

Received 3.24.14 @ 12:00pm  
ECS

**NEIGHBORHOOD DEVELOPMENT FUND  
Not-for-Profit Transmittal and Approval Form**

**Applicant/Program:** City of Green Spring, Kentucky – Erosion Control Project

**Executive Summary of Request:**

The City of Green Spring has planned a capital improvement project to repair and refurbish their three entrances. Estimated total cost is approximately \$68,000.00. Of this amount, they are requesting consideration of District 16 NDF dollars in the amount of \$4,965.00 for an erosion control issue at their Wolf Pen Branch Rd. entrance. This benefits not only the residents of Green Spring, but the surrounding area also and should greatly reduce the frequency of road repairs and drainage issues that are the responsibility of Metro Public Works.

Is this program/project a fundraiser?

Yes  No

Is this applicant a faith based organization?

Yes  No

Does this application include funding for sub-grantee(s)?

Yes  No

I have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I have read the organization's statement of public purpose to be furthered by the funds requested and I agree that the public purpose is legitimate. I have also completed the disclosure section below, if required.

16

District #

  
Primary Sponsor Signature

\$4,965.00  
Amount

3-24-14  
Date

**Primary Sponsor Disclosure**

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors. N/A

**Approved by:**

\_\_\_\_\_  
Appropriations Committee Chairman

\_\_\_\_\_  
Date

**Clerk's Office Only:**

Request Amount: \_\_\_\_\_ Committee Amended Appropriation: \_\_\_\_\_

Original Appropriation: \_\_\_\_\_ Council Amended Appropriation: \_\_\_\_\_

## NDF NON-PROFIT APPLICATION CHECKLIST

<b>Legal Name of Applicant Organization:</b> <i>City of Green Spring, Kentucky</i>		
<b>Program Name:</b>	<b>Request Amount:</b>	<b>Yes/No/NA</b>
<b>Request form:</b> Is the NDF request form signed by all Council Member(s) appropriating funding?		Y
<b>Request form:</b> Is the funding proposed less than or equal to the request amount? <i>\$ 4965.00</i>		Y
<b>Request form:</b> Have all known Council or Staff relationships to the Agency been adequately disclosed on the cover sheet?		Y
<b>Application Page 1:</b> Has prior Metro funds committed/granted been disclosed?		Y
<b>Application Page 1:</b> Is the application properly signed and dated by authorized signatory? <i>-0- signed by mayor</i>		Y
<b>Application Page 3:</b> Reimbursement-funding – One or two boxes checked if any expenses are incurred before the grant award period. Is all required documentation included?		Y
<b>Application Pages 3 – 5:</b> Is the proposed public purpose of the program well-documented?		Y
<b>Application 4:</b> Is there adequate documentation of how the proceeds of the fundraiser will be spent?		N/A
<b>Application Budget Page 6:</b> Does the application budget reflect only the revenue and expenses of the project/program (page 6) if the request is not an operating budget request? Is all detail schedules included for "Metro, Non Metro and Total" expense funds for client assistance, community events & festivals and other expenses? And does the Non-Metro Revenue equal the Non-Metro expenses?		Y
<b>Faith Based Organizations:</b> Is the signed Faith Based Form signed and included?		N/A
<b>Jefferson County Only:</b> Will all funding be spent in Louisville/Jefferson County?		Y
<b>Capital Project(s) request:</b> Is the cost estimate(s) from proposed vendor(s) included?		Y
<b>Good Standing:</b> Is the entity in good standing with:		Y
• <u>Kentucky Secretary of State – include Secretary of State website information on organization</u>		Y
• <u>Louisville Metro Government – check OMB monthly report filed in Council Financial Reports</u>		Y
• <u>Internal Revenue Service – most recent Form 990 included</u> <i>N/A</i>		N/A
<b>Separate Taxing Districts:</b> If Metro funding is for a separate taxing district, is the funding appropriated for a program outside the legal responsibility of that taxing district?		N
<b>Small Cities:</b> Is the resolution included agreeing to partner with Louisville Metro on the capital project? (IRS Determination letter not required, Form 990 not required, but KY SOS acknowledgement is)		Y
<b>Operating Requests:</b> Is recommended operating funding less than or equal to 33% of total operating budget?		N/A
<b>IRS Exempt Proof:</b> Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included? <i>Letter from Revenue Cabinet</i>		Y
<b>Operating Budget:</b> Is the organization's current fiscal year operating budget included?		Y
<b>Ordinance Required:</b> Is the amount committed by Council members greater than \$5,000 to any one project/program within an organization in this fiscal year.		N
<b>Board Members:</b> Is the entity's board member list (with term length/term limits) included?		Y
<b>Staff:</b> Is a list of the highest paid staff included with their expected annual personnel costs?		N/A
<b>Annual Audit:</b> Is the most recent annual audit (if required by organization) included? <i>Audited Financial STATEMENTS YE 6-30-13</i>		Y
<b>Rent Requests:</b> Is a copy of signed lease included?		N/A
<b>Articles of Incorporation:</b> Are the Articles of Incorporation of the organization included?		N/A
<b>IRS Form W-9:</b> Is the IRS Form W-9 included? <i>Y</i>		Y
<b>Evaluation Forms:</b> Are the evaluation forms (if program participants are given evaluation forms) included?		N/A
<b>Affirmative Action:</b> Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required by the organization)?		N/A
<b>Prepared by:</b> <i>J. Carter</i>		N/A
<b>Date:</b> <i>3/2014</i>		

*verify*

*?*

*?*

*Revenue Cabinet*

*Do I need from a city?*



# LOUISVILLE METRO COUNCIL



## NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 1 - APPLICANT INFORMATION

Legal Name of Applicant Organization: **City of Green Spring**  
(as listed on: <http://www.sos.ky.gov/business/records/>)

Main Office Street & Mailing Address: **PO Box 261 Harrod's Creek, KY 40027**

Website: **www.neighborhoodlink.com/gs.greenspring**

Application Contact: **Trevor Cravens**

Title: **Commissioner**

Phone: **859-492-9492**

Email: **trevor.cravens@draftmag.com**

Financial Contact: **Stuart Ries**

Title: **Mayor**

Phone: **502-228-1775**

Email: **stuart.ries@gmail.com**

### GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED

Program Facility Location(s): **City of Green Spring**

Council District(s): **16**

Zip Code(s): **40241**

### SECTION 2 - PROGRAM REQUEST & FINANCIAL INFORMATION

Program Name: **Green Spring Entrance Project - Erosion Control**

Total Request: **\$ 5000.00**

Total Metro Award (this program) in previous year: **\$0**

The following are required attachments:

- IRS Exempt Status Determination Letter *KY Exempt Letter*
- Current Year Projected Budget
- List of Board of Directors (include term & term limits)
- Current financial statement
- Most recent IRS Form 990 or 1120-H *n/a*
- Articles of Incorporation
- Cost estimates from proposed vendor if request is for capital expense

- Signed lease if rent costs are being requested
- IRS Form W9
- Evaluation forms if used in the proposed program
- Annual audit (if required by organization)
- Faith Based Organization Certification Form, if required
- Staff including the 3 highest paid staff

Agency Fiscal Yr Start Date:

For the current fiscal year ending June 30, list all funds received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.

Source: **n/a**

Amount: **\$0**

Source:

Amount: **\$**

Source:

Amount: **\$**

Has the applicant contacted the BBB Charity Review for participation?  Yes  No

Has the applicant met the BBB Charity Review Standards?  Yes  No

### SECTION 3 - SIGNATURE

I certify under the penalty of law the information in this application (including, without limitation, the "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization.

