

CITY OF WOODLAWN PARK

FINANCIAL REPORT

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

February 27, 2025

Honorable Mayor and City Commissioners
City of Woodlawn Park, Kentucky

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Woodlawn Park, Kentucky, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Woodlawn Park, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Woodlawn Park, Kentucky as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Woodlawn Park, Kentucky, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City of Woodlawn Park, Kentucky adopted new guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. My opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Woodlawn Park, Kentucky's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial 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 opinions. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will 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 and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 City of Woodlawn Park, Kentucky'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 City of Woodlawn Park, Kentucky'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.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 15 and 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2025, on our consideration of the City of Woodlawn Park, Kentucky'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 City of Woodlawn Park, Kentucky'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 City of Woodlawn Park, Kentucky's internal control over financial reporting and compliance.

Sincerely,

Montgomery & Company, P.L.L.C.

Certified Public Accountants

CITY OF WOODLAWN PARK, KENTUCKY
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSET:	
Cash & Cash Equivalents - Note 2	77,728
Accounts Receivable:	
Taxes - Current (Insurance Premium Taxes)	18,070
Taxes - Delinquent	<u>11,055</u>
Total Current Assets	106,853
Noncurrent Assets - Note 5	
Non-Depreciable Capital Assets	57,000
Depreciable Capital Assets - Net of Accumulated Depreciation	<u>240,474</u>
Total Noncurrent Assets	<u>297,474</u>
TOTAL ASSETS	<u><u>404,327</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	7,929
Payroll Taxes Payable	<u>686</u>
Total Current Liabilities	8,615
Noncurrent Liabilities	<u>-</u>
TOTAL LIABILITIES	<u><u>8,615</u></u>
NET POSITION	
Net Investment in Capital Assets	297,474
Restricted for:	
Public Works (Road Service)	67,182
Pandemic Impact Aid	21,669
Unrestricted	<u>9,387</u>
TOTAL NET POSITION	<u>395,712</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>404,327</u></u>

See independent auditor's report and accompanying notes to the financial statements

CITY OF WOODLAWN PARK, KENTUCKY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

PROGRAM REVENUES					NET(EXPENSE) REVENUE AND CHANGES	
					IN NET POSITION	
FUNCTION/PROGRAMS	EXPENSES	CHARGES FOR	OPERATING	CAPITAL	GOVERNMENTAL	
		SERVICES	GRANTS AND	GRANTS AND	ACTIVITIES	TOTAL
			CONTRIBUTIONS	CONTRIBUTIONS		
GOVERNMENTAL ACTIVITIES						
General Government	84,479	6,100	9,900		(68,479)	(68,479)
Public Safety	48,182		3,843		(44,339)	(44,339)
Public Services	112,910				(112,910)	(112,910)
Beautification	14,805				(14,805)	(14,805)
Communications	11,678				(11,678)	(11,678)
Public Works - Streets	26,535		129,291		102,756	102,756
TOTAL GOVERNMENTAL ACTIVITIES	298,589	6,100	143,034	-	(149,455)	(149,455)
TOTAL CITY	298,589	6,100	143,034	-	(149,455)	(149,455)
GENERAL REVENUES:						
Taxes:						
Property Taxes					123,634	123,634
Insurance Premium Taxes					65,796	65,796
Delinquent Taxes					1,012	1,012
Telecommunication Taxes					6,973	6,973
Earnings on Investments					146	146
Miscellaneous					4,979	4,979
TOTAL GENERAL REVENUES					202,540	202,540
CHANGE IN NET POSITION					53,085	53,085
NET POSITION - BEGINNING					342,627	342,627
NET POSITION - ENDING					395,712	395,712

See independent auditor's report and accompanying notes to the financial statements

