

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

Applicant/Program: City of Wellington

Executive Summary of Request:
A program of beautification of traffic islands on the through-streets in the City of Wellington

Is this program/project a fundraiser?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is this applicant a faith based organization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this application include funding for sub-grantee(s)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.

<u>26</u> District #	 Council Member Signature	<u>4000⁰⁰</u> Amount	<u>11.27-2014</u> 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.

Approved by:
_____ Date _____
Appropriations Committee Chairman

Clerk's Office Only:
Request Amount: _____ Committee Amended Appropriation: _____
Original Appropriation: _____ Council Amended Appropriation: _____

NDF NON-PROFIT APPLICATION CHECKLIST

Legal Name of Applicant Organization: <i>City of Wellington</i>		
Program Name: <i>2014-2015 Beautification</i>	Request Amount: <i>\$4000.00</i>	Yes/No/NA
Request form: Is the NDF request form signed by all Council Member(s) appropriating funding?		✓
Request form: Is the funding proposed less than or equal to the request amount?		✓
Request form: Have all known Council or Staff relationships to the Agency been adequately disclosed on the cover sheet?		✓
Application Page 1: Has prior Metro funds committed/granted been disclosed?		✓
Application Page 1: Is the application properly signed and dated by authorized signatory?		✓
Application Page 3: Reimbursement funding – One or two boxes checked if any expenses are incurred before the grant award period. Is all required documentation included?		✓
Application Pages 3 – 5: Is the proposed public purpose of the program well-documented?		✓
Application 4: Is there adequate documentation of how the proceeds of the fundraiser will be spent?		
Application Budget Page 6: 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?		✓
Faith Based Organizations: Is the signed Faith Based Form signed and included?		
Jefferson County Only: Will all funding be spent in Louisville/Jefferson County?		✓
Capital Project(s) request: Is the cost estimate(s) from proposed vendor(s) included?		✓
Good Standing: Is the entity in good standing with: <ul style="list-style-type: none"> • Kentucky Secretary of State – include Secretary of State website information on organization • Louisville Metro Government – check OMB monthly report filed in Council Financial Reports • Internal Revenue Service – most recent Form 990 included 		✓
Separate Taxing Districts: If Metro funding is for a separate taxing district, is the funding appropriated for a program outside the legal responsibility of that taxing district?		✓
Small Cities: 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)		<i>forthcoming</i>
Operating Requests: Is recommended operating funding less than or equal to 33% of total operating budget?		
IRS Exempt Proof: Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?		
Operating Budget: Is the organization’s current fiscal year operating budget included?		✓
Ordinance Required: Is the amount committed by Council members greater than \$5,000 to any one project/program within an organization in this fiscal year.		<i>no</i>
Board Members: Is the entity’s board member list (with term length/term limits) included?		✓
Staff: Is a list of the highest paid staff included with their expected annual personnel costs?		✓
Annual Audit: Is the most recent annual audit (if required by organization) included?		✓
Rent Requests: Is a copy of signed lease included?		
Articles of Incorporation: Are the Articles of Incorporation of the organization included?		✓
IRS Form W-9: Is the IRS Form W-9 included?		✓
Evaluation Forms: Are the evaluation forms (if program participants are given evaluation forms) included?		
Affirmative Action: Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required by the organization)?		
Prepared by: <i>[Signature]</i>	Date: <i>11/17/14</i>	



14-1464

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION

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

Main Office Street & Mailing Address: 3003 Spencer Avenue, Louisville, KY 40205-3057

Website: www.cityofwellingtonky.com

Applicant Contact:	Michael B. Newton	Title:	Commissioner
Phone:	502-727-6386	Email:	mnewton@republicbank.com
Financial Contact:	Judy Kaleher / Michael B. Newton	Title:	Treasurer
Phone:	502-456-5889	Email:	jkaleher@yahoo.com

Organization's Representative who attended NDF Training: Michael B. Newton

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

Program Facility Location(s): City of Wellington

Council District(s): District 26 Zip Code(s): 40205

SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION

PROGRAM/PROJECT NAME: City of Wellington Beautification

Total Request: (\$) **4000-** Total Metro Award (this program) in previous year: (\$) 0

- 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)

The Following are Required Attachments:

