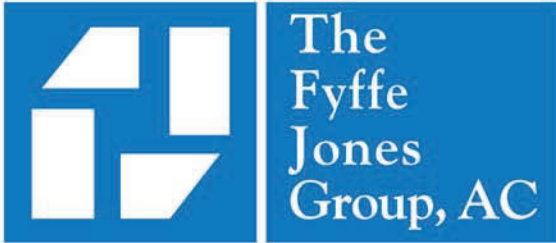


GREENUP-BOYD RIVERPORT AUTHORITY  
INDEPENDENT AUDITORS' REPORT AND FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

GREENUP-BOYD RIVERPORT AUTHORITY  
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FOR THE YEAR ENDED DECEMBER 31, 2020

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Greenup-Boyd Riverport Authority

We have audited the accompanying financial statements of the Greenup-Boyd Riverport Authority (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets — tax basis, as of December 31, 2020, and the related statement of revenues, expenses, and other changes in net assets — tax basis for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting Greenup-Boyd Riverport Authority uses for income tax purposes; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets – tax basis of Greenup-Boyd Riverport Authority, as of December 31, 2020, and its revenues, expenses, and other changes in net assets – tax basis for the year then ended in accordance with the basis of accounting Greenup-Boyd Riverport Authority uses for income tax purposes described in Note 2.

## **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting Greenup-Boyd Riverport Authority uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*The Fyffe Jones Group, A.C.*

THE FYFFE JONES GROUP, A.C.  
Huntington, West Virginia  
September 9, 2021

GREENUP-BOYD RIVERPORT AUTHORITY  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - TAX BASIS  
DECEMBER 31, 2020

ASSETS

Current Assets

Cash	\$ 345,113
Bank Escrow 2018A Bond - Current Portion	50,111
Total Current Assets	395,224

Noncurrent Assets

Certificate of Deposit	64,419
Bank Escrow 2018A Bond - Noncurrent Portion	342,851
Property and Equipment, Net of Accumulated Depreciation of \$1,006,029	4,581,343
Total Noncurrent Assets	4,988,613

TOTAL ASSETS	\$ 5,383,837
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LIABILITIES

Current Liabilities

Loan from Boyd County	\$ 10,000
Loan from Greenup County	10,000
Current Portion of Long-Term Debt	129,785
Total Current Liabilities	149,785

Noncurrent Liabilities

Note Payable - KPAD 2015B	165,000
Note Payable - KPAD 2018A	1,170,000
Note Payable - KPAD 2020E	3,276,000
Loan - 699 Riverside Blvd.	218,695
Less: Current Portion of Long-Term Debt	(129,785)
Total Noncurrent Liabilities	4,699,910

TOTAL LIABILITIES	4,849,695
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NET ASSETS

Net Assets Without Donor Restrictions	534,142
---------------------------------------	---------

TOTAL NET ASSETS	534,142
------------------	---------

TOTAL LIABILITIES & NET ASSETS	\$ 5,383,837
--------------------------------	--------------

The accompanying notes are an integral part of these financial statements.

GREENUP-BOYD RIVERPORT AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND OTHER  
CHANGES IN NET ASSETS - TAX BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions
Program Service Revenue	
Loading Fees	\$ 83,963
Rent Income	225,550
Miscellaneous Income	90
Total Program Service Revenue	<u>309,603</u>
Expense	
Advertising	272
Bank Service Charges	195
Bond Costs	155,703
Consulting	207
Depreciation Expense	139,449
Insurance	8,352
Interest Expense	200,078
Licenses and Permits	550
Investment Expense	1,000
Professional Services	28,511
Repairs	7,366
Utilities	1,019
Total Expense	<u>542,702</u>
Net Ordinary Revenue/(Expense)	<u>(233,099)</u>
Other Revenue/(Expense)	
Interest Revenue	16,919
Total Other Revenue/(Expense)	<u>16,919</u>
Net Other Revenue/(Expense)	<u>16,919</u>
Increase/(Decrease) in Net Assets	
Without Donor Restrictions	<u>(216,180)</u>
Beginning Net Assets Without Donor Restrictions	<u>750,322</u>
Ending Net Assets Without Donor Restrictions	<u>\$ 534,142</u>

The accompanying notes are an integral part of these financial statements.

GREENUP-BOYD RIVERPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Note 1 – Nature of Activities:**

Greenup-Boyd Riverport Authority (the Organization), is a Kentucky nonprofit corporation organized by the Kentucky Association of Riverports, which was incorporated in May of 1985 in accordance with Kentucky Revised Statutes 273.161-273.400 as a nonstock, nonprofit corporation. The mission of the Greenup-Boyd Riverport Authority is to serve as the voice of the Greenup and Boyd Counties' waterborne transportation industry by promoting and assisting the development of multi-modal transportation systems, and to serve freight needs across the Greenup and Boyd Counties.

**Note 2 – Summary of Significant Accounting Policies:**

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the officers who are responsible for their integrity and objectivity.

**A. Basis of Accounting**

The accompanying financial statements have been prepared on the cash basis of accounting used by the Organization for federal income tax purposes. Under that basis, certain revenues and related assets are recognized when received rather than when earned, and expenses generally are recognized when paid rather than when the obligation is incurred. Consequently, accounts receivable and trade accounts payable are not reflected in the accompanying financial statements.

**B. Cash and Cash Equivalents**

For the purpose of the Statement of Assets, Liabilities, and Net Assets – Tax Basis, the Organization considers cash to be all petty cash kept on hand and all demand accounts held at depository institutions.