Signature of Legal Signatory: *Trevor Cravens*

Date: **2/6/2014**

Legal Signatory (please print): **Trevor Cravens**

Title: **Mayor**

Phone: **859 492 9492**

Extension:

Email: **trevor.cravens@draftmag.com**

**SECTION 4 - AGENCY DETAILS**

**Describe Agency's Vision, Mission and Services:**

City of Green Spring Board of Commissioners are elected to oversee and manage the city's operational needs as well as enforce city ordinances to maintain services, beautification, financial, and transportation responsibilities of the city. The commission also has the task of contemplating and planning for future events and necessities which will maintain and even further benefit the residents of Green Spring.

**SECTION 5 - PROGRAM NARRATIVE**

**A: Purpose of Request (check all that apply):**

- Operating Funds (generally cannot exceed 33% of agency's total operating budget)
- Programming/services/events for direct benefit to community or qualified individuals
- Capital Project of the organization (equipment, furnishing, building, etc)

**B: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc):**

The Green Spring Entrance project is a capital improvement project for the City of Green Spring to repair and refurbish all three entrances to our city. More specifically, the portion of the project being presented here is the erosion control reclamation of the east side of the entrance located at Wolf Pen Branch and Green Spring Drive. This project is slated to start in late March of 2014 and should take about two weeks to complete this segment of the project. Weather conditions will dictate start dates and duration. Currently, this intersection is subject to washout debris caused by considerable undergrowth waste that builds up and clogs catch basin drain located just in front of the entrance wall. The resulting runoff causes mud, sticks, leaves, etc to wash out into the road during a considerable rainfall. Additionally, this back up has caused damage to the adjacent road (Wolf Pen Branch) necessitating repair and repaving from water undermining the edges of the road. We are proposing clean out bank behind entrance area and place erosion control fabric and plantings to prevent future washout. Additionally, we are extending catch basin using rip rap materials alongside bank to direct water from roadway and bank down to drain. This project is a combination of clean up, prevention, and maintenance to prevent future washout and road degradation. First, the clean out will eliminate the materials which currently clog drain in catch basin. Second, installation of stabilization fabric and euonymus ground cover plant will prevent washout of newly cleaned bank side. Also, installation of rip rap at bottom of bank side will direct more water flow to drain instead of backing up against edge of road. Finally, annual maintenance plan will maintain this area to prevent future overgrowth and accumulation of debris on bank. This project will not only serve the citizens of Green Spring (approx. 800), but also the residents that live in the surrounding communities and utilize Wolf Pen Branch.

**C: Describe specifically how the funding will be spent including identification of funding to subgrantee(s):**

One hundred percent of the funding will go directly to the project as it specifically relates to the erosion control portion. Funds will be used to purchase materials and pay contractor to complete scope of work described. A detailed bid can be found in the attachments.

**D: For Expenditure Reimbursement Only - The grant award period begins with the Metro Council Appropriation Committee approval date and ends on June 30 of the fiscal year in which the grant is approved. If any part of this funding request is for funds that will be spent before the grant award period, identify the applicable circumstances:**

- The funding request is a reimbursement of the following expenditures that have occurred prior to the application date:
- ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
  - ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.
- The funding request is a reimbursement of the following expenditures that will be incurred after the application date, but prior to the Metro Council approval date. This option will allow expenditures occurring within this time frame to be considered compliant with the grant agreement.
- ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.
  - ✓ The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.

**E: If this request is for a fundraiser, please detail how the proceeds will be spent:** N/A

**F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program specifically.** N/A

**G: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:**

We do not have measurable data to present as it relates to the cost of clean up and road repair by Metro Government for Wolf Pen Branch, but we believe the expenditure benefits will greatly reduce the frequency of repairs to this area of Wolf Pen Branch. Additionally, the City of Green Spring has committed to maintain the area that creates the problem.

**SECTION 6 - PROGRAM BUDGET SUMMARY**

The Program Budget should realistically estimate what amount is needed from Metro Government and what is expected from other sources. Enter whole-dollar amounts.

	Column 1	Column 2*	Column 3
Program Expenses	Proposed Metro Funds	Non- Metro Funds	Total Program Cost
A: Personnel Costs Including Benefits			
B: Rent/Utilities			
C: Office Supplies			
D: Telephone			
E: In-town Travel			
F: Client Assistance (Attach Detailed List)			
G: Professional Service Contracts			
H: Program Materials			
I: Community Events & Festivals (Attach Detailed List)			
J: Machinery & Equipment			
K: Capital Project	4,965.00	58,462.00	63,427.00
L: Other Expenses (Attach Detail List)			
<b>SUBTOTAL</b>			
% of Program Budget –	8.0 %	92.0 %	100%
Value of volunteer services and how computed:	N/A		
Value of in-kind assets, such as donated space, supplies, use of equipment, etc. (Detail on Next Page)	N/A		
<b>Total Program Funds</b>	<b>4,965.00</b>	<b>58,462.00</b>	<b>63,427.00</b>

\*List funding sources in Column 2 (do not include individual donor names):

Other State, Federal or Local Government	58,462.00
United Way	
Private Contributions	
Fees Collected from Program Participants	
Other (please specify)	
<b>Total Revenues</b>	<b>58,462.00</b>





## SECTION 7 - CERTIFICATIONS AND ASSURANCES

By signing the first page of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

### Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission.
6. Failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end
8. Provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.

### Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal Activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

**Relationship Disclosure:** List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

No personal relationships that I am aware of exist between commissioners of the City of Green Spring and Metro Government employees.

## Green Spring, Kentucky

## Kentucky Secretary of State

[Printable Version](#)[Search Again](#)

Class:

6

Status:

Active

Incorporated:

1974-12-16

County:

Jefferson

[Area Development](#)[KIPDA](#)

County Seat

No

There are no pictures for Green, Kentucky. Post one on our website today. Click [Here](#).

[Interactive Map](#)

(Courtesy Kentucky Geography Network)

Links:

[ADD](#)[Website](#)[County](#)[Website](#)

## Current Filings (KRS 81.045 to present date)

Date Filed	Type	Ordinance	Map Status	Notes
2002-03-08	Appointment			City Commissioner
2002-01-22	Notice of Vacancy			City Commissioner
2001-07-09	Resignation			City Commissioner
2000-03-28	Resignation			City Commissioner
1991-04-17	Resignation			City Commissioner
1989-03-13	Resignation & Appointment			Mayor & City Commissioner
1987-02-17	Resignation			City Commissioner
1981-06-09	KRS 81.045 Filing		MAPPABLE	

## Pre KRS 81.045 Filings (1942 to July 15, 1980)

Date Filed	Type	Ordinance	Notes
1974-12-18	Incorporation	#193903, Bk. 167, pgs. 35-6	Jefferson Circuit Court Judgment

City of Green Spring  
Municipal Order No. 3, Series 2006

A Municipal Order Acknowledging Participation in the Metro Capital Improvement Program

WHEREAS, the Louisville/ Jefferson County Metro Government Council has enacted its Ordinance No. 110, Series 2006, Section 97.100 of the Louisville/Jefferson County Metro Government Code of Ordinances (LMCO) establishing a Metro Partnership with Suburban Cities for a Capital Improvement Program (the "Program"), and

WHEREAS the City of Green Spring, (the "City") wishes to participate in the Program pursuant to LMCO 97.100(F).

NOW, THEREFORE, BE IT ORDERED BY THE CITY AS FOLLOWS:


Section 1. The City hereby elects to participate in the Program for capital projects which are authorized by LMCO 97.100.

Section 2. The City agrees to construct projects funded in whole or in part by the Program in accordance with standards established in compliance with LMCO 97.100.

Section 3. This municipal order shall take effect from and after passage and approval as required by law.

