

**REPORT OF THE AUDIT OF THE
BOYLE COUNTY
FISCAL COURT**

**For The Year Ended
June 30, 2025**



**ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
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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 Trille L. Bottom, Boyle County Judge/Executive
Members of the Boyle 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 Boyle County Fiscal Court, for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the Boyle 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 Boyle 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 Boyle 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 Boyle 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.



To the People of Kentucky
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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 Boyle 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

Boyle 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 Boyle 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 Boyle County Fiscal Court's internal control. Accordingly, no such opinion is expressed.

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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 Boyle 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 Boyle 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 April 9, 2026, on our consideration of the Boyle 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 Boyle 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 Boyle County Fiscal Court Failed To Provide Adequate Oversight Over Accounting, Reporting, And Financial Management Practices

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

April 9, 2026

BOYLE COUNTY OFFICIALS**For The Year Ended June 30, 2025****Fiscal Court Members:**

Trille L. Bottom	County Judge/Executive
Paula Bodner	Magistrate
Jason Cullen	Magistrate
Tom V. Ellis	Magistrate
James Gay	Magistrate
Barry Harmon	Magistrate
Steve Sleeper	Magistrate

Other Elected Officials:

Christopher K. Herron	County Attorney
Brian Wofford	Jailer
Casey McCoy	County Clerk
Cortney Shewmaker	Circuit Court Clerk
Kenneth T. Bottom	Sheriff
Lecresha Gibson	Property Valuation Administrator
Eric Guerrant	Coroner

Appointed Personnel:

Shannon Greene	County Treasurer
Elaina Plyman	Chief Financial Officer
Julie Wagner	County Administrator

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

For The Year Ended June 30, 2025

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

For The Year Ended June 30, 2025

	<u>Budgeted Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail Fund</u>
RECEIPTS			
Taxes	\$ 2,114,949	\$	\$
Excess Fees	112,078		
Licenses and Permits	104,959		
Intergovernmental	1,422,824	1,202,795	987,965
Charges for Services	10,023		1,105,133
Miscellaneous	2,328,545	11,044	284,047
Interest	634,917	5,191	986
Total Receipts	<u>6,728,295</u>	<u>1,219,030</u>	<u>2,378,131</u>
DISBURSEMENTS			
General Government	7,388,583		
Protection to Persons and Property	214,088		3,926,136
General Health and Sanitation	1,814,464		
Social Services	161,062		
Recreation and Culture	783,123		
Roads		1,076,848	
Airports	27,757		
Other Transportation Facilities and Services			
Debt Service	150,032		80,787
Capital Projects	2,601,657	1,002,741	
Administration	2,591,712	427,937	1,617,869
Total Disbursements	<u>15,732,478</u>	<u>2,507,526</u>	<u>5,624,792</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(9,004,183)</u>	<u>(1,288,496)</u>	<u>(3,246,661)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	11,215,816	1,252,000	2,527,043
Transfers To Other Funds	<u>(6,805,012)</u>		<u>(356,728)</u>
Total Other Adjustments to Cash (Uses)	<u>4,410,804</u>	<u>1,252,000</u>	<u>2,170,315</u>
Net Change in Fund Balance	(4,593,379)	(36,496)	(1,076,346)
Fund Balance - Beginning	<u>19,194,911</u>	<u>35,918</u>	<u>1,274,438</u>
Fund Balance - Ending	<u>\$ 14,601,532</u>	<u>\$ (578)</u>	<u>\$ 198,092</u>
Composition of Fund Balance			
Bank Balance	\$ 9,755,990	\$ 66,114	\$ 306,154
Plus: Deposits In Transit	3,841		
Less: Outstanding Checks	(122,621)	(66,692)	(108,062)
Certificates of Deposit	<u>4,964,322</u>		
Fund Balance - Ending	<u>\$ 14,601,532</u>	<u>\$ (578)</u>	<u>\$ 198,092</u>

