REPORT OF THE AUDIT OF THE
GRANT COUNTY
FISCAL COURT

For The Year Ended
June 30, 2025

ALLISON BALL
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Allison Ball
Auditor of Public Accounts

Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Chuck Dills, Grant County Judge/Executive
Members of the Grant County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Grant County Fiscal Court, for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the Grant County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Grant County Fiscal Court, for the year ended June 30, 2025, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky 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 statements 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 Grant County Fiscal Court, for the year ended June 30, 2025, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

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,* issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* 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 Grant County Fiscal Court 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.

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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 Grant County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government 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

Grant County Fiscal Court's management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. 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 Grant County Fiscal Court'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 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 *Government Auditing Standards* 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 control. 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 *Government Auditing Standards*, 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 Grant County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

To the People of Kentucky
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Auditor's Responsibilities for the Audit of the Financial Statement (Continued)

- 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 Grant County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

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 identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Grant County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

The accompanying Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules are fairly stated in all material respects in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2026, on our consideration of the Grant County Fiscal Court'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 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 Grant County Fiscal Court's internal control over financial reporting and compliance.

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

2025-001 The Grant County Fiscal Court's Schedule Of Leases Was Materially Misstated
2025-002 The Grant County Detention Center Did Not Have Adequate Internal Controls Over Inmate Trust Account Financial Reporting And Has A Lack Of Segregation Of Duties

Respectfully submitted,

Allison Ball

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

July 22, 2026

GRANT COUNTY OFFICIALS

For The Year Ended June 30, 2025

Fiscal Court Members:

Chuck Dills	County Judge/Executive
Jacqualynn Riley	Magistrate
Shawna Coldiron	Magistrate
Roger Humphrey	Magistrate

Other Elected Officials:

Stephen L. Bates II	County Attorney
Troy Hagedorn (Through October 31, 2024)	Jailer
Tonya Beagle (Effective November 1, 2024)	Jailer
Tabatha Clemons (Through May 31, 2025)	County Clerk
Colton Simpson (Effective June 1, 2025)	County Clerk
Wray Jean Jump	Circuit Court Clerk
Brian Maines (Through December 31, 2024)	Sheriff
Dennis Switzer (Effective January 1, 2025)	Sheriff
Eli Anderson	Property Valuation Administrator
Mark Jump	Coroner

Appointed Personnel:

Peggy Updike	County Treasurer
Colton Simpson (Through May 31, 2025)	Deputy Judge/Executive

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GRANT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2025

GRANT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2025

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	$ 9,603,994	$	$	$
Excess Fees	51,590			
Licenses and Permits	175,396			
Intergovernmental	1,909,509	1,604,162	3,565,349	
Charges for Services	39,630		65,448	
Miscellaneous	134,203	3,167	119,074	
Interest	81,974	34,938	9,846	1,098
Total Receipts	11,996,296	1,642,267	3,759,717	1,098
DISBURSEMENTS				
General Government	3,340,066			
Protection to Persons and Property	821,019		5,166,582	
General Health and Sanitation	429,916			
Social Services	6,750			
Recreation and Culture	966,524			
Roads		985,347		
Debt Service	1,377,118		489,994	
Administration	1,678,869	206,133	1,295,015	
Total Disbursements	8,620,262	1,191,480	6,951,591	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	3,376,034	450,787	(3,191,874)	1,098
Other Adjustments to Cash (Uses)				
Borrowed Money	1,350,000			
Transfers From Other Funds	322		3,187,000	
Transfers To Other Funds	(3,187,000)			
Total Other Adjustments to Cash (Uses)	(1,836,678)		3,187,000	
Net Change in Fund Balance	1,539,356	450,787	(4,874)	1,098
Fund Balance - Beginning	685,393	318,815	176,416	29,349
Fund Balance - Ending	$ 2,224,749	$ 769,602	$ 171,542	$ 30,447
Composition of Fund Balance				
Bank Balance	$ 2,307,844	$ 787,593	$ 285,377	$ 30,447
Less: Outstanding Checks	(83,095)	(17,991)	(113,835)	
Fund Balance - Ending	$ 2,224,749	$ 769,602	$ 171,542	$ 30,447

