

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

**For The Year Ended  
June 30, 2023**



**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 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, 2023, 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, 2023, 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, 2023, 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 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  
 The Honorable Andy Beshear, Governor  
 Holly M. Johnson, Secretary  
 Finance and Administration Cabinet  
 The Honorable Trille Bottom, Boyle County Judge/Executive  
 Members of the Boyle County Fiscal Court

### ***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.

### ***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.
- 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.

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

***Auditor's Responsibilities for the Audit of the Financial Statement (Continued)***

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 was 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2025, 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.

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

**Other Reporting Required by *Government Auditing Standards* (Continued)**

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

- 2023-001 The Fourth Quarter Report Was Not Prepared Accurately And Was Materially Misstated
- 2023-002 The Boyle County Fiscal Court Did Not Prepare Correct Or Timely Bank Reconciliations
- 2023-003 The Boyle County Fiscal Court Did Not Have Adequate Internal Controls Over Cash Transfers
- 2023-004 The Boyle County Fiscal Court Did Not Report Collections And Disbursements For City Of Danville Occupational Tax On Ledgers Accurately

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

July 8, 2025



**BOYLE COUNTY OFFICIALS**  
**For The Year Ended June 30, 2023**

**Fiscal Court Members:**

Trille Bottom	County Judge/Executive
Howard P. Hunt III	Former County Judge/Executive
Tom V. Ellis	Magistrate
Ronald Short	Magistrate (July 2022 to December 2022)
Paula Bodner	Magistrate (January 2023 to June 2023)
Phil Sammons	Magistrate (July 2022 to December 2022)
Barry Harmon	Magistrate (January 2023 to June 2023)
Jason M. Cullen	Magistrate
James Gay	Magistrate
John Caywood	Magistrate (July 2022 to December 2022)
Steve Sleeper	Magistrate (January 2023 to June 2023)

**Other Elected Officials:**

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

**Appointed Personnel:**

Darlene Lanham	County Treasurer (July 2022 to May 2024)
Shannon Greene	Interim County Treasurer (May 2024 to present)
Elaina Plyman	Chief Financial Officer (Feb 2023 to June 2023)
Susanna Ryan	Occupational Tax Administrator/County Deputy Judge/Executive
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, 2023**

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

**For The Year Ended June 30, 2023**

	<b>Budgeted Funds</b>			
	<b>General Fund</b>	<b>Road Fund</b>	<b>Joint Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>
<b>RECEIPTS</b>				
Taxes	\$ 1,994,918	\$	\$	\$
Excess Fees	254,986			
Licenses and Permits	103,437			
Intergovernmental	605,317	984,168	1,866,121	55,117
Charges for Services	263,672	200,000	516,413	
Miscellaneous	2,167,448	320	336,190	69
Interest	405,441	5,961	786	52
Total Receipts	<u>5,795,219</u>	<u>1,190,449</u>	<u>2,719,510</u>	<u>55,238</u>
<b>DISBURSEMENTS</b>				
General Government	3,748,593			
Protection to Persons and Property	284,554		3,562,259	
General Health and Sanitation	1,460,014			
Social Services	103,375			
Recreation and Culture	586,967			
Transportation Facility and Services				
Roads		840,783		86,089
Airports	210			
Debt Service	149,236		80,358	
Capital Projects		172,017		
Administration	4,378,914	308,254	1,131,672	7
Total Disbursements	<u>10,711,863</u>	<u>1,321,054</u>	<u>4,774,289</u>	<u>86,096</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,916,644)</u>	<u>(130,605)</u>	<u>(2,054,779)</u>	<u>(30,858)</u>
<b>Other Adjustments to Cash (Uses)</b>				
Payroll Revolving Account	48,898			
Transfers From Other Funds	13,559,346	45,000	2,168,007	
Transfers To Other Funds	(5,199,053)	(13,365)	(192,044)	
Total Other Adjustments to Cash (Uses)	<u>8,409,191</u>	<u>31,635</u>	<u>1,975,963</u>	
Net Change in Fund Balance	3,492,547	(98,970)	(78,816)	(30,858)
Fund Balance - Beginning (Restated)	15,243,981	113,811	834,244	109,372
Fund Balance - Ending	<u>\$ 18,736,528</u>	<u>\$ 14,841</u>	<u>\$ 755,428</u>	<u>\$ 78,514</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 18,009,558	\$ 17,087	\$ 837,317	\$ 78,514
Plus: Payroll Revolving Account Balance	48,898			
Plus: CD	501,975			
Plus: Deposits In Transit	239,227			
Less: Outstanding Checks	(63,130)	(2,246)	(81,889)	
Fund Balance - Ending	<u>\$ 18,736,528</u>	<u>\$ 14,841</u>	<u>\$ 755,428</u>	<u>\$ 78,514</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, 2023**  
**(Continued)**

Budgeted Funds							
Emergency 911 Fund	Boyle Jail Fund	Emergency Medical Services Fund	Fleet Management Fund	Clerk Storage Fee Fund	Opioid Fund	ARPA Fund	Tax Administration Fund
\$ 32,277	\$	\$	\$	\$	\$	\$	\$ 25,907,972
234,889		285,196				2,919,401	
		1,841,418					
		103,111	5,690	50,544	175,202		
27	2	161	6	184	142	26,090	51,107
267,193	2	2,229,886	5,696	50,728	175,344	2,945,491	25,959,079
				13,941			
247,077	7,809	3,052,835					
			66,562				
39,510	110	1,669,103	30,316	7,037	20	946,469	14,610,332
286,587	7,919	4,721,938	96,878	20,978	20	946,469	14,610,332
(19,394)	(7,917)	(2,492,052)	(91,182)	29,750	175,324	1,999,022	11,348,747
	64,075	2,493,378	99,135	5,000		650,200	
		(142,915)	(170,624)	(5,000)	(55,218)	(1,322,800)	(11,983,122)
	64,075	2,350,463	(71,489)		(55,218)	(672,600)	(11,983,122)
(19,394)	56,158	(141,589)	(162,671)	29,750	120,106	1,326,422	(634,375)
24,059	6,141	325,504	170,624			194,033	689,023
\$ 4,665	\$ 62,299	\$ 183,915	\$ 7,953	\$ 29,750	\$ 120,106	\$ 1,520,455	\$ 54,648
\$ 4,665	\$ 68,812	\$ 212,713	\$ 7,953	\$ 25,350	\$ 175,324	\$ 1,604,375	\$ 579,348
				4,400			
	(6,513)	(28,798)			(55,218)	(83,920)	(524,700)
\$ 4,665	\$ 62,299	\$ 183,915	\$ 7,953	\$ 29,750	\$ 120,106	\$ 1,520,455	\$ 54,648

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, 2023**  
**(Continued)**

	<u>Budgeted Funds</u>		<u>Unbudgeted Fund</u>	
	<u>Bond Fund</u>	<u>State/Local Fund</u>	<u>Jail Commissary Fund</u>	<u>Total Funds</u>
<b>RECEIPTS</b>				
Taxes	\$	\$	\$	\$ 27,935,167
Excess Fees				254,986
Licenses and Permits				103,437
Intergovernmental				6,950,209
Charges for Services				2,821,503
Miscellaneous			512,897	3,351,471
Interest				489,959
Total Receipts			512,897	41,906,732
<b>DISBURSEMENTS</b>				
General Government				3,762,534
Protection to Persons and Property				7,154,534
General Health and Sanitation				1,460,014
Social Services				103,375
Recreation and Culture			541,588	1,128,555
Transportation Facility and Services				66,562
Roads				926,872
Airports				210
Debt Service				229,594
Capital Projects				172,017
Administration				23,121,744
Total Disbursements			541,588	38,126,011
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			(28,691)	3,780,721
<b>Other Adjustments to Cash (Uses)</b>				
Payroll Revolving Account				48,898
Transfers From Other Funds				19,084,141
Transfers To Other Funds				(19,084,141)
Total Other Adjustments to Cash (Uses)				48,898
Net Change in Fund Balance			(28,691)	3,829,619
Fund Balance - Beginning			241,564	17,952,356
Fund Balance - Ending	\$ 0	\$ 0	\$ 212,873	\$ 21,781,975
<b>Composition of Fund Balance</b>				
Bank Balance	\$	\$	\$ 244,786	\$ 21,865,802
Plus: Payroll Revolving Acct Balance				48,898
Plus: CD				501,975
Plus: Deposits In Transit				243,627
Less: Outstanding Checks			(31,913)	(878,327)
Fund Balance - Ending	\$ 0	\$ 0	\$ 212,873	\$ 21,781,975

