



LEGAL NOTICE

INDEPENDENT AUDITOR'S REPORT

The Mayor and Members of the City Council
of the City of Carrollton
Carrollton, Kentucky

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Kentucky, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Carrollton, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Kentucky, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the Financial Statements section of our report. We are required to be independent of the City of Carrollton, 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 Carrollton, 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Carrollton, 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 Carrollton, 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 on pages 3 through 10, and other required supplementary information on pages 62 to 71 in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carrollton, Kentucky's basic financial statements. The accompanying combining nonmajor governmental fund financial statements and the enterprise fund schedules listed in the table of contents as other supplemental information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements, the enterprise fund schedules listed in the table of contents as other supplemental information, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2025, on our consideration of the City of Carrollton, 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 Carrollton, 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 Carrollton, Kentucky's internal control over financial reporting and compliance.

RAISOR, ZAPP & WOODS, PSC
Certified Public Accountants
Carrollton, Kentucky
February 7, 2025

A copy of the complete auditor's report, including financial statements and supplemental information is on file at City Hall, 750 Clay Street, and is available for public inspection during normal business hours. Any citizen may obtain a copy of the complete auditor's report for a duplication cost not to exceed twenty-five cents (\$.025) per page. Copies are available on the city's website at www.carrolltonky.net. Copies of the financial statement prepared in accordance with KRS 424.220 are available at no cost at the City Treasurer Office, 750 Clay Street, Carrollton, Kentucky.

CITY OF CARROLLTON, KENTUCKY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended June 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property Taxes	\$ 530,302	\$ -	\$ 530,302
Franchise Taxes	387,058	-	387,058
Insurance Taxes	747,356	-	747,356
Bank Deposits	43,643	-	43,643
Licenses and Permits	29,327	-	29,327
Intergovernmental Revenues	697,370	110,621	807,991
PEAK Revenue	2,216,419	-	2,216,419
Charges for Sanitation Services	557,927	-	557,927
Recreation Facility Services	156,784	-	156,784
CRMS/Landline E-911 Revenues	101,555	-	101,555
Contributions	-	11,911	11,911
Interest Revenue	28,707	322	29,029
Miscellaneous	147,360	-	147,360
Total Revenues	\$ 5,643,808	\$ 122,854	\$ 5,766,662
EXPENDITURES			
Current			
Administrative	\$ 693,403	\$ -	\$ 693,403
Public Safety			
Fire Department	225,553	-	225,553
Emergency Dispatch	756,365	-	756,365
Police Department	1,627,972	-	1,627,972
Public Works	747,749	87,557	835,306
Sanitation	523,060	-	523,060
Parks and Recreation	163,857	8,013	171,870
Community Service	-	13,501	13,501
Code Enforcement	138,703	-	138,703
Capital Outlay	884,664	-	884,664
Total Expenditures	\$ 5,761,326	\$ 109,071	\$ 5,870,397
Excess of Revenues Over (Under) Expenditures	\$ (117,518)	\$ 13,783	\$ (103,735)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ -	\$ -	\$ -
Transfers Out	-	-	-
Proceeds from Asset Sales	\$ 81	\$ -	\$ 81
Transfers Out	(9,000)	-	(9,000)
Total Other Financing Sources (Uses)	\$ (8,919)	\$ -	\$ (8,919)
Net Change in Fund Balance	\$ (126,437)	\$ 13,783	\$ (112,654)
Fund Balances - Beginning of Year	6,751,884	79,361	6,831,245
Fund Balances - End of Year	\$ 6,625,447	\$ 93,144	\$ 6,718,591

CITY OF CARROLLTON, KENTUCKY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND For the Year Ended June 30, 2024

	Carrollton Utilities Enterprise Fund
Operating Revenues:	
Charges for Services:	
Gas Utility Charges (Net)	\$ 31,707,890
Water Utility Charges (Net)	1,995,566
Sewer Utility Charges (Net)	2,552,457
Connection Fees & Service Charges	801,421
Miscellaneous Service Revenues	-
Total Charges for Services	\$ 37,057,334
Miscellaneous Revenues	161,185
Total Operating Revenues	\$ 37,218,519
Operating Expenses:	
Cost of Goods Sold	\$ 28,951,738
Operation & Maintenance	2,426,140
General & Administrative	2,855,490
Depreciation & Amortization	2,198,144
Total Operating Expenses	\$ 36,431,512
Net Operating Income	\$ 787,007
Nonoperating Revenue (Expenses):	
FEMA Grant Revenue	\$ -
Interest Income	\$ 517,782
Interest and Fiscal Charges	(68,892)
Gain (Loss) from Disposition of Assets	(11,240)
Total Nonoperating Revenue (Expenses)	\$ 437,650
Income (Loss) Before Contributions and Transfers	\$ 1,224,657
Capital Contributions	1,067,096
Transfers In	9,000
Change in Net Position	\$ 2,300,753
Net Position - July 1	45,379,398
Net Position - June 30	\$ 47,680,151

