

McIntyre & Wooldridge, PSC
Certified Public Accountants

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Independent Auditor's Report

The Honorable Mayor and
Commissioners of the City of
Strathmoor Manor, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Strathmoor Manor, Kentucky as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 risk 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 and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report (continued)

Opinions

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 Strathmoor Manor, Kentucky at June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's budgetary comparison information on pages 17 and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has required 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 Government 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019 on our consideration of the City of Strathmoor Manor, Kentucky's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the 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's internal control over financial reporting and compliance.

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Louisville, Kentucky
December 4, 2019

CITY OF STRATHMOOR MANOR, KENTUCKY
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance with Final Budget (Favorable Unfavorable)
Revenues:			
Property Tax (after discounts and exemptions)	\$ 123,500	\$ 122,555	\$ (945)
Insurance Premium Tax	46,000	44,802	(1,198)
Kentucky Intergovernmental Revenue	4,850	4,444	(406)
Telecommunications Tax	1,365	1,397	32
Other and interest	290	1,087	797
Total General Fund Budgeted Revenues	<u>176,005</u>	<u>174,285</u>	<u>(1,720)</u>
Carry Forward Projected Unassigned balance year ended 6/30/18	<u>227,236</u>	<u>219,955</u>	<u>(7,281)</u>
General Fund revenues available for appropriation	403,241	394,240	(9,001)
Less minimum ending general fund balance	(118,000)	(118,000)	-
Less designated for FY 2019/2020 major repairs and replacements	<u>(29,800)</u>	<u>(29,800)</u>	<u>-</u>
General Fund Revenues Available for Appropriation Current Year	<u>255,441</u>	<u>246,440</u>	<u>(9,001)</u>
Expenditures:			
Landscaping, and Lawn and Tree Maintenance	46,000	31,840	14,160
Garbage Collection	28,000	27,918	82
Fire Protection	27,600	26,101	1,499
Police Protection	30,000	28,000	2,000
Sidewalks and Curbs	30,000	-	30,000
Park Enhancements and Signage	16,000	-	16,000
Street Lights-Electric	10,750	9,277	1,473
Insurance	6,500	5,415	1,085
Attorney Fees	8,000	4,350	3,650
Bookkeeping	5,100	5,100	-
Audit	4,500	-	4,500
Manor Board and Clerk	3,600	3,600	-
Snow Removal	3,500	1,500	2,000
General Government	2,700	1,949	751
PVA fee	2,200	1,969	231
City Events	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total General Fund Budgeted Expenditures	<u>225,650</u>	<u>147,019</u>	<u>78,631</u>
Transfer to Road Fund	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Ending Balance Unappropriated	19,791	89,421	69,630
Add minimum ending general fund balance	118,000	118,000	-
Add designated for FY 2019/2020 major repairs and replacements	<u>29,800</u>	<u>29,800</u>	<u>-</u>
Ending Unassigned Fund Balance	<u>\$ 167,591</u>	<u>\$ 237,221</u>	<u>\$ 69,630</u>

**CITY OF STRATHMOOR MANOR, KENTUCKY
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2019**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues:			
Kentucky Municipal Road Aid	\$ 8,276	\$ 7,414	\$ (862)
Interest Income	-	4	4
	<u>8,276</u>	<u>7,418</u>	<u>(858)</u>
Transfer from General Fund	10,000	10,000	-
Carry forward for Road fund balance year ended June 30, 2018	<u>37,911</u>	<u>37,203</u>	<u>(708)</u>
Road Fund revenues available for appropriation	56,187	54,621	(1,566)
Expenditures:			
Road Repair and Maintenance	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Ending Restricted for Road fund balance	<u>\$ 53,687</u>	<u>\$ 54,621</u>	<u>\$ 934</u>