Entered this 17 day of August, 2006

  
\_\_\_\_\_  
William M. Huff  
Mayor

Attest:   
\_\_\_\_\_  
Joyce T. Cato  
City Clerk

Introduced by:   
\_\_\_\_\_

Commission Members	Yea	Nay
Leslie Carmichael	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joseph Marini	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kathy Norrenbrock	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thomas Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>

COMMONWEALTH OF KENTUCKY  
REVENUE CABINET  
Frankfort  
12/18/91

GREEN SPRING, CITY OF  
P O BOX 261  
HARRODS CREEK KY 40027

PURCHASE EXEMPTION NUMBER: CT-056-170

EFFECTIVE DATE: 09/23/77

Location Address:  
P O BOX 261  
HARRODS CREEK KY 40027

SUBJECT: Purchases Exempt from Sales & Use Tax

Based on the information submitted in your "Application for Purchase Exemption", you are hereby authorized to purchase tangible personal property or services without paying or reimbursing the vendor for the sales or use tax with respect to such purchases. A copy of this letter should be presented to the vendor to be retained by him as authorization to make such sales.

Every vendor making such sales must require an official or an employee exercising comparable authority of the federal, state or local governmental unit to sign and acknowledge in writing on a copy of the invoice that the sale and delivery of the property was actually made to a unit of federal, state or local government. The invoice shall be retained by the vendor as documentary evidence in support of his deduction of the sale from gross receipts on his sales tax return. For proper reporting, the vendor must deduct receipts from these sales on Line 6 of his return.

If any of the property or service is not used for an exempt purpose, the purchaser will be required to pay any tax due on purchases made tax free under this exemption.

Any official or employee of a unit of federal, state or local government who uses his position to make tax free purchases for his own personal use or that of any other person will be subject to the penalties provided in KRS 139.990 and other applicable laws.

In the event there is a change in your name, address or operations from the information submitted in your application, you must notify the Cabinet in writing of the change immediately.



Charlotte Quarles, Supervisor  
Sales Tax Section  
Division of Compliance  
and Taxpayer Assistance  
Tel. Number (502) 564-4581

**Green Spring Kentucky**  
**Profit & Loss Budget Overview**  
 July 2013 through June 2014

	Jul '13 - Jun 14
<b>Income</b>	
Coal & Mineral Severance (A12)	30.00
Court Fee Distribution (A13)	7,200.00
Insurance Receipts (A11)	50,000.00
Interest Income	5,000.00
Municipal Aid (A07)	17,400.00
Property Tax (A01)	123,500.00
Telecommunications Tax (A13)	6,900.00
<b>Total Income</b>	<b>210,030.00</b>
<b>Expense</b>	
<b>Administrative (F)</b>	
Audit (F02)	3,400.00
Insurance (F01)	1,400.00
Legal (F04)	1,700.00
Supplies (F05)	1,800.00
Tax Preparation (F03)	3,500.00
<b>Total Administrative (F)</b>	<b>11,800.00</b>
<b>City Services (B)</b>	
Electricity (B02)	12,850.00
Trash Collection (B01)	75,384.00
Water (B03)	3,500.00
<b>Total City Services (B)</b>	<b>91,734.00</b>
<b>Maintenance &amp; Beautification</b>	
Holiday Decorations (C05)	2,600.00
Lawn Care (C01)	17,000.00
Trees flowers mulch & Othr(C02)	5,000.00
<b>Total Maintenance &amp; Beautification</b>	<b>24,600.00</b>
<b>Mayor's Discretionary Fund (H)</b>	
<b>Mayor's Discretionary Fund (H)</b>	<b>3,000.00</b>
<b>Road Maintenance (D)</b>	
Signs, Lights & Other (D03)	1,500.00
Snow Removal (D01)	13,500.00
<b>Total Road Maintenance (D)</b>	<b>15,000.00</b>
<b>Security (E)</b>	
<b>Security (E)</b>	<b>19,000.00</b>
<b>Social (G)</b>	
Directory (G02)	1,200.00
Newsletters (G01)	1,850.00
Social Functions (G03)	1,200.00
<b>Total Social (G)</b>	<b>4,250.00</b>
<b>Total Expense</b>	<b>169,284.00</b>

12:15 PM  
01/12/14  
Cash Basis

Green Spring Kentucky  
Profit & Loss  
December 2013

	Dec 13
<b>Income</b>	
Court Fee Distribution (A13)	1,368.33
Insurance Receipts (A11)	8.68
Municipal Aid (A07)	1,441.84
Property Tax (A01)	25,494.68
Telecommunications Tax (A13)	576.81
<b>Total Income</b>	<u>28,890.34</u>
<b>Expense</b>	
Administrative (F)	
Non-Itemized Expenses (F06)	1,200.00
Supplies (F05)	91.50
<b>Total Administrative (F)</b>	<u>1,291.50</u>
City Services (B)	
Electricity (B02)	1,071.79
Trash Collection (B01)	6,281.50
Water (B03)	212.65
<b>Total City Services (B)</b>	<u>7,565.94</u>
Maintenance & Beautification	
Holiday Decorations (C05)	1,985.00
Lawn Care (C01)	2,440.00
Trees flowers mulch & Othr(C02)	399.00
<b>Total Maintenance &amp; Beautification</b>	<u>4,824.00</u>
Reconciliation Discrepancies	8.02
Road Maintenance (D)	
Snow Removal (D01)	4,980.00
<b>Total Road Maintenance (D)</b>	<u>4,980.00</u>
Security (E)	1,470.00
Social (G)	
Newsletters G01)	224.53
<b>Total Social (G)</b>	<u>224.53</u>
<b>Total Expense</b>	<u>20,363.99</u>
<b>Net Income</b>	<u><u>8,526.35</u></u>

12:15 PM  
01/12/14  
Cash Basis

**Green Spring Kentucky**  
**Balance Sheet**  
As of December 31, 2013

	<u>Dec 31, 13</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Checking Account - Republic	115,848.19
Money Market Account	158,895.07
PNC Annuity	171,582.42
Total Checking/Savings	<u>446,325.68</u>
Total Current Assets	446,325.68
Fixed Assets	
Asset Infrastructure- Paving	189,576.00
Infrastructure- Accumulated Dep	<u>-70,807.00</u>
Total Fixed Assets	118,769.00
<b>TOTAL ASSETS</b>	<b><u>565,094.68</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Unrestricted Net Assets	497,619.75
Net Income	<u>67,474.93</u>
Total Equity	<u>565,094.68</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>565,094.68</u></b>

12:15 PM  
01/12/14  
Cash Basis

**Green Spring Kentucky**  
**Balance Sheet**  
As of January 12, 2014

	<u>Jan 12, 14</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Checking Account - Republic	103,968.10
Money Market Account	158,901.74
PNC Annuity	171,582.42
Total Checking/Savings	<u>434,452.26</u>
Total Current Assets	434,452.26
Fixed Assets	
Asset Infrastructure- Paving	189,676.00
Infrastructure- Accumulated Dep	<u>-70,807.00</u>
Total Fixed Assets	118,769.00
<b>TOTAL ASSETS</b>	<b><u>553,221.26</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Unrestricted Net Assets	497,619.75
Net Income	<u>55,601.51</u>
Total Equity	<u>553,221.26</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>553,221.26</u></b>





## City of Green Spring Commissioners

<u>Commissioner Name</u>	<u>Position</u>	<u>Term</u>	<u>Term Limit</u>
Trevor Cravens	Mayor*	Jan 1, 2012-Dec 31, 2014	None
Chris von Allmen	Commissioner	Jan 1, 2012-Dec 31, 2014	None
Thomas Phillips	Commissioner	Jan 1, 2012-Dec 31, 2014	None
Stuart Ries	Commissioner	Jan 1, 2012-Dec 31, 2014	None
Jeremy LaMontagne	Commissioner**	Jan 19, 2014-Dec 31, 2014	None

(\*) Mayor Cravens was previously serving term as commissioner , but was elected by the Commission to Mayor in January 2014 to serve remainder of departing Mayor's term

(\*\*) Commissioner LaMontagne was elected by the Commission to replace Commissioner Cravens to fill empty seat for remainder of current term



# ESTIMATE

ESTIMATE NO.