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

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

Budgeted Funds						
Local Government Economic Assistance Fund	Emergency 911 Fund	Boyle Jail Fund	Emergency Medical Services Fund	Fleet Management Fund	County Clerk Storage Fund	Opioid Fund
\$	\$ 25,624	\$	\$	\$	\$	\$
95,192	269,079		277,217			
			2,158,808	44,490		
			94,930		50,330	109,053
250	28	157	300	5	76	488
<u>95,442</u>	<u>294,731</u>	<u>157</u>	<u>2,531,255</u>	<u>44,495</u>	<u>50,406</u>	<u>109,541</u>
					47,936	
	294,835		3,405,748			
			216,610			
49,604						
				170,676		
			1,969,666	35,177		
<u>49,604</u>	<u>294,835</u>		<u>5,592,024</u>	<u>205,853</u>	<u>47,936</u>	
<u>45,838</u>	<u>(104)</u>	<u>157</u>	<u>(3,060,769)</u>	<u>(161,358)</u>	<u>2,470</u>	<u>109,541</u>
		356,728	2,917,938	170,000		
		(9,031)				(52,938)
		<u>347,697</u>	<u>2,917,938</u>	<u>170,000</u>		<u>(52,938)</u>
45,838	(104)	347,854	(142,831)	8,642	2,470	56,603
113,604	3,278	48,759	466,461	6,171	50,046	260,986
<u>\$ 159,442</u>	<u>\$ 3,174</u>	<u>\$ 396,613</u>	<u>\$ 323,630</u>	<u>\$ 14,813</u>	<u>\$ 52,516</u>	<u>\$ 317,589</u>
\$ 159,442	\$ 3,174	\$ 396,613	\$ 438,017	\$ 15,726	\$ 52,516	\$ 317,589
			(114,387)	(913)		
<u>\$ 159,442</u>	<u>\$ 3,174</u>	<u>\$ 396,613</u>	<u>\$ 323,630</u>	<u>\$ 14,813</u>	<u>\$ 52,516</u>	<u>\$ 317,589</u>

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

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

	<u>Budgeted Funds</u>		
	<u>ARPA Fund</u>	<u>Bond Fund</u>	<u>Federal Grants Fund</u>
RECEIPTS			
Taxes	\$	\$	\$
Excess Fees			
Licenses and Permits			
Intergovernmental			
Charges for Services			
Miscellaneous			
Interest	1,677		
Total Receipts	<u>1,677</u>		
DISBURSEMENTS			
General Government			
Protection to Persons and Property			
General Health and Sanitation			
Social Services			
Recreation and Culture			
Roads			
Airports			
Other Transportation Facilities and Services			
Debt Service			
Capital Projects			
Administration	360,898		
Total Disbursements	<u>360,898</u>		
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(359,221)</u>		
Other Adjustments to Cash (Uses)			
Transfers From Other Funds			
Transfers To Other Funds	(105,872)		
Total Other Adjustments to Cash (Uses)	<u>(105,872)</u>		
Net Change in Fund Balance	(465,093)		
Fund Balance - Beginning	465,093		
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Composition of Fund Balance			
Bank Balance	\$	\$	\$
Plus: Deposits In Transit			
Less: Outstanding Checks			
Certificates of Deposit			
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

<u>Unbudgeted Funds</u>			<u>Internal Service Fund</u>
<u>Tax Administration Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>	<u>Health Insurance Fund</u>
\$ 25,939,604	\$	\$ 28,080,177	\$
		112,078	
		104,959	
		4,255,072	
		3,318,454	
1,730	335,857	3,215,536	2,827,925
18,983		663,058	1,659
<u>25,960,317</u>	<u>335,857</u>	<u>39,749,334</u>	<u>2,829,584</u>
		7,436,519	
		7,840,807	
		2,031,074	
		161,062	
	398,654	1,181,777	
		1,126,452	
		27,757	
		170,676	
		230,819	
		3,604,398	
13,830,203		20,833,462	2,405,667
<u>13,830,203</u>	<u>398,654</u>	<u>44,644,803</u>	<u>2,405,667</u>
12,130,114	(62,797)	(4,895,469)	423,917
		18,439,525	
(11,109,944)		(18,439,525)	
<u>(11,109,944)</u>			
1,020,170	(62,797)	(4,895,469)	423,917
35,333	300,040	22,255,038	960,938
<u>\$ 1,055,503</u>	<u>\$ 237,243</u>	<u>\$ 17,359,569</u>	<u>\$ 1,384,855</u>
\$ 1,055,503	\$ 237,969	\$ 12,804,807	\$ 1,384,855
		3,841	
	(726)	(413,401)	
		4,964,322	
<u>\$ 1,055,503</u>	<u>\$ 237,243</u>	<u>\$ 17,359,569</u>	<u>\$ 1,384,855</u>

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

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TO THE FINANCIAL STATEMENT**

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**BOYLE COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Boyle County includes all budgeted and unbudgeted funds under the control of the Boyle 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.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

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.

Emergency 911 Fund - This fund is used to support the operation of the county's emergency operations communications. The primary sources of receipts for this fund are land line and cellular telephone fees paid monthly by consumers.

Boyle Jail Fund - This fund is to be used for inmate and jailer specific expenses not part of the joint jail agreement.

Emergency Medical Services Fund - The primary purpose of this fund is to account for ambulance receipts and disbursements. The primary sources of receipts are grants and charges for services.

Fleet Management Fund - The primary purpose of this fund is to account for the repairs done by the county mechanic for county owned vehicles.

County Clerk Storage Fund - The primary purpose of this fund is to account for monthly storage fees paid by the county clerk to the fiscal court for the county to hold in a separate fund for the county clerk to use for operations of their office, and for the disbursements to be monitored and managed as any other fiscal court disbursement.