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, 2023**  
**(Continued)**

	<u>Internal Service Fund</u>
	<u>Health Insurance Fund</u>
<b>RECEIPTS</b>	
Taxes	\$
Excess Fees	
Licenses and Permits	
Intergovernmental	
Charges for Services	
Miscellaneous	1,774,107
Interest	<u>763</u>
Total Receipts	<u>1,774,870</u>
<b>DISBURSEMENTS</b>	
General Government	
Protection to Persons and Property	
General Health and Sanitation	
Social Services	
Recreation and Culture	
Transportation Facility and Services	
Roads	
Airports	
Debt Service	
Capital Projects	
Administration	<u>1,719,020</u>
Total Disbursements	<u>1,719,020</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>55,850</u>
<b>Other Adjustments to Cash (Uses)</b>	
Payroll Revolving Account	
Transfers From Other Funds	
Transfers To Other Funds	<u>                    </u>
Total Other Adjustments to Cash (Uses)	<u>                    </u>
Net Change in Fund Balance	55,850
Fund Balance - Beginning	<u>787,067</u>
Fund Balance - Ending	<u>\$ 842,917</u>
<b>Composition of Fund Balance</b>	
Bank Balance	\$ 842,917
Plus: Payroll Revolving Acct Balance	
Plus: CD	
Plus: Deposits In Transit	
Less: Outstanding Checks	<u>                    </u>
Fund Balance - Ending	<u>\$ 842,917</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, 2023**

**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.

**Joint 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, 2023**  
**(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.

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

State/Local Fund - The primary purpose of this fund is to account for state monies received.

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.

Clerk Storage Fee 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.

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 respective disbursement to the county General Fund or to the City of Danville.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

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, 2023**  
**(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, 2023**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Deposits and Investments**

KRS 66.480 authorizes the county to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

**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 Obligations 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/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) *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.

**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 the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2023, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2023.

	General Fund	Road Fund	Joint Jail Fund	EMS Fund	Fleet Management Fund	Clerk Storage Fund	Opioid Fund	ARPA Fund	Tax Administration Fund	Total Transfers In
General Fund	\$	\$	\$ 127,584	\$ 120,840		\$ 5,000		\$ 1,322,800	\$ 11,983,122	13,559,346
Road Fund	45,000									45,000
Joint Jail Fund	1,997,383				170,624					2,168,007
Boyle Jail Fund			64,075							64,075
EMS Fund	2,438,160						55,218			2,493,378
Fleet Management Fund	63,310	13,365	385	22,075						99,135
Clerk Storage Fund	5,000									5,000
ARPA Fund	650,200									650,200
Total Transfers Out	\$ 5,199,053	\$ 13,365	\$ 192,044	\$ 142,915	\$ 170,624	\$ 5,000	\$ 55,218	\$ 1,322,800	\$ 11,983,122	\$ 19,084,141

Reason for transfers:

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

**Note 4. Custodial Funds**

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

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, 2023, was \$95,930.

**Note 5. Leases**

**1. Lessor**

**A. Radio Tower Space**

In November 2010, the Boyle County Fiscal Court began leasing radio tower space to Broadband On Demand, LLC. The initial lease was for ten years, and the Boyle County Fiscal Court would receive monthly payments of \$911. The initial lease had a five-year extension that started November 2020. The Boyle County Fiscal Court recognized \$10,934 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Boyle County Fiscal Court's receivable for lease payments was \$25,512.

**B. Danville/Boyle County Economic Development Partnership, Inc.**

In July 2018, the Boyle County Fiscal Court leased seven structures located at Constitution Square Historic Site to Danville/Boyle County Economic Development Partnership, Inc. The lease was for five years, and the Boyle County Fiscal Court would receive monthly payments of \$1,667. The lease has a five-year extension. The Boyle County Fiscal Court recognized \$20,000 in lease revenue during the current fiscal year related to this lease. As of June 30, 2023, the Boyle County Fiscal Court's receivable for lease payments was \$0.

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 5. Leases (Continued)**

**1. Lessor (Continued)**

**C. Administrative Office of the Courts Office Rental Space**

The Administrative Office of the Courts (AOC) pays the Boyle County Fiscal Court \$10,213 quarterly, for a total of \$40,852 to rent office space each year.

**Note 6. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Body Scanner – Jail**

On February 9, 2016, the Boyle County Fiscal Court entered into an agreement with the Kentucky Association of Counties Leasing Trust (KACoLT) to finance the purchase of a body scanner for the jail. The amount of the agreement was \$118,750 with a fixed interest rate of 3.566 percent. Principal and interest payments were due monthly until scheduled final payment was made in February 2023. In the event of default, the lessor may terminate the lease and give notice to surrender the equipment within 60 days, recover the lease payments which would have otherwise been payable during the lease period, or sell/sublease the equipment for the account of the lessee yet holding the lessee liable for all lease payments that would be due under the lease for which any proceeds of the sale/lease of the equipment does not provide. The outstanding principal balance as of June 30, 2023, was \$0.

**B. 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, 2023, was \$1,460,000.

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**B. Other Debt (Continued)**

**1. General Obligation Bonds, Series 2015 (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 195,000	\$ 35,263
2025	200,000	30,818
2026	200,000	26,068
2027	205,000	21,006
2028	215,000	15,622
2029-2030	445,000	13,150
Totals	<u>\$ 1,460,000</u>	<u>\$ 141,927</u>

**C. Changes In Long-term Debt**

Long-term Debt activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 10,814	\$	\$ 10,814	\$	\$
General Obligation Bonds	1,650,000		190,000	1,460,000	195,000
Total Long-term Debt	<u>\$ 1,660,814</u>	<u>\$</u>	<u>\$ 200,814</u>	<u>\$ 1,460,000</u>	<u>\$ 195,000</u>

**D. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations at June 30, 2023, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 195,000	\$ 35,263	\$	\$
2025	200,000	30,818		
2026	200,000	26,068		
2027	205,000	21,006		
2028	215,000	15,622		
2029-2030	445,000	13,150		
Totals	<u>\$ 1,460,000</u>	<u>\$ 141,927</u>	<u>\$ 0</u>	<u>\$ 0</u>

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 7. Contingencies**

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

**Note 8. Employee Retirement System**

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (Ky. Ret. Sys.). 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 Ky. Ret. Sys. The CERS nine (9) member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2021 was \$1,380,999, FY 2022 was \$1,643,699, and FY 2023 was \$2,359,608.

Nonhazardous

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the Ky. Ret. Sys. insurance 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 percent of their annual creditable compensation. Nonhazardous members also contribute 1 percent 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 Ky. Ret. Sys. Board of Directors 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 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

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

The county's contribution rate for nonhazardous employees was 26.79 percent.



**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the Ky. Ret. Sys. Insurance 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 percent of their annual creditable compensation and also contribute 1 percent 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 Directors 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 percent 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 49.59 percent.

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:

<b>Years of Service</b>	<b>% Paid by Insurance Fund</b>	<b>% Paid by Member through Payroll Deduction</b>
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

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 ten dollars 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 dollars 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 ten dollars 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 ten dollars 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 percent. 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 percent 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 fifteen dollars 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 percent. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

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

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

**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 percent. 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**

Ky. Ret. Sys. 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.

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 9. 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.

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.

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 9. Deferred Compensation (Continued)**

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 10. Insurance**

For the fiscal year ended June 30, 2023, 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 11. 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 12. Related Party Transactions**

The Boyle County Fiscal Court made the following expenditures to entities that are owned by a relative of a county employee: \$17,826 roofing company; \$7,005 to a radio station for advertising; and \$12,900 to a construction and painting business.

**Note 13. Payroll Revolving Account**

The reconciled balance of the payroll revolving account as of June 30, 2023, in the amount of \$48,898, was added to the General Fund cash balance for financial reporting purposes.

**Note 14. 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, 2023, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

**BOYLE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 15. 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, 2023, Boyle County abated occupational taxes totaling \$3,838 under this agreement.