5948

DATE

12/6/2013

5600 Hitt Road  
 Louisville, KY 40241  
 Phone: (502) 243-3940  
 FAX: (502) 243-3941

NAME / ADDRESS

Green Spring Subdivision  
 c/o Chris von Allmen  
 4422 Deepwood Drive  
 Louisville, KY 40241

REP County

MLD Jefferson

DESCRIPTION	QTY	RATE	TOTAL
<b>OPTION 7 - CLEANUP THICKET ON HILLSIDE, GROUNDCOVER PLANTINGS AND EROSION CONTROL (LEFT SIDE OF MAIN ENTRY - WOLF PEN): \$4,964.75</b>			
MEDIUM PEA GRAVEL-(SCOOP)	9	54.00	486.00
LANDSCAPE PRO PLUS FABRIC L SPUNBOUND 4'x300'	1	87.50	87.50
EUONYMUS FORTUNEII GROUNDCOVER (2.25" POTS)	1,600	1.00	1,600.00
PINE FINES SOIL CONDITIONER (BAGS)	6	6.00	36.00
COMPOSTED COW MANURE (BAGS)	18	5.00	90.00
GRANULAR FERTILIZER 50lbs (BAG)	0.5	29.50	14.75
LIQUID FERTILIZER (PER APPLICATION)	3	12.50	37.50
SHREDDED HARDWOOD MULCH (CY)	7	47.00	329.00
DISPOSAL (PER TRUCK)	3	80.00	240.00
SERVICE AND LABOR:		2,044.00	2,044.00
- SELECTIVELY PRUNE EXISTING UNDERGROWTH			
- SELECTIVELY REMOVE UNDERBRUSH AS DIRECTED BY DESIGNER			
- ADD SOIL AMENDMENTS TO PLANTING AREAS AND ESTABLISH FINISH GRADE			
- INSTALL LANDSCAPE FABRIC WHERE ROCK MULCH IS USED			
- INSTALL RIVER ROCK OVER FABRIC			
- APPLY GRANULAR FERTILIZER AND MULCH REMAINING AREAS			
- INSTALL GROUNDCOVER			
- LIQUID FEED AND CLEANUP			
Subtotal			4,964.75
<b>NOTES:</b>			
- ANY REQUIRED REPAIRS AND/OR ADJUSTMENTS TO EXISTING IRRIGATION SYSTEM TO BE BILLED ON TIME AND MATERIALS BASIS AND IS NOT INCLUDED IN THIS ESTIMATE.			
- ANY ELECTRICAL WORK INVOLVING AN ELECTRICIAN TO RELOCATE AND/OR CHANGE EXISTING LINE VOLTAGE IS NOT INCLUDED IN THIS ESTIMATE AND SHALL BE PERFORMED ON A TIME AND MATERIALS BASIS			
- CHANGES TO EXISTING HARDSCAPE MAY FIRST REQUIRE CITY APPROVAL. ALL PERMITS AND APPROVALS SHALL BE DONE ON TIME AND MATERIALS BASIS			
- SIGNAGE IMPROVEMENTS FOR MAIN ENTRANCE (BIG ROCK) EXCLUDED FROM THIS ESTIMATE. GREEN SPRING SUBDIVISION TO CONTRACT THIS SCOPE OF WORK OUTSIDE OF DWYER DESIGNSCAPES.			
- DWYER DESIGNSCAPES TO PROVIDE A TWO YEAR WORKMANSHIP WARRANTY FOR LANDSCAPE LIGHTING. WARRANTY WILL COVER WORKMANSHIP RELATING TO LANDSCAPE			

**TOTAL**

## DWYER DESIGNSCAPE QUOTE SUMMARY

1. Clipping Cross and Springdale Entrance	
a. Landscaping	\$ 5,817.25
b. Masonry Enhancements	\$ 2,844.00
c. Lighting	\$ unknown
2. Green Spring and Springdale Entrance	
a. Landscaping for side entrances	\$ 5,212.00
b. Masonry Enhancements	\$ 2,628.00
c. Center Island Landscaping	\$ 5,163.80
d. Lighting	\$ unknown
3. Main Entrance	
a. Landscaping for side entrances	\$ 3,760.30
b. Landscaping for center entrance	\$ 4,746.13
c. Masonry for new sign	\$ 3,936.00
d. New Signage Allowance	\$ 4,200.00
e. Water Feature	\$ 3,750.00
f. Masonry enhancements for walls	\$10,395.60
g. Reconfigure Square Entrance	\$ 2,730.00
h. Landscape for planter addition	\$ 924.60
i. Clean up/run off/erosion control	\$ 4,964.75
j. Lighting	\$ 7,448.43
Total:	\$68,520.86

**CITY OF GREEN SPRING, KENTUCKY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2013**

CITY OF GREEN SPRING, KENTUCKY

TABLE OF CONTENTS

	<u>PAGE</u>
Auditors' Report.....	1
Management's Discussion & Analysis.....	3
General Purpose Financial Statements:	
Combined Statement of Net Position.....	11
Combined Statement of Activities - General and Special Revenue Funds.....	12
Combined Balance Sheet.....	13
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance.....	14
Notes to Financial Statements.....	16
Required Supplementary Information:	
Budgetary Comparison Schedule General Fund and Road Fund.....	28
Notes to Required Supplementary Information.....	29
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.....	30

# STUEDLE SPEARS & FRANCKE PSC

CERTIFIED PUBLIC ACCOUNTANTS

2821 S. Hurstbourne Parkway  
Louisville, KY 40220  
Phone: 502.491.5253 · Fax: 502.491.5270

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Commission  
City of Green Spring, Kentucky

We have audited the accompanying financial statements of the governmental activities and each fund of the City of Green Spring, Kentucky as of and for the year ended June 30, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### *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.

### *Auditors' Responsibility*

Our responsibility is to express opinions 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each fund of the City of Green Spring, Kentucky, as of June 30, 2013, and the respective changes in financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other-Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 27 through 29 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.

*Stueda Spore & Franck, PSC*

Louisville, Kentucky  
September 17, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Green Spring, Kentucky's financial performance provides an overview of the City's financial activities for the year ended June 30, 2013. Please read it in conjunction with the City's financial statements, which begin on page 11.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11-12) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending, if applicable. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

#### Reporting the City as a Whole

##### The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 11. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

Most of the City's basic services are reported here, including general administration, police, street maintenance, and recreation. Property taxes and insurance premium taxes finance most of the activities.



## **Reporting the City's Most Significant Funds**

### **Fund Financial Statements**

Our analysis of the City's major funds begins on page 13. The fund financial statements provide detail information about the governmental fund. Most of the City's basic services are reported in the governmental fund, which focuses on how money flows into and out of the fund and the balance left over at year-end that is available for spending. This fund is reported using the accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The government fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental fund in reconciliation on page 15.

### **FINANCIAL COMPARISONS**

The following condensed financial information has been derived from the government-wide financial statements for the fiscal years ending June 30, 2013 and 2012. The two-year comparisons are organized in the following:

#### **Statement of Net Position**

Revenues

Expenditures

Excess/Deficiency of Revenues over Expenditures

Change in Net Position

Capital Assets

#### **Statement of Net Position**

Total net position increased \$30,158 during the year ending June 30, 2013. One method used to determine the City's financial health in the short term is to compare current assets to current liabilities. Current assets exceed current liabilities by \$389,384. This indicator clearly points out that the City has sufficient capacity to service its current debt. It is also important to note that total assets exceed total liabilities by \$503,647. This number represents the "book value" of the city.