Opioid Fund - The primary purpose of this fund is to hold settlement funds disbursed to the county for use in drug prevention and rehabilitation care programs and initiatives done by the county.

ARPA Fund - The primary purpose of this fund is to account for American Rescue Plan Act receipts and disbursements to assist the county with recovery efforts and improvements in post COVID-19 pandemic time.

Bond Fund - The primary purpose of this fund is to account for proceeds and debt service of bonds.

Federal Grants Fund - The primary purpose of this fund is to account for federal monies received.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

Tax Administration Fund - The primary purpose of this fund is to account for the collection of county and City of Danville occupational taxes and net profit taxes, and their disbursement to the county General Fund or to the City of Danville.

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Internal Service Fund

Health Insurance Fund - The primary purpose of this fund is to account for Boyle County's partially self-funded employee health insurance program.

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.

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.

E. Boyle County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Boyle 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 Boyle 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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

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).

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

H. Related Organizations and Joint Ventures

Related organizations are associated or affiliated with, have control over, or are controlled by, each other. However, a related organization can be an entity for which a primary government is not financially accountable, but the primary government is still accountable because it appoints a voting majority of the board. The Boyle County Fiscal Court appoints the commissioners of the Boyle County Health Department and Boyle County Conservation District.

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. The Boyle County Fiscal Court entered into an interlocal agreement with the City of Danville to form the following: the Danville-Boyle County Planning and Zoning Department, the Danville-Boyle County Convention and Visitor's Bureau, and the Danville-Boyle County Parks and Recreation Board. Joint control and financial interest or responsibility exists between entities within each of these three arrangements, thus creating joint ventures.

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.

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

Note 3. Transfers

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

	General Fund	Jail Fund	Boyle Jail Fund	Federal Fund	Tax Administration Fund	Opioid Fund	Total Transfers In
General Fund	\$	\$	\$	\$ 105,872	\$ 11,109,944	\$	\$ 11,215,816
Road Fund	1,252,000						1,252,000
Jail Fund	2,518,012		9,031				2,527,043
Fleet Fund	170,000						170,000
EMS Fund	2,865,000					52,938	2,917,938
Boyle Jail Fund		356,728					356,728
Total Transfers Out	\$ 6,805,012	\$ 356,728	\$ 9,031	\$ 105,872	\$ 11,109,944	\$ 52,938	\$ 18,439,525

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.

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 \$34,995.

Note 5. Commitments – Lease Agreements

A. Leases – Lessor

The Boyle 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
Constitution Square Historic Site	7/1/2023	5 years	Monthly	6/30/2028	\$ 1,800	\$ 64,800
Broadband on Demand	11/1/2020	5 Years	Monthly	10/31/2025	\$ 911	\$ 4,556

B. Leases – Lessee

The Boyle 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
County Tower	10/21/2022	10 Years	Once	10/21/2032	\$ 1	\$ 0

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

Note 6. Long-term Debt

A. Other Debt

1. General Obligation Bonds, Series 2015

On June 30, 2015, the Boyle County Fiscal Court issued \$2,875,000 of general obligation bonds for the purpose of financing costs (to the extent not otherwise provided to be paid) of the acquisition and installation of energy efficiency improvements to (a) the Boyle County Courthouse located at 321 West Main Street, (b) the Boyle County Detention Center located at 1860 South Danville Bypass, (c) the Boyle County Emergency Medical Services facility located at 1856 South Danville Bypass, (d) the Boyle County Public Works facility located at 858 South Danville Bypass, and (e) the Boyle County Recycling Center located at 1862 South Danville Bypass. Principal payments are due annually on December 1, and interest, which varies from two percent to three percent, is payable semiannually on June 1 and December 1. In the event of default, any holder of Series 2015 bonds may either at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel performance by the county and its officers and agents of all duties imposed or required by law or by the Series 2015 Ordinance, including the levying and collection of sufficient taxes and the application thereof in accordance with the provisions of the Series 2015 Ordinance. The outstanding principal balance as of June 30, 2025, was \$1,065,000.

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 200,000	\$ 26,068
2027	205,000	21,006
2028	215,000	15,622
2029	220,000	9,775
2030	<u>225,000</u>	<u>3,375</u>
Totals	<u>\$ 1,065,000</u>	<u>\$ 75,846</u>

B. 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
General Obligation Bonds	<u>\$ 1,265,000</u>	<u>\$</u>	<u>\$ 200,000</u>	<u>\$ 1,065,000</u>	<u>\$ 200,000</u>
Total Long-term Debt	<u>\$ 1,265,000</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 1,065,000</u>	<u>\$ 200,000</u>

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

Note 6. Long-term Debt (Continued)

C. Aggregate Debt Schedule

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

Fiscal Year Ended June 30	Other Debt	
	Principal	Interest
2026	\$ 200,000	\$ 26,068
2027	205,000	21,006
2028	215,000	15,622
2029	220,000	9,775
2030	225,000	3,375
Totals	<u>\$ 1,065,000</u>	<u>\$ 75,846</u>

Note 7. 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 \$2,359,608, FY 2024 was \$ 2,769,351, and FY 2025 was \$2,342,033.

