg County Fiscal Court establish oversight procedures for the HRA program and maintain documentation that details the employees' balances to ensure the appropriate amounts are provided to the HRA. We further recommend the HRA account be reconciled monthly to ensure the balance is accurate.

## County Officials Response

*County Judge/Executive's Response: Our new HRA offers daily reports to oversee what is being spent.*

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

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