**FINANCIAL COMPARISONS (CONTINUED)**

	<u>2013</u>	<u>2012</u>	Positive (Negative) Variance
<b>Assets</b>			
Current assets	\$ 395,665	\$ 354,250	\$ 41,415
Capital assets, net of accumulated depreciation	<u>114,263</u>	<u>125,520</u>	<u>(11,257)</u>
<b>Total assets</b>	<b>\$ 509,928</b>	<b>\$ 479,770</b>	<b>\$ 30,158</b>
<b>Liabilities</b>			
Current liabilities	<u>\$ 6,281</u>	<u>\$ 6,281</u>	<u>\$ -</u>
<b>Total liabilities</b>	<b><u>6,281</u></b>	<b><u>6,281</u></b>	<b><u>-</u></b>
<b>Net Position</b>			
Invested in Capital Assets	114,263	125,520	(11,257)
Restricted for Roads	80,663	81,108	(445)
Unrestricted	<u>308,721</u>	<u>266,861</u>	<u>41,860</u>
<b>Total Net Position</b>	<b><u>503,647</u></b>	<b><u>473,489</u></b>	<b><u>30,158</u></b>
<b>Total Net Position and Liabilities</b>	<b><u>\$ 509,928</u></b>	<b><u>\$ 479,770</u></b>	<b><u>\$ 30,158</u></b>

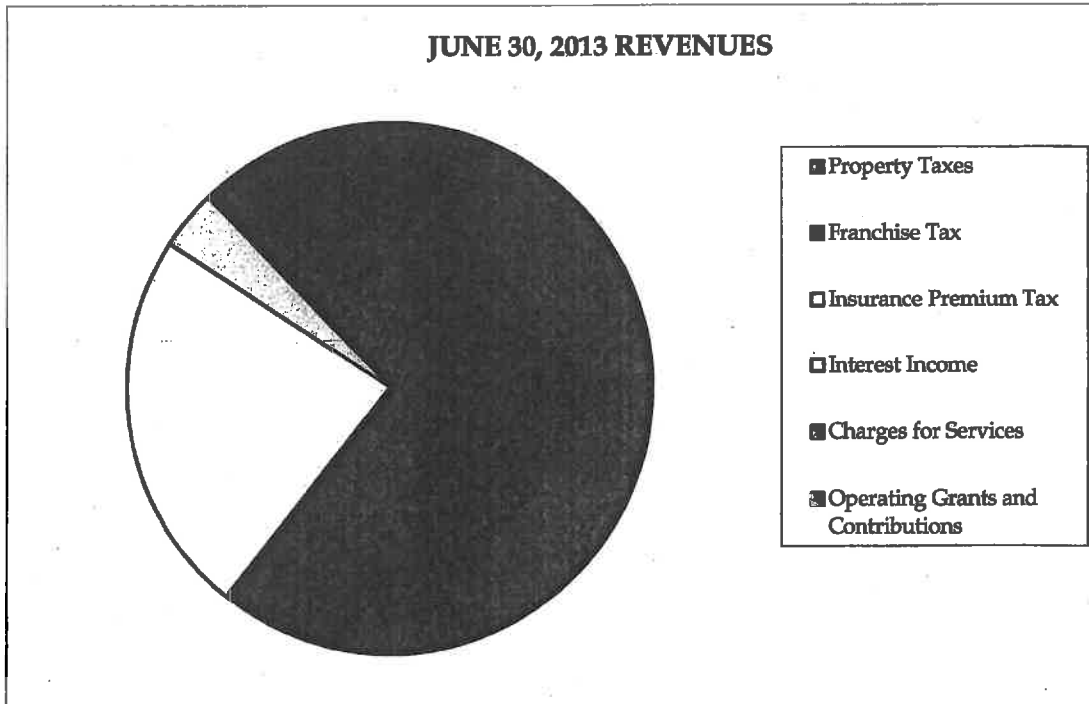
**Revenues**

Total governmental revenues are derived from several sources. However, the two primary sources of revenues are property and insurance taxes and assessments. These two sources represent 81% of the City's total revenues. Property tax revenue was almost identical, showing a slight increase of \$1,491 in comparison with the prior year. In comparison with the prior year insurance tax revenue increased by \$3,707. In comparison to the prior year, total revenues increase by \$8,812. The increase in total revenues was primarily due to the increase in insurance tax revenue and interest income.

**FINANCIAL COMPARISONS (CONTINUED)**

**Revenues (Continued)**

	<u>2013</u>	<u>2012</u>	<u>Positive (Negative) Variance</u>
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 100	\$ 20	\$ 80
Operating Grants and Contributions	<u>25,908</u>	<u>26,243</u>	<u>(335)</u>
<b>Total program revenues</b>	<b>26,008</b>	<b>26,263</b>	<b>(255)</b>
<b>General Revenues:</b>			
Property Taxes	122,607	121,116	1,491
Franchise Tax	6,922	7,590	(668)
Insurance Premium Tax	50,123	46,416	3,707
Interest Income	<u>7,684</u>	<u>3,147</u>	<u>4,537</u>
<b>Total general revenues</b>	<b><u>187,336</u></b>	<b><u>178,269</u></b>	<b><u>9,067</u></b>
<b>Total revenues</b>	<b>\$ 213,344</b>	<b>\$ 204,532</b>	<b>\$ 8,812</b>

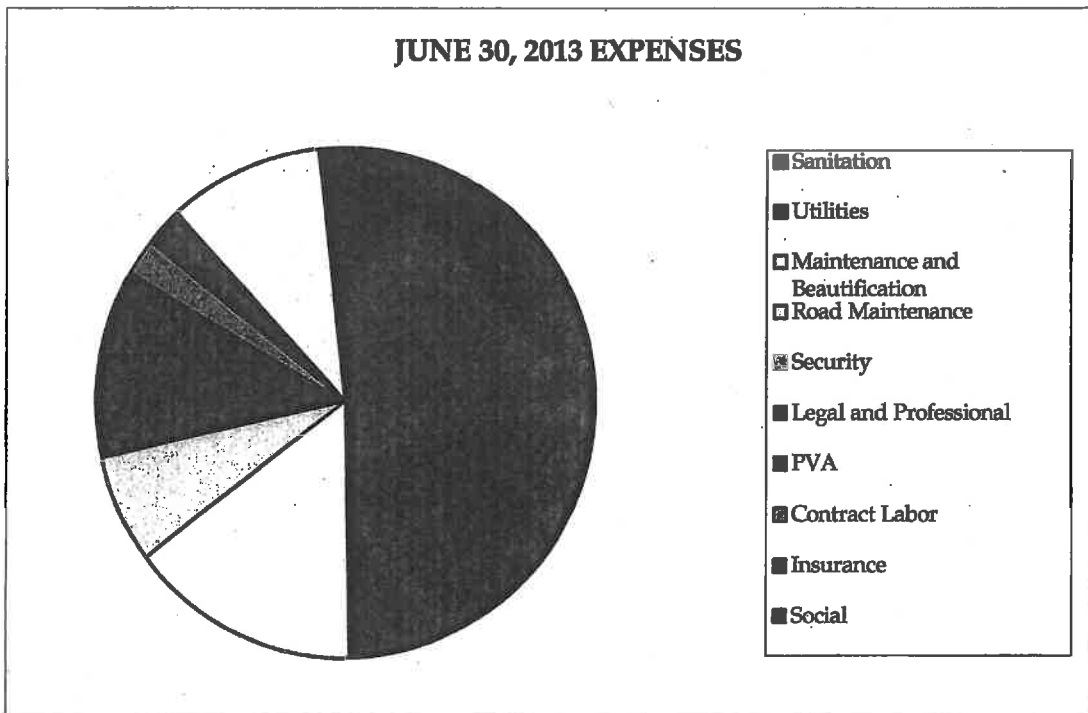


**FINANCIAL COMPARISONS (CONTINUED)**

**Expenditures**

Total Governmental expenses increased by \$13,800 compared to the prior year. The two largest program expense increases were maintenance and beautification and road maintenance.

