

INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and
Members of the Council of the
City of Bellevue, Kentucky**

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 Bellevue, Kentucky, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Bellevue, 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 Bellevue, Kentucky as of June 30, 2022, 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 accounting standards generally accepted in the United States of America. 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 Bellevue, Kentucky and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Bellevue, 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Bellevue, 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 Bellevue, 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, budgetary comparison schedule, and *Multiple Employer, Cost Sharing, Defined Benefit Pension and OPEB Plan* disclosures 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 the 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 Bellevue, Kentucky's basic financial statements. The accompanying combining non-major special revenue funds, proprietary funds, and other nonmajor governmental funds financial statements 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 minor governmental fund financial statements 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 3, 2023, on our consideration of the City of Bellevue, 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 Bellevue, 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 Bellevue, Kentucky's internal control over financial reporting and compliance.

Chamberlin Owen & Co., Inc.

Chamberlin Owen, & Co., Inc.

Erlanger, Kentucky

February 3, 2023

<p>CITY OF BELLEVUE, KENTUCKY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND For the Year Ended June 30, 2022</p>
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	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources:				
Taxes				
Property	\$ 1,727,471	\$ 1,727,471	\$ 1,754,949	\$ 27,478
Motor vehicle	136,000	136,000	169,530	33,530
Utilities	210,000	210,000	276,327	66,327
Insurance premium license	955,000	955,000	1,069,797	114,797
Payroll tax	1,400,000	1,400,000	1,661,261	261,261
Other license, permits, and fees	266,850	266,850	281,494	14,644
Earnings on investments	4,000	4,000	6,150	2,150
Fines and penalties	37,000	37,000	32,007	(4,993)
Charges for services	437,443	437,443	435,626	(1,817)
Other local revenue	25,000	25,000	65,301	40,301
Intergovernmental - local	59,148	59,148	60,102	954
Intergovernmental - state	69,550	69,550	99,911	30,361
Intergovernmental - federal	1,138,116	1,138,116	400,822	(737,294)
Total revenues	6,465,578	6,465,578	6,313,277	(152,301)
Expenditures				
Administrative and legislative				
Salaries and benefits	575,138	575,138	562,175	12,963
Other	395,898	512,959	459,155	53,804
Police department				
Salaries and benefits	1,533,575	1,533,575	1,536,668	(3,093)
Other	134,300	134,300	121,167	13,133
Public works department				
Salaries and benefits	365,581	365,581	333,232	32,349
Other	472,300	478,124	465,629	12,495
Special appropriations				
Bellevue/Dayton fire dept. allotment	982,587	1,122,587	1,122,587	-
Other	384,300	384,300	181,621	202,679
FEMA - landslide	1,300,000	1,300,000	444,793	855,207
Capital outlay	-	-	-	-
Total expenditures	6,143,679	6,406,564	5,227,027	1,179,537
Excess (deficiency) of revenues over (under) expenditures	321,899	59,014	1,086,250	1,027,236

The accompanying notes are an integral part of these financial statements.

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<p>CITY OF BELLEVUE, KENTUCKY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED) For the Year Ended June 30, 2022</p>
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	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
(From previous page)				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 321,899</u>	<u>\$ 59,014</u>	<u>\$ 1,086,250</u>	<u>\$ 1,027,236</u>
Other financing sources (uses)				
Proceeds from sale of assets	-	-	12,774	12,774
Operating transfers in	-	-	2,326	2,326
Operating transfers (out)	<u>(599,200)</u>	<u>(712,965)</u>	<u>(610,999)</u>	<u>101,966</u>
Total other financing (uses) sources	<u>(599,200)</u>	<u>(712,965)</u>	<u>(595,899)</u>	<u>117,066</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(277,301)	(653,951)	490,351	1,144,302
Fund balance, beginning of year	<u>2,951,588</u>	<u>2,698,163</u>	<u>4,104,508</u>	<u>1,406,345</u>
Fund balance, end of year	<u><u>\$ 2,674,287</u></u>	<u><u>\$ 2,044,212</u></u>	<u><u>\$ 4,594,859</u></u>	<u><u>\$ 2,550,647</u></u>

The accompanying notes are an integral part of these financial statements.