- | | |
|--|---|
| <input type="checkbox"/> IRS Exempt Status Determination Letter | <input type="checkbox"/> Signed lease if rent costs are being requested |
| <input checked="" type="checkbox"/> Current Year Projected Budget | <input checked="" type="checkbox"/> IRS Form W9 |
| <input checked="" type="checkbox"/> List of Board of Directors (include term & term limits) | <input type="checkbox"/> Evaluation forms if used in the proposed program |
| <input checked="" type="checkbox"/> Current financial statement | <input checked="" type="checkbox"/> Annual audit (if required by organization) |
| <input type="checkbox"/> Most recent IRS Form 990 or 1120-H | <input type="checkbox"/> Faith Based Organization Certification Form, if required |
| <input type="checkbox"/> Articles of Incorporation | <input checked="" type="checkbox"/> Staff including the 3 highest paid staff |
| <input type="checkbox"/> Cost estimates from proposed vendor if request is for capital expense | |

For the current fiscal year ending June 30, list all funds appropriated and/or 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:	Not Applicable	Amount: (\$)	
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

Applicant's Initials



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The City of Wellington is a sixth class city comprised of 259 homes and approximately 600 residents centrally located in the upper Highlands. Our combination of friendly residents, tree lined streets, side walks and central location ranks the City of Wellington among the more desirable destinations in Jefferson County. The City is within walking distance to neighborhood restaurants, shopping, historical sites, and parks. Adjacent to the interstate and just minutes from downtown, malls, movies and more.

Handwritten initials in blue ink, appearing to be "MB", written over a horizontal line.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 – PROGRAM/PROJECT NARRATIVE

A: 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 City is requesting operating funds to assist with two major landscaping/beautification projects within the City.

The City plans on spending in excess of \$11,000 to improve two traffic island intersections: Manchester Road/Spencer and Brighton/Lowell.

B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):

The City plans to work with Frank Ottee Nursery to facilitate the landscaping improvements. This nursery is located directly across the street from the City and is a select vendor that has historically offered deep discounts for these types of projects within the City.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

C: If this request is a fundraiser, please detail how the proceeds will be spent:

Not applicable

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

Effective October 24, 2013, reimbursements should not be made unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):

- ✓ 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 probably be incurred after the application date, but prior to the execution of 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.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

E: 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:

These two beautification projects are much needed and will focus on two distinct areas within the City that are highly visible to all Residents and Visitors.

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/project specifically.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.

Program/Project Expenses	Column 1	Column 2	Column (1+2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
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	4,000	0	4,000
I: Community Events & Festivals (Attach Detail List)			
J: Small Equipment			
K: Capital Equipment			
L: Other Expenses (Attach Detail List)			
*TOTAL PROGRAM/PROJECT FUNDS	4,000	0	4,000
% of Program Budget	100 %	0 %	100%

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

Other State, Federal or Local Government	0
United Way	0
Private Contributions (do not include individual donor names)	0
Fees Collected from Program Participants	0
Other (please specify)	
Total Revenue for Columns 2 Expenses **	

*Total of Column 1 MUST match "Total Request on Page 1, Section 2"

**Must equal or exceed total in column 2.

Applicant's Initials



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail of In-Kind Contributions for this PROGRAM only: Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

Donor*/Type of Contribution	Value of Contribution	Method of Valuation
Not Applicable		
<i>Total Value of In-Kind</i> <i>(to match Program Budget Line Item.</i> Volunteer Contribution & Other In Kind)		

* DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK

Agency Fiscal Year Start Date: July 1

Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year? NO YES

If YES, please explain:



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – CERTIFICATIONS & ASSURANCES

By signing Section 7 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. Applicant understands 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. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end
8. Applicant understands they must 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.
11. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked.

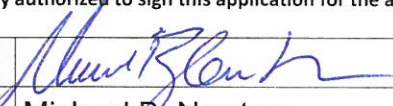
Standard Certifications

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.

SECTION 7 – CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "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 and have initialed each page of the application.

Signature of Legal Signatory:		Date:	8/26/14
Legal Signatory: (please print):	Michael B. Newton	Title:	Commissioner
Phone:	502-727-6386	Extension:	
Email:	mnewton@republicbank.com		

Request for Taxpayer Identification Number and Certification

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

Name (as shown on your income tax return)
CITY OF WELLINGTON

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
 Individual/sole proprietor C Corporation S Corporation Partnership Trust/estate
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
 Other (see instructions) ▶ **GOVERNMENT ENTITY** Exempt payee

Address (number, street, and apt. or suite no.)
3003 SPENCER AVENUE

City, state, and ZIP code
LOUISVILLE, KY 40205

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line 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 Obtain a TIN* on page 3.