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

GRANT COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2025
(Continued)

Budgeted Funds				Unbudgeted Funds		
Forestry Fund	County Clerk Permanent Storage Fund	Federal Grant Fund	Opioid Court Settlement Fund	Public Properties Corporation Fund	Jail Commissary Fund	Total Funds
$ 1,990	$	$	$	$	$	$ 9,605,984
						51,590
						175,396
				1,234,302		8,313,322
						105,078
	39,080		157,424		191,751	644,699
164	2,414	870	15,005			146,309
2,154	41,494	870	172,429	1,234,302	191,751	19,042,378
	82,017	3,777				3,425,860
1,721		29,014	208,410			6,226,746
						429,916
						6,750
					88,456	1,054,980
						985,347
				1,231,650		3,098,762
			70,217	2,632		3,252,866
1,721	82,017	32,791	278,627	1,234,282	88,456	18,481,227
433	(40,523)	(31,921)	(106,198)	20	103,295	561,151
						1,350,000
						3,187,322
		(322)				(3,187,322)
		(322)				1,350,000
433	(40,523)	(32,243)	(106,198)	20	103,295	1,911,151
3,460	73,708	32,243	453,957	3,958	65,900	1,843,199
$ 3,893	$ 33,185	$ 0	$ 347,759	$ 3,978	$ 169,195	$ 3,754,350
$ 3,893	$ 33,185	$	$ 347,759	$ 3,978	$ 170,579	$ 3,970,655
					(1,384)	(216,305)
$ 3,893	$ 33,185	$ 0	$ 347,759	$ 3,978	$ 169,195	$ 3,754,350

INDEX FOR NOTES
TO THE FINANCIAL STATEMENT

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Grant County includes all budgeted and unbudgeted funds under the control of the Grant County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act for and on behalf of, and as the agency and instrumentality of the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

B. Basis of Accounting

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally, except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the General Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of receipts for this fund are reimbursements from the state and federal governments, payments from other counties for housing prisoners, and transfers from the General Fund. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the General Fund.

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments.

Forestry Fund - The primary purpose of this fund is to account for the fire acres taxes collected in case of a major forest fire disaster. The primary source of receipts for this fund is taxes collected by the sheriff's office.

County Clerk Permanent Storage Fund - The primary purpose of this fund is to account for receipts and disbursements related to the County Clerk's permanent storage of county records. The funds are used for the maintenance of records and for the facilities used to store those records.

Federal Grant Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the federal government. In the prior year, the Federal Grant Fund was known as the American Rescue Plan Act (ARPA) Fund.

Opioid Court Settlement Fund - The primary purpose of this fund is to account for revenues received as a result of the opioid settlement related to oxycontin. Funds received under this settlement are to be used in efforts to reduce the illicit use of opioids.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Commissary Fund.

D. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

The state local finance officer does not require the Jail Commissary Fund to be budgeted because the fiscal court does not approve the expenses of this fund.

The state local finance officer does not require the Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Grant County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Grant County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of the Grant County Fiscal Court.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

F. Deposits and Investments

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

KRS 66.480 authorizes the county 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).

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

The fund financial statement recognizes bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as disbursements. costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

Note 2. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG's) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG 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 fiscal court 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 government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2025, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2025.

	General Fund	Federal Grant Fund	Total Transfers In
General Fund	$	$ 322	$ 322
Jail Fund	3,187,000		3,187,000
Total Transfers Out	$ 3,187,000	$ 322	$ 3,187,322

Reason for transfers:

To move resources from and to the General Fund and other funds, for budgetary purposes, to the funds that will expend them.

Note 4. Custodial Funds

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. In accordance with the regulatory basis of accounting, custodial funds are not presented on the financial statement.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 4. Custodial Funds (Continued)

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the Jail Inmate Fund as of June 30, 2025 was $60,059.

