


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

Applicant/Program: City of Hurstbourne Sidewalk Improvement Program Phase V

Executive Summary of Request:
This project is Phase V for the City of Hurstbourne Sidewalk Improvements Program that started in 2011 with inventories and evaluations. This phase will provide sidewalk and ramp improvements along Colonel Anderson Parkway and Hogarth Drive. The improvements will be completed in the Fall of 2015. The funding will allow the City of Hurstbourne to construct handicap ramps and sidewalk improvements. The total project is estimated to cost \$67,444. District 18 Neighborhood Development Funds will pay for \$10,000 (15%) of the total project. The City of Hurstbourne will pay for \$57,444 (85%) of the total project.

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>18</u> District #	 Council Member Signature	<u>\$10,000.00</u> Amount	<u>7/22/15</u> Date
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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: _____



RECEIVED
2018 APR 18 PM 6:30

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION			
Legal Name of Applicant Organization:		City of Hurstbourne	
<i>(as listed on: http://www.sos.ky.gov/business/records)</i>			
Main Office Street & Mailing Address: 304 Whittington Parkway			
Website: www.hurstbourne.org			
Applicant Contact:	Mr. Jim Leidgen	Title:	City Manager/Administrator
Phone:	(502) 426-4808	Email:	jim@hurstbourne.org
Financial Contact:	Ms. Trisha Sikkema	Title:	Accountant
Phone:	(502) 426-4808	Email:	trisha@hurstbourne.org
Organization's Representative who attended NDF Training: <u>Jim LEIDGEN</u>			
GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
Program Facility Location(s):	Colonel Anderson Parkway and Hogarth Drive		
Council District(s):	18	Zip Code(s):	40222
SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION			
PROGRAM/PROJECT NAME: City of Hurstbourne Improvements Program			
Total Request: (\$)	30,000	Total Metro Award (this program) in previous year: (\$)	20,000
Purpose of Request (check all that apply):			
<input type="checkbox"/> Operating Funds (generally cannot exceed 33% of agency's total operating budget) <input type="checkbox"/> Programming/services/events for direct benefit to community or qualified individuals <input checked="" type="checkbox"/> Capital Project of the organization (equipment, furnishing, building, etc)			
The Following are Required Attachments:			
<input checked="" type="checkbox"/> IRS Exempt Status Determination Letter <input checked="" type="checkbox"/> Current Year Projected Budget <input checked="" type="checkbox"/> List of Board of Directors (include term & term limits) <input type="checkbox"/> Current financial statement <input type="checkbox"/> Most recent IRS Form 990 or 1120-H <input type="checkbox"/> Articles of Incorporation <input checked="" type="checkbox"/> Cost estimates from proposed vendor if request is for capital expense		<input type="checkbox"/> Signed lease if rent costs are being requested <input checked="" type="checkbox"/> IRS Form W9 <input type="checkbox"/> Evaluation forms if used in the proposed program <input checked="" type="checkbox"/> Annual audit (if required by organization) <input type="checkbox"/> Faith Based Organization Certification Form, if required <input type="checkbox"/> Staff including the 3 highest paid staff	
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:		Amount: (\$)	
Source:		Amount: (\$)	
Source:		Amount: (\$)	
Has the applicant contacted the BBB Charity Review for participation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Has the applicant met the BBB Charity Review Standards? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Applicant's Initials JBL



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The City of Hurstbourne's goal is to make the "City" a "walkable" community, allowing residents to "connect" to other portions of the City, and ensure that people with disabilities may also utilize the sidewalks.

JSC



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.):

This project is Phase V for the City of Hurstbourne Improvements Program that started in 2011 with inventories and evaluations. This phase will provide sidewalk and ramp improvements along Colonel Anderson Parkway and Hogarth Drive, and will be completed in the Fall of 2015. The project will take approximately 90 calendar days.

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

The funding will allow the City of Hurstbourne to construct handicap ramps and sidewalk improvements along Colonel Anderson Parkway and Hogarth Drive. Phase V engineer's estimate is \$67,444.

Handwritten initials, possibly "JCE", written in black ink.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

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

N/A

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.