Social security number								

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

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiving the right to a taxpayer identification number and to not have my SSN reported to the IRS).
- I am not subject to backup withholding because: (a) I am exempt from backup withholding under section 3121(a)(1)(A) of the Internal Revenue Code (IRC) and I am not required to file an information return with the Service (IRS) that I am subject to backup withholding as a result of a failure to report all income; (b) I am no longer subject to backup withholding; and (c) 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.

Sign Here Signature of U.S. person ▶ *Judith L. Kaleher* Date ▶ *2-26-13*

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:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- 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.

FRANK OTTE NURSERY & GARDEN CENTER

2930 Bardstown Road
Louisville, KY 40205
One block N. of Watterson Exp.
(502) 454-4000
www.ottenursery.com

QUOTE

Sold To:

CITY OF WELLINGTON
3003 SPENCER AVENUE
WELLINGTON KY 40205

Ship To:

Brighton and Lowell

Qty	Product Code	Description	Reg Price	D/P/W	Unit	Amount
7	CRCCNAR1C200	REDBUD, APPALACHIAN RED 2" B&B	259.00	P	259.00	1,813.00
35	TXSMDDN1S18-24	YEW, DENSIFORMIS 18-24" B&B	59.99	P	59.99	2,099.65
1	MISCH	PLANTING MATERIALS	0.00		250.00	250.00
1	MISCH	HARDWOOD MULCH	0.00		300.00	300.00
7	LABOR	REMOVE 7 EXISTING BIRCH TREES	0.00		250.00	1,750.00
NOTES:						
[REDACTED]						
Received By:						
					SUBTOTAL	6212.65
					LABOR	2500.00
					DELIVERY	40.00
					SALES TAX	0.00
					TOTAL	8752.65

QUOTE - 8752.65

Thank you for shopping at Frank Otte's Nursery

CUSTOMER COPY

FRANK OTTE NURSERY & GARDEN CENTER

2930 Bardstown Road
 Louisville, KY 40205
 One block N. of Watterson Exp.
(502) 454-4000
 www.ottenursery.com

QUOTE





Sold To:

CITY OF WELLINGTON
 3003 SPENCER AVENUE
 WELLINGTON KY 40205

Ship To:

MANCHESTER ISLAND

Qty	Product Code	Description	Reg Price	D/P/W	Unit	Amount
16	TXSMDDN1S18-24	YEW, DENSIFORMIS 18-24" B&B	59.99	P	59.99	959.84
1	MISCH	PLANTING MATERIALS	0.00		125.00	125.00
1	MISCH	HARDWOOD MULCH	0.00		150.00	150.00
1	LABOR	REMOVE 2 DOGWOODS & SHRUBS	0.00		350.00	350.00
NOTES: REMOVE EXISTING SHRUBS, INSTALL NEW SHRUBS MULCH AND CLEAN UP.						SUBTOTAL 1584.84 LABOR 650.00 DELIVERY 40.00 SALES TAX 0.00
Tax Certificate 						TOTAL 2274.84
Received By: 						

QUOTE - 2274.84

Thank you for shopping at Frank Otte's Nursery

CUSTOMER COPY

City of Wellington

List of Officials

Rick Simms, Mayor – No compensation – Term expires 12/31/14

Judy Kaleher – Treasurer – Compensation of \$150/ month – Term expires 12/31/14

Michael B. Newton – Commissioner – No Compensation - Term expires 12/31/14

Sara Sievert – Commissioner – No Compensation - Term expires 12/31/14

Joan Noles – Commissioner – No Compensation - Term expires 12/31/14

CITY OF WELLINGTON, KENTUCKY
ORDINANCE NO. 2 , SERIES 2014-2015

AN ORDINANCE ADOPTING THE CITY OF WELLINGTON, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 2014 THROUGH JUNE 30, 2015 BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATION OF CITY GOVERNMENT.