CITY OF WOODLAWN PARK, KENTUCKY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	KENTUCKY MUNICIPAL AID ROAD FUND	TOTAL GOVERNMENTAL FUNDS
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Cash & Cash Equivalants - Note 2	10,546	67,182	77,728
Accounts Receivable:			
Delinquent Taxes	323		323
Taxes - Insurance Premium Taxes	18,070		18,070
TOTAL ASSETS	<u>28,939</u>	<u>67,182</u>	<u>96,121</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	7,929		7,929
Payroll Taxes Payable	686		686
Total Liabilities	<u>8,615</u>	<u>-</u>	<u>8,615</u>
Fund Balance:			
Restricted for:			
Public Works (Road Service)		67,182	67,182
Pandemic Impact Aid	21,669		21,669
Unassigned	(1,345)		(1,345)
Total Fund Balance	<u>20,324</u>	<u>67,182</u>	<u>87,506</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>28,939</u>	<u>67,182</u>	<u>96,121</u>

See independent auditor's report and accompanying notes to the financial statements

CITY OF WOODLAWN PARK, KENTUCKY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

TOTAL GOVERNMENTAL FUND BALANCE			87,506
Property taxes not collected by August 31st are not considered available for the governmental fund statements but are considered assets on the Statement of Net Position.			10,732
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
Cost of Capital Assets	450,034		
Accumulated Depreciation	(152,560)		
		<u>297,474</u>	
TOTAL NET POSITION - GOVERNMENTAL			<u><u>395,712</u></u>

See independent auditor's report and accompanying notes to the financial statements

CITY OF WOODLAWN PARK, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	KENTUCKY MUNICIPAL AID ROAD FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
Taxes:			
Property Taxes	123,634		123,634
Insurance Taxes	65,796		65,796
Telecommunication Taxes	6,973		6,973
Delinquent Taxes	323		323
Earnings on Investments	146		146
Licenses and Fees	6,100		6,100
Intergovernmental:			
State	13,743	17,181	30,924
Federal	112,110		112,110
Other Sources	4,979		4,979
TOTAL REVENUES	333,804	17,181	350,985
EXPENDITURES:			
General Government	87,172		87,172
Public Safety	49,655		49,655
Public Services	112,910		112,910
Beautification	14,805		14,805
Communications	11,678		11,678
Public Works - Streets	195,862	10,470	206,332
TOTAL EXPENDITURES	472,082	10,470	482,552
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(138,278)	6,711	(131,567)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	(138,278)	6,711	(131,567)
FUND BALANCES - BEGINNING	158,602	60,471	219,073
FUND BALANCES - ENDING	20,324	67,182	87,506

See independent auditor's report and accompanying notes to the financial statements

CITY OF WOODLAWN PARY, KENTUCKY
RECONCILITATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

NET CHANGES - GOVERNMENTAL FUNDS (131,567)

Governmental funds do no report delinquent tax income for taxes not collected by August 31st because they are not considered available. However, in the statement of activities, the delinquent revenue is recognized. This is the amount of increases in delinquent porperty taxes

689

Governmental funds report capital outlays as expeditues because they use current financial resources. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeas capital outlays for the year.

Capital Outlays	201,810	
Depreciation Expense	<u>(17,847)</u>	<u>183,963</u>

CHANGES - NET POSITION GOVERNMENTAL FUNDS 53,085

See independent auditor's report and accompanying notes to the financial statements

**CITY OF WOODLAWN PARK,
KENTUCKY NOTES TO FINANCIAL
STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Woodlawn Park, Kentucky (City) is a Home Rule, Commission class City in Jefferson County, Kentucky. The City operates under a City Commission form of government.

A. Reporting Entity – Basis of Presentation

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. All individual governmental funds are reported in separate columns.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

The government-wide statements are prepared using the economic resources measurement focus. Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report current financial resources using the measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes, insurance premiums taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

As a rule, the effect of interfund activity, if any, is eliminated from the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements. Investments, non-current report assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

C. Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund – reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Kentucky Municipal Aid Road Fund – accounts for the operation of the road services for the City.

D. Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, the City Commissioners, and does not lapse at year-end. Formal action must be taken by the City Commissioners during an open meeting to establish, modify, or rescind a fund balance commitment.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Honorable Mayor.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The City uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the City would first use *committed*, then *assigned*, and lastly *unassigned* amounts for unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Budgets

The City adopts annual budgets for the general and municipal aid funds. The budgets are prepared in accordance with the basis of accounting utilized by that fund.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of moneys are recorded in order to reserve that portion of applicable appropriation, is not employed by the City.

G. Estimates

The preparation of financial statements in conformity with GAAP requires the use of management estimates.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net assets but are not reported in the fund financial statements.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

Description	Governmental Activities Estimated Lives
Buildings	40 years
Building Improvements	5-40 years
Vehicles and Equipment	5 years
Infrastructure (roads and sidewalks)	15 years

I. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

For the fiscal year ended June 30, 2023 there were no interfund transactions or balances.

J. Changes in Accounting Principle

Effective July 1, 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 enhances the relevance and consistency of information of the government's subscription-based technology arrangement activities. It establishes the capitalization criteria for implementation costs and requires a government to report a subscription asset and subscription liability and to disclose essential information about the arrangement. Adoption of the provisions of this statement did not have a material impact on the City's financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2. CASH & CASH EQUIVALENTS

Custodial Credit Risk – Deposits. Custodial Credit is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The carrying amount of deposits is separately displayed on the balance sheet as “Cash and Cash Equivalents.” At June 30, 2023, the full amount of the City’s cash was covered by Federal Depository Insurance Coverage.

Cash and Cash Equivalents at June 30, 2023, consisted of the following:

	Bank Balance	Book Balance
PNC Bank	52,500	52,042
Eclipse Bank	<u>25,686</u>	<u>25,686</u>
	<u>78,186</u>	<u>77,728</u>

Kentucky Revised Statute No. 66.480 authorizes municipalities to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, share in savings and loan associations insured by federal agencies and deposits in national or state chartered banks by federal agencies and larger amounts in such institutions providing such banks pledge as security obligations of the United States Government or its agencies.

NOTE 3. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the City also carries commercial insurance for all other risks of loss such as public officials’ liability and worker compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 4. PROPERTY TAX CALENDAR

Property taxes are levied on January 1 and payable by September 30 on the assessed valuation of property located in the City of Woodlawn Park. The due date and collection periods for property taxes are as follows:

1. Due date for payment of taxes – October 1
2. 15% discount for payment of taxes by September 1
3. 15% penalty assessed – November 1
4. 1.5% per month interest – November 1

These taxes are collected by the City Clerk.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	July 1, 2022	Additions	Deletions	June 30, 2023
GOVERNMENTAL ACTIVITIES				
Non-Depreciable				
Land	57,000			57,000
Depreciable:				
Equipment	1,813	1,498	(1,813)	1,498
Vehicles	22,384			22,384
Buildings and Improvements	87,030			87,030
Infrastructure	81,810	200,312		282,122
Total at Historical Cost	<u>250,037</u>	<u>201,810</u>	<u>(1,813)</u>	<u>450,034</u>
Less Accumulated Depreciation for:				
Equipment	1,813	25	(1,813)	25
Vehicles	22,384			22,384
Buildings and Improvements	44,821	1,757		46,578
Infrastructure	67,508	16,065		83,573
Total Accumulated Depreciation	<u>136,526</u>	<u>17,847</u>	<u>(1,813)</u>	<u>152,560</u>
Governmental Activities Capital Net	<u>113,511</u>	<u>183,963</u>	<u>-</u>	<u>297,474</u>
Depreciation Expense Charged to Governmental Functions as Follows:				
General Government				1,757
Public Safety				25
Public Works (Road Service)				<u>16,065</u>
Total				<u>17,847</u>