**Note 16. Prior Period Adjustments**

- A. The General Fund beginning balance was restated due to the license tax fee bank account no longer being reported under the General Fund, but it will be reported as its own Tax Administration Fund. The General Fund beginning balance will be reduced by \$689,023 for a restated beginning balance of \$15,243,981.
- B. The Joint Jail Fund beginning balance will be restated due to the fleet management bank account no longer being reported under the Joint Jail Fund, but it will be reported as its own Fleet Management Fund. The Joint Jail Fund beginning balance will be reduced by \$170,624, for a restated beginning balance of \$834,244.

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**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

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**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 9,160,000	\$ 9,160,000	\$ 1,994,918	\$ (7,165,082)
Excess Fees	238,000	238,000	254,986	16,986
Licenses and Permits	88,600	88,600	103,437	14,837
Intergovernmental	784,917	869,917	605,317	(264,600)
Charges for Services	200,000	210,934	263,672	52,738
Miscellaneous	2,549,942	2,798,236	2,167,448	(630,788)
Interest	33,100	33,100	405,441	372,341
Total Receipts	13,054,559	13,398,787	5,795,219	(7,603,568)
<b>DISBURSEMENTS</b>				
General Government	3,817,358	3,902,358	3,748,593	153,765
Protection to Persons and Property	154,456	165,390	284,554	(119,164)
General Health and Sanitation	1,595,100	1,595,100	1,460,014	135,086
Social Services	105,500	105,500	103,375	2,125
Recreation and Culture	632,840	632,840	586,967	45,873
Airports	27,148	27,148	210	26,938
Debt Service	149,237	149,237	149,236	1
Capital Projects	500,000	500,000		500,000
Administration	8,633,402	18,380,607	4,378,914	14,001,693
Total Disbursements	15,615,041	25,458,180	10,711,863	14,746,317
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,560,482)	(12,059,393)	(4,916,644)	7,142,749
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			13,559,346	13,559,346
Transfers To Other Funds	(4,570,956)	(4,570,956)	(5,199,053)	(628,097)
Total Other Adjustments to Cash (Uses)	(4,570,956)	(4,570,956)	8,360,293	12,931,249
Net Change in Fund Balance	(7,131,438)	(16,630,349)	3,443,649	20,073,998
Fund Balance - Beginning	7,131,438	16,630,349	15,243,981	(1,386,368)
Fund Balance - Ending	\$ 0	\$ 0	\$ 18,687,630	\$ 18,687,630

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>ROAD FUND</b>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,955,224	\$ 2,959,073	\$ 984,168	\$ (1,974,905)
Charges for Services	200,000	200,000	200,000	
Miscellaneous			320	320
Interest	700	700	5,961	5,261
Total Receipts	<u>3,155,924</u>	<u>3,159,773</u>	<u>1,190,449</u>	<u>(1,969,324)</u>
<b>DISBURSEMENTS</b>				
Roads	890,360	894,209	840,783	53,426
Capital Projects	2,037,390	2,037,390	172,017	1,865,373
Administration	371,145	470,652	308,254	162,398
Total Disbursements	<u>3,298,895</u>	<u>3,402,251</u>	<u>1,321,054</u>	<u>2,081,197</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(142,971)</u>	<u>(242,478)</u>	<u>(130,605)</u>	<u>111,873</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	124,695	124,695	45,000	(79,695)
Transfers To Other Funds			(13,365)	(13,365)
Total Other Adjustments to Cash (Uses)	<u>124,695</u>	<u>124,695</u>	<u>31,635</u>	<u>(93,060)</u>
Net Change in Fund Balance	(18,276)	(117,783)	(98,970)	18,813
Fund Balance - Beginning	<u>18,276</u>	<u>117,783</u>	<u>113,811</u>	<u>(3,972)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,841</u>	<u>\$ 14,841</u>

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>JOINT JAIL FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,320,950	\$ 2,320,950	\$ 1,866,121	\$ (454,829)
Charges for Services	459,450	459,450	516,413	56,963
Miscellaneous	308,300	308,300	336,190	27,890
Interest	400	400	786	386
Total Receipts	3,089,100	3,089,100	2,719,510	(369,590)
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	3,509,401	3,509,401	3,562,259	(52,858)
Social Services	209,860	209,860		209,860
Debt Service	80,358	80,358	80,358	
Administration	1,851,279	2,136,323	1,131,672	1,004,651
Total Disbursements	5,650,898	5,935,942	4,774,289	1,161,653
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,561,798)	(2,846,842)	(2,054,779)	792,063
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,776,017	1,776,017	2,168,007	391,990
Transfers To Other Funds			(192,044)	(192,044)
Total Other Adjustments to Cash (Uses)	1,776,017	1,776,017	1,975,963	199,946
Net Change in Fund Balance	(785,781)	(1,070,825)	(78,816)	992,009
Fund Balance - Beginning	785,781	1,070,825	834,244	(236,581)
Fund Balance - Ending	\$ 0	\$ 0	\$ 755,428	\$ 755,428

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 76,187	\$ 76,187	\$ 55,117	\$ (21,070)
Miscellaneous			69	69
Interest	10	10	52	42
Total Receipts	<u>76,197</u>	<u>76,197</u>	<u>55,238</u>	<u>(20,959)</u>
<b>DISBURSEMENTS</b>				
Roads	93,000	93,000	86,089	6,911
Administration	<u>119,556</u>	<u>92,569</u>	<u>7</u>	<u>92,562</u>
Total Disbursements	<u>212,556</u>	<u>185,569</u>	<u>86,096</u>	<u>99,473</u>
Net Change in Fund Balance	(136,359)	(109,372)	(30,858)	78,514
Fund Balance - Beginning	<u>136,359</u>	<u>109,372</u>	<u>109,372</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 78,514</u>	<u>\$ 78,514</u>

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>BOND FUND</b>			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
<b>RECEIPTS</b>			
Intergovernmental	\$	\$	\$
Total Receipts			
<b>DISBURSEMENTS</b>			
Debt Service	25,000,000	25,000,000	25,000,000
Total Disbursements	25,000,000	25,000,000	25,000,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(25,000,000)	(25,000,000)	25,000,000
<b>Other Adjustments to Cash (Uses)</b>			
Bond Anticipation Notes	25,000,000	25,000,000	(25,000,000)
Total Other Adjustments to Cash (Uses)	25,000,000	25,000,000	(25,000,000)
Net Change in Fund Balance			
Fund Balance - Beginning			
Fund Balance - Ending	\$ 0	\$ 0	\$ 0

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	STATE/LOCAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$	\$ (5,000)
Total Receipts	5,000	5,000		(5,000)
<b>DISBURSEMENTS</b>				
Administration	5,000	5,000		5,000
Total Disbursements	5,000	5,000		5,000
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>EMERGENCY 911 FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 35,000	\$ 35,000	\$ 32,277	\$ (2,723)
Intergovernmental	207,400	207,400	234,889	27,489
Interest	15	15	27	12
Total Receipts	242,415	242,415	267,193	24,778
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	247,100	247,100	247,077	23
Administration	2,732	49,374	39,510	9,864
Total Disbursements	249,832	296,474	286,587	9,887
Net Change in Fund Balance	(7,417)	(54,059)	(19,394)	34,665
Fund Balance - Beginning	7,417	54,059	24,059	(30,000)
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,665	\$ 4,665

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>BOYLE JAIL FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Interest	\$ 12	\$ 12	\$ 2	\$ (10)
Total Receipts	12	12	2	(10)
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	7,986	5,836	7,809	(1,973)
Administration	316	316	110	206
Total Disbursements	8,302	6,152	7,919	(1,767)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(8,290)	(6,140)	(7,917)	(1,777)
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			64,075	64,075
Total Other Adjustments to Cash (Uses)			64,075	64,075
Net Change in Fund Balance	(8,290)	(6,140)	56,158	62,298
Fund Balance - Beginning	8,290	6,140	6,141	1
Fund Balance - Ending	\$ 0	\$ 0	\$ 62,299	\$ 62,299