WHEREAS, an annual budget proposal and message has been prepared and delivered to the City Commission, and

WHEREAS, the City Commission has reviewed such budget proposal and made necessary modifications,

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF WELLINGTON

SECTION 1: The annual budget for the fiscal year July 1, 2014 through June 30, 2015 is hereby adopted as follows:

General Fund

Beginning Fund Balance - 7/1/2014		\$ 369,979
REVENUE		
Assessments	\$ 100,000	
Insurance premium tax	35,000	
Interest on investments	11,000	
Miscellaneous revenue	<u>1,280</u>	
Total revenue		\$ 147,280
OPERATING EXPENSES		
Garbage and recycling collection	\$ 40,200	
Fire protection	36,000	
Police protection	17,000	
General and administrative expenses	<u>54,080</u>	
Total operating expenses		<u>\$ 147,280</u>
Surplus		<u>\$ -</u>
Projected Ending Fund Balance - 6/30/2015		\$ 369,979

Municipal Road Aid Fund

Beginning Fund Balance - 7/1/2014		\$ 98,064
REVENUE		
Road fund income	\$ 12,000	
Interest on investments	<u>15</u>	
Total revenue		\$ 12,015
OPERATING EXPENSES		
Sidewalk improvements	\$ 30,000	
Miscellaneous operating expenses	<u>13,000</u>	
Total operating expenses		<u>\$ 43,000</u>
Surplus/(deficit)		<u>\$ (30,985)</u>
Projected Ending Fund Balance - 6/30/2015		\$ 67,079

The Mayor may expend funds in accordance with the budget ordinance and no additional authorization from the Commission is needed as long as the expenditure does not exceed the amount appropriated for that purpose in the budget.

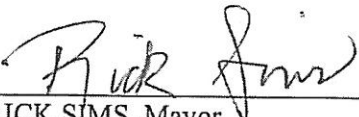
SECTION 2: This Ordinance shall take effect and be in force and effect from and after its passage and publication. The Mayor of the City of Wellington is authorized and directed to publish and advertise this Ordinance as required by law.

<u>COMMISSION MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Judy Kaleher	<u>X</u>	—	—
Michael Newton	—	—	<u>ABSENT</u>
Joan Noles	<u>X</u>	—	—
Sara Sievert	<u>X</u>	—	—
Rick Sims, Mayor	<u>X</u>	—	—

FIRST READING May 27, 2014

SECOND READING June 24, 2014

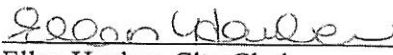
PASSED AND APPROVED this 24th day of June, 2014.



RICK SIMS, Mayor
City of Wellington, Kentucky

PUBLICATION DATE: July 15 2014

ATTEST:



Ellen Hauber, City Clerk

CITY OF WELLINGTON
STATE OF KENTUCKY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

CITY OF WELLINGTON
TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet-Governmental Funds and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	6
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Notes to the Financial Statements	8-15
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedules	16
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	17-19

McIntyre & Wooldridge, PSC
Certified Public Accountants

3103 Breckenridge Lane, Suite 3
Louisville, Kentucky 40220
502/493-9373 or 493-9374 (fax)

Independent Auditor's Report

The Honorable Mayor and
Commissioners of the City of
Wellington, Kentucky

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's 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 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 from 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 auditor's judgment, including the assessment of the risk 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 and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 and each major fund of the City of Wellington, Kentucky at June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's budgetary comparison information on page 16 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 30, 2013 on our consideration of the City of Wellington, Kentucky's internal control over financial reporting and on our test 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 result 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

McIntyre & Woodbridge PSC

Louisville, Kentucky
November 30, 2013

**CITY OF WELLINGTON, KENTUCKY
STATEMENT OF NET POSITION
JUNE 30, 2013**

ASSETS	
Current Assets	
Cash and cash equivalents	\$172,095
Insurance premium tax receivable	8,763
Short term investments	<u>184,804</u>
Total Current Assets	365,662
Capital Assets	
Street lighting	10,901
Street signage	17,917
Sidewalk improvements	87,215
Road Improvements	144,337
Equipment	<u>1,485</u>
	261,855
Less accumulated depreciation	<u>79,122</u>
Total Net Capital Assets	182,733
Other Assets	
Cash and cash equivalents - restricted	<u>94,640</u>
TOTAL ASSETS	\$643,035
LIABILITIES	
Current Liabilities	
Accounts payable	<u>1,914</u>
TOTAL LIABILITIES	<u>1,914</u>
NET POSITION	
Investment in capital assets	182,733
Restricted for roads	94,640
Unrestricted	<u>363,748</u>
TOTAL NET POSITION	<u>\$ 641,121</u>