Note 5. Commitments – Lease Agreements

A. Leases – Lessor

The Grant County Fiscal Court was committed to the following lease agreements as lessor as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Administrative Office of the Courts	7/1/2015	13 Years	Semi-annual	7/1/2028	$1,233,850*	$ 3,703,575

* The amount of payments listed is the value of the principal plus interest payments received this fiscal year. Future payment amounts will vary based on the debt schedule for the first mortgage refunding revenue bonds, series 2016, at Note 5.A.

B. Leases – Lessee

The Grant County Fiscal Court was committed to the following lease agreements as lessee as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Copiers - County-Wide	2/9/2022	5 Years	Monthly	2/9/2027	$ 1,327	$ 29,195
Copiers - Building Inspections	6/29/2022	5 Years	Monthly	6/29/2027	$ 292	$ 8,177

Note 6. Short-term Debt

A. Direct Borrowings

On July 1, 2024, the Grant County Fiscal Court entered into a promissory note agreement with Forcht Bank for $2,000,000 for general use by the county. Interest, which is calculated at a fixed rate of 5.75 percent, is due quarterly and outstanding principal is due by June 30, 2025. No event of default is outlined in the agreement. The county drew on the promissory note in the amount of $1,350,000 for the year. On February 4, 2025, the county paid off the promissory note principal and related interest.

B. Changes In Short-term Debt

Short-term Debt activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Promissory Note	$	$ 1,350,000	$1,350,000	$	$
Total Short-term Debt	$ 0	$ 1,350,000	$ 1,350,000	$ 0	$ 0

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 7. Long-term Debt

A. Direct Borrowings and Direct Placements

1. General Obligation Refunding and Improvements Bonds, Series 2015

On July I, 2015, the Grant County Fiscal Court issued $5,290,000 General Obligation Refunding and Improvement Bonds for the purposes of refinancing previously issued bonds (Series 2010B Refunding Bonds) and improvements for the Detention Center Facilities Project. Principal payments are due each year on July 1, in amounts indicated below, starting January 1, 2016. Interest rates ranging from 2% to 3.125% on the bonds is payable each January 1 and July I. beginning January 1, 2016. Bonds are general obligations of the county and the full faith, credit and taxing power of the county is irrevocably pledged to the payment of principal and interest on the bonds when due. The principal balance outstanding as of June 30, 2025, was $1,360,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 445,000	$ 41,944
2027	455,000	28,594
2028	460,000	14,375
Totals	$ 1,360,000	$ 84,913

B. Other Debt

1. First Mortgage Revenue Bonds, Series 2016

On January 1, 2016, the Grant County Public Properties Corporation issued $8,885,000 of First Mortgage Revenue Refunding Bonds. Proceeds from the bonds will be used for the purpose of (i) the advance refunding of all or certain maturities of the $16,615,000 Grant county, Kentucky Public Properties Corporation First Mortgage Revenue Bonds (Judicial Center Project), Series 2007, dated December 1, 2007; (ii) the payment of the accrued interest, if any; and (iii) the payment of the cost of issuance incurred with respect to the issuance of the bonds. Principal payments are due annually on December 1 beginning December 1, 2020. Interest payments, which varies from 2% to 3%, is payable semi-annually on June I and December 1. In the event of default, the trustee may enforce the foreclosable mortgage lien on the project site, bring suit against the corporation, or declare all bonds due and payable. The outstanding principal balance as of June 30, 2025, is $3,545,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	$ 1,150,000	$ 85,475
2027	1,180,000	54,875
2028	1,215,000	18,225
Totals	$ 3,545,000	$ 158,575

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 7. Long-term Debt (Continued)

C. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	$ 1,795,000	$	$ 435,000	$ 1,360,000	$ 445,000
Other Debt	4,665,000		1,120,000	3,545,000	1,150,000
Total Long-term Debt	$ 6,460,000	$ 0	$ 1,555,000	$ 4,905,000	$ 1,595,000

D. Aggregate Debt Schedule

The amount of required principal and interest payments on long-term obligations on June 30, 2025, were as follows:

	Other Debt		Direct Borrowings and Direct Placements	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest
2026	$ 1,150,000	$ 85,475	$ 445,000	$ 41,944
2027	1,180,000	54,875	455,000	28,594
2028	1,215,000	18,225	460,000	14,375
Totals	$ 3,545,000	$ 158,575	$ 1,360,000	$ 84,913

Note 8. Contingencies

The county is involved in multiple lawsuits. While individually they may not be significant, in the aggregate they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

Note 9. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS). 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. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and Kentucky Retirement Systems (Ky. Ret. Sys.). The CERS nine member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2023 was $1,389,314, FY 2024 was $1,349,664, and FY 2025 was $1,092,371.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Nonhazardous

Nonhazardous covered employees are required to contribute 5% of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6% of their salary to be allocated as follows: 5% will go to the member's account and 1% will be allocated to CERS's share of assets in the Ky. Ret. Sys. insurance trust 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 covered employees contribute 5% of their annual creditable compensation. Nonhazardous members also contribute 1% 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 CERS Board of Trustees 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 4% 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 19.71%.

Hazardous

Hazardous covered employees are required to contribute 8% of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9% of their salary to be allocated as follows: 8% will go to the member's account and 1% will be allocated to CERS's share of assets in the Ky. Ret. Sys. insurance trust 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. Hazardous members contribute 8% of their annual creditable compensation and also contribute 1% 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 of Trustees 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 hazardous member's account is credited with a 7.5% employer pay credit. The employer pay credit represents a portion of the employer contribution.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Hazardous (Continued)

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.

The county's contribution rate for hazardous employees was 38.61%.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS 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 $10 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 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, the employee's spouse receives $10 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.

Benefits are covered under KRS 78.5536.

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous

Once members reach a minimum vesting period of 15 years, they earn $10 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 by 1.5%. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

B. Health Insurance Coverage - Tier 2 and Tier 3 – Nonhazardous (Continued)

The monthly insurance benefit has been increased annually as a 1.5% cost of living adjustment (COLA) since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

Tier 2 member benefits are covered by KRS 78.5536. Tier 3 members are not covered by the same provisions.

C. Health Insurance Coverage - Tier 2 and Tier 3 - Hazardous

Once members reach a minimum vesting period of 15 years, they earn $15 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 by 1.5%. Upon the death of a hazardous employee, the employee's spouse receives $10 per month for insurance benefits for each year of the deceased employee's hazardous service. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

The monthly insurance benefit has been increased annually as a 1.5% COLA since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

D. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of Ky. Ret. Sys. benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5%. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.

E. Cost of Living Adjustments - Tier 2 and Tier 3

No COLA is given unless authorized by the legislature with specific criteria. To this point, no COLA has been authorized by the legislature for Tier 2 or Tier 3 members.

F. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KPPA will pay a $5,000 death benefit payment to the beneficiary designated by the member specifically for this benefit. Members with multiple accounts are entitled to only one death benefit.

G. 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. This report may be obtained by writing the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646. Some reports may also be obtained online at https://kyret.ky.gov.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 9. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

G. Annual Financial Report and Proportionate Share Audit Report (Continued)

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.

Note 10. Deferred Compensation

The Grant County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax-sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full-time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

Note 11. Health Reimbursement Account/Flexible Spending Account

The Grant County Fiscal Court established a flexible spending account and a health reimbursement benefit account to provide employees that opt out of the county's paid health insurance plan with a $250 per month benefit. The health reimbursement account is a benefit that can be used to purchase additional insurance options that are available to the employee; however, any funds not spent on additional insurance is deposited into an account. The county has contracted with a third-party administrator to administer the plan. The plan provides a debit card to each eligible employee at the beginning of each fiscal year to pay for qualified medical expenses. The balance of the plan as of June 30, 2025, was $50,324.