**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>EMERGENCY MEDICAL SERVICES FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 310,000	\$ 310,000	\$ 285,196	\$ (24,804)
Charges for Services	1,400,000	1,400,000	1,841,418	441,418
Miscellaneous	4,300	78,150	103,111	24,961
Interest	75	75	161	86
Total Receipts	1,714,375	1,788,225	2,229,886	441,661
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	3,264,151	3,338,001	3,052,835	285,166
Administration	1,678,460	1,821,694	1,669,103	152,591
Total Disbursements	4,942,611	5,159,695	4,721,938	437,757
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(3,228,236)	(3,371,470)	(2,492,052)	879,418
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	3,026,683	3,026,683	2,493,378	(533,305)
Transfers To Other Funds			(142,915)	(142,915)
Total Other Adjustments to Cash (Uses)	3,026,683	3,026,683	2,350,463	(676,220)
Net Change in Fund Balance	(201,553)	(344,787)	(141,589)	203,198
Fund Balance - Beginning	201,553	344,787	325,504	(19,283)
Fund Balance - Ending	\$ 0	\$ 0	\$ 183,915	\$ 183,915

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>FLEET MANAGEMENT FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Charges for Services	\$ 104,000	\$ 104,000	\$	\$ (104,000)
Miscellaneous			5,690	5,690
Interest			6	6
Total Receipts	104,000	104,000	5,696	(98,304)
<b>DISBURSEMENTS</b>				
Other Transportation Facilities and Services	72,613	72,613	66,562	6,051
Administration	34,047	34,047	30,316	3,731
Total Disbursements	106,660	106,660	96,878	9,782
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,660)	(2,660)	(91,182)	(88,522)
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	2,660	2,660	99,135	96,475
Transfers To Other Funds			(170,624)	(170,624)
Total Other Adjustments to Cash (Uses)	2,660	2,660	(71,489)	(74,149)
Net Change in Fund Balance			(162,671)	(162,671)
Fund Balance - Beginning			170,624	170,624
Fund Balance - Ending	\$ 0	\$ 0	\$ 7,953	\$ 7,953

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>CLERK STORAGE FEE FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 50,544	\$ (9,456)
Interest	25	25	184	159
Total Receipts	60,025	60,025	50,728	(9,297)
<b>DISBURSEMENTS</b>				
General Government			13,941	(13,941)
Protection to Persons and Property	10,000	10,000		10,000
Administration	50,025	50,025	7,037	42,988
Total Disbursements	60,025	60,025	20,978	39,047
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			29,750	29,750
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			5,000	5,000
Transfers To Other Funds			(5,000)	(5,000)
Total Other Adjustments to Cash (Uses)				
Net Change in Fund Balance			29,750	29,750
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 29,750	\$ 29,750

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>OPIOID FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)
	Original	Final	
			Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>			
Miscellaneous	\$	\$ 175,202	\$ 175,202
Interest		25	142
Total Receipts		175,227	175,344
<b>DISBURSEMENTS</b>			
Administration		175,227	20
Total Disbursements		175,227	20
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			175,324
<b>Other Adjustments to Cash (Uses)</b>			
Transfers To Other Funds			(55,218)
Total Other Adjustments to Cash (Uses)			(55,218)
Net Change in Fund Balance			120,106
Fund Balance - Beginning			
Fund Balance - Ending	\$ 0	\$ 0	\$ 120,106

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	<b>ARPA FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,919,401	\$ 2,919,401	\$ 2,919,401	\$
Interest	10,000	10,000	26,090	16,090
Total Receipts	2,929,401	2,929,401	2,945,491	16,090
<b>DISBURSEMENTS</b>				
Administration	2,597,401	2,740,084	946,469	1,793,615
Total Disbursements	2,597,401	2,740,084	946,469	1,793,615
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	332,000	189,317	1,999,022	1,809,705
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds			650,200	650,200
Transfers To Other Funds	(400,000)	(400,000)	(1,322,800)	(922,800)
Total Other Adjustments to Cash (Uses)	(400,000)	(400,000)	(672,600)	(272,600)
Net Change in Fund Balance	(68,000)	(210,683)	1,326,422	1,537,105
Fund Balance - Beginning	68,000	210,683	194,033	(16,650)
Fund Balance - Ending	\$ 0	\$ 0	\$ 1,520,455	\$ 1,520,455

**BOYLE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2023**  
**(Continued)**

<b>TAX ADMINISTRATION FUND</b>				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$	\$	\$ 25,907,972	\$ 25,907,972
Interest			51,107	51,107
Total Receipts			25,959,079	25,959,079
<b>DISBURSEMENTS</b>				
Administration		2,740,084	14,610,332	(11,870,248)
Total Disbursements		2,740,084	14,610,332	(11,870,248)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(2,740,084)	11,348,747	14,088,831
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds		(400,000)	(11,983,122)	(11,583,122)
Total Other Adjustments to Cash (Uses)		(400,000)	(11,983,122)	(11,583,122)
Net Change in Fund Balance		(3,140,084)	(634,375)	2,505,709
Fund Balance - Beginning		210,683	689,023	478,340
Fund Balance - Ending	\$ 0	\$ 0	\$ 54,648	\$ 2,984,049

**BOYLE COUNTY  
NOTES TO REGULATORY SUPPLEMENTARY  
INFORMATION - BUDGETARY COMPARISON SCHEDULES**

**June 30, 2023**

**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. Reconciliation of the General Fund**

Other Financing Sources (Uses) - Budgetary Basis	\$ 8,360,293
To adjust for Payroll Revolving Account	<u>48,898</u>
Total Other Adjustments to Cash (Uses) - Regulatory Basis	<u><u>\$ 8,409,191</u></u>
 Ending Fund Balance - Budgetary Basis	 \$ 18,687,630
To adjust for Payroll Revolving Account	<u>48,898</u>
Ending Fund Balance - Regulatory Basis	<u><u>\$ 18,736,528</u></u>

**Note 3. Excess of Disbursements Over Approved Budget**

General Fund:

- Protection to Persons and Property - \$119,164

Joint Jail Fund:

- Protection to Persons and Property - \$52,858

Boyle Jail Fund:

- Protections to Persons and Property - \$1,973

Clerk Storage Fee Fund:

- General Government - \$13,941

Tax Administration Fund:

- Administration - \$11,870,248

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**BOYLE COUNTY**  
**SCHEDULE OF CAPITAL ASSETS**  
**Other Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

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**BOYLE COUNTY**  
**SCHEDULE OF CAPITAL ASSETS**  
**Other Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance *	Additions	Deletions	Ending Balance
Land	\$ 2,004,596	\$	\$	\$ 2,004,596
Buildings	7,327,352			7,327,352
Vehicles and Equipment	3,151,556	786,770		3,938,326
Machinery and Equipment	5,535,010	463,052		5,998,062
Infrastructure	15,076,554	261,000		15,337,554
 Total Capital Assets	 <u>\$ 33,095,068</u>	 <u>\$ 1,510,822</u>	 <u>\$ 0</u>	 <u>\$ 34,605,890</u>

\* In the prior year, the county did not present a schedule of capital assets. The schedule has been updated by the county and included for 2023.

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

**June 30, 2023**

**Note 1. Capital Assets**

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

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 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 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, 2023, 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 July 8, 2025.

**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 certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2023-001, 2023-002, 2023-003, and 2023-004 to be material weaknesses.



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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2023-001, 2023-002, 2023-003, and 2023-004.

**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

July 8, 2025



**BOYLE COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Year Ended June 30, 2023**

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**BOYLE COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Year Ended June 30, 2023**

FINANCIAL STATEMENT FINDINGS:

2023-001 The Fourth Quarter Report Was Not Prepared Accurately And Was Materially Misstated

This is a repeat finding and was included in the prior year audit report as finding 2022-001. The following inaccuracies were noted during the review of the fourth quarter report for FY 2023:

- The fourth quarter report summary page showed receipts and disbursements amounts by each fund that did not agree to the totals calculated on the detailed fund receipts and disbursements sheets.
- The budgeted receipt and disbursement amounts on the fourth quarter report did not agree to the budget and budget amendments approved by the Department for Local Government (DLG):
  - Receipts – the fourth quarter report budgeted receipts were \$52,345,910 and the total approved budgeted receipts were \$45,591,509, resulting in a \$6,754,400 overstatement of the receipts budget on the fourth quarter report.
  - Disbursements – the fourth quarter report budgeted disbursements were \$47,722,737 and the total approved budgeted disbursements were \$47,425,868, resulting in a \$296,869 overstatement of the disbursements budget on the fourth quarter report.
- In the receipts section, the cash transfer in and out amounts do not agree to each other or when totaled together reconcile to zero.
- The disbursements line item transfer amounts do not in total reconcile to zero.
- When reconciling the fourth quarter report amounts to the supporting receipts and disbursements ledgers, significant differences were noted, resulting in several adjustments which, in total, are material to the financial statement.
- The fiscal court did not account for purchasing a CD of \$500,000 in May 2023 from the General Fund, and it did not account for the interest earned on the CD as of June 30, 2023, of \$1,975. This resulted in adjustments to the ledgers. It was also noted the CD purchase was made with a cash withdrawal from the General Fund, not a bank account transfer or check.
- Fourth quarter report capital asset purchases were overstated upon review of expenditure transaction detail. It was noted that various capital asset expenditure line items incorrectly included budget line item transfers, not actual expenditures.