**C. Bank Escrow Account**

During the year ended December 31, 2020, a lease receivable was paid in full by the lessee, at which point the title was transferred to the lessee. The proceeds for the lease receivable extinguishment were placed in a bank-controlled escrow account to be used to alleviate payments on the 2018A KPAD note payable as those payments become due.

**D. Contributions**

Non-cash contributions are valued at their estimated fair market value. Contributions received are recorded as increases in net assets with or without donor restrictions depending on the existence of any donor restrictions in accordance with ASC Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

GREENUP-BOYD RIVERPORT AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**Note 2 – Summary of Significant Accounting Policies (Cont.):**

**E. Property and Equipment**

Property and equipment are capitalized at cost. It is the Organization’s policy to capitalize expenditures for those items in excess of \$5,000. Lesser amounts are expensed. Equipment and buildings are depreciated using the Modified Accelerated Cost Recovery System (MACRS) method with useful lives ranging between 3 and 39 years, as dictated by the Internal Revenue Code.

The land is not being depreciated.

A summary of property and equipment is as follows:

	Cost	Accumulated Depreciation	Net Property and Equipment
Land	\$ 3,061,781	\$ -	\$ 3,061,781
Buildings	1,348,099	258,196	1,089,903
Building Improvements	1,114,842	685,183	429,659
Equipment	62,650	62,650	-
Total	<u>\$ 5,587,372</u>	<u>\$ 1,006,029</u>	<u>\$ 4,581,343</u>

**F. Income Tax Status**

The Organization is a nonprofit organization under Internal Revenue Code Section 501 (c) (3).

**G. Accounting for Uncertain Tax Positions**

The Organization will recognize a liability for tax positions when there is a more likely than not chance the position will not be sustained upon examination. The Organization is liable for taxes to the extent of any unrelated business income as defined by IRS regulations. The Organization believes that it has calculated the taxes due on unrelated business income as defined by IRS regulations and that it is more likely than not that this position would be sustained upon examination. As such, there were no liabilities recorded for uncertain tax positions as of December 31, 2020.

**Note 3 – Concentration of Credit Risk:**

The Organization maintains their cash accounts at federally insured financial institutions. At December 31, 2020, the uninsured balance held in these accounts totaled \$159,532.



GREENUP-BOYD RIVERPORT AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**Note 4 – Certificate of Deposit:**

A certificate of deposit of \$64,419 is presented in the accompanying financial statements. The certificate of deposit has a rate of 2.00% with a 60-month term, maturing on August 24, 2022.

**Note 5 – Notes Payable:**

The Organization’s debt obligations consist of the following:

<u>Note Payable</u>	<u>Payment Information</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Balance as of December 31, 2020</u>
Boyd County Loan	Callable by Boyd County upon demand	0%	N/A	10,000
Greenup County Loan	Callable by Greenup County upon demand	0%	N/A	10,000
KPAD 2015B	Annually on Dec. 31; \$30,000 - \$35,000	2.00% - 4.00%	December 1, 2025	165,000
KPAD 2018A	Payments due on semi-annually Feb. 1 and Aug. 1, with principal amounts ranging from \$40,000 to \$100,000	4.50%	February 1, 2038	1,170,000
KPAD 2020E	Payments due on semi-annually Feb. 1 and Aug. 1, with principal amounts ranging from \$5,000 to \$235,000	2.50%	July 20, 2033	3,276,000
Loan - 699 Riverside Blvd.	Monthly payments of \$2,300 due on the 1st of each month.	4.00%	May 1, 2028	218,695

The future scheduled maturities of debt are as follows:

<u>Years Ending December 31,</u>	
2021	\$ 149,785
2022	134,984
2023	140,798
2024	141,646
2025	152,527
Thereafter	<u>4,129,955</u>
Total	<u>\$ 4,849,695</u>

GREENUP-BOYD RIVERPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Note 6 – Leases:**

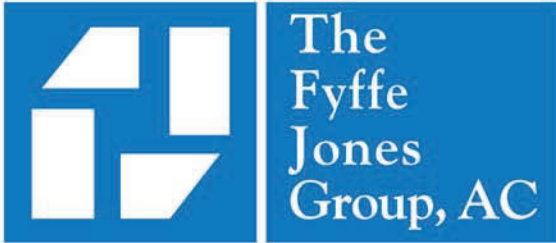
**Operating Lease Commitments:**

The Organization leases buildings for conducting riverport activities to tenants under noncancelable operating leases with terms of one to ten years. The following is a schedule by years of future minimum rentals under the leases at December 31, 2020:

<b><u>Years Ending December 31,</u></b>	
2021	\$ 14,400
2022	14,400
2023	14,400
2024	14,400
2025	14,400
Thereafter	<u>26,400</u>
Total	\$ <u>98,400</u>

**Note 7 – Subsequent Events Review:**

Management has evaluated all other subsequent events through September 9, 2021, the date the financial statements were available to be issued.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Greenup-Boyd Riverport Authority

We have audited, in accordance with the 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 financial statements of the Greenup-Boyd Riverport Authority, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Greenup-Boyd Riverport Authority's basic financial statements, and have issued our report thereon dated September 9, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Greenup Boyd Riverport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greenup-Boyd Riverport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greenup-Boyd Riverport Authority's internal control.

*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 statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greenup-Boyd Riverport Authority's financial statements are free from 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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## 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.

*The Fyffe Jones Group, AC*

THE FYFFE JONES GROUP, AC

Huntington, West Virginia  
September 9, 2021

GREENUP-BOYD RIVERPORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Section I – Summary of Auditors’ Results**

*Financial Statements*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements?	No

**Section II – Financial Statement Findings**

No matters were reported.

GREENUP-BOYD RIVERPORT AUTHORITY  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

There were no findings in the prior audit.