Handwritten initials in black ink, appearing to be "JW".



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:
The improvement of handicap ramps and sidewalks within the City of Hurstbourne will allow pedestrians (including the disabled) to utilize the sidewalks to connect from residential areas to commercial areas within the City. These improvements will "enhance the quality of life" for residents and visitors within the City. The City receives numerous calls related to ramp and sidewalk improvements on a regular basis, and an audit performed in 2011 helped to prioritize areas of need.

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.

N/A

fc



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			
I: Community Events & Festivals (Attach Detail List)			
J: Small Equipment			
K: Capital Equipment	\$30,000	\$37,444	\$67,444
L: Other Expenses (Attach Detail List)			
*TOTAL PROGRAM/PROJECT FUNDS	\$30,000	\$37,444	\$67,444
% of Program Budget	44 %	56 %	100%

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

Other State, Federal or Local Government	37,444
United Way	
Private Contributions (do not include individual donor names)	
Fees Collected from Program Participants	
Other (please specify)	
Total Revenue for Columns 2 Expenses **	\$37,444

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

**Must equal or exceed total in column 2.



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
N/A		
<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, 2015

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:

fs



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.

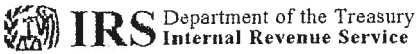
Relationship Disclosure: List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

JEL No existing relationships

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, my 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:	<i>[Signature]</i>	Date:	4-13-2015
Legal Signatory: (please print):	Jim Leiden	Title:	City MGR.
Phone:	502-426-4848	Extension:	
		Email:	Jim@hurstbanco.org



Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248230137
June 02, 2014 LTR 4076C 0
[REDACTED] 000000 00
00021431
BODC: TE

CITY OF HURSTBOURNE
304 WHITTINGTON PKWY
LOUISVILLE KY 40222



022711

Federal Identification Number: [REDACTED]
Person to Contact: Ms. Edwards
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This responds to your request for information about your federal tax status. Our records do not specify your federal tax status. However, the following general information about the tax treatment of state and local governments and affiliated organizations may be of interest to you.

GOVERNMENTAL UNITS

Governmental units, such as States and their political subdivisions, are not generally subject to federal income tax. Political subdivisions of a State are entities with one or more of the sovereign powers of the State such as the power to tax. Typically they include counties or municipalities and their agencies or departments. Charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.

ENTITIES MEETING THE REQUIREMENTS OF SECTION 115(1)

An entity that is not a governmental unit but that performs an essential government function may not be subject to federal income tax, pursuant to Code section 115(1). The income of such entities is excluded from the definition of gross income as long as the income (1) is derived from a public utility or the exercise of an essential government function, and (2) accrues to a State, a political subdivision of a State, or the District of Columbia. Contributions made to entities whose income is excluded income under section 115 may not be tax deductible to contributors.

TAX-EXEMPT CHARITABLE ORGANIZATIONS

An organization affiliated with a State, county, or municipal government may qualify for exemption from federal income tax under section 501(c)(3) of the Code, if (1) it is not an integral part of the government, and (2) it does not have governmental powers inconsistent with exemption (such as the power to tax or to exercise enforcement or regulatory powers). Note that entities may meet the requirements of both sections 501(c)(3) and 115 under certain circumstances. See Revenue Procedure 2003-12, 2003-1 C.B. 316.

**CITY OF HURSTBOURNE, KENTUCKY
ORDINANCE NO. 15-02**

**AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE CITY OF HURSTBOURNE FOR THE
FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016
BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS
FOR THE OPERATION OF CITY GOVERNMENT**

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

WHEREAS, the City Commission has reviewed said budget proposal and made necessary modifications in public session, now, therefore, BE IT ORDAINED BY THE CITY OF HURSTBOURNE:

Section 1: That the annual budget for the fiscal year ending June 30, 2016, is hereby adopted as follows:

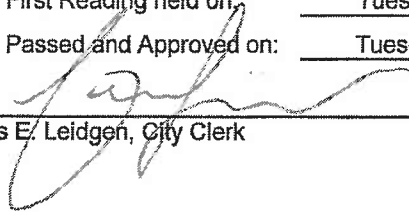
	<u>General Fund</u>	<u>Road Fund</u>	<u>TOTAL</u>
Resources Available:			
Prior Yr. Carry-Forward & Funds Appropriations	\$183,000	\$0	\$183,000
Estimated Revenues:			
State Road Fund		\$96,000	\$96,000
Property Taxes	\$1,187,000		\$1,187,000
Interest and Penalties	\$5,000		\$5,000
Insurance Premium Tax	\$702,000		\$702,000
Cable Franchise Fees	\$28,000		\$28,000
Bank Deposit Tax	\$66,000		\$66,000
Sign Fees	\$6,000		\$6,000
Alcohol Beverage Fees	\$15,800		\$15,800
Home Occupation Fees	\$500		\$500
Business License Fees	\$9,000		\$9,000
State Coal/Mineral Tax/Litter Abatement	\$200		\$200
Base Court Revenue (HB 413)	\$0		\$0
Interest General Fund	\$5,000		\$5,000
Miscellaneous Income	\$3,000		\$3,000
200 Whittington Bldg. - Tenant Leases	\$45,000		\$45,000
200 Whittington Bldg. - Other Income	\$0		\$0
Subtotal Revenues	\$2,072,500	\$96,000	\$2,168,500
Property Tax Discounts / Uncollected Accounts	(\$55,000)	\$0	(\$55,000)
Total Revenues	\$2,017,500	\$96,000	\$2,113,500
Total Resources available for Appropriations	\$2,200,500	\$96,000	\$2,296,500
Expense Appropriations			
General Government	\$601,500		\$601,500
Public Works	\$860,000	\$96,000	\$956,000
Public Safety	\$181,000		\$181,000
Sanitation - Code Enforcement	\$448,000		\$448,000
Community Projects & Events	\$110,000		\$110,000
Total Expense Appropriations	\$2,200,500	\$96,000	\$2,296,500

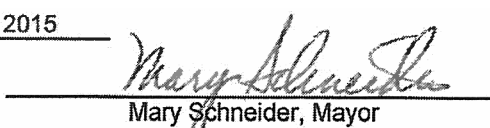
Section 2: This Ordinance shall take effect upon passage and publication.

First Reading held on: Tuesday, April 28, 2015

Passed and Approved on: Tuesday, June 23, 2015

ATTEST:


James E. Leidgen, City Clerk

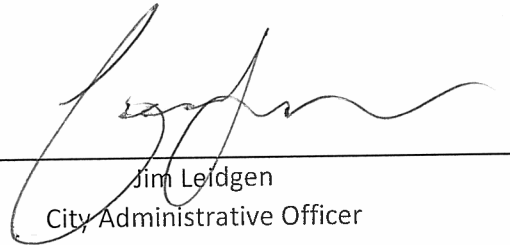

Mary Schneider, Mayor



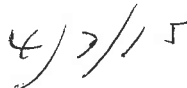
City of Hurstbourne Kentucky

ELECTED OFFICIALS 2015 CITY OF HURSTBOURNE

<u>NAME</u>	<u>OFFICE</u>	<u>TERM</u>	<u>EFFECTIVE DATE</u>
Mary Schneider	Mayor	4 years	1/1/2015
Earl Hubbuch	Commissioner	2 years	1/1/2015
Ben Jackson	Commissioner	2 years	1/1/2015
Lois Wagner	Commissioner	2 years	1/1/2015
Rusty Wells	Commissioner	2 years	1/1/2015



Jim Leidgen
City Administrative Officer



Date

304 Whittington Parkway ● Suite 100 ● Louisville, Kentucky 40222
502-426-4808

"The Best Planned Community in Kentucky"

Kentucky Secretary of State

Alison Lundergan Grimes

Secretary of State / Administration / Land Office / Kentucky Cities

Land Office

Hurstbourne, Kentucky

Search Again

Class (ending Dec. 31, 2014):	4
Class (effective Jan. 1, 2015):	Home Rule
Status:	Active
Incorporated:	1982-08-12
County:	Jefferson
Area Development	KIPDA
County Seat	No
Form Of Government:	Mayor - Commission
Type of Election (City Officials):	Non-Partisan
City Waives Primary Election (City Officials):	Yes