Expenses	2013	2012	Positive (Negative) Variance
Program Expenses:			
Sanitation	\$ 75,374	\$ 75,374	-
Utilities	15,686	14,768	(918)
Maintenance and Beautification	27,353	23,885	(3,468)
Road Maintenance	12,449	2,713	(9,736)
Security	16,730	14,562	(2,168)
Legal and Professional	1,799	5,716	3,917
PVA	3,494	3,495	1
Contract Labor	4,200	4,050	(150)
Insurance	1,238	1,238	-
Social	3,356	3,495	139
Depreciation	18,383	18,027	(356)
Other	3,124	2,063	(1,061)
<b>Total program expenses</b>	<b>\$ 183,186</b>	<b>\$ 169,386</b>	<b>\$ (13,800)</b>



**FINANCIAL COMPARISONS (CONTINUED)**

**Excess / Deficiency of Revenues over Expenses**

This information represents the "bottom line" from a revenue-expense standpoint. Revenues exceeded expenses by \$30,158 whereas revenues exceeded expenses by \$35,146 in the prior year.

	<u>2013</u>	<u>2012</u>	<u>Positive (Negative) Variance</u>
Total Revenues	\$ 213,344	\$ 204,532	\$ 8,812
Total Expenses	<u>183,186</u>	<u>169,386</u>	<u>(13,800)</u>
Excess of Revenues Over Expenses	<u>\$ 30,158</u>	<u>\$ 35,146</u>	<u>\$ (4,988)</u>

**Change in Net Position**

Another way to view the financial condition of the City is Change in Net Position. One is able to address the question; is the city as a whole better off than the prior year? The answer to this question is, yes, the city is in better financial condition than this time last year. Ending net position increased by \$30,158.

	<u>2013</u>	<u>2012</u>
Beginning Net Position	\$ 473,489	\$ 438,343
Increase (Decrease) in Net Position	<u>30,158</u>	<u>35,146</u>
Ending Net Position	<u>\$ 503,647</u>	<u>\$ 473,489</u>

**Capital Asset Administration**

For the year ended June 30, 2013, the City showed a net decrease in capital assets of \$11,257 compared to the previous year. The decrease is due to a depreciation expense of \$18,383 for the year. The City had capital asset additions of \$7,126 and no disposals for the year. The City's \$204,203 in capital assets consists of infrastructure.

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2013</u>
<b>Governmental Activities:</b>				
Infrastructure	\$ 197,077	\$ 7,126	\$ -	\$ 204,203
Totals at Historical Cost	197,077	7,126	-	204,203
Less Accumulated Depreciation	<u>(71,557)</u>	<u>(18,383)</u>	-	<u>(89,940)</u>
Net Capital Assets	<u>\$ 125,520</u>	<u>\$ (11,257)</u>	<u>\$ -</u>	<u>\$ 114,263</u>

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

### **Revenues**

General fund revenues of \$194,214 were \$12,084 more than the \$182,130 budgeted. Actual revenues were greater than budgeted primarily as a result of positive budget variances within insurance taxes, interest income, building permits, property tax, and franchise tax.

### **Expenditures**

General fund expenditures of \$152,354 were \$140 more than the \$152,214 budgeted. Maintenance and beautification expenditures of \$27,353 were \$2,253 more than the \$25,100 budgeted.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

It is the opinion of management that most economic indicators point to stable to slight growth. Major revenue sources of property taxes and insurance premium tax fees are projected to remain stable. As a result of management's expectations, general fund budget expenditures were increased to \$169,284 for the fiscal year ended June 30, 2014.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and provide accountability for the money it receives. For questions about this report or any additional information, please contact the City Clerk at P.O. Box 261, Harrods Creek, Kentucky 40027.

Respectfully submitted,

John Morton  
Mayor

Joyce Cato  
City Clerk

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-wide financial statements

Fund financial statements:

-Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF GREEN SPRING, KENTUCKY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 211,287	\$ 211,287
Investments	170,299	170,299
Accounts Receivable	14,079	14,079
Total Current Assets	395,665	395,665
Noncurrent Assets:		
Capital Assets (Net)	114,263	114,263
Total Noncurrent Assets	114,263	114,263
Total Assets	\$ 509,928	\$ 509,928
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 6,281	\$ 6,281
Total Current Liabilities	6,281	6,281
Total Liabilities	\$ 6,281	\$ 6,281
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	114,263	114,263
Restricted for Roads	80,663	80,663
Unrestricted	308,721	308,721
Total Net Position	503,647	503,647
Total Liabilities and Net Position	\$ 509,928	\$ 509,928

See accompanying notes to the basic financial statements



**CITY OF GREEN SPRING, KENTUCKY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue Primary Governmental Activities</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	
<b>PRIMARY GOVERNMENT:</b>					
<b>Governmental Activities:</b>					
General Government	\$ 104,915	\$ 100	\$ -	\$ 6,778	\$ (98,037)
Security	16,730	-	-	-	(16,730)
Parks and Recreation	30,709	-	-	-	(30,709)
Streets and Snow Removal	12,449	-	-	19,130	6,681
Depreciation	18,383	-	-	-	(18,383)
<b>Total Governmental Activities</b>	<b>183,186</b>	<b>100</b>	<b>-</b>	<b>25,908</b>	<b>(157,178)</b>
<b>Total Primary Government</b>	<b>\$ 183,186</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 25,908</b>	<b>\$ (157,178)</b>

**General Revenues:**

**Taxes:**

Property Taxes	122,607
Franchise Taxes	6,922
Insurance Tax	50,123
Interest Income	7,684

**Total General Revenues** 187,336

**Change in Net Position** 30,158

**Net Position - July 1, 2012.** 473,489

**Net Position - June 30, 2013** \$ 503,647

See accompanying notes to the basic financial statements

**CITY OF GREEN SPRING, KENTUCKY  
BALANCE SHEET- ALL FUNDS  
JUNE 30, 2013**

	<b>General Fund</b>	<b>Road Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 211,287	\$ -	\$ 211,287
Investments	170,299	-	170,299
Accounts Receivable	14,079	-	14,079
<b>Total Assets</b>	<b>395,665</b>	<b>-</b>	<b>395,665</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 6,281	\$ -	\$ 6,281
<b>Total Liabilities</b>	<b>6,281</b>	<b>-</b>	<b>6,281</b>
<b>FUND BALANCE</b>			
Assigned	-	80,663	80,663
Unassigned	308,721	-	308,721
<b>Total Fund Balance</b>	<b>308,721</b>	<b>80,663</b>	<b>389,384</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 315,002</b>	<b>\$ 80,663</b>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$89,940	114,263
<b>Net Position of Governmental Activities</b>	<b>\$ 503,647</b>

See accompanying notes to the basic financial statements

**CITY OF GREEN SPRING, KENTUCKY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE-ALL GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	Road Fund	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 122,607	\$ -	\$ 122,607
Insurance Taxes	50,123	-	50,123
Franchise Taxes	6,922	-	6,922
Base Court Revenue	6,751	-	6,751
Municipal Aid	-	19,130	19,130
Grant Revenue	-	-	-
License and Permits	100	-	100
Coal and Mineral Severance	27	-	27
Interest Income	7,684	-	7,684
<b>Total Revenue</b>	<b>194,214</b>	<b>19,130</b>	<b>213,344</b>
<b>EXPENDITURES</b>			
City Services- Sanitation	75,374	-	75,374
City Services- Utilities	15,686	-	15,686
Maintenance and Beautification	27,353	-	27,353
Roads	-	19,575	19,575
Security	16,730	-	16,730
Legal and Professional	1,799	-	1,799
PVA	3,494	-	3,494
Salaries	4,200	-	4,200
Insurance	1,238	-	1,238
Social	3,356	-	3,356
Other	3,124	-	3,124
<b>Total Expenditures</b>	<b>152,354</b>	<b>19,575</b>	<b>171,929</b>
<b>Change in Fund Balance</b>	<b>41,860</b>	<b>(445)</b>	<b>41,415</b>
<b>Net Change in Fund Balance</b>	<b>41,860</b>	<b>(445)</b>	<b>41,415</b>
<b>Fund balances-Beginning</b>	<b>266,861</b>	<b>81,108</b>	<b>347,969</b>
<b>Fund balances-Ending</b>	<b>\$ 308,721</b>	<b>\$ 80,663</b>	<b>\$ 389,384</b>