Note 12. Insurance

For the fiscal year ended June 30, 2025, the Grant County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2025
(Continued)

Note 13. Tax Abatement

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, Grant County Fiscal Court is required to disclose certain information about tax abatements as defined in the statement. GASB 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the county or its citizens. As of June 30, 2019, Grant County Fiscal Court provides a tax abatement with tax increment financing through one program: the Local Development Area Agreement for Ark Encounter.

In accordance with Ordinance 06-2013-667, the Grant County Fiscal Court, along with the City of Williamstown and the Grant County Joint Local Industrial Authority, entered into a development agreement with Ark Encounter, LLC, the developer. This agreement will facilitate the development of the Ark Encounter within the Local Development Area (LDA). The Ark Encounter shall be developed over an estimated 10-year period. The Grant County Fiscal Court agreed to pledge 75 percent of the county's incremental revenues from county real ad valorem taxes generated within the LDA for a 30-year period to pay for project costs within the LDA. The incremental revenues shall be determined by calculating the new revenues collected from the LDA and subtracting the old revenues collected from the LDA for the base year, which is calendar year 2011. The developer agreed to construct the Ark Encounter within the LDA. The construction of the Ark Encounter project will increase the taxable assessment within the LDA by over $170,000,000 which will generate significant new tax revenue to the county, even when deducting the incremental revenues pledged by the county. For fiscal year ending June 30, 2025, the Grant County Fiscal Court paid incremental revenues totaling $79,800.

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

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GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 9,874,651	$ 9,874,651	$ 9,603,994	$ (270,657)
Excess Fees	51,000	51,000	51,590	590
Licenses and Permits	170,800	170,800	175,396	4,596
Intergovernmental	3,568,677	3,568,677	1,909,509	(1,659,168)
Charges for Services	32,600	32,600	39,630	7,030
Miscellaneous	336,600	336,600	134,203	(202,397)
Interest	11,000	11,000	81,974	70,974
Total Receipts	14,045,328	14,045,328	11,996,296	(2,049,032)
DISBURSEMENTS				
General Government	3,912,991	3,929,665	3,340,066	589,599
Protection to Persons and Property	967,531	967,531	821,019	146,512
General Health and Sanitation	502,598	502,598	429,916	72,682
Social Services	6,000	6,750	6,750	
Recreation and Culture	2,881,925	2,881,925	966,524	1,915,401
Debt Service		2,000,000	1,377,118	622,882
Administration	2,124,563	2,107,139	1,678,869	428,270
Total Disbursements	10,395,608	12,395,608	8,620,262	3,775,346
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	3,649,720	1,649,720	3,376,034	1,726,314
Other Adjustments to Cash (Uses)				
Borrowed Money		2,000,000	1,350,000	(650,000)
Transfers From Other Funds			322	322
Transfers To Other Funds	(3,954,359)	(3,954,359)	(3,187,000)	767,359
Total Other Adjustments to Cash (Uses)	(3,954,359)	(1,954,359)	(1,836,678)	117,681
Net Change in Fund Balance	(304,639)	(304,639)	1,539,356	1,843,995
Fund Balance - Beginning	304,639	304,639	685,393	380,754
Fund Balance - Ending	$ 0	$ 0	$ 2,224,749	$ 2,224,749

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

ROAD FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	$ 2,108,637	$ 2,108,637	$ 1,604,162	$ (504,475)
Miscellaneous	11,000	11,000	3,167	(7,833)
Interest	1,500	1,500	34,938	33,438
Total Receipts	2,121,137	2,121,137	1,642,267	(478,870)
DISBURSEMENTS				
Roads	1,905,125	1,907,442	985,347	922,095
Administration	295,769	293,452	206,133	87,319
Total Disbursements	2,200,894	2,200,894	1,191,480	1,009,414
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(79,757)	(79,757)	450,787	530,544
Net Change in Fund Balance	(79,757)	(79,757)	450,787	530,544
Fund Balance - Beginning	79,757	79,757	318,815	239,058
Fund Balance - Ending	$ 0	$ 0	$ 769,602	$ 769,602

