

January 1, 2025

To the Mayor and Council Members
City of Ft. Wright, Kentucky
409 Kyles Lane
Ft. Wright, Kentucky 41011

We have audited the financial statements of the City of Ft. Wright, Kentucky (City) for the year ended June 30, 2024, and have issued our report thereon dated January 1, 2025. Professional standards (AUC 260) require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 6, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the City of Ft. Wright, Kentucky. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Ft. Wright, Kentucky are described in Note A to the financial statements.

The application of existing policies has not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of fixed asset depreciation is based on the depreciation basis as described in the Note A and detailed in Note D to the Financial Statements. We evaluated the key factors and assumptions used to develop the fixed asset depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Per requirements issued under the Government Accounting Standards Board (GASB) Statements No. 68 and 75, the City has recognized on its statement of net position only, its proportionate share of the Kentucky County Employee Retirement System's unfunded pension and OPEB liabilities. Adjustments are made annually to the net unfunded pension and OPEB liabilities and to related deferred inflows and outflows of resources related to pension costs. Details of this pension adjustment are disclosed in Note H to the Financial Statements and further disclosures, over the last ten years, are made as required supplementary information.

The disclosures in the financial statements are neutral, consistent, and clear. There are no financial statement disclosures that are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered **no** significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We made the following audit adjustments as a result of our audit procedures:

To the Statement of Net Position & Statement of Activities:

- A net change of \$176,052 consisting of the following:
 - \$5,968 to recognize costs of benefits earned for pensions.
 - \$170,084 to recognize costs of benefits earned for other post-employment benefits – health insurance.

Management has recorded the appropriate adjustments in the Funds. Management does not record adjustments to the "government-wide" Statement of Activities.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 1, 2025.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that **no** such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis, Budgetary Comparison Schedule – General Fund, and Multiple Employer, Cost Sharing, Defined Benefit Pension and OPEB Plan disclosures, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Budgetary Comparison Schedules for the Non-Major Funds, and the Combining Statements for the Non-Major Funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Internal Control Over Financial Reporting

Professional standards (AUC 265) require that we provide you with information concerning the City’s internal control over financial reporting. This information was provided as part of the City’s Annual Financial Report in the “**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**”, found on pages 51-52 of the Annual Financial Report.

Management Items

In planning and performing our audit of the financial statements of the City, for the year ended June 30, 2024, we considered internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. As a result of observations made during our audit, we offered no suggestions for management to consider this year and there will be no management letter required.

City of Ft. Wright, Kentucky
Governance Letter
January 1, 2025



This letter is solely for the use of the City Council of the City of Ft. Wright, Kentucky and should not be used for any other purpose. Please feel free to contact us if we can be of any assistance. Thank you for allowing us to be of service to the City of Ft. Wright, Kentucky

Chamberlin Owen & Co., Inc.

Chamberlin Owen & Co., Inc.
Certified Public Accountants
Erlanger, Kentucky