See accompanying notes to the basic financial statements

**CITY OF GREEN SPRING, KENTUCKY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE-ALL GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2013**

Reconciliation of the net changes in fund balances - Total Governmental Funds  
 to the change in net position of governmental activities:

Net change in fund balances - Total Governmental Funds	\$	41,415
--	----	--------

Amounts reported for governmental activities in the Statement of Activities are  
 different because:

Governmental funds report capital outlays as expenditures while  
 governmental activities report depreciation expense to allocate those  
 expenditures over the life of the assets:

Capital asset purchases capitalized		7,126
Depreciation expense		<u>(18,383)</u>
		<u>(11,257)</u>

Change in Net Position of Governmental Activities	\$	<u><u>30,158</u></u>
---	----	----------------------

See accompanying notes to the basic financial statements

**CITY OF GREEN SPRING, KENTUCKY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**INDEX**

- NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
- A. Financial Reporting Entity
  - B. Basis of Presentation
  - C. Measurement Focus and Basis of Accounting
  - D. Assets, Liabilities, and Equity
  - E. Revenues, Expenditures, and Expenses
  - F. Estimates
  - G. Impact of Recently Issued Accounting Principles
- NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**
- A. Deposits and Investments
- NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES AND ACCOUNTS**
- A. Accounts Receivable
  - B. Capital Assets
- NOTE 4. OTHER NOTES**
- A. Litigation
  - B. Risk Management

**CITY OF GREEN SPRING, KENTUCKY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued before November 30, 1989, have been applied in the government-wide financial statements unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

**1.A. FINANCIAL REPORTING ENTITY**

The City of Green Spring, Kentucky (the City) is a sixth class city located in Jefferson County, Kentucky. It operates under an elected mayor-Commission form of government. The City provides the following services authorized by its charter: public safety, sanitation, road maintenance, and recreation. Primary revenue sources are property taxes, insurance premium taxes, municipal road aid, franchise taxes, and base court revenue. Those revenues susceptible to accrual are property taxes, insurance premium taxes, municipal road aid, franchise taxes, and base court revenue.

All significant activities and organizations on which the City of Green Spring, Kentucky exercises oversight responsibility have been included in the City's financial statements, for the year ended June 30, 2013. The following criteria regarding manifestation of oversight were considered by the City in its evaluation of City organizations and activities:

**Financial Interdependency** - The City is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the City.

**Election of the government authority** - The locally elected City Commission is exclusively responsible for all public decisions and accountable for the decisions and accountable for the decisions it makes.

**Ability to significantly influence operations** - The City Commission has the statutory authority under the provisions of the Revised Statutes to significantly influence operations. The authority includes, but is not limited to, adoption of the budget, control over all assets, including facilities and properties, short-term borrowing, signing contracts, and developing the programs to be provided.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.A. FINANCIAL REPORTING ENTITY (CONTINUED)**

Accountability of fiscal matters – The responsibility and accountability over all funds is vested in the City Commission.

Following consideration of the above criteria, no additional entities are deemed to be component units of the City.

**1.B. BASIS OF PRESENTATION**

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

*Fund Financial Statements:*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.B. BASIS OF PRESENTATION (CONTINUED)**

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.



**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

**Encumbrances**

The City does not employ encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation.

**Budgets and the Budgetary Process**

The City follows the procedures established pursuant to Section 91A.030 of the Kentucky Revised Statutes in establishing the budgetary data reflected in the financial statements. Budgets and budget amendments for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.D. ASSETS, LIABILITIES, AND EQUITY**

**Cash and Cash Equivalents**

The City considers all cash in bank and highly liquid investments with a maturity of ninety days or less to be cash and cash equivalents.

**Investments**

Investments of the primary government are valued at fair market value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. All investments of the City comply with the Kentucky Revised Statutes concerning the types of investments allowed.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end, but not yet received. Major receivable balances for the government activities primarily include insurance premium taxes and base court revenue.

In the fund financial statements, material receivables in government funds include revenue accruals such as insurance premium taxes and base court revenue, since they are usually both measurable and available. Nonexchange transactions, collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but are not deferred in the government-wide financial statements in accordance with the accrual basis of accounting.

**Fixed Assets**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. For financial reporting purposes, the City has decided to only capitalize future individual assets with a value of \$500 or greater. Fixed assets are not reported in the fund financial statements.

Prior to June 30, 2003, governmental funds' infrastructure assets were not required to be capitalized by the City nor were these assets capitalized by the City. Beginning on July 1, 2004 the City is required to keep a record of all infrastructure assets placed in service from that date forward.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.D. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)**

**Fixed Assets (Continued)**

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities with related accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Vehicles	5 to 10 years
Equipment	5 to 15 years
Furniture and Fixtures	5 to 10 years
Infrastructure	10 to 25 years

**Inventories**

Disbursements for inventory type items are considered expenditures at the time of purchase.

**Due to and Due from Other Funds**

Interfund receivables and payables are recorded by all funds in the period in which transactions are executed on the fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**Accounts Payable**

Accounts payable consists of trades payable to vendors who provide goods and services to the City.

**Equity Classifications**

As of June 30, 2011, the City of Green Spring implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.D. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)**

**Equity Classifications (Continued)**

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the City Commission. The Commission is the highest level of decision-making authority for the City of Green Spring. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Commission.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Administrator, Finance Director or Audit Committee may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

**1.E. REVENUES, EXPENDITURES, AND EXPENSES**

**Property Tax Revenue**

Property tax bills are due and payable by December 31st. All bills paid January 1st to January 22nd pay face amount of bill plus a penalty of 10%. All bills paid January 23rd and beyond pay face amount of bill plus a penalty of 25%, plus interest from January 1, at 1.5% per month, compounded monthly until collected. Property tax revenue is recognized when the bills become due and payable. Tax is assessed at a rate of .1870 per \$100 valuations based on the most available Property Valuation Office assessment.

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, governmental fund expenditures are classified by character: current, debt service, and capital outlay. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**1.F. ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any contingent assets and liabilities at the date of the financial statements and the classifications and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**1.G. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES**

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components; assets, deferred outflows of resources, liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 63 does not have any impact on the City's financial statements, other than to change the name of the Statement of Net Assets.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**2.A. DEPOSITS AND INVESTMENTS**

Under Kentucky Revised Statutes the City is allowed to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of the Commonwealth of Kentucky and its agencies, insured savings and loans, or interest bearing deposits of insured national or state banks. The deposits in excess of insurance coverage must be fully collateralized.

The City invests surplus cash at local banks in the form of a money market account. The city also has an annuity. This annuity is not covered by FDIC insurance, but is collateralized by Allstate Insurance and had a balance of \$170,299 at June 30, 2013. These investments subject the City to custodial credit risk, which is the risk that in the event of bank failure the City's deposits may not be recovered. However, the City considers this risk immaterial, and as such, the City does not have a formal investment policy to deal with such risk.

The City of Green Spring, Kentucky categorizes deposits at local financial institutions to give an indication of the level of custodial credit risk assumed by the City.

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**2.A. DEPOSITS AND INVESTMENTS (CONTINUED)**

The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 - Uncollateralized.