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

CITY OF WELLINGTON, KENTUCKY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>EXPENSES</u>	<u>PROGRAM REVENUES OPERATING GRANTS</u>	<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES</u>
Primary Government:			
Governmental Activities:			
General and administrative	\$ (32,065)	\$ -	\$ (32,065)
Public safety:			
Fire protection	(33,906)		(33,906)
Police protection	(15,120)	6,751	(8,369)
Public service:			
Sanitation	(40,120)		(40,120)
Roads	<u>(17,567)</u>	<u>14,064</u>	<u>(3,503)</u>
Total Governmental Activities	<u>\$ (138,778)</u>	<u>\$ 20,815</u>	(117,963)
General Revenues:			
Taxes:			
Property taxes			95,623
Insurance premium taxes			31,902
Franchise fees			3,324
Investment income			1,561
Miscellaneous income			<u>23</u>
Total General Revenues			<u>132,433</u>
CHANGE IN NET POSITION			14,470
NET POSITION, Beginning of year			<u>626,651</u>
NET POSITION, End of year			<u>\$ 641,121</u>

The accompanying notes are an integral part of these financial statements

**CITY OF WELLINGTON, KENTUCKY
BALANCE SHEET - GOVERNMENTAL FUNDS AND
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2013**

	GENERAL FUND	CAPITAL PROJECTS FUND	MUNICIPAL AID ROAD FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 172,095	\$ -	\$ 94,640	\$ 266,735
Insurance premium taxes receivable	8,763			8,763
Short-term investments	<u>39,918</u>	<u>144,886</u>	<u>-</u>	<u>184,804</u>
 TOTAL ASSETS	 <u>\$ 220,776</u>	 <u>\$ 144,886</u>	 <u>\$ 94,640</u>	 <u>\$ 460,302</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,914	\$ -	\$ -	\$ 1,914
 TOTAL LIABILITIES	 1,914	 -	 -	 1,914
 FUND BALANCES				
Assigned	-	144,886	-	144,886
Restricted			94,640	94,640
Unassigned	<u>218,862</u>	<u>-</u>	<u>-</u>	<u>218,862</u>
 TOTAL FUND BALANCES	 <u>218,862</u>	 <u>144,886</u>	 <u>94,640</u>	 <u>458,388</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 220,776</u>	 <u>\$ 144,886</u>	 <u>\$ 94,640</u>	 <u>\$ 460,302</u>
 TOTAL GOVERNMENTAL FUND BALANCES				 \$ 458,388
Capital assets used in governmental activities are not financial resources and therefore are not financial resources and therefore are not reported in the funds. This is the amount by which capital outlays exceeded depreciation.				<u>182,733</u>
 NET POSITION				 <u>\$ 641,121</u>

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

**CITY OF WELLINGTON , KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>MUNICIPAL AID ROAD FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Property taxes	\$ 95,623	\$ -	\$ -	\$ 95,623
Insurance premium taxes	31,902			31,902
Franchise fees	3,324			3,324
Grants	6,751			6,751
Municipal road aid			14,064	14,064
Miscellaneous income	23			23
Investment income	727	816	18	1,561
	<u>138,350</u>	<u>816</u>	<u>14,082</u>	<u>153,248</u>
Total Revenues	138,350	816	14,082	153,248
EXPENDITURES				
General and administrative	32,065			32,065
Public safety:				-
Fire protection	33,906			33,906
Police protection	15,120			15,120
Public service:				-
Sanitation	40,120			40,120
Roads			709	709
Capital outlays	-	-	17,917	17,917
	<u>121,211</u>	<u>-</u>	<u>18,626</u>	<u>139,837</u>
Total Expenditures	121,211	-	18,626	139,837
NET CHANGE IN FUND BALANCES	17,139	816	(4,544)	13,411
FUND BALANCES, Beginning of year	201,723	144,070	99,184	444,977
FUND BALANCES, End of year	\$ 218,862	\$ 144,886	\$ 94,640	\$ 458,388

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

**CITY OF WELLINGTON, KENTUCKY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

7

Net change in fund balances - total governmental funds \$ 13,411

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets
are allocated over their estimated useful lives as depreciation
expense:

This is the amount by which capital outlays were exceeded
by depreciation in the current period

1,059

Change in net position as reflected on the Statement of Activities \$ 14,470

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

**CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

8

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Wellington, Kentucky have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described below.

Financial Reporting Entity

The City operates under a Commission-Mayor form of government and provides the following services as authorized by its charter: general government, public service, public safety and sanitation. The City is a 6th class City as defined by Kentucky Statute.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements.

These financial statements follow the provisions of GASB Statement No. 34 (as amended) - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. However, the City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be a part of the basic financial statements.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Currently the city does not engage in any business-type activities.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure.