The errors noted on the fourth quarter report were due to lack of review by management to ensure the fourth quarter report amounts were reported accurately and agreed to fund receipt and disbursement ledgers.

These errors result in fiscal court members and DLG relying on incorrect financial information to assess the financial position of the county. The fourth quarter report needed the following adjustments in fund total to reconcile to the accounting ledgers and agree to bank activity: (\$11,935,499) receipts, \$15,011,334 disbursements, \$12,582,582 transfers in, \$13,585,084 transfers out, and \$17,021,318 prior year carryover (FY2023 beginning balance for July 1, 2022 balance). As a result of these adjustments, the following fund expenditures categories show overspent budgets:

General Fund-Protection to Persons and Property, \$119,164  
 Jail Fund-Protection to Persons and Property, \$52,858  
 Boyle Jail Fund-Protections to Persons and Property, \$1,973  
 Clerk Storage Fee Fund-General Government, \$13,941  
 Tax Administration Fund-Administration, \$11,870,248

**BOYLE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2023**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-001 The Fourth Quarter Report Was Not Prepared Accurately And Was Materially Misstated  
 (Continued)

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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.” Management oversight and reviews over preparation of financial reports is a basic internal control necessary to ensure the accuracy and reliability of financial reports. Management should review financial reports to ensure they report accurate data as compared the supporting accounting ledgers and that the total is mathematically accurate.

KRS 68.300 states, “[a]ny appropriation made or claim allowed by the fiscal court in excess of any budget fund, and any warrant or contract not within the budget appropriation, shall be void.”

We recommend the fiscal court implement procedures for the county judge/executive or her designee to document a review each quarterly report to ensure:

- The total receipts and disbursements by fund detail agrees to the totals presented on the summary page of the quarterly report.
- Budgeted receipt and disbursement amounts approved by DLG are reported accurately on the quarterly report. This review should be evidenced by the reviewer’s initials on the quarterly report before being submitted to DLG.
- Expenditures made by the fiscal court should be made within budget and budget amendments made and approved by fiscal court if additional expenditures are needed and should be made by bank transfer or with a written check only.
- The cash transfer in and out amounts agree to each other or when totaled together reconcile to zero. These transfer amounts should be approved by fiscal court and documented in the fiscal court minutes.
- The disbursements line item transfer amounts agree to zero and agree to ledger activity. Transfers between line item expenditures should not affect the actual expenditure amount but the total budget available to be used for the line item.
- The data presented on the fourth quarter report for receipts and disbursements for each fund should agree to the supporting accounting ledgers, including budget amount, budget amendments, transfers, amounts received, and amounts disbursed.
- The totals on the quarterly report should be checked for accuracy.
- The review should be evidenced by initials on the quarterly report and supporting ledgers by someone not involved in the preparation of the quarterly report.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive Response: We agree with the Auditor’s comments. A new Treasurer has been hired and new software has been implemented that will help balance and reconcile all revenue and disbursements. The County Judge is reviewing the monthly bank statements and reports for accuracy.*

**BOYLE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2023**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-002 The Boyle County Fiscal Court Did Not Prepare Correct Or Timely Bank Reconciliations

---

During the process to reconcile bank activity to the fourth quarter report, the following issues were noted related to bank reconciliations for June 30, 2023:

General Fund – General Fund Account

Nine out of the 12 monthly bank reconciliations were completed two or more months past the month end. Bank reconciliation for year-end incorrectly reported amounts as deposits in transit and reported several checks incorrectly as outstanding checks.

General Fund – Money Market Account

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end. Also, the bank reconciliation for year-end was done incorrectly due to incorrect opening balance being used.

General Fund – Facility Expansion

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end.

Public Works Fund

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end. Also, the bank reconciliation for year-end noted two checks that were for the EMS Fund not the Public Works Fund as outstanding and they cleared before year-end. Further, the bank reconciliation incorrectly reported four checks outstanding that cleared before year-end.

Jail Bank Account

Five out of the 12 monthly bank reconciliations were completed two or more months past the month end. Also, the bank reconciliation for year-end was done incorrectly because a deposit in transit was reported as outstanding but actually cleared the bank in May 2023 and one check was reported incorrectly as outstanding but cleared before year-end.

Jail Restricted Bank Account

Five out of the 12 monthly bank reconciliations were completed two or more months passed the month end.

LGEA Fund Bank Account

Six out of the 12 monthly bank reconciliations were completed two or more months past the month end. The bank account was closed at one bank and opened at another bank in January 2023. In the closing of the bank account at the old bank, the bank balance was overdrawn. The bank charged an overdraft fee, but refunded the fee when closing the account.

E911 Fund

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end. Also, the bank reconciliation for year-end incorrectly reported deposits in transit, but there were no outstanding items for year-end.

EMS Fund

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end. Also, the bank reconciliation for year-end incorrectly reported two checks as outstanding.

**BOYLE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2023**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-002 The Boyle County Fiscal Court Did Not Prepare Correct Or Timely Bank Reconciliations  
 (Continued)

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Fleet Management Fund

Ten out of the 12 monthly bank reconciliations were completed two or more months past the month end. Two bank reconciliations were not done at all.

Joint Jail Fund

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end.

Clerk's Storage Fee Fund Bank Account

Four out of the 12 monthly bank reconciliations were completed two or more months past the month end. A check was issued on February 24, 2023, in the amount of \$9,628, and it was reported as outstanding as of June 30, 2023, but cleared the bank on March 2, 2023. A deposit of \$4,400, was reported as a deposit in transit as of June 30, 2023. This amount was the April 2023 clerk storage fees the county clerk paid to the fiscal court timely, but the check was not deposited until September 2023.

ARPA Grant Fund

Five out of the 12 monthly bank reconciliations were completed two or more months past the month end.

Opioid Fund

Five out of the 12 monthly bank reconciliations were completed two or more months past the month end.

Payroll Revolving Fund

Six out of the 12 monthly bank reconciliations were completed two or more months past the month end.

Health Insurance Fund

Five out of the 12 monthly bank reconciliations were completed two or more months past the month end.

Bank reconciliations were performed by the former treasurer, who also posted receipts to the ledger. Per the county judge/executive, she reviewed the bank reconciliation reports done by the former treasurer and found that the reconciled balances on the report agreed, so she did not know of any issue with them. However, she found out in 2024 that the former treasurer was able to adjust to agree to the reconciled balance on the reconciliation report, so she could complete a reconciliation without finding and resolving the differences. In effect the former treasurer was able to do the bank reconciliations incorrectly with no one detecting errors, resulting in incorrect book reconciled balances for the management and fiscal court to work with to make financial decisions and significantly increasing the risk of financial statement misstatements due to error or theft.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. DLG's procedures per the manual requires bank account reconciliations to be done monthly.

**BOYLE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2023**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-002 The Boyle County Fiscal Court Did Not Prepare Correct Or Timely Bank Reconciliations (Continued)

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.” Bank reconciliations performed for each bank account reporting outstanding items as of the bank statement date done timely and accurately provides management with reliable cash balance information to use to make financial decisions.

