

# COBB & ASSOCIATES PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Watterson Park, Kentucky

### Report on the Audit of the Financial Statements

#### Opinions

We have audited accompanying the financial statements of the governmental activities and each major fund, of the City of Watterson 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 Watterson 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 and each major fund of the City of Watterson Park, Kentucky as of June 30, 2023, and the respective changes in financial position for the City of Watterson Park, Kentucky 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 (GAAS) 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 the Financial Statements section of our report. We are required to be independent of the City of Watterson Park, Kentucky 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.

#### Responsibilities 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 Watterson 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 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 statements.

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 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 City of Watterson 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 Watterson 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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 January 8, 2024 on our consideration of the City of Watterson 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 Watterson 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 City of Watterson Park, Kentucky's internal control over financial reporting and compliance.

*Cobb & Associates PLLC*

COBB & ASSOCIATES PLLC  
Louisville, Kentucky

January 8, 2024

**CITY OF WATTERSON PARK, KENTUCKY  
BUDGETARY COMPARISON SCHEDULE- GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Fund balances-Beginning of year	\$ 7,026,510	\$ 7,084,132	\$ 57,622
<b>REVENUES</b>			
Real Property Taxes	220,000	217,101	(2,899)
Utility Property Taxes	3,500	4,137	637
Personal Property Taxes	57,000	75,847	18,847
Personal Property Taxes- Auto	22,000	33,807	11,807
Interest Income	87,000	125,839	38,839
Franchise Fees	3,000	3,118	118
Insurance Premium Taxes	425,000	561,391	136,391
Other	-	5,815	5,815
Net Decrease in Fair Value of Investments	-	(112,417)	(112,417)
American Rescue Plan Act	-	80,169	80,169
Total Revenue	<u>817,500</u>	<u>994,807</u>	<u>177,307</u>
Total Available Resources	7,844,010	8,078,939	356,876
<b>EXPENDITURES</b>			
General Government	259,450	235,601	(23,849)
Public Works:			
General Public Works	165,000	155,553	(9,447)
Urban Forestry Program	60,000	-	(60,000)
Maintenance/Repair of Existing Roadways, Sidewalks, etc.	100,000	710	(99,290)
Construction/Reconstruction of Roadways, Sidewalks, etc.	300,000	-	(300,000)
Sanitation and Waste Removal	70,000	62,235	(7,765)
Public Safety	100,000	83,784	(16,216)
Total Expenditures	<u>1,054,450</u>	<u>537,883</u>	<u>(516,567)</u>
Net Change in Fund Balance	<u>(236,950)</u>	<u>456,924</u>	<u>693,874</u>
Fund balances-June 30, 2023	<u>\$ 6,789,560</u>	<u>\$ 7,541,056</u>	<u>\$ 873,443</u>

See accompanying notes to financial statements

**CITY OF WATTERSON PARK, KENTUCKY**  
**BUDGETARY COMPARISON SCHEDULE- MUNICIPAL AID ROAD FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Fund balances-Beginning of year	\$ 20,500	\$ 21,060	\$ 560
<b>REVENUES</b>			
Intergovernmental Revenues	20,000	20,389	389
Interest Income	-	69	69
Total Revenue	<u>20,000</u>	<u>20,458</u>	<u>458</u>
Total Available Resources	40,500	41,518	458
<b>EXPENDITURES</b>			
Maintenance/Repair of Existing Roadways, Sidewalks, etc.	<u>40,400</u>	<u>-</u>	<u>(40,400)</u>
Total Expenditures	<u>40,400</u>	<u>-</u>	<u>(40,400)</u>
Net Change in Fund Balance	<u>(20,400)</u>	<u>20,458</u>	<u>40,858</u>
Fund balances-June 30, 2023	<u>\$ 100</u>	<u>\$ 41,518</u>	<u>\$ 40,858</u>

See accompanying notes to financial statements