Auditor of
Public Accounts
Allison Ball

Grant County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Grant 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 Grant 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 Grant County Fiscal Court's Schedule Of Leases Was Materially Misstated

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.

Recommendations

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

County Officials Response

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.

Finding: 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

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.

Recommendations

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.

County Officials Response

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.

The audit report can be found on the auditor's website.

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