



**Auditor of
Public Accounts
Allison Ball**

Boyle County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Boyle 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 Boyle 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 Boyle County Fiscal Court Failed To Provide Adequate Oversight Over Accounting, Reporting, And Financial Management Practices

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.

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.

County Officials Response

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.

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