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.

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

Note 7. Employee Retirement System (Continued)

Nonhazardous (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service 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. 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:

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

Note 7. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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.

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.

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

Note 7. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

C. Health Insurance Coverage - Tier 2 and Tier 3 – Hazardous (Continued)

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>.

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 8. Deferred Compensation

The Boyle 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.

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

Note 8. Deferred Compensation (Continued)

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 9. Insurance

For the fiscal year ended June 30, 2025, the Boyle 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.

Note 10. Health Insurance Fund

The Boyle County Fiscal Court maintains a self-insurance fund to account for the health insurance provided by other funds on a cost reimbursement basis. The purpose of the self-insurance fund is to have funds available to cover some losses as full insurance for all types of risk can be prohibitively expensive and to accumulate reserves for catastrophic losses. Under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board, this fund would have been accounted for as an internal service fund being charged, then considered receipts of the health insurance fund. Charges to funds should be reasonable and equitable so that the receipts and disbursements of the health insurance fund are approximately equal and assume that the fund will have profitable and loss years and will break even over time.

Note 11. Related Party Transaction

The Boyle County Fiscal Court disbursed \$365 for roofing that was owned by son of a magistrate.

Note 12. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance to various entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Boyle County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2025, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

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

Note 13. Tax Abatement

Transnav Technologies, Inc.

The occupational tax was abated under the authority of the Boyle County Fiscal Court. Transnav Technologies, Inc. (the company) is eligible to receive this tax abatement as a result of its commitment to create jobs in Boyle County. The company initially pays the full amount of the occupational taxes prior to the abatement. The taxes are abated by issuing a refund to the company for wage assessment equivalent to 0.28% of the county's occupational license fee after documentation is provided to the county to substantiate the provisions of the tax abatement have been met. Transnav Technologies, Inc. made the commitment to create and continuously maintain at least 27 new full-time jobs within 15 years within the county. The performance term of the tax abatement is 15 years from the activation of the project, or until the company recovers a total of \$38,966, whichever comes first. For fiscal year ended June 30, 2025, Boyle County abated occupational taxes totaling \$3,626 under this agreement.

Note 14. Negative Fund Balance

The Road Fund had a negative fund balance in the amount of \$578. This deficit was due to issuing checks prior to having funds available to cover the checks.

BOYLE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

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BOYLE COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 16,053,210	\$ 16,053,210	\$ 2,114,949	\$ (13,938,261)
In Lieu Tax Payments	25,000	25,000		(25,000)
Excess Fees	86,000	86,000	112,078	26,078
Licenses and Permits	93,800	93,800	104,959	11,159
Intergovernmental	617,444	626,501	1,422,824	796,323
Charges for Services	286,000	286,000	10,023	(275,977)
Miscellaneous	1,959,963	2,017,675	2,328,545	310,870
Interest	524,425	524,425	634,917	110,492
Total Receipts	<u>19,645,842</u>	<u>19,712,611</u>	<u>6,728,295</u>	<u>(12,984,316)</u>
DISBURSEMENTS				
General Government	6,258,783	8,546,592	7,388,583	1,158,009
Protection to Persons and Property	254,504	256,943	214,088	42,855
General Health and Sanitation	1,993,453	2,046,742	1,814,464	232,278
Social Services	179,500	179,500	161,062	18,438
Recreation and Culture	885,200	896,875	783,123	113,752
Airports	63,200	63,200	27,757	35,443
Debt Service	152,801	152,801	150,032	2,769
Capital Projects		2,601,657	2,601,657	
Administration	18,483,500	13,861,925	2,591,712	11,270,213
Total Disbursements	<u>28,270,941</u>	<u>28,606,235</u>	<u>15,732,478</u>	<u>12,873,757</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(8,625,099)</u>	<u>(8,893,624)</u>	<u>(9,004,183)</u>	<u>(110,559)</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			11,215,816	11,215,816
Transfers To Other Funds	<u>(9,013,257)</u>	<u>(9,013,257)</u>	<u>(6,805,012)</u>	<u>2,208,245</u>
Total Other Adjustments to Cash (Uses)	<u>(9,013,257)</u>	<u>(9,013,257)</u>	<u>4,410,804</u>	<u>13,424,061</u>
Net Change in Fund Balance	(17,638,356)	(17,906,881)	(4,593,379)	13,313,502
Fund Balance - Beginning	<u>17,638,356</u>	<u>17,638,356</u>	<u>19,194,911</u>	<u>1,556,555</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (268,525)</u>	<u>\$ 14,601,532</u>	<u>\$ 14,870,057</u>