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

Interactive Map (Courtesy Kentucky Geography Network)

Notes: 1980 population: 3,530

City Links:
[ADD Website](#)
[County Website](#)

County Links:
[Jefferson County PVA](#)

Population Estimates:

1990:	4412
1991:	4501
1992:	4607
1993:	4640
1994:	4639
1995:	4638
1996:	4616
1997:	4614
1998:	4624
1999:	4739

Mayor Robert English
 Meeting Times: 2nd & 4th Tue 4:30pm
 Office Hours: Mon-Fri 9:00am-5:00pm
 Website: www.hurstbourne.org

2000: 3889
 2001: 3908
 2002: 3928
 2003: 3959

*Compiled by the Ky. State Data Center. Population Estimates may change as city boundaries are adjusted.

Current Filings (KRS 81.045 to present date)

Date Filed	Type	Ordinance	Map Status	Notes
2014-07-28	Declaration (TIFF) (PDF)	pursuant to HB 331 (2014)		Acknowledgment of Reclassification (Home Rule), Statement of Form of Government (Mayor-Commission), Name of City, & Year of Incorporation
2000-12-27	Resignation & Appointment			City Commissioner
2000-04-27	Appointment			City Commissioner
1983-05-26	Census			Population: 3,530 (1980)
1983-01-26	Annexation	Ord. #8, Series FYE1983	MAPPABLE	
1982-09-15	Incorporation	82-CI-00902	MAPPABLE	Jefferson Circuit Court Judgment

Contact Site Map

Privacy Security Disclaimer Accessibility

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Kentucky Unbridled Spirit

City of Hurstbourne
ADA Ramps Improvement Project - FY2015-16
OPTIONS FOR PHASE 5



Engineer's Estimate

Colonel Anderson Parkway - Sidewalk & Ramp Improvements

	Description	#Panels	S.F.	Quantity	Unit	\$/Unit	Cost
1	Sidewalks (Demo & Install)	141	3525	392	S.Y.	\$70	\$27,417
2	Ramp Curbing - Historic Curb & Gutter			180	Each	\$40	\$7,200
3	Tactile Warning Strips			18	Each	\$600	\$10,800
4	Adjust Utilities to Grade			4	Each	\$25	\$100
5	Signs/Traffic Control			45	Sign Days	\$25	\$1,125
6	Topsoil/Seed & Straw			400	S.Y.	\$4	\$1,600
Estimated Cost							\$48,242

Hogarth Drive - Sidewalk & Ramp Improvements

	Description	#Panels	S.F.	Quantity	Unit	\$/Unit	Cost
1	Sidewalks (Demo & Install)	40	1000	111	S.Y.	\$70	\$7,778
2	Ramp Curbing - Historic Curb & Gutter			120	Each	\$40	\$4,800
3	Tactile Warning Strips			8	Each	\$600	\$4,800
4	Adjust Utilities to Grade			3	Each	\$25	\$75
5	Signs/Traffic Control			30	Sign Days	\$25	\$750
6	Topsoil/Seed & Straw			200	S.Y.	\$4	\$1,000
Estimated Cost							\$19,203

Total Cost \$67,444



Feb 2015

(Handwritten signature)

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) CITY OF HURSTBOURNE	
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 checked="" type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.) 304 WHITTINGTON PARKWAY, STE 100	Requester's name and address (optional)
City, state, and ZIP code LOUISVILLE, KY 40222	
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	

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.

Sign Here

Signature of
U.S. person ▶

Date ▶ **5-14-14**

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,

CITY OF HURSTBOURNE, KENTUCKY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014



**CITY OF HURSTBOURNE, KENTUCKY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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Independent Auditor's Report

To the Mayor and Members of the City Commission
City of Hurstbourne, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Hurstbourne, Kentucky, as of and for the year ended June 30, 2014, 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 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.

