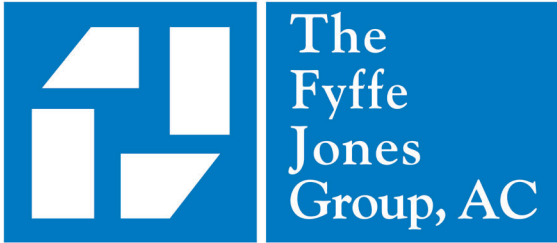


GREENUP-BOYD RIVERPORT AUTHORITY  
INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

GREENUP-BOYD RIVERPORT AUTHORITY  
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FOR THE YEAR ENDED DECEMBER 31, 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Greenup-Boyd Riverport Authority

### **Opinion**

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—income tax basis, as of December 31, 2023, and the related statements of revenues, expenses, and other changes in net assets—income tax basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Greenup-Boyd Riverport Authority as of December 31, 2023, and its revenues, expenses, and other changes in net assets for the year then ended in accordance with the basis of accounting the Greenup-Boyd Riverport Authority uses for income tax purposes described in Note 2.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greenup-Boyd Riverport Authority 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 opinion.

### **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 the 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the income tax basis of accounting described in Note 2; 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted 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 statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 Greenup-Boyd Riverport Authority'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greenup-Boyd Riverport Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of the Greenup-Boyd Riverport Authority'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 the Greenup-Boyd Riverport Authority's 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 Greenup-Boyd Riverport Authority's internal control over financial reporting and compliance.



THE FYFFE JONES GROUP, A.C.

Huntington, West Virginia

June 28, 2024

GREENUP-BOYD RIVERPORT AUTHORITY  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - INCOME TAX BASIS  
DECEMBER 31, 2023

ASSETS

Current Assets

Cash	\$ 586,546
Bank Escrow 2018A Bond - Current Portion	48,256
Total Current Assets	634,802

Noncurrent Assets

Bank Escrow 2018A Bond - Noncurrent Portion	194,276
Property and Equipment, Net of Accumulated Depreciation of \$1,293,793	4,373,581
Total Noncurrent Assets	4,567,857

TOTAL ASSETS	\$ 5,202,659
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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	146,646
Total Current Liabilities	166,646

Noncurrent Liabilities

Note Payable - KPAD 2015B	70,000
Note Payable - KPAD 2018A	930,000
Note Payable - KPAD 2020E	3,260,417
Loan - 699 Riverside Blvd.	158,711
Less: Current Portion of Long-Term Debt	(146,646)
Total Noncurrent Liabilities	4,272,482

TOTAL LIABILITIES	4,439,128
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NET ASSETS

Net Assets Without Donor Restrictions	763,531
---------------------------------------	---------

TOTAL NET ASSETS	763,531
------------------	---------

TOTAL LIABILITIES AND NET ASSETS	\$ 5,202,659
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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 - INCOME TAX BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions
Program Service Revenue	
Loading Fees	\$ 94,840
Rent Income	257,532
Total Program Service Revenue	<u>352,372</u>
 Expense	
Advertising	500
Bank Service Charges	180
Bond Costs	9,714
Consulting	10,479
Depreciation	134,139
Insurance	7,636
Interest	149,410
Licenses and Permits	250
Meeting Expenses	76
Memberships and Dues	300
Office Supplies	99
Penalties	15
Professional Services	13,050
Repairs	28
Utilities	2,206
Total Expense	<u>328,082</u>
Net Ordinary Revenue/(Expense)	<u>24,290</u>
 Other Revenue/(Expense)	
Interest Revenue	2,967
Total Other Revenue/(Expense)	<u>2,967</u>
Increase/(Decrease) in Net Assets Without Donor Restrictions	<u>27,257</u>
Beginning Net Assets Without Donor Restrictions	<u>736,274</u>
Ending Net Assets Without Donor Restrictions	<u><u>\$ 763,531</u></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, 2023

**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 – Income 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.

GREENUP-BOYD RIVERPORT AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

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

**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	325,493	1,022,606
Building Improvements	1,194,844	905,650	289,194
Equipment	62,650	62,650	-
Total	\$ 5,667,374	\$ 1,293,793	\$ 4,373,581

**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, 2023.

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

The Organization maintains their cash accounts at federally insured financial institutions. At December 31, 2023, the uninsured balance held in these accounts totaled \$329,165.



GREENUP-BOYD RIVERPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Note 4 – 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, 2023</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 Payments due on semi-annually Feb. 1 and Aug. 1, with principal amounts ranging from	2.00% - 4.00%	December 1, 2025	70,000
KPAD 2018A	\$40,000 to \$100,000 Payments due on semi-annually Feb. 1 and Aug. 1, with principal amounts ranging from	4.50%	February 1, 2038	930,000
KPAD 2020E	\$5,000 to \$235,000 Monthly payments of \$2,300 due on the 1st of each month	2.50%	July 20, 2033	3,260,417
Loan - 699 Riverside Blvd.		4.00%	May 1, 2028	158,711

The future scheduled maturities of debt are as follows:

<u>Years Ending December 31,</u>	
2024	\$ 166,646
2025	189,610
2026	163,028
2027	169,400
2028	216,276
Thereafter	<u>3,534,168</u>
Total	\$ <u>4,439,128</u>

GREENUP-BOYD RIVERPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Note 5 – Leases:**

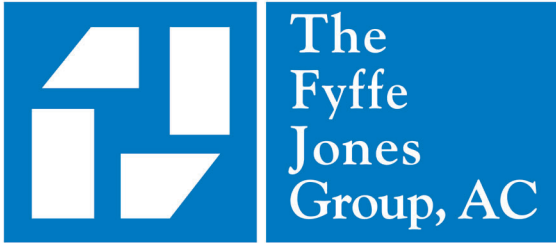
**Operating Lease Commitments:**

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, 2023:

<b><u>Years Ending December 31,</u></b>	
2024	\$ 14,400
2025	14,400
2026	14,400
2027	14,400
2028	12,000
Thereafter	-
Total	<u>\$ 69,600</u>

**Note 7 – Subsequent Events Review:**

Management has evaluated all other subsequent events through June 28, 2024, 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 (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—income tax basis as of December 31, 2023 and the related statements of revenues, expenses, and other changes in net assets—income tax basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2024.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 or significant deficiencies may exist that were not identified.

**Report on 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 financial statements. 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 organization'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 organization'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  
June 28, 2024

GREENUP-BOYD RIVERPORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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, 2023

There were no findings in the prior audit.