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

	ROAD FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 3,016,000	\$ 3,126,000	\$ 1,202,795	\$ (1,923,205)
Miscellaneous	1,000	2,400	11,044	8,644
Interest	4,000	4,000	5,191	1,191
Total Receipts	<u>3,021,000</u>	<u>3,132,400</u>	<u>1,219,030</u>	<u>(1,913,370)</u>
DISBURSEMENTS				
Roads	1,194,921	1,333,170	1,076,848	256,322
Capital Projects	3,288,923	3,402,047	1,002,741	2,399,306
Administration	463,393	444,243	427,937	16,306
Total Disbursements	<u>4,947,237</u>	<u>5,179,460</u>	<u>2,507,526</u>	<u>2,671,934</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,926,237)</u>	<u>(2,047,060)</u>	<u>(1,288,496)</u>	<u>758,564</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>1,776,237</u>	<u>1,776,237</u>	<u>1,252,000</u>	<u>(524,237)</u>
Total Other Adjustments to Cash (Uses)	<u>1,776,237</u>	<u>1,776,237</u>	<u>1,252,000</u>	<u>(524,237)</u>
Net Change in Fund Balance	(150,000)	(270,823)	(36,496)	234,327
Fund Balance - Beginning	<u>150,000</u>	<u>150,000</u>	<u>35,918</u>	<u>(114,082)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (120,823)</u>	<u>\$ (578)</u>	<u>\$ 120,245</u>

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

	JAIL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 1,288,938	\$ 1,571,538	\$ 987,965	\$ (583,573)
Charges for Services	671,000	671,000	1,105,133	434,133
Miscellaneous	328,750	328,750	284,047	(44,703)
Interest	900	900	986	86
Total Receipts	<u>2,289,588</u>	<u>2,572,188</u>	<u>2,378,131</u>	<u>(194,057)</u>
DISBURSEMENTS				
Protection to Persons and Property	4,169,594	4,438,234	3,926,136	512,098
Debt Service	78,018	80,788	80,787	1
Administration	2,463,900	2,477,723	1,617,869	859,854
Total Disbursements	<u>6,711,512</u>	<u>6,996,745</u>	<u>5,624,792</u>	<u>1,371,953</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,421,924)</u>	<u>(4,424,557)</u>	<u>(3,246,661)</u>	<u>1,177,896</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	3,531,924	3,531,924	2,527,043	(1,004,881)
Transfers To Other Funds			<u>(356,728)</u>	<u>(356,728)</u>
Total Other Adjustments to Cash (Uses)	<u>3,531,924</u>	<u>3,531,924</u>	<u>2,170,315</u>	<u>(1,361,609)</u>
Net Change in Fund Balance	(890,000)	(892,633)	(1,076,346)	(183,713)
Fund Balance - Beginning	<u>890,000</u>	<u>890,000</u>	<u>1,274,438</u>	<u>384,438</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (2,633)</u>	<u>\$ 198,092</u>	<u>\$ 200,725</u>

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

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	<u>Budgeted Amounts</u>		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 95,192	\$ 20,192
Interest	500	500	250	(250)
Total Receipts	<u>75,500</u>	<u>75,500</u>	<u>95,442</u>	<u>19,942</u>
DISBURSEMENTS				
Roads	90,000	49,604	49,604	
Administration	98,154	18,154		18,154
Total Disbursements	<u>188,154</u>	<u>67,758</u>	<u>49,604</u>	<u>18,154</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(112,654)</u>	<u>7,742</u>	<u>45,838</u>	<u>38,096</u>
Net Change in Fund Balance	(112,654)	7,742	45,838	38,096
Fund Balance - Beginning	<u>112,654</u>	<u>112,654</u>	<u>113,604</u>	<u>950</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 120,396</u>	<u>\$ 159,442</u>	<u>\$ 39,046</u>

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

	EMERGENCY 911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 22,500	\$ 22,500	\$ 25,624	\$ 3,124
Intergovernmental	150,275	150,275	269,079	118,804
Interest	20	20	28	8
Total Receipts	<u>172,795</u>	<u>172,795</u>	<u>294,731</u>	<u>121,936</u>
DISBURSEMENTS				
Protection to Persons and Property	198,601	298,234	294,835	3,399
Total Disbursements	<u>198,601</u>	<u>298,234</u>	<u>294,835</u>	<u>3,399</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(25,806)</u>	<u>(125,439)</u>	<u>(104)</u>	<u>125,335</u>
Net Change in Fund Balance	(25,806)	(125,439)	(104)	125,335
Fund Balance - Beginning	<u>25,806</u>	<u>25,806</u>	<u>3,278</u>	<u>(22,528)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (99,633)</u>	<u>\$ 3,174</u>	<u>\$ 102,807</u>