Invested in capital assets, net of related debt – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in the same net position component as the unspent proceeds.

CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

9

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

The City’s policy is to use restricted assets first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The Statement of Net Position and Statement of Activities reflect financial information of the City as a whole. These statements include the primary government and its component units if applicable. Government-wide statements distinguish between governmental and business-type activities. Currently, the City does not engage in any business-type, inter-governmental revenues, and other non-exchange revenues type activities.

The statement of activities presents direct expenses, which are clearly identifiable with a specific function or segment. Program revenues include 1) grants from the State of Kentucky for public safety/police protection 2) Kentucky Municipal Aid grants for public safety/road improvements, repairs and maintenance. Taxes and other revenue items are reported as general revenues.

Fund Financial Statements

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts and expenditures for expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the City are all governmental fund types described as follows:

- **General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Capital Projects Fund** – The Capital Projects Fund contains funds designated for the acquisition of major capital facilities and equipment.
- **Municipal Aid Road Fund** – The Municipal Aid Road Fund is restricted to road construction, repairs and maintenance.

CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

10

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The City considers all of its funds to be major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues are recognized in the year for which they are due. This method differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds. Expenses are classified by function.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each governmental program. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting for governmental fund types.

The modified accrual basis of accounting recognizes revenues when they are “measurable and available”. Measurable means the amount can be determined. Available means collectable within the period or soon enough thereafter to pay current liabilities. Property tax and all other governmental fund revenues are recognized if collected within sixty days after year end which is considered the availability period.

Budgetary Accounting

The budget information reflected in the financial statements is the annual budget adopted by the City in accordance with the provisions of Kentucky law. It is presented to the Commission in the form of an ordinance and may be amended by subsequent ordinance or by municipal order. The City’s policy is to use restricted assets according to budgeted amounts.

As required by generally accepted governmental accounting principles, the budget comparison schedules have been prepared in the same form as the legally adopted budget; therefore its form varies somewhat from the Statement of Revenues, Expenditures and Changes in Fund Balances on page 10. The City prepares its annual

**CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

11

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

budget on the modified accrual basis of accounting which is consistent with the amounts reflected in the funds financial statements.

Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents include amounts deposited in checking and sweep accounts and a money market savings account. For purposes of these financial statements, the City considers as cash equivalents all highly liquid investments with a maturity of three months or less when purchased and are readily convertible to cash.

Short term investments consist of certificates of deposit with maturities within one year of June, 30, 2013.

Generally, the City's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with investment policies complying with state statutes and the City Charter. City funds may be invested in: (1) obligations of the United States and its agencies and instrumentalities, (2) obligations of any corporation of the United States government, (3) certificates of deposits in institutions insured by the Federal Deposit Insurance Corporation, and (4) bonds or certificates of indebtedness of the Commonwealth of Kentucky.

The City maintains its deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC).

All of the City's cash and cash equivalents and short-term investment accounts at June 30, 2013 are either covered by FDIC insurance or are collateralized with securities held by the bank in the City's name.

Cash and cash equivalents and short-term investments are further described in Notes 2 and 3.

Property Taxes and Property Tax Receivable

Property taxes are levied as of September 1, 2012 on the assessed value listed as of January 1, 2012 for all real and personal property located in the City. The tax assessed for the year ended June 30, 2013 to finance general fund operations was based on \$.21 per \$100 of assessed valuation for real and personal property. The total assessed value of the tax roll on January 1, 2012, upon which the levy for 2013 fiscal year was based, was \$45,228,030 resulting in gross taxes of \$95,105. The gross tax (or face value) is due if paid by December 31, 2012 and a 10% penalty is assessed if paid after December 31, 2012. If paid after February 28, 2013, interest of 1.50% per month is charged thereafter and a lien may be placed on the property.

**CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

12

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Insurance Premium Taxes

An insurance premium tax is imposed on insurance premiums collected by insurance companies on policies within the City limits. Insurance premium taxes are assessed at a tax rate of 5%.

Capital Assets

The accounting and reporting treatment applied to capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental fund statements and capitalized (recorded and accounted for) in the government-wide statements of net position at cost.

Effective for the year ended June 30, 2004, the City implemented GASB Statement Number 34 (See Note 8). One of the requirements of GASB 34 is to capitalize and depreciate infrastructure expenditures and other capital assets. The City elected to implement this standard prospectively, as it related to the capitalization of infrastructure and land expenditures. The valuation basis for general capital assets are historical costs, or where historical cost is not available, estimated historical cost based on replacement cost.

Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The minimum capitalization threshold is any individual item with a total cost greater than \$500.

The estimated useful lives of various classes of capital assets are as follow:

Street lighting	15 years
Road and sidewalk improvements	15 years
Equipment	5 years

Net Position/Fund Equity

Net position is the difference between assets and liabilities. Net positions are restricted when constraints are placed on asset use either externally imposed by creditors, grantors or contributors or regulations of governments, or imposed by law.

**CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

13

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes for governmental fund financial statements.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Commission,
4. *Assigned* fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, governmental funds are classified by character and function. In the fund financial statements governmental funds report expenditures of financial resources.

Fair Value of Financial Investments

The carrying amount of cash, receivables, investments and payables approximates their fair market values as of June 30, 2013.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

14

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following accounts with Republic Bank:

General Fund	
Operating checking/sweep account yielding .02% per annum	\$ 77,265
Money market account yielding .08% per annum	<u>94,830</u>
Total	172,095
Municipal Aid Fund	
Investment sweep account yielding .02% per annum	<u>94,640</u>
 Total Cash and Cash Equivalents	 <u>\$266,735</u>

NOTE 3-SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

General Fund	
Certificate of deposit with Stock Yards Bank, issued February 11, 2013, matures August 11, 2013, yielding .50% per annum	\$ 39,918
Capital Projects Fund	
Certificate of deposit with Ascencia, issued September 23, 2012, matures September 23, 2013, yielding .90% per annum	<u>144,886</u>
 Total Short-term Investments	 <u>\$184,804</u>

NOTE 4- CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended June 30, 2013 consists of the following:

	Balance <u>6-30-12</u>	<u>Additions</u>	Balance <u>6-30-13</u>
Street lighting	\$ 10,901	\$ -	\$ 10,901
Sidewalk improvements	87,215		87,215
Road improvements	144,337		144,337
Street signs and posts	-	17,917	17,917
Equipment	<u>1,485</u>	<u>-</u>	<u>1,485</u>
	243,938	17,917	261,855
Accumulated depreciation	<u>62,264</u>	<u>16,858</u>	<u>79,122</u>
 Total Capital Assets, Net	 <u>\$181,674</u>	 <u>\$ 1,059</u>	 <u>\$182,733</u>

**CITY OF WELLINGTON, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 4- CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

The cost and related accumulated depreciation for each capital asset category at June 30, 2013 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Street lighting	\$ 10,901	\$ 5,925	\$ 4,976
Sidewalk improvements	87,215	17,947	69,268
Road improvements	144,337	53,367	90,970
Street signs and posts	17,917	398	17,519
Equipment	<u>1,485</u>	<u>1,485</u>	<u>-</u>
Totals	<u>\$261,855</u>	<u>\$ 79,122</u>	<u>\$182,733</u>

Depreciation was charged to function on the Statement of Activities as follows:

Road and sidewalk improvements	\$16,561
General government	<u>297</u>
Total	<u>\$16,858</u>

NOTE 5 – MANAGEMENT RISK

The City is subject to normal insurance risks as other cities of its size. The City carries general liability, worker's compensation and errors and omissions coverage. The City has not had any significant reduction in coverage in the past year.

NOTE 6 – COMMITMENTS

The City renewed its sanitation contract to provide waste removal and recycling services to its residents at a monthly cost of \$13 per household, with an average monthly total cost of \$3,343 through June 2015.

The City has an eight month contract with its lawn care provider through November 2013 for a total contract of \$6,800; the balance of the contract remaining at June 30, 2013 was \$4,250.

NOTE 7 – SUBSEQUENT EVENTS

City management has evaluated subsequent events through November 30, 2013, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WELLINGTON, KENTUCKY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

