



Van Gorder, Walker & Co., Inc.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Council of the
City of Cold Spring, 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 Cold Spring, Kentucky, as of and for the year ended June 30, 2018, 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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.



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-Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the City of Cold Spring, Kentucky as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Implementation of New GASB Accounting Standard

As discussed in Note G to the financial statements, effective July 1, 2017, the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). Our opinion is not modified with respect to this matter.

Other Matters

-Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 4–8, the budgetary comparison schedules on pages 35-37, and the pension disclosure on pages 38-41 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 January 18, 2019 on our consideration of the City of Cold Spring, 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 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 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 Cold Spring, Kentucky's internal control over financial reporting and compliance.

Van Gorder, Walker & Co., Inc.

Van Gorder, Walker, & Co., Inc.
Erlanger, Kentucky
January 18, 2019

CITY OF COLD SPRING, KENTUCKY BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL - GENERAL FUND For the Year Ended June 30, 2018

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Revisions	Final		
Budgetary fund balance, July 1	\$ 5,761,608	\$ 83,065	\$ 5,844,673	\$ 6,632,189	\$ 787,516
Resources (inflows)					
Property taxes	978,000	-	978,000	988,428	10,428
Licenses/permits	156,475	-	156,475	169,295	12,820
Intergovernmental	108,130	-	108,130	103,010	(5,120)
Fines and forfeitures	6,000	-	6,000	635	(5,365)
Charges for services	304,315	-	304,315	322,120	17,805
Parks, trees and recreation	1,800	-	1,800	6,700	4,900
Other	2,013,262	-	2,013,262	2,568,901	555,639
Amounts available for appropriation	9,329,590	83,065	9,412,655	10,791,278	1,378,623
Charges to appropriations (outflows)					
General government	902,639	-	902,639	811,162	91,477
Police	1,268,956	-	1,268,956	1,068,808	200,148
Public works	468,043	-	468,043	400,986	67,057
Enterprises	34,700	-	34,700	41,209	(6,509)
Parks, trees and recreation	50,900	-	50,900	37,569	13,331
Debt service	-	8,000	8,000	4,734	3,266
Capital expenditures	-	216,500	216,500	310,079	(93,579)
Total charges to appropriations	2,725,238	224,500	2,949,738	2,674,547	275,191
Proceeds from capital lease	-	-	-	-	-
Transfer from (to) other fund	(38,000)	-	(38,000)	(1,313,101)	(1,275,101)
Budgetary fund balance, June 30	\$ 6,566,352	\$ (141,435)	\$ 6,424,917	\$ 6,803,630	\$ 378,713

CITY OF COLD SPRING, KENTUCKY
BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL -
MUNICIPAL AID ROAD FUND
For the Year Ended June 30, 2018

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Revisions	Final		
Budgetary fund balance, July 1	\$ 670,806	\$ (84,017)	\$ 586,789	\$ 85,444	\$ (501,345)
Resources (inflows)					
Other income	20	-	20	583	563
Intergovernmental	111,287	-	111,287	115,826	4,539
Amounts available for appropriation	<u>782,113</u>	<u>(84,017)</u>	<u>698,096</u>	<u>201,853</u>	<u>(496,243)</u>
Charges to appropriations (outflows)					
Municipal road fund	196,500	-	196,500	124,510	71,990
Construction	484,000	-	484,000	1,260,934	(776,934)
Debt service	-	-	-	251,590	(251,590)
Total charges to appropriations	<u>680,500</u>	<u>-</u>	<u>680,500</u>	<u>1,637,034</u>	<u>(956,534)</u>
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,313,101</u>	<u>1,313,101</u>
Budgetary fund balance, June 30	<u>\$ 101,613</u>	<u>\$ (84,017)</u>	<u>\$ 17,596</u>	<u>\$ (122,080)</u>	<u>\$ (139,676)</u>

CITY OF COLD SPRING, KENTUCKY
BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL -
STORM SEWER FUND
For the Year Ended June 30, 2018

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Revisions	Final		
Budgetary fund balance, July 1	\$ (205)	\$ 283,953	\$ 283,748	\$ 404,114	\$ 120,366
Resources (inflows)					
Commercial fees	175,300	-	175,300	186,407	11,107
Residential fees	73,400	-	73,400	78,435	5,035
Application fees	-	-	-	3	3
Amounts available for appropriation	<u>248,495</u>	<u>283,953</u>	<u>532,448</u>	<u>668,959</u>	<u>136,511</u>
Charges to appropriations (outflows)					
Storm sewer expense	<u>217,829</u>	<u>-</u>	<u>217,829</u>	<u>202,793</u>	<u>15,036</u>
Total charges to appropriations	<u>217,829</u>	<u>-</u>	<u>217,829</u>	<u>202,793</u>	<u>15,036</u>
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance, June 30	<u>\$ 30,666</u>	<u>\$ 283,953</u>	<u>\$ 314,619</u>	<u>\$ 466,166</u>	<u>\$ 151,547</u>

City of Cold Spring
Audit Report – year ending 6/30/2018

The City of Cold Spring audit report is published in compliance with KRS 91A.040(6). You can find the Auditor's Opinion Letter, Budgetary Comparison Schedules online at www.coldspringky.gov under the Public Notices page. The entire audit report including financial statements and supplemental information is available for public inspection at the Cold Spring City Building, 5694 E. Alexandria Pk. Cold Spring, KY during normal business hours. Citizens may obtain a copy of the complete audit report at a cost of ten cents per page