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

	BOYLE JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$		\$ 157	\$ 102
Total Receipts		55	157	102
DISBURSEMENTS				
Administration		49,204	49,204	49,204
Total Disbursements		49,204	49,204	49,204
Excess (Deficiency) of Receipts Over				
Disbursements Before Other				
Adjustments to Cash (Uses)		(49,204)	(49,149)	49,306
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			356,728	356,728
Transfers To Other Funds			(9,031)	(9,031)
Total Other Adjustments to Cash (Uses)			347,697	347,697
Net Change in Fund Balance		(49,204)	347,854	397,003
Fund Balance - Beginning		49,204	48,759	(445)
Fund Balance - Ending	\$	0	\$ 396,613	\$ 396,558

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

EMERGENCY MEDICAL SERVICES FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 480,000	\$ 480,000	\$ 277,217	\$ (202,783)
Charges for Services	1,800,000	1,800,000	2,158,808	358,808
Miscellaneous	98,249	123,636	94,930	(28,706)
Interest	330	330	300	(30)
Total Receipts	<u>2,378,579</u>	<u>2,403,966</u>	<u>2,531,255</u>	<u>127,289</u>
DISBURSEMENTS				
Protection to Persons and Property	3,746,987	3,983,546	3,405,748	577,798
General Health and Sanitation	275,000	281,490	216,610	64,880
Administration	2,041,165	2,057,359	1,969,666	87,693
Total Disbursements	<u>6,063,152</u>	<u>6,322,395</u>	<u>5,592,024</u>	<u>730,371</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(3,684,573)</u>	<u>(3,918,429)</u>	<u>(3,060,769)</u>	<u>857,660</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>3,434,573</u>	<u>3,434,573</u>	<u>2,917,938</u>	<u>(516,635)</u>
Total Other Adjustments to Cash (Uses)	<u>3,434,573</u>	<u>3,434,573</u>	<u>2,917,938</u>	<u>(516,635)</u>
Net Change in Fund Balance	(250,000)	(483,856)	(142,831)	341,025
Fund Balance - Beginning	<u>250,000</u>	<u>250,000</u>	<u>466,461</u>	<u>216,461</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (233,856)</u>	<u>\$ 323,630</u>	<u>\$ 557,486</u>

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

	FLEET MANAGEMENT FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Charges for Services	\$		\$ 44,490	\$ 44,490
Miscellaneous		1,000		(1,000)
Interest			5	5
Total Receipts		1,000	44,495	43,495
DISBURSEMENTS				
Other Transportation Facilities and Services		189,745	198,506	27,830
Administration		52,140	46,439	11,262
Total Disbursements		241,885	244,945	39,092
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(240,885)	(243,945)	82,587
Other Adjustments to Cash (Uses)				
Transfers From Other Funds		227,885	170,000	(57,885)
Total Other Adjustments to Cash (Uses)		227,885	170,000	(57,885)
Net Change in Fund Balance		(13,000)	8,642	24,702
Fund Balance - Beginning		13,000	6,171	(6,829)
Fund Balance - Ending	\$	0	\$ 14,813	\$ 17,873

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

COUNTY CLERK STORAGE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 45,000	\$ 45,000	\$ 50,330	\$ 5,330
Interest	200	200	76	(124)
Total Receipts	<u>45,200</u>	<u>45,200</u>	<u>50,406</u>	<u>5,206</u>
DISBURSEMENTS				
General Government	45,200	47,936	47,936	
Administration	48,894	46,158		46,158
Total Disbursements	<u>94,094</u>	<u>94,094</u>	<u>47,936</u>	<u>46,158</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(48,894)</u>	<u>(48,894)</u>	<u>2,470</u>	<u>51,364</u>
Net Change in Fund Balance	(48,894)	(48,894)	2,470	51,364
Fund Balance - Beginning	<u>48,894</u>	<u>48,894</u>	<u>50,046</u>	<u>1,152</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 52,516</u>	<u>\$ 52,516</u>

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

	OPIOID FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 120,000	\$ 120,000	\$ 109,053	\$ (10,947)
Interest	700	700	488	(212)
Total Receipts	<u>120,700</u>	<u>120,700</u>	<u>109,541</u>	<u>(11,159)</u>
DISBURSEMENTS				
Administration	285,938	233,000		233,000
Total Disbursements	<u>285,938</u>	<u>233,000</u>		<u>233,000</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(165,238)</u>	<u>(112,300)</u>	<u>109,541</u>	<u>221,841</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(52,938)	(52,938)
Total Other Adjustments to Cash (Uses)			<u>(52,938)</u>	<u>(52,938)</u>
Net Change in Fund Balance	(165,238)	(112,300)	56,603	168,903
Fund Balance - Beginning	<u>165,238</u>	<u>165,238</u>	<u>260,986</u>	<u>95,748</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 52,938</u>	<u>\$ 317,589</u>	<u>\$ 264,651</u>