NOTE 6. SUBSEQUENT EVENTS

Management has reviewed subsequent events through February 27, 2025, the date the financial statements were available for release, and there are no material subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF WOODLAWN PARK, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Property Taxes	118,000	118,000	123,957	5,957
Insurance Taxes	83,000	83,000	65,796	(17,204)
Telecommunication Taxes	6,400	6,400	6,973	573
Earnings on Investments	240	240	146	(94)
Licenses and Fees	7,900	7,900	6,100	(1,800)
Intergovernmental:				
State	5,200	5,200	13,743	8,543
Federal	220,531	220,531	112,110	(108,421)
Other Sources	63,640	63,640	4,979	(58,661)
TOTAL REVENUES	504,911	504,911	333,804	(171,107)
EXPENDITURES:				
General Government	79,815	79,815	87,172	(7,357)
Public Safety	60,100	60,100	49,655	10,445
Public Services	117,065	117,065	112,910	4,155
Beautification	16,500	16,500	14,805	1,695
Communications	10,900	10,900	11,678	(778)
Public Works - Streets	220,531	220,531	195,862	24,669
TOTAL EXPENDITURES	504,911	504,911	472,082	32,829
NET CHANGE IN FUND BALANCES	-	-	(138,278)	(138,278)
FUND BALANCES - BEGINNING	-	-	158,602	158,602
FUND BALANCES - ENDING	-	-	20,324	20,324

* The City's budget for the General Fund was passed using the cash basis of accounting and allocated by revenue and expense type.

CITY OF WOODLAWN PARK, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental: State	25,000	25,000	17,181	(7,819)
	<u>25,000</u>	<u>25,000</u>	<u>17,181</u>	<u>(7,819)</u>
EXPENDITURES:				-
Public Works - Streets	12,500	12,500	10,470	2,030
TOTAL EXPENDITURES	<u>12,500</u>	<u>12,500</u>	<u>10,470</u>	<u>2,030</u>
NET CHANGE IN FUND BALANCES	<u>12,500</u>	<u>12,500</u>	<u>6,711</u>	<u>(5,789)</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>60,471</u>	<u>60,471</u>
FUND BALANCES - ENDING	<u><u>12,500</u></u>	<u><u>12,500</u></u>	<u><u>67,182</u></u>	<u><u>54,682</u></u>

* The City's budget for the Road Fund was passed using the cash basis of accounting and allocated by revenue and expense type.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND 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*

February 27, 2025

Honorable Mayor and City Commissioners
City of Woodlawn Park, Kentucky

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 governmental activities, each major fund, and the aggregate remaining fund information of City of Woodlawn Park, Kentucky, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Woodlawn Park, Kentucky's basic financial statements, and have issued our report thereon dated February 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, We considered City of Woodlawn Park, Kentucky'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Woodlawn Park, Kentucky's internal control. Accordingly, We do not express an opinion on the effectiveness of the City of Woodlawn Park, Kentucky'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 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 a reasonable assurance about whether the City of Woodlawn Park, Kentucky'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 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.

Sincerely,

Montgomery & Company, P.L.L.C.

Certified Public Accountants

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February 27, 2025

Honorable Mayor and City Commissioners
City of Woodlawn Park, Kentucky

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Woodlawn Park, Kentucky for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 24, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Auditing Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Woodlawn Park, Kentucky are described in Note A to the financial statements. As described in Note 1 to the financial statements, the City changed policies related to leases by adopting Statement of Governmental Accounting Standards No. 96, Subscription-Based Information Technology Arrangements, in 2023. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. No other new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by City of Woodlawn Park, Kentucky 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.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets for computation of depreciation. We evaluated the key factors and assumptions used to develop the computation of depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. WE are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 27, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Woodlawn Park, Kentucky's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were not such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Woodlawn Park, Kentucky's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Retention on Use

This information is intended solely for the use of City of Woodlawn Park, Kentucky's Board of Commissioners and management of City of Woodlawn Park, Kentucky and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Montgomery & Company, P.L.L.C.

Certified Public Accountants