Auditor 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 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 auditor's 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 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 and each major fund of the City of Hurstbourne, Kentucky, as of June 30, 2014, and the respective changes in financial position for the year then ended in conformity 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 7 and 26 through 30 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, on our consideration of the City of Hurstbourne, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hurstbourne, Kentucky's internal control over financial reporting on compliance.

Stephens & Lawson, CPAs

Louisville, Kentucky
December 8, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Hurstbourne, Kentucky's (the City) financial performance provides an overview of the City's financial activities for the year ended June 30, 2014. Please read it in conjunction with the City's financial statements, which begin on page 8.

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 8 and 9) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. 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.

FINANCIAL HIGHLIGHTS

Total revenues of the City increased \$28,321 from the fiscal year ending June 30, 2013 to the fiscal year ending June 30, 2014. The most significant factor was:

- Capital grants of \$30,000 for sidewalk work.

Current significant revenues are:

- Property Tax collections were \$1,110,929.
- Insurance Premium Tax realized \$658,314.
- Bank Franchise Tax received was \$75,861.
- Operating Grants and Contributions were \$100,595.

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 8. 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 this 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 basis 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 or 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.

REPORTING THE CITY AS A WHOLE - Continued

The Statement of Net Position and the Statement of Activities - Continued

Most of the City's basic services are reported here, including general administration, public works, and street maintenance. Property taxes, franchise fees, and insurance taxes finance most of the activities.

To aid in the understanding of the statement of activities some additional explanation is provided. Of particular interest is the format that is significantly different than a typical statement of revenues, expenses, and changes in fund balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense)/revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions to the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

THE CITY AS A WHOLE

The following condensed financial information has been derived from the government-wide financial statements.

The total assets of the City increased by \$120,361 in fiscal year 2014 as compared to fiscal year 2013, and the total liabilities of the City decreased by \$14,393 over the same period of time.

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets	\$ 2,515,238	\$ 2,384,130
Non-Depreciable Fixed Assets	53,175	53,175
Depreciable Fixed Assets, Net of Accumulated Depreciation (\$498,589 and \$367,761 respectively)	<u>871,866</u>	<u>882,613</u>
Total Assets	<u>\$ 3,440,279</u>	<u>\$ 3,319,918</u>
Liabilities		
Current Liabilities	<u>\$ 48,644</u>	<u>\$ 63,037</u>
Total Liabilities	\$ 48,644	\$ 63,037
Net Position		
Invested in Fixed Assets	\$ 925,041	\$ 935,788
Restricted	20,455	9,860
Unrestricted	<u>2,446,139</u>	<u>2,311,233</u>
Total Net Position	<u>\$ 3,391,635</u>	<u>\$ 3,256,881</u>

Governmental Revenues

The City's primary sources of revenues in this fiscal year continued to be property taxes and insurance taxes. These two sources comprise 85.22% and 84.51% of the total revenue collected in the fiscal years ending 2014 and 2013 respectively. Total revenues for the year ended June 30, 2014 were \$2,076,233 which is an increase of \$28,321 over the previous fiscal year. This increase is due mainly to an increase in the insurance premium tax. Revenues are reported as follows:

Governmental Revenues - Continued

	2014		2013	
	Amount	Percentage	Amount	Percentage
Program Revenues				
Charges for Services	\$ 38,238	1.84%	\$ 37,399	1.83%
Operating Grants and Contributions	100,595	4.85%	97,895	4.78%
Capital Grants and Contributions	30,000	1.44%	45,000	2.19%
Total Program Revenues	168,833	8.13%	180,294	8.80%
General Revenues				
Property Taxes	1,110,929	53.51%	1,096,003	53.52%
Insurance Tax	658,314	31.71%	634,614	30.99%
Bank Franchise Tax	75,861	3.65%	74,401	3.63%
Cable Franchise Tax	28,928	1.39%	28,929	1.41%
Intergovernmental	179	0.01%	166	0.01%
Miscellaneous	5,396	0.26%	-	0.00%
Interest Income	23,135	1.11%	27,179	1.33%
Penalties & Interest	4,658	0.23%	6,949	0.34%
Net Gains (Losses) on Investments	-	0.00%	(623)	-0.03%
Total General Revenues	1,907,400	91.87%	1,867,618	91.20%
Total Revenues	\$ 2,076,233	100.00%	\$ 2,047,912	100.00%