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

	ARPA FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Interest	\$ 500	\$ 500	\$ 1,677	\$ 1,177
Total Receipts	500	500	1,677	1,177
DISBURSEMENTS				
Administration	464,091	360,898	360,898	
Total Disbursements	464,091	360,898	360,898	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(463,591)	(360,398)	(359,221)	1,177
Other Adjustments to Cash (Uses)				
Transfers To Other Funds			(105,872)	(105,872)
Total Other Adjustments to Cash (Uses)			(105,872)	(105,872)
Net Change in Fund Balance	(463,591)	(360,398)	(465,093)	(104,695)
Fund Balance - Beginning	463,591	463,591	465,093	1,502
Fund Balance - Ending	\$ 0	\$ 103,193	\$ 0	\$ (103,193)

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

	BOND FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 25,000,000	\$ 25,000,000	\$	\$ (25,000,000)
Total Receipts	<u>25,000,000</u>	<u>25,000,000</u>		<u>(25,000,000)</u>
DISBURSEMENTS				
Debt Service	25,000,000	25,000,000		25,000,000
Total Disbursements	<u>25,000,000</u>	<u>25,000,000</u>		<u>25,000,000</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 213,192	\$ 213,192	\$	\$ (213,192)
Total Receipts	213,192	213,192		(213,192)
DISBURSEMENTS				
Roads	255,830	255,830		255,830
Total Disbursements	255,830	255,830		255,830
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(42,638)	(42,638)		42,638
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	42,638	42,638		(42,638)
Total Other Adjustments to Cash (Uses)	42,638	42,638		(42,638)
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

BOYLE 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.

Note 2. Internal Service Fund Budget Transfers

During fiscal year 2025, the fiscal court budgeted for the Internal Service Fund and transferred appropriations from this fund to other funds. The Internal Service Fund is not presented in a budget to actual comparison schedule, which has given the appearance that the budget is not balance in the supplementary information. The county did maintain a balanced budget during fiscal year 2025.

BOYLE COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2025

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BOYLE 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	Additions	Deletions	Ending Balance
Land	\$ 2,645,807	\$ 2,600,000	\$	\$ 5,245,807
Construction in Progress	56,860	34,617		91,477
Land Improvements		1,009,388		1,009,388
Buildings	7,617,596	197,254		7,814,850
Vehicles and Equipment	4,417,276	415,563	47,500	4,785,339
Other Equipment	6,698,157	493,088		7,191,245
Infrastructure	16,517,505	271,847		16,789,352
Total Capital Assets	\$ 37,953,201	\$ 5,021,757	\$ 47,500	\$ 42,927,458

BOYLE 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.

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land Improvements	\$ 7,500	10-45
Buildings and Building Improvements	\$ 20,000	10-60
Vehicles and Equipment	\$ 1,000	3-20
Machinery and Equipment	\$ 1,000	3-12
Infrastructure	\$ 5,000	10-40

**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 Trille L. Bottom, Boyle County Judge/Executive
Members of the Boyle 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 Boyle County Fiscal Court for the fiscal year ended June 30, 2025, and the related notes to the financial statement which collectively comprise the Boyle County Fiscal Court's financial statement and have issued our report thereon dated April 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Boyle 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 Boyle County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Boyle 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 a certain deficiency in internal control that we consider to be a material weakness.

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 deficiency described in the accompanying Schedule of Findings and Responses as item 2025-001 to be a material weakness.



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*
(Continued)

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Boyle 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses 2025-001.

Views of Responsible Official and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Boyle 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
Auditor of Public Accounts
Frankfort, Ky

April 9, 2026

**BOYLE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2025

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**BOYLE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES**

For The Year Ended June 30, 2025

2025-001 The Boyle County Fiscal Court Failed To Provide Adequate Oversight Over Accounting, Reporting, And Financial Management Practices

Condition and Context

This is a repeat of a similar finding that was included in the prior year audit report as finding 2024-001. The Boyle County Fiscal Court failed to implement adequate controls over accounting and reporting functions. The lack of controls resulted in the following deficiencies:

- The Tax Administration Fund, which had receipts of \$25,960,317 and total expenditures of \$13,830,203, was not budgeted for fiscal year 2025.
- In addition, \$11,109,945 was transferred from the Tax Administration Fund to the General Fund and recorded as an operating expense rather than transfers out.
- The prior year carryover amount recorded for the General, Road, Tax Administration, and EMS funds did not agree to the ending balance from the prior year audit. The General Fund was understated by \$283,117, the Road Fund was overstated by \$295, the Tax Administration Fund was overstated by \$675,998, and the EMS Fund was understated by \$6,384.
- The Road Fund bank reconciliation had a negative balance of \$578 at year-end.
- The General Fund bank reconciliation was not accurate, resulting in deposits in transit being understated in the amount of \$142.
- The liabilities page on the fourth quarter financial statement was not accurate when compared to the debt schedule. The outstanding principal balance was overstated by \$200,000 and the outstanding interest balance was overstated by \$30,819.
- The county clerk's storage report was not submitted timely. The report was submitted on July 16, 2025.

