



RANKIN, RANKIN & COMPANY
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council City of Erlanger, Kentucky

We have audited the accompanying financial statements of the governmental activities, the business-type activities, internal service fund, each major fund, and the aggregate remaining fund information of the City of Erlanger, Kentucky, as of, and for the year ended June 30, 2009, which collectively comprise the City of Erlanger's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of Erlanger, Kentucky's, management. Our responsibility is to express opinions on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinions, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, internal service fund and each major fund and the aggregate remaining fund information of the City of Erlanger, Kentucky, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2009 on our consideration of the City of Erlanger, 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 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* and should be considered in assessing the results of our audit.



The Management's Discussion and Analysis and required budgetary comparison schedules are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Erlanger's basic financial statements. The other supplementary information listed in the Financial Section of the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

RANKIN, RANKIN, & COMPANY

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Ft. Wright, Kentucky
November 6, 2009

CITY OF ERLANGER, KENTUCKY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ 1,874,629	\$ 2,428,771	\$ 2,428,771	\$ -
Prior-period adjustment	-	-	1,220,000	1,220,000
Resources (inflows):				
Taxes	6,573,700	6,367,870	6,327,355	(40,515)
Licenses and permits	3,782,800	3,626,810	3,740,575	113,765
Intergovernmental	942,590	1,679,350	1,104,953	(574,397)
Charges for services	1,113,200	1,137,140	1,173,250	36,110
Bond assessments	376,700	376,700	376,700	-
Fines and forfeitures	16,000	18,270	18,474	204
Interest	60,000	24,730	19,438	(5,292)
Uses of property	41,750	52,650	52,714	64
Miscellaneous	60,590	211,660	317,157	105,497
Capital lease proceeds	423,300	-	221,997	221,997
Transfers	397,480	533,780	349,201	(184,579)
Amounts available for appropriation	<u>15,662,739</u>	<u>16,457,731</u>	<u>17,350,585</u>	<u>892,854</u>
Charges to appropriations (outflows)				
General Government	1,555,220	1,564,100	1,525,500	38,600
Information Systems	513,150	536,770	526,920	9,850
Police	4,763,990	4,714,290	4,630,211	84,079
Fire/EMS	2,863,910	2,982,720	2,946,484	36,236
Public works	1,727,200	2,320,950	1,921,200	399,750
Capital outlay	1,581,030	1,773,320	1,808,292	(34,972)
Debt Service and other bond costs	1,260,730	1,129,360	1,136,518	(7,158)
Transfers	-	30,500	30,492	8
Total charges to appropriations	<u>14,265,230</u>	<u>15,052,010</u>	<u>14,525,617</u>	<u>526,393</u>
Budgetary fund balances, June 30	\$ <u>1,397,509</u>	\$ <u>1,405,721</u>	\$ <u>2,824,968</u>	\$ <u>1,419,247</u>

Note - Required supplementary information. The basis of budgeting is the same as GAAP.

CITY OF ERLANGER, KENTUCKY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
RESERVE FUND

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, July 1	\$ 2,566,561	\$ 2,579,162	\$ 2,579,162	\$ -
Resources (inflows):				
Interest	45,000	56,460	65,558	9,098
Transfers	-	30,500	30,492	(8)
Amounts available for appropriation	<u>2,611,561</u>	<u>2,666,122</u>	<u>2,675,212</u>	<u>9,090</u>
Charges to appropriations (outflows):				
Transfers	<u>34,000</u>	<u>170,300</u>	<u>170,300</u>	-
Total charges to appropriations	<u>34,000</u>	<u>170,300</u>	<u>170,300</u>	-
Budgetary fund balances, June 30	\$ <u><u>2,577,561</u></u>	\$ <u><u>2,495,822</u></u>	\$ <u><u>2,504,912</u></u>	\$ <u><u>9,090</u></u>

Note - Required supplementary information. The basis of budgeting is the same as GAAP,

CITY OF ERLANGER, KENTUCKY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FORFEITURE FUND
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ 93,537	\$ 114,132	\$ 114,132	\$ -
Resources (inflows):				
Interest	3,600	2,070	1,476	(594)
Forfeitures	34,600	57,800	58,332	532
Amounts available for appropriation	<u>131,737</u>	<u>174,002</u>	<u>173,940</u>	<u>(62)</u>
Charges to appropriations (outflows):				
Police equipment	<u>35,600</u>	<u>35,600</u>	<u>21,646</u>	<u>13,954</u>
Total charges to appropriations	<u>35,600</u>	<u>35,600</u>	<u>21,646</u>	<u>13,954</u>
Budgetary fund balances, June 30	<u>\$ 96,137</u>	<u>\$ 138,402</u>	<u>\$ 152,294</u>	<u>\$ 13,892</u>

Note - Required supplementary information. The basis of budgeting is the same as GAAP.

A complete copy of the City of Erlanger, Ky. audit report, including financial statements and supplemental information, is on file at the Erlanger Municipal Center located at 505 Commonwealth Ave, Erlanger, Ky. and is available for public inspection from 8:00 am until 5:00 pm Monday through Friday, excluding holidays. Anyone may obtain a copy of the complete audit report, including financial statements and supplemental information for their personal use. Anyone requesting a copy of the audit report will be charged a fee for duplication costs not to exceed twenty-five cents (\$.25) per page.