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

JAIL FUND

	Budgeted Amounts		Actual Amounts, (Budgetary	Variance with Final Budget Positive
	Original	Final	Basis)	(Negative)
RECEIPTS				
Intergovernmental	$ 3,411,147	$ 3,411,147	$ 3,565,349	$ 154,202
Charges for Services	53,750	53,750	65,448	11,698
Miscellaneous	124,500	124,500	119,074	(5,426)
Interest	500	500	9,846	9,346
Total Receipts	3,589,897	3,589,897	3,759,717	169,820
DISBURSEMENTS				
Protection to Persons and Property	5,425,868	5,474,725	5,166,582	308,143
Debt Service	489,994	489,994	489,994	
Administration	1,628,394	1,579,537	1,295,015	284,522
Total Disbursements	7,544,256	7,544,256	6,951,591	592,665
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,954,359)	(3,954,359)	(3,191,874)	762,485
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	3,954,359	3,954,359	3,187,000	(767,359)
Total Other Adjustments to Cash (Uses)	3,954,359	3,954,359	3,187,000	(767,359)
Net Change in Fund Balance			(4,874)	(4,874)
Fund Balance - Beginning			176,416	176,416
Fund Balance - Ending	$ 0	$ 0	$ 171,542	$ 171,542

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 100	$ 100	$ 1,098	$ 998
Total Receipts	100	100	1,098	998
DISBURSEMENTS				
Roads	29,367	29,367		29,367
Total Disbursements	29,367	29,367		29,367
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(29,267)	(29,267)	1,098	30,365
Net Change in Fund Balance	(29,267)	(29,267)	1,098	30,365
Fund Balance - Beginning	29,267	29,267	29,349	82
Fund Balance - Ending	$ 0	$ 0	$ 30,447	$ 30,447

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	FORESTRY FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	$ 2,050	$ 2,050	$ 1,990	$ (60)
Interest	15		164	164
Total Receipts	2,065	2,050	2,154	104
DISBURSEMENTS				
Protection to Persons and Property	2,065	2,065	1,721	344
Total Disbursements	2,065	2,065	1,721	344
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(15)	433	448
Net Change in Fund Balance		(15)	433	448
Fund Balance - Beginning		15	3,460	3,445
Fund Balance - Ending	$ 0	$ 0	$ 3,893	$ 3,893

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	COUNTY CLERK PERMANENT STORAGE FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$ 35,000	$ 35,000	$ 39,080	$ 4,080
Interest	100	100	2,414	2,314
Total Receipts	35,100	35,100	41,494	6,394
DISBURSEMENTS				
General Government	107,200	107,200	82,017	25,183
Total Disbursements	107,200	107,200	82,017	25,183
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(72,100)	(72,100)	(40,523)	31,577
Net Change in Fund Balance	(72,100)	(72,100)	(40,523)	31,577
Fund Balance - Beginning	72,100	72,100	73,708	1,608
Fund Balance - Ending	$ 0	$ 0	$ 33,185	$ 33,185

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

	FEDERAL GRANT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	$ 60	$ 548	$ 870	$ 322
Total Receipts	60	548	870	322
DISBURSEMENTS				
General Government		3,777	3,777	
Protection to Persons and Property		29,014	29,014	
Administration	32,215			
Total Disbursements	32,215	32,791	32,791	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(32,155)	(32,243)	(31,921)	322
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(322)	(322)
Total Other Adjustments to Cash (Uses)			(322)	(322)
Net Change in Fund Balance	(32,155)	(32,243)	(32,243)	
Fund Balance - Beginning	32,155	32,243	32,243	
Fund Balance - Ending	$ 0	$ 0	$ 0	$ 0

GRANT COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2025
(Continued)

OPIOID COURT SETTLEMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	$	$	$ 157,424	$ 157,424
Interest	1,000	1,000	15,005	14,005
Total Receipts	1,000	1,000	172,429	171,429
DISBURSEMENTS				
Protection to Persons and Property	152,993	238,675	208,410	30,265
Administration	300,600	214,918	70,217	144,701
Total Disbursements	453,593	453,593	278,627	174,966
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(452,593)	(452,593)	(106,198)	346,395
Net Change in Fund Balance	(452,593)	(452,593)	(106,198)	346,395
Fund Balance - Beginning	452,593	452,593	453,957	1,364
Fund Balance - Ending	$ 0	$ 0	$ 347,759	$ 347,759