CITY OF CARROLLTON, KENTUCKY STATEMENT OF NET POSITION PROPRIETARY FUND June 30, 2024

	Carrollton Utilities Enterprise Fund
ASSETS	
Current Assets	
Cash, Including Time Deposits	\$ 11,059,803
Interest Receivable	75,736
Accounts Receivable (Net)	2,785,641
Other Receivables	1,460,748
Due from Other Governments	350,540
Current Portion - Interlocal Receivable	3,605
Prepaid Expense	44,430
Total Current Assets	\$ 15,780,503
Noncurrent Assets	
Restricted Assets	
Cash, Including Time Deposits	\$ 966,190
Interest Receivable	-
Interlocal Receivable	160,050
Net OPEB Asset	90,135
Capital Assets (Net)	45,476,693
Total Noncurrent Assets	\$ 46,693,068
Total Assets	\$ 62,473,571
FERRED OUTFLOWS OF RESOURCES	
Attributable to Employer Pension Plan	\$ 1,514,419
Attributable to Employer OPEB	594,372
Total Deferred Outflows	\$ 2,108,791
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 2,616,972
Due to Other Funds	850,829
Accrued Compensated Absences	11,201
Accrued Salaries, Wages & Benefits	101,120
Sales Tax Payable	13,283
Project Gas Supply Credits Payable	574,464
Current Liabilities Payable from Restricted Assets:	
Accrued Interest Payable	8,377
Bonds & Notes Payable	817,674
Total Current Liabilities	\$ 4,993,920
Noncurrent Liabilities	
Accrued Compensated Absences	\$ 37,497
Project Gas Supply Credits Payable	420,003
Due to Other Funds	420,003
Bonds & Notes Payable	3,773,333
Net Pension Liability	4,191,392
Noncurrent Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	263,571
Total Noncurrent Liabilities	\$ 9,105,799
Total Liabilities	\$ 14,099,719
FERRED INFLOWS OF RESOURCES	
Attributable to Employer Pension Plan	\$ 1,088,752
Attributable to Employer OPEB	1,713,740
Total Deferred Inflows	\$ 2,802,492
NET POSITION	
Net Investment in Capital Assets	\$ 41,049,341
Restricted for:	
Debt Service	676,043
Unrestricted	5,954,767
Total Net Position	\$ 47,680,151

CITY OF CARROLLTON, KENTUCKY BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash, Including Time Deposits	\$ 6,369,618	\$ 76,503	\$ 6,446,121
Accounts Receivable: (Net of Allowance for Uncollectibles)			
Insurance Licenses	191,751	-	191,751
Business Licenses	400	-	400
Ad Valorem Tax	51	-	51
Franchise Fees	72,103	-	72,103
Miscellaneous	4,118	-	4,118
Due from Other Governments	141,272	17,735	159,007
Due from Other Funds	151,411	-	151,411
Total Assets	\$ 6,930,724	\$ 94,238	\$ 7,024,962
LIABILITIES			
Accounts Payable	\$ 150,385	\$ 1,094	\$ 151,479
Sales Tax Payable	868	-	868
Transient Room Tax Payable	589	-	589
Accrued Compensated Absences	95,444	-	95,444
Accrued Wages	57,991	-	57,991
Total Liabilities	\$ 305,277	\$ 1,094	\$ 306,371
FUND BALANCES			
Restricted	\$ -	\$ 66,616	\$ 66,616
Committed	153,599	-	153,599
Assigned	-	26,528	26,528
Unassigned	6,471,848	-	6,471,848
Total Fund Balances	\$ 6,625,447	\$ 93,144	\$ 6,718,591
Total Liabilities and Fund Balances	\$ 6,930,724	\$ 94,238	\$ 7,024,962