Deposits categorized by level of risk at June 30, 2013 are as follows:

Account	Bank Balance	Category			Carrying Amount
		1	2	3	
Total	\$ 381,586	\$ 211,287	\$ 170,299	\$ -	\$ 381,586

**NOTE 3— DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

**3.A. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2013 consisted of the following:

Receivable Type	Statement of Net Assets Governmental Activities	Balance Sheet- Governmental Funds
Insurance Premium Tax	\$ 11,769	\$ 11,769
Municipal Aid	1,731	1,731
Franchise Taxes	577	577
Coal and Mineral Severance	2	2
Total Receivables	\$ 14,079	\$ 14,079

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2013**

**3.B. FIXED ASSETS**

Fixed asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:				
Infrastructure	\$ 197,077	\$ 7,126	\$ -	\$ 204,203
Totals at Historical Cost	197,077	7,126	-	204,203
Less Accumulated Depreciation	<u>(71,557)</u>	<u>(18,383)</u>	<u>-</u>	<u>(89,940)</u>
Net Capital Assets	<u>\$ 125,520</u>	<u>\$ (11,257)</u>	<u>\$ -</u>	<u>\$ 114,263</u>

**NOTE 4-- OTHER NOTES**

**NOTE 4.A. LITIGATION**

The City is exposed to various legal proceedings incidental to the normal course of business. City Commission is of the opinion, based upon the advice of general counsel, that although the outcome of such litigation cannot be forecasted with certainty, final disposition should not have a material effect on the financial position of the City.

**NOTE 4.B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City maintains general liability and public official liability insurance with the Louisville Area Government Self Insurance Trust. The city's coverage is for \$1,000,000 per occurrence with a \$10,000 deductible per occurrence. The mayor, treasurer, and commissioners are covered by surety bonds. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the three fiscal years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedules- General Fund and Road Fund

Notes to Required Supplementary Information.



**CITY OF GREEN SPRING, KENTUCKY  
 COMBINED STATEMENT OF ACTIVITIES  
 BUDGET TO ACTUAL  
 GENERAL AND SPECIAL REVENUE FUNDS  
 NON-GAAP BUDGETARY BASIS  
 YEAR ENDED JUNE 30, 2013**

	General Fund		Special Revenue Municipal Road Aid		Memo Total All Funds	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>						
Property Taxes	\$ 120,000	\$ 122,607	\$ -	\$ -	\$ 120,000	\$ 122,607
Insurance Taxes	44,000	50,123	-	-	44,000	50,123
Franchise Taxes	6,900	6,922	-	-	6,900	6,922
Base Court Revenue	7,200	6,751	-	-	7,200	6,751
Municipal Aid	-	-	16,200	19,130	16,200	19,130
License and Permits	-	100	-	-	-	100
Coal and Mineral Severance	30	27	-	-	30	27
Interest Income	4,000	7,684	-	-	4,000	7,684
<b>Total Revenue</b>	<b>\$ 182,130</b>	<b>\$ 194,214</b>	<b>\$ 16,200</b>	<b>\$ 19,130</b>	<b>\$ 198,330</b>	<b>\$ 213,344</b>
<b>EXPENDITURES</b>						
City Services- Sanitation	\$ 75,374	\$ 75,374	\$ -	\$ -	\$ 75,374	\$ 75,374
City Services- Utilities	14,890	15,686	-	-	14,890	15,686
Maintenance and Beautification	25,100	27,353	-	-	25,100	27,353
Roads	-	-	18,600	19,575	18,600	19,575
Security	17,000	16,730	-	-	17,000	16,730
Legal and Professional	1,500	1,799	-	-	1,500	1,799
PVA	3,800	3,494	-	-	3,800	3,494
Salaries	4,800	4,200	-	-	4,800	4,200
Insurance	1,400	1,238	-	-	1,400	1,238
Social	4,800	3,356	-	-	4,800	3,356
Other	3,550	3,124	-	-	3,550	3,124
<b>Total Expenditures</b>	<b>\$ 152,214</b>	<b>\$ 152,354</b>	<b>\$ 18,600</b>	<b>\$ 19,575</b>	<b>\$ 170,814</b>	<b>\$ 171,929</b>
Excess (deficit) of Revenue Over Expenditures	\$ 29,916	\$ 41,860	\$ (2,400)	\$ (445)	\$ 27,516	\$ 41,415
Net Assets July 1, 2012	-	266,861	-	81,108	-	347,969
Net Assets June 30, 2013	\$ 29,916	\$ 308,721	\$ (2,400)	\$ 80,663	\$ 27,516	\$ 389,384

**CITY OF GREEN SPRING, KENTUCKY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2013**

**NOTE 1 - BUDGET VARIANCES**

**General Fund**

General fund revenues of \$194,214 were \$12,084 more than the \$182,130 budgeted. Actual revenues were greater than budgeted primarily as a result of positive budget variances within insurance taxes, interest income, building permits, property tax, and franchise tax. General fund expenditures of \$152,354 were \$140 more than the \$152,214 budgeted. Maintenance and beautification expenditures of \$27,353 were \$2,253 more than the \$25,100 budgeted.

**Road Fund**

Road fund revenues of \$19,130 were \$2,930 greater than budgeted revenues of \$16,200. Road fund expenditures of \$19,575 were \$975 more than budgeted expenditures of \$18,600. This was due to expenditures on road signs and lights being greater than budgeted.

# STUEDLE SPEARS & FRANCKE PSC

CERTIFIED PUBLIC ACCOUNTANTS

2821 S. Hurstbourne Parkway  
Louisville, KY 40220  
Phone: 502.491.5253 · Fax: 502.491.5270

## INDEPENDENT AUDITORS' 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

To the Mayor and City Commission  
City of Green Spring, Kentucky

We have audited, in accordance with the 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, the financial statements of the governmental activities and each fund of the City of Green Spring, Kentucky as of and for the year ended June 30, 2013, which collectively comprise the City of Green Spring, Kentucky's basic financial statements and have issued our report thereon dated September 17, 2013.

### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered City of Green Spring, Kentucky's internal control over financial reporting (internal control) to determine the audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Green Spring, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Green Spring, Kentucky's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We consider the following deficiency described in the accompanying schedule of comments and recommendation as item 2013-01 to be a significant deficiency.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the City of Green Spring, Kentucky's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

### *City of Green Spring, Kentucky's Response to Finding*

City of Green Spring, Kentucky's response to the finding identified in our audit is described in the accompanying schedule of comment and recommendation. City of Green Spring, Kentucky's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Stuedla Speare & Franckey PSC*

Louisville, Kentucky  
September 17, 2013

**CITY OF GREEN SPRING, KENTUCKY  
COMMENT AND RECOMMENDATION  
FISCAL YEAR ENDED JUNE 30, 2013**

**INTERNAL CONTROL- SIGNIFICANT DEFICIENCY**

**2013-01 The City Lacks Adequate Segregation Of Duties**

While reviewing the City's internal control procedures, we identified that due to the limited number of city personnel, that many of the critical duties are combined and assigned to one individual. Presently, a single individual prepares and signs checks, reconciles bank accounts, receives mail, prepares and makes deposits, prepares monthly reports, and maintains the general ledger. To the extent possible, duties should be segregated to serve as a check and balance and to maintain the best control system possible. It was noted that the City has implemented several compensating controls to mitigate the effects of the lack of adequate segregation of duties. Compensating controls include dual signatures on checks, monthly review of bank statements, monthly review of financial statements, and monthly review of financial documentation.

*Official's Response:*

*We agree that many duties are consolidated and also recognize the importance of internal control. Due to limitations of resources we are not able to provide the segregation of duties that you suggest. The entire City Commission monitors the City's financial activities on a monthly basis and will continue to do so. As you noted, other means of financial controllership are also in place.*

## Request for Taxpayer Identification Number and Certification

Give form to the  
 requester. Do not  
 send to the IRS.

Print or type  
 See Specific Instructions on page 2.

Name (as shown on your income tax return) <b>City of Green Spring</b>	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ----- <input type="checkbox"/> Other (see instructions) ▶	
<input checked="" type="checkbox"/> Exempt payee	
Address (number, street, and apt. or suite no.) <b>PO Box 261</b>	Requester's name and address (optional)
City, state, and ZIP code <b>Harrods Creek, KY 40027-0261</b>	
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number
<b>61 0929570</b>

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person	Date ▶ <b>3/31/14</b>
------------------	--------------------------	-----------------------

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,