GRANT COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2025

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

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GRANT COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

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GRANT COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance (*Restated)	Additions	Deletions	Ending Balance
Land and Land Improvements*	$ 1,208,920	$	$	$ 1,208,920
Building and Improvements*	24,462,329			24,462,329
Vehicles*	2,734,241	301,918		3,036,159
Machinery and Equipment*	2,976,889	94,411		3,071,300
Infrastructure	9,776,544			9,776,544
Total Capital Assets	$ 41,158,923	$ 396,329	$ 0	$ 41,555,252

GRANT COUNTY
NOTES TO OTHER INFORMATION - REGULATORY BASIS
SCHEDULE OF CAPITAL ASSETS

June 30, 2025

Note 1. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	$ 12,500	10 - 60
Buildings and Building Improvements	$ 25,000	10 - 75
Vehicles	$ 5,000	5 - 15
Machinery and Equipment	$ 5,000	3 - 25
Infrastructure	$ 20,000	10 - 50

Note 2. Prior Period Restatement

The beginning balances of land and land improvements were restated and decreased by $140,050, building and building improvements decreased by $179,354, vehicles decreased by $6,598 and machinery and equipment decreased by $14,000. These restatements were made to correct prior-year capital asset balances and to agree to reported balances to the county's capital asset records.

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 Chuck Dills, Grant County Judge/Executive
Members of the Grant County Fiscal Court

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 Changes in Fund Balances - Regulatory Basis of the Grant County Fiscal Court for the fiscal year ended June 30, 2025, and the related notes to the financial statement which collectively comprise the Grant County Fiscal Court's financial statement and have issued our report thereon dated July 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Grant County Fiscal Court'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 Grant County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grant County Fiscal Court'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 have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings and Responses as items 2025-001 and 2025-002 to be material weaknesses.

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Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Grant County Fiscal Court'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2025-001 and 2025-002.

Views of Responsible Official and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Grant County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The county's response was not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on it.

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

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

July 22, 2026

GRANT COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

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GRANT COUNTY
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended June 30, 2025

2025-001 The Grant County Fiscal Court's Schedule Of Leases Was Materially Misstated

Condition and Context

The fiscal court omitted the judicial center leases from its GASB 87 worksheet. As the lessor in this agreement with the Administrative Office of the Courts (AOC), the fiscal court failed to include GASB 87-compliant lease receivables totaling $3,703,575 as of June 30, 2025.

Cause

The county treasurer was unaware that the lease of the judicial center with AOC was required to be included on the GASB 87 worksheet because the lessor was the public properties corporation instead of the fiscal court.

Effect

The fiscal court's lease reporting was understated by $3,703,575.

Criteria

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. According to the *County Budget Preparation and State Local Finance Officer Policy Manual*, all financial activity, including transactions through a third party, must be recorded on the county's financial statements. In addition, the manual states "[i]n order to achieve fair presentation, the notes to the financial statement(s), whether prepared utilizing the regulatory basis or GAAP basis, should include all informative disclosures that are appropriate, including all matters that affect the financial statements' use, understanding and interpretation."

GASB Statement No. 87 requires governments to disclose information about lease arrangements in the notes to the financial statements.

Recommendation

We recommend the fiscal court implement controls to ensure all leases are disclosed on the GASB 87 worksheet.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive's Response: The outstanding bond information has been disclosed on the county's quarter financial statement provided to Department for Local Government since inception and we were never instructed that it should also be shown on our annual GASB 87 report. We have contacted DLG who is reviewing this matter with their legal team. They should be providing guidance on this issue so all counties will have consistent reporting going forward.