We recommend the fiscal court implement procedures to ensure:

- All bank statements for all bank accounts held by the fiscal court are reconciled to the ledgers monthly and accurately.
- The bank reconciliation work is documented on the bank statements with the reconciliation maintained with the bank statements.
- The bank reconciliations are done by someone who is not posting receipts and disbursements to the ledgers, or the bank reconciliations are reviewed by someone who does not post to ledgers. The review should be documented by initials of the reviewer on the bank reconciliations.
- The monthly bank reconciliations are presented with the monthly financial reports for each fund to the fiscal court for its review and approval each month. The review and approval of the financial reports and bank reconciliations should be documented in the fiscal court minutes.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive’s Response: Treasurer did not share that she could not get the bank statements to balance with the ledger. She force-balanced and then presented the reconciliation to the Judge/Executive for review. Fiscal Court was unaware of any issues. Bank reconciliations are now performed and submitted to the Fiscal Court at the second meeting of the month.*

2023-003 The Boyle County Fiscal Court Did Not Have Adequate Internal Controls Over Cash Transfers

This is a repeat finding and was included in the prior year audit report as finding 2022-002. The Boyle County Fiscal Court did not have adequate internal controls over cash transfers. During the review of cash transfers for the FY 2023, totaling \$19,084,192, the auditor noted 14 of 29 transfers reviewed, totaling \$12,148,739, were not approved by the fiscal court. Also, on the fourth quarter report, transfers in and out did not net to zero across funds, and transfers on the disbursements section of the fourth quarter report did not net to zero as mentioned in finding at 2023-001.

The fiscal court did not have adequate controls over transfers related to fiscal court approval and reporting them on the fourth quarter report. The amount recorded on the quarterly financial statement for transfers in and transfers out was inaccurate and the county was not in compliance with requirements set forth by the Department for Local Government. These reporting errors resulted in significant adjustments to transfers in and out for several funds as discussed in finding at 2023-001. Also, transfers not approved by the fiscal court significantly increased the risk that funds were used inappropriately without management’s knowledge.

**BOYLE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2023**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-003 The Boyle County Fiscal Court Did Not Have Adequate Internal Controls Over Cash Transfers  
 (Continued)

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KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The manual states, "All transfers require a court order."

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 fiscal court's approval of cash transfers is a significant control needed to ensure there is a segregation of controls over cash transfers to mitigate the risk of cash being transferred between funds without management's knowledge.

We recommend the Boyle County Fiscal Court improve internal controls over monitoring cash transfers made between funds during the fiscal year. An employee independent of the financial reporting process should review the ledgers and bank statements periodically throughout the year to make sure no unauthorized transfers are being made, ensure all transfers are approved by the fiscal court and ensure that all transfers in and out are reported accurately on the ledgers and the fourth quarter report.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: County Treasurer has been informed that all cash transfers shall be presented to Fiscal Court for approval going forward.*

2023-004 The Boyle County Fiscal Court Did Not Report Collections And Disbursements For City Of Danville Occupational Tax On Ledgers Accurately

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The Boyle County Fiscal Court collects occupational tax on behalf of the City of Danville, as their agent, per ordinance. From testing ten companies for occupational tax payments collected by county occupational tax office, none of the payments for the City of Danville were posted to county receipts ledgers, totaling \$2,083,011, and five payments to the county were not posted to the county receipts ledgers, totaling \$182,424. We tested five companies for net profits tax and found that all five payments to the City of Danville were not posted to the county receipts ledgers, totaling \$114,509 and four payments to the county were not posted to the county receipts ledgers, totaling \$81,826. Upon county staff inquiry, they looked up these individual transactions in the ledgers and found all occupational tax payments and net profit tax payments to the county \$182,424 plus \$81,826, respectfully.

The fiscal court does not have procedures in place to ensure occupational and net profits tax collected for the City of Danville and Boyle County are accurately reported in the county's ledgers. The accounting system used by the county produces ledger query reports that do not include all individual entries. The county may not have reported all deposited occupational tax receipts and net profit tax receipts on its ledgers. This results in incorrect financial information used for management decision making.



**BOYLE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2023**  
**(Continued)**

FINANCIAL STATEMENT FINDINGS: (Continued)

2023-004 The Boyle County Fiscal Court Did Not Report Collections And Disbursements For City Of Danville Occupational Tax On Ledgers Accurately (Continued)

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KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual*. DLG procedures per the manual require all receipts collected and disbursed to be reported on the fourth quarter report.

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 lack of a process to ensure that all funds deposited are reported on the ledger and fourth quarter report is a basic internal control necessary to ensure the accuracy and reliability of financial reports.

We recommend the Boyle County Fiscal Court:

- Review all occupational tax and net profit tax receipts deposited to the license tax fee bank account and ensure they are correctly posted to the county receipts ledgers for FY2023.
- Implement procedures to ensure that all net profit tax and occupational tax receipts collected for the county and for the City of Danville are posted accurately on the receipts ledgers each month.
- Consider switching to a reliable accounting software system that will produce the same ledger information, whether requested in a report for a specific time period or researched as an individual transaction.

Views of Responsible Official and Planned Corrective Action:

*County Judge/Executive's Response: The Tax Account has never been reflected on the budget. The account is used as a collection account with revenue sent monthly to the City of Danville and Boyle County Fiscal Court.*

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

**BOYLE COUNTY FISCAL COURT**

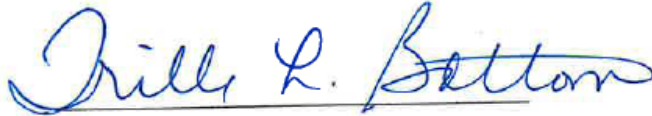
**For The Year Ended June 30, 2023**

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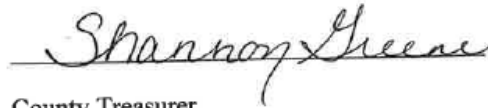
CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

For The Year Ended June 30, 2023

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, reading "Billy L. Bottom", written over a horizontal line.

County Judge/Executive

A handwritten signature in black ink, reading "Shannon Greene", written over a horizontal line.

County Treasurer

**Report On Compliance For The U.S. Department Of Treasury  
Coronavirus State And Local Fiscal Recovery Funds Program (CSLFRF)  
Requirements For An Alternative CSLFRF Compliance Examination  
Engagement Of The  
Boyle County Fiscal Court**

**For The Fiscal Year Ended  
June 30, 2023**



**ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS  
[auditor.ky.gov](http://auditor.ky.gov)**

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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

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

We have examined Boyle County Fiscal Court's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the fiscal year ended June 30, 2023. Management of Boyle County Fiscal Court is responsible for Boyle County Fiscal Court's compliance with the specified requirements. Our responsibility is to express an opinion on Boyle County Fiscal Court's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether Boyle County Fiscal Court complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Boyle County Fiscal Court complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Boyle County Fiscal Court's compliance with specified requirements.

Our examination disclosed the following material noncompliance with the compliance requirement "allowable cost and cost principles" applicable to the Boyle County Fiscal Court for the year ended June 30, 2023. The fiscal court used CSLFRF funds on disbursements that deviated from their established practices and policies regarding the incurrence of cost by not following proper bid policies and procedures.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Boyle County Fiscal Court complied, in all material respects, with the specified requirements referenced above during the fiscal year ended June 30, 2023.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on Boyle County Fiscal Court's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on Boyle County Fiscal Court's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in the attached Schedule of Findings and Responses.

**Intended Purpose**

The purpose of this examination report is solely to express an opinion on whether Boyle County Fiscal Court complied, in all material respects with the specified requirements referenced above during the fiscal year ended June 30, 2023. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

January 15, 2025

**BOYLE COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For the Fiscal Year Ended June 30, 2023**

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**BOYLE COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES**

**For The Fiscal Year Ended June 30, 2023**

**FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENT  
AUDITING STANDARDS:**

**EXAM 2023-001    The Boyle County Fiscal Court Had Weak Controls Over Coronavirus State And Local  
Fiscal Recovery Expenditures**

---

**Federal Program: Assistance Listing #21.027 Coronavirus State and Local Fiscal Recovery Fund**

**Award Number and Year: FY 2023**

**Amount Expended: \$2,667,100**

**Compliance Requirements: Activities Allowed/Unallowed and/or Allowable Costs/Cost Principles**

**Type of Finding: Material Weakness**

**Amount of Questioned Costs: None**

**Opinion Modification: Qualified**

The Boyle County Fiscal Court expended \$2,667,100 related to the Coronavirus State and Local Fiscal Recovery in FY 2023. We tested seven of 39 expenditures for compliance with activities allowed and allowable costs federal program requirements under the 2024 compliance supplement. The seven expenditures tested totaled \$2,417,501. The following issues were noted during testing:

- (1) \$225,000 was expended for a wheel loader for the road department, but the fiscal court did not properly advertise for bids. The county used a third-party company to oversee the purchase between the county and the vendor and did not make the required determination if the expenditure met requirements for cooperative purchasing per KRS 45A.300 or whether the vendor had a state price contract it could use under KRS 45A.050(3).
- (2) \$150,000 was paid to the Boyle County Fire Department to assist with building a new fire station, per the fiscal court meeting minutes, but there was no supporting documentation to support the expenditure amount and purpose, nor did the county have an agreement with the fire station that stated the amount the county agreed to provide for financial support to assist in building the fire station.