Governmental Expenditures

Expenditures for the year ended June 30, 2014 were \$1,941,479 which represents a decrease of \$121,193 over the previous fiscal year. Expenditures decreased mainly due to decreased spending on public works and road maintenance. Expenditures are reported as follows:

	2014		2013	
	Amount	Percentage	Amount	Percentage
Program Expenses:				
General Government	\$ 426,868	21.99%	\$ 421,672	20.44%
Public Safety	190,068	9.79%	228,971	11.10%
Public Works	784,271	40.40%	816,895	39.60%
Sanitation	409,444	21.09%	407,879	19.77%
Road Maintenance	129,895	6.69%	185,152	8.98%
Unallocated Depreciation	933	0.04%	2,103	0.11%
Total Expenses	\$ 1,941,479	100.00%	\$ 2,062,672	100.00%

Excess of Revenues over Expenditures

	2014	2013
Total Revenues	\$ 2,076,233	\$ 2,047,912
Total Expenses	1,941,479	2,062,672
Excess of Revenues Over Expenses	\$ 134,754	\$ (14,760)

Change in Net Position

	<u>2014</u>	<u>2013</u>
Beginning Net Position	\$ 3,256,881	\$ 3,271,641
Increase in Net Position	134,754	(14,760)
Ending Net Position	<u>\$ 3,391,635</u>	<u>\$ 3,256,881</u>

FIXED ASSETS

For the year ended June 30, 2014, the City had \$1,423,630 invested in fixed assets including land, vehicles, equipment and infrastructure. A schedule of the changes in fixed assets during this fiscal year is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Non-depreciable Assets:				
Land	\$ 53,175	\$ -	\$ -	\$ 53,175
Total non-depreciable assets	<u>53,175</u>	<u>-</u>	<u>-</u>	<u>53,175</u>
Depreciable Assets:				
Vehicles	18,165	-	-	18,165
Equipment	12,299	-	-	12,299
Infrastructure	1,219,910	120,081	-	1,339,991
Total depreciable assets	<u>1,250,374</u>	<u>120,081</u>	<u>-</u>	<u>1,370,455</u>
Total fixed assets	<u>1,303,549</u>	<u>120,081</u>	<u>-</u>	<u>1,423,630</u>
Accumulated Depreciation:				
Vehicles	18,165	-	-	18,165
Equipment	12,299	-	-	12,299
Infrastructure	337,297	130,828	-	468,125
Total accumulated depreciation	<u>367,761</u>	<u>130,828</u>	<u>-</u>	<u>498,589</u>
Governmental activities fixed assets, net	<u>\$ 935,788</u>	<u>\$ (10,747)</u>	<u>\$ -</u>	<u>\$ 925,041</u>

This year's major fixed asset additions were:

Paving \$ 120,081

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Our analysis of the City's major funds begins on page 10. The fund financial statements provide detailed information about the governmental fund – not the City as a whole. 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 this is available for spending in the next period. This fund is reported using the accounting method called the modified accrual basis of 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 to 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 a reconciliation at the bottom of the fund financial statements.

GENERAL FUND BUDGETARY FUND HIGHLIGHTS

For the year ended June 30, 2014, general fund revenues of \$1,973,623 were \$142,923 more than the \$1,830,700 budgeted. Revenue sources with a budget shortfall included cable franchise, alcohol license fees, and interest income. For the year ended June 30, 2014, general fund expenditures of \$1,840,732 were \$356,068 less than the \$2,196,800 budgeted. The City did not exceed budget in any department during this fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The slight increases in property taxes are the result of minor reassessments of commercial properties within the City. However, residential property values remain stable. The economic outlook should remain level for the upcoming fiscal year.

Expenses decreased by \$121,193 over the previous fiscal year with most of that occurring within Public Works and Road Maintenance. The "bottom line" of the City of Hurstbourne, Kentucky continues to be strong with excess reserve funds and no debt.

The 