Cause

Due to the lack of management oversight and adequate segregation of duties over the accounting functions, the county's review processes did not identify the issues noted above.

Effect

These errors resulted in misstatements to the financial statement, reports not being submitted timely, a negative year-end balance in the Road Fund and failure to budget for all county funds. The noted weaknesses could affect the fiscal court's ability to ensure that financial data is recorded, processed, and reported in an accurate and reliable manner.

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." The proper segregation of duties is a basic internal control necessary to ensure the accuracy and reliability of financial reports.

KRS 64.012(3)(b)(4) relating to the clerk storage fees fund, states that "[n]o later than July 1 of each year, each county fiscal court or legislative body of an urban-county government shall submit a report to the Legislative Research Commission detailing the receipts, expenditures, and any amounts remaining in the fund."

BOYLE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2024
(Continued)

2025-001 The Boyle County Fiscal Court Failed To Provide Adequate Oversight Over Accounting, Reporting, And Financial Management Practices (Continued)

Criteria (Continued)

KRS 68.240(1) states, “[t]he county judge/executive shall annually prepare a proposed budget for the expenditure of all funds, including those from state and federal sources, which are to be expended by the fiscal court in the next fiscal year. The proposed budget shall be classified into budget units as outlined in subsection (2) of this section. In addition to preparing a reasonable estimate of the funds actually needed for both general and special purposes, the county judge/executive shall prepare an estimated statement of receipts to be anticipated from local, state and federal sources. The county judge/executive shall submit the proposed budget and estimate of receipts to the fiscal court by May 1 of each year.”

Recommendations

We recommend the fiscal court segregate duties and implement strong oversight over receipts, disbursements, bank reconciliation processes, and reporting. If segregation of duties is not possible, then the fiscal court should implement compensating controls by monitoring the financial activities of the fiscal court and document this review. As a part of the strong oversight, the fiscal court should ensure that all bank accounts are reconciled to the ledgers each month, prior year carryover amounts recorded on the financial statement agree to the prior year audit report ending balance, the liabilities page of the fourth quarter report reflects accurate amounts and that requiring financial reports are submitted timely. In addition, we recommend the Boyle County Fiscal Court budget all funds.

Views of Responsible Official and Planned Corrective Action

County Judge/Executive’s Response: The Judge Executive and County Treasurer have reviewed the finding and corrective action has been completed or will be completed before June 30, 2026. The following responses are the corrective action to each bullet point.

The Tax Administration Fund was not budgeted for fiscal year 2025; which had receipts of \$25,960,317 and total expenditures of \$13,830,203 after adjustments. In addition, \$11,109,945 was transferred from the Tax Administration Fund to the General Fund and recorded as an operating expense rather than transfers out resulting in adjustments by the auditors. The previous treasurer was made aware that the Occupational Tax Fund was not being reported but did not understand how to make the change. The current treasurer discussed with Department for Local Government how to make the changes. A budget amendment was adopted in November 2025 to add the Tax Administration Fund to the budget.

Prior Year Carryover amount recorded for the General, Road, Tax Administration, and EMS funds did not agree to the ending balance from the prior year audit. The General Fund was understated by \$283,117, Road Fund overstated by \$295, Tax Administration Fund overstated by \$675,998, and the EMS Fund understated by \$6,384. The fiscal year 2024 book balances were incorrect due to prior software inconsistencies, we used the bank balances to begin the fiscal year 2025. The ending balances for fiscal year 2025 do agree with the prior year carryover in fiscal year 2026.

The Road Fund bank reconciliation was at a negative balance at year-end in the amount of \$578. While the book balance showed a negative amount, the actual bank balance on June 30th was \$66,114. Due to the inability to transfer funds without fiscal court approval, the transfer could not be legally made until the next fiscal court meeting. On July 8, a transfer of \$100,000 went to the Road Fund.

In conclusion, all funds were properly accounted for and managed appropriately, with no evidence of misuse or mismanagement. However, the auditors identified concerns with internal reporting process, nothing that a few reports did not meet expectations. The reporting issues have been corrected or will be by June 30, 2026.

**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

BOYLE COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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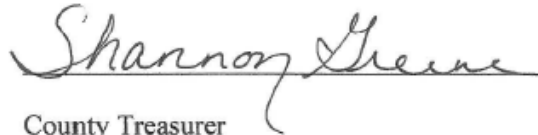
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Boyle 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.

A handwritten signature in blue ink that reads "Trill L. Bottom". The signature is written in a cursive style with a horizontal line underneath.

County Judge/Executive

A handwritten signature in black ink that reads "Shannon Greene". The signature is written in a cursive style with a horizontal line underneath.

County Treasurer