	GENERAL FUND		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
BEGINNING FUND BALANCE	\$ 340,245	\$ 201,723	\$ (138,522)
REVENUES			
Property taxes	93,000	95,623	2,623
Insurance premium taxes	35,000	31,902	(3,098)
Investment income	1,800	727	(1,073)
Miscellaneous revenue	10,100	10,098	(2)
Total Revenues	<u>139,900</u>	<u>138,350</u>	<u>(1,550)</u>
EXPENDITURES			
Garbage and recycling	40,200	40,120	80
Fire protection	33,000	33,906	(906)
Police protection	13,000	15,120	(2,120)
General administrative	33,040	32,065	975
Total Expenditures	<u>119,240</u>	<u>121,211</u>	<u>(1,971)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>20,660</u>	<u>17,139</u>	<u>(3,521)</u>
ENDING FUND BALANCE	<u>\$ 360,905</u>	<u>\$ 218,862</u>	<u>\$ (142,043)</u>
	MUNICIPAL ROAD AID FUND		
BEGINNING FUND BALANCE	\$ 99,183	\$ 99,184	\$ 1
REVENUES			
Municipal aid revenue	14,250	14,064	(186)
Investment income	100	18	(82)
Total Revenues	<u>14,350</u>	<u>14,082</u>	<u>(268)</u>
EXPENDITURES			
Sidewalk and road improvement	30,000	709	29,291
Lamp post and signage expenses	30,000	17,917	12,083
Miscellaneous operating expenses	14,500	-	14,500
Total Expenditures	<u>74,500</u>	<u>18,626</u>	<u>55,874</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(60,150)</u>	<u>(4,544)</u>	<u>55,606</u>
ENDING FUND BALANCE	<u>\$ 39,033</u>	<u>\$ 94,640</u>	<u>\$ (55,607)</u>
	CAPITAL PROJECTS FUND		
BEGINNING FUND BALANCE		\$ 144,070	
REVENUES			
Investment income	-	816	
EXPENDITURES	-	-	
REVENUES OVER EXPENDITURES	-	<u>816</u>	
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 144,886</u>	

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

McIntyre & Wooldridge, PSC
Certified Public Accountants
3103 Breckenridge Lane, Suite 3
Louisville, Kentucky 40220
502/493-9373 or 493-9374 (fax)

The Honorable Mayor and
Commissioners of the City
Of Wellington, Kentucky

**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***

We have audited the financial statements of the governmental activities and major funds as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the City of Wellington's (the City) basic financial statements and have issued our report thereon dated November 30, 2013. 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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, significant deficiencies, or material weaknesses. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings.

The City of Wellington, Kentucky's response to the finding identified in our audit is described in the accompanying schedule of findings. The City'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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McIntyre + Worldridge PSC

Louisville, Kentucky
November 30, 2013

**CITY OF WELLINGTON, KENTUCKY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

NONCOMPLIANCE

Finding 2013-1

The City exceeded its budget in the category of fire protection by \$906 and in the category of police protection by \$2,120.

Recommendation (Finding 2013-1)

We recommend the City regularly compare actual expenditures to budgeted amounts and amend its budget when necessary.

Response (Finding 2013-1)

The City will consider the aforementioned recommendations.

CITY OF WELLINGTON

ORDINANCE # 9, SERIES 2014

AN ORDER RELATING TO ENTERING INTO A PARTNERSHIP WITH LOUISVILLE METRO GOVERNMENT

WHEREAS the Louisville-Jefferson County Metro Council has enacted Ordinance No. 110, Series 2006 codified as Section 97.100 of the Louisville-Jefferson County Code of Ordinances [LMCO] establishing a Metro Partnership Program with suburban cities for a Capital Improvement Program; and

WHEREAS the City of Wellington (the City) wishes to participate in the Program pursuant to LMCO 97.100(F).

BE IT ORDERED BY THE CITY OF WELLINGTON:


1. The City hereby elected to participate in the Program for capital projects which are authorized by LMCO 97.100.
2. The City agrees to construct projects funded wholly or in part by the Program in accordance with the standards established in compliance with LMCO 97.100

Adopted the 25th of November, 2014 with appropriate signatures or attestations.



Mayor

ATTEST:



City Clerk

Votes in Favor 4

Votes Opposed 0

Agencies

Services

Kentucky Secretary of State Alison Lundergan Grimes

Business ▾ Elections ▾ Civics ▾ Administration ▾ Secretary's Desk ▾

Secretary of State / Administration / Land Office / Kentucky Cities



Kentucky Cities ▾

Wellington, Kentuc

[Printable Version](#)

[Search Again](#)

Class:

6

Status:

Active

Incorporated:

1946-05-21

There

County:

Jefferson

Pos

Area Development

KIPDA

County Seat

No

Interactive Map (Courtesy Kentucky Geography Network)

City Links:

[ADD Website](#)

[County Website](#)

County Links:

[Jefferson County PVA](#)

Mayor	Rick Sims
Meeting Times:	4th Tue 7:00pm
Office Hours:	No Regular Hours

U.S. Decennial Census (April 1):

2000: 561

199