Auditor's Reply: The lease agreements between the Grant County Fiscal Court and AOC meet the definition of a lease under GASB 87 reporting requirements and are required to be included on the fiscal court's lease schedule. The material omission of this information causes the true financial standing of Grant County Fiscal Court to be misrepresented.

GRANT COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2025
(Continued)

2025-002 The Grant County Detention Center Did Not Have Adequate Internal Controls Over Inmate Trust Account Financial Reporting And Has A Lack Of Segregation Of Duties

Condition and Context

The Grant County Detention Center did not have adequate internal controls over the inmate trust account activity and did not accurately perform bank reconciliations. This trust account is used to maintain funds deposited by or on behalf of inmates.

During performance of audit procedures, the following deficiencies were noted:

- As of June 30, 2025, the year-end bank reconciliation reflected $24,665 of deposits in transit that had been entered at least 4 months before. Deposits in transit should only be used as a temporary reconciling item between the bank statement and receipts ledger.
- The year end bank reconciliation reflected $3,099 in outstanding checks for inmate account balance refunds that were written prior to June 30, 2024. These checks are eligible to be voided and the associated funds transferred to the commissary account.
- The detention center has three separate sources of inmate fund receipts: the lobby kiosk, booking kiosk, and general cash drawer. The kiosks' receipts for the week tested were deposited at month end rather than daily. The general cash drawer included receipts dated 10 days prior to the deposit.
- One receipt of $20 was deposited timely and posted accurately to the receipts ledger. However, it was not posted to the inmate's account balance.
- There was a lack of segregation of duties over financial reporting. While the jailer tried to implement compensating controls, they were not sufficient to prevent the findings noted above from occurring.

Cause

The jailer did not have controls in place to ensure that staff knew the requirements regarding inmate trust accounts. The jailer also failed to t monitor to make sure those requirements were met.

Effect

Failure to implement proper internal controls over inmate financial reporting increases the risk of financial misstatements, misappropriation of assets, and noncompliance with statutory requirements. Additionally, proper reconciliation of the inmate trust account is necessary to ensure that funds being held in trust for the inmates are available at all times.

Criteria

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." Segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports. In addition, accurate and timely review of bank reconciliations and receipt processing should be performed.

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* require officials to make daily deposits into a federally insured banking institution.

GRANT COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2025
(Continued)

2025-002 The Grant County Detention Center Did Not Have Adequate Internal Controls Over Inmate Trust Account Financial Reporting And Has A Lack Of Segregation Of Duties (Continued)

Criteria (Continued)

KRS 441.137(2) states, "[a]ny abandoned moneys as set out in subsection (1) of this section shall, if in a prisoner account, be transferred into the canteen account if these are two (2) different accounts, or shall remain in the canteen account and be available for the purposes set out in KRS 441.135."

Recommendation

We recommend the Grant County Detention Center implement sufficient internal controls over the inmate trust account to ensure complete and accurate records are maintained and to comply with applicable statutes.

Views of Responsible Official and Planned Corrective Action

Jailer's Response: Management will ensure that deposits in transit reflected on the year-end bank reconciliation are resolved in a timely manner. Outstanding inmate checks will be voided and the funds transferred to the commissary account in accordance with KRS requirements.

Management believes adequate controls are in place to safeguard inmate funds despite staffing limitations that make full segregation of duties impractical. Written policies, supervisory review, and reconciliation procedures provide compensating controls. In addition, the inmate kiosks are managed through [vendor name redacted] bonded system and cannot be unloaded or deposited daily by detention center staff. Management will continue to monitor procedures and ensure compliance with established policies.

Auditor's Reply: Controls discussed by the jailer failed to catch the errors noted above, therefore those controls were not functioning in a manner to offset the lack of segregation of duties. Those controls need to be reevaluated to ensure the errors noted do not occur in the future and all requirements governing the inmate trust accounts are complied with.

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CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

GRANT COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE

GRANT COUNTY FISCAL COURT

For The Year Ended June 30, 2025

The Grant County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

County Judge/Executive

County Treasurer