County staff were not aware of the cooperative purchase requirements and determinations under state law to follow related to the purchase of the wheel loader. County staff did not ensure the payment to the fire department to assist with construction of a new fire station was handled like other fiscal court expenditures with supporting documentation obtained to evidence the purpose of the expenditure for review and approval by fiscal court members. According to the meeting minutes, this expenditure was approved based only on a discussion and motioned approved in the fiscal court meeting minutes.

The fiscal court purchased a wheel loader in the amount of \$225,000 without advertising for bids or correctly using a state price contract with the Commonwealth of Kentucky. For FY 2023, under KRS 424.260, the bid threshold for purchases requiring to be bid was \$30,000. The county administrative code states the county follows KRS 424.260 for purchasing requirements. The loader purchase of \$225,000 was over the bid threshold per state law. The county did not advertise for bids for this purchase and did not determine if this purchase met the requirements for cooperative purchase under KRS 45A.300 to enable them to use the third party company with the vendor for this purchase.

The fiscal court did not follow the Department for Local Government (DLG) accounting requirements or its own procedures to require supporting documentation for all fiscal court claims presented and approved by fiscal court. The payment of \$150,000 to the fire station was approved by the fiscal court as evidenced in the fiscal court meeting minutes. There was no documentation to support the purpose for or the amount of the expenditure.

**BOYLE COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES  
For The Fiscal Year Ended June 30, 2023  
(Continued)**

**FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENT  
AUDITING STANDARDS: (Continued)**

**EXAM 2023-001    The Boyle County Fiscal Court Had Weak Controls Over Coronavirus State and Local  
Fiscal Recovery Expenditures (Continued)**

---

KRS 424.260(2) sets the bid threshold for purchases in FY 2023 at \$30,000. KRS 45A.050(3), allows local governments to participate in a state price contract procured by the Commonwealth of Kentucky Procurement Services office by competitive bidding or negotiation with vendors under a General Services Administration price with the federal government. The Commonwealth of Kentucky Procurement System department oversees management of all state price contracts with approved vendors for certain items to be purchased. These are to be used by state agencies and local government entities for making purchases with approved vendors in lieu of bidding out those purchases.

KRS 45A (3).310 states “Where the public purchasing unit or foreign purchasing activity administering a cooperative purchase does not follow this code, then the purchasing officer of a state public purchasing unit must determine, in writing, that he has examined the procurement system of the public purchasing unit or foreign purchasing activity administering the purchase, and has found that the proposed method of purchase substantially meets the requirements of this code.”

Per DLG’s procedures in the *County Budget Preparation and State Local Finance Officer Policy Manual*, fiscal court claims are to be presented and approved by fiscal court before checks are issued and signed by the county judge/executive and county treasurer. The presentation of claims needs to include supporting invoices and related agreements for the expenditure to evidence the purpose of the expenditure, the payee and the amount owed by the fiscal court.

We recommend the county judge/executive, or her designee implement procedures to ensure:

- For Coronavirus State and Local Fiscal Recovery expenditures requiring to be bid, the bid procedures per KRS 424.260 are followed for purchases requiring to be bid. If a cooperative purchase is being made, a determination must be done and documented to be in compliance with state law to support using a third-party company to oversee the purchase between the county and the vendor. The fiscal court should maintain all bid related documentation to support its compliance with bid procedures and state law requirements.
- All Coronavirus State and Local Fiscal Recovery expenditures are adequately supported by invoices or written agreements to evidence the purpose and amount due from the county.

*County Judge/Executive Trille Bottom’s Response: (Finding 1) Public Works obtained a quote from [vendor name redacted] along with assurances that they were under State Contract Pricing through [name redacted]. [Name redacted] is a cooperative purchasing entity that markets themselves as holding a Master Agreement with the state of Kentucky. It is misleading. A master agreement for Construction Equipment (MA # 7581800000609) and quote were given to the Treasurer who accepted the documents without reading the Master Agreement to confirm that the product to be purchased was listed. We have discussed this company with the Department for Local Government and while [name redacted] may offer the lowest prices in some instances, they are not under any agreement with the state of Kentucky. We have examined our procurement processes and set internal policies, including ones that eliminate future use of [name redacted]. In addition, we have examined our use of Master Agreements and adopted internal policies that include a review and confirmation process prior to purchasing under a State Master Agreement. (Finding 2) The Treasurer neglected to learn the ARPA processes or obligations prior to issuing payment to the Fire Department. The Fiscal Court understood the urgency of constructing in the area where one did not exist and was not given guidance by the Treasurer on federal processes and procurement obligations.*



ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

COMMUNICATION WITH THOSE CHARGED  
WITH GOVERNANCE

July 8, 2025

The Honorable Trille Bottom Boyle County Judge/Executive and Magistrates  
Boyle County Fiscal Court

We have audited the Statement of Receipts, Disbursements and Changes in Fund Balances - Regulatory Basis of Boyle County Fiscal Court for the year ended June 30, 2023, and have issued our report thereon dated July 8, 2025.

Codified Statement on Auditing Standards [AU-C Section 260, The Auditor's Communication with Those Charged with Governance](#), requires us to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgement, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. This letter summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility over the Boyle County Fiscal Court financial reporting process.

This information is intended solely for the information and use of the magistrates, and management of the Boyle County Fiscal Court and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Allison Ball  
Auditor of Public Accounts  
Frankfort, KY

July 8, 2025





## **Required Communications**

Codified Statement on Auditing Standards AU-C 260 requires the auditor to provide those charged with governance with additional information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and results of the audit that may assist them in overseeing management's financial reporting and disclosure process. For purposes of this statement "those charged with governance" means the person(s) with responsibility for overseeing the strategic direction of the entity and the obligations related to the accountability of the entity, which includes overseeing the financial reporting process. We have identified the Boyle County Judge/Executive and Magistrates as individuals charged with governance.

## **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 5, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP) or with the regulatory basis prescribed by the laws of Kentucky. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Boyle County Fiscal Court solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance and other matters noted during our audit in the audit report dated July 8, 2025.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team for this engagement and others in our agency have complied with all relevant ethical requirements regarding independence.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in the planning stage of the audit.

### **Significant Risks Identified**

We have identified the following significant risks:

We have identified management override of controls, improper revenue recognition, the risk of County Treasurer lacking necessary financial reporting knowledge and skills to ensure accurate ledgers were maintained and accurate financial statements were prepared as significant risks. We are also required by professional standards to give special audit consideration to management override of controls. Additionally, we have identified the risk of improper revenue recognition to be a significant risk in all engagements. We are required by professional standards to give special audit consideration to these risks. We have included standard audit procedures in each engagement that specifically address these risks. We have identified the risk of county treasurer not having proper training and skills to ensure accurate ledgers were maintained and financial reports were prepared for this engagement. As a result, we included audit procedures that took this higher risk of internal controls into consideration.

### **Qualitative Aspects of Accounting Practices**

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Boyle County Fiscal Court is included in Note 1 to the financial statements. No new accounting policies were adopted. No matters have come to our attention during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant, unusual transactions were identified as a result of our audit.

### **Identified or Suspected Fraud**

We did not identify or obtain information that indicates fraud may have occurred or was suspected.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit. The employees and management of the Boyle County Fiscal Court provided the auditors with appropriate, timely documentation, and made time available to assist auditors in the performance of audit procedures. The auditors appreciate all of the time and assistance provided to them during the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and the effect, if any, on the opinion in the auditor's report, and communicate them to the appropriate level of management and those charged with governance. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior period on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

### **Uncorrected and Corrected Misstatements (Continued)**

Professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of audit procedures were brought to the attention of, and corrected by, management:

The FY 2023 fourth quarter report needed the following adjustments in fund total to reconcile to the accounting ledgers and agree to bank activity: (\$11,935,499) receipts, \$15,011,334 disbursements, \$12,582,582 transfers in, \$13,585,084 transfers out, and \$17,021,318 prior year carryover (FY2023 beginning balance or July 1, 2022 balance).

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Boyle County Fiscal Court's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

An adverse opinion was issued on generally accepted accounting principles because the financial statement is prepared by the Boyle County Fiscal Court on the basis of 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.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated July 8, 2025.

### **Other Significant Matters, Findings, Issues, Noncompliance with Laws and Regulations, Violations of Contract Provisions or Grant Agreements**

We discussed the following significant findings, issues, or noncompliances that came to our attention during the course of the audit with management, either in person or as the subject of correspondence. Contact the County Judge/Executive for additional details for any of the issues listed below.

- The Fourth Quarter Report Was Not Prepared Accurately and Was Materially Misstated
- The Boyle County Fiscal Court Did Not Prepare Correct or Timely Bank Reconciliations
- The Boyle County Former Treasurer Did Not Prepare An Annual Settlement for Fiscal Year 2023
- The Boyle County Fiscal Court Did Not Have Adequate Internal Controls Over Cash Transfers
- The Boyle County Fiscal Court's License Fee Tax and Payroll Revolving Bank Accounts Did Not Reconcile To Zero
- The Boyle County Fiscal Court Is Noncompliant With Municipal Securities Rulemaking Board Bond Filing Requirements

**Other Significant Matters, Findings, Issues, Noncompliance with Laws and Regulations, Violations of Contract Provisions or Grant Agreements (Continued)**

- The Boyle County Fiscal Court Did Not Record Encumbrances Correctly On The Fourth Quarter Report
- The Boyle County Fiscal Court Has A Lack Of Adequate Controls Over Disbursements
- The Boyle County Fiscal Court Did Not Accurately Report Collections and Disbursements For City Of Danville Occupational Tax On Ledgers Accurately
- The Boyle County Fiscal Court's Capital Asset Schedule Beginning Balance Required Material Adjustment
- The Boyle County Detention Center Did Not Bid Expenditures Over \$30,000 For Electronic Cigarettes And Canteen Items
- The Boyle County Detention Center Did Not Pay Sales Tax For Electronic Cigarettes Sold At The Canteen

**Alternative Compliance Examination Engagement**

We performed the Alternative Compliance Examination Engagement in related to federal expenditures made by the Boyle County Fiscal Court for FY2023 under the Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) requirements. The examination is issued in a separate report than the audit report for the financial statements. We issued a qualified opinion on the examination, and discussed the following noncompliance finding with management, either in person or as the subject of correspondence. Contact the Judge/Executive for additional details for further discussion of the issue noted below.

**2023-001 The Boyle County Fiscal Court Had Weak Controls Over Coronavirus State and Local Fiscal Recovery Expenditures**

In the normal course of our professional association with the Boyle County Fiscal Court we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Boyle County Fiscal Court's auditors.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, which differs from accounting principles generally accepted in the United States of America; the method of preparing it has not changed from the prior period; and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **Other Information Included**

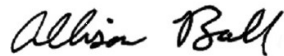
Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included with Boyle County Fiscal Court's financial statement, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have the following responsibilities:

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.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This information is intended solely for the information and use of the magistrates, and management of the Boyle County Fiscal Court and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "Allison Ball". The signature is written in a cursive, flowing style.

Allison Ball  
Auditor of Public Accounts  
Frankfort, KY

July 8, 2025



## BOYLE COUNTY FISCAL COURT

321 West Main Street, Courthouse Room 111, Danville, KY 40422

Phone (859) 238-1100 Fax (859) 238-1108

email: [trille.bottom@boyleky.com](mailto:trille.bottom@boyleky.com)

**Trille L. Bottom**  
*County Judge/Executive*

### MAGISTRATES

First District  
*Tom V. Ellis*

Second District  
*Paula Bodner*

Third District  
*Barry Harmon*

Fourth District  
*Jason M. Cullen*

Fifth District  
*Jamey Gay*

Sixth District  
*Steve Sleeper*

### BOYLE COUNTY FISCAL COURT

#### TRILLE BOTTOM, COUNTY JUDGE/EXECUTIVE

Date: July 8, 2025

Auditor of Public Accounts  
209 St. Clair Street  
Frankfort, KY 40601

This representation letter is provided in connection with your audit of the financial statement of Boyle County Fiscal Court, as of June 30, 2023, and for the period then ended, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, the fund balances of the Boyle County Fiscal Court 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, which is a special purpose framework other than United States (U.S) generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, 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.

Except where otherwise stated below, immaterial matters less than \$42,941 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 15, 2025:



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### Financial Statement

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 5, 2024, for the preparation and fair presentation of the financial statement of the opinion unit referred to above 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, which is a special purpose framework other than U.S. generally accepted accounting principles.
2. The financial statement referred to above has been fairly 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 and includes all properly classified funds, supplementary information, and notes to the basic financial statement.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
6. We have reviewed, approved, and taken responsibility for the financial statement and related notes.
7. We have a process to track the status of audit findings and recommendations.
8. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
9. Significant assumptions used by us in making accounting estimates are reasonable. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with requirements of the previously described regulatory basis of accounting.
10. All events subsequent to the date of the financial statement and for which the previously described regulatory basis of accounting requires adjustment or disclosure have been adjusted or disclosed.



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11. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statement as a whole.
12. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with the previously described regulatory basis of accounting.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed, in accordance with the previously described regulatory basis of accounting.
14. All funds and activities are properly classified.
15. All interfund and intra-entity transactions and balances have been properly classified and reported.
16. Special items and extraordinary items have been properly classified and reported.
17. Deposit and investment risks have been properly and fully disclosed.
18. With respect to nonaudit services performed by you (*preparation of financial statement note disclosures*) we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.

### **Supplementary Information in Relation to the Financial Statement as a Whole**

With respect to the budgetary comparison schedules accompanying the financial statement:

- a. We acknowledge our responsibility for the presentation of the budgetary comparison schedules 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.
- b. We believe the budgetary comparison schedules, including their form and content, are fairly presented in accordance with accounting practices prescribed or





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permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

- c. The methods of measurement or presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the budgetary comparison schedules.
- d. When the budgetary comparison schedules are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- e. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- f. We acknowledge our responsibility to present the supplementary information with the audited financial statement or, if the supplementary information will not be presented with the audited financial statement, to make the audited financial statement readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

### Information Provided

- 19. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 20. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.



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21. All transactions have been recorded in the accounting records and are reflected in the financial statement.
22. We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
23. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
24. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
25. We *are not aware of any pending or threatened* litigation, claims, and assessments whose effects should be considered when preparing the financial statement.
26. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
27. We have disclosed to you all guarantees, whether written or oral, under which Boyle County Fiscal Court is contingently liable.
28. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
29. We have no knowledge of any noncompliance with provisions of laws and regulations that have a material effect on the financial statement or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
30. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.



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31. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statement.
32. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
33. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statement or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
34. Boyle County Fiscal Court has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
36. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
37. The reporting package does not contain personally identifiable information.
38. With respect to federal awards, we represent the following to you:
  - a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards, or we acknowledge our responsibility for presenting the schedule of expenditure of federal awards (SEFA) in accordance



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with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance.

- b. The methods of measurement or presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. When the schedule of expenditures of federal awards is not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- d. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance and included in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guaranties, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control, reported in the schedule of findings and questioned costs, as well as subsequent to the date as of which compliance was audited.
- g. We have made available to you all federal awards, contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.



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- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- m. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- p. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statement has been prepared.





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- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- u. We are responsible for and have accurately completed the auditee sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

A handwritten signature in blue ink that reads "Trille L. Bottom".

Trille Bottom

Boyle County Judge/Executive

A handwritten signature in blue ink that reads "Shannon Greene".

Shannon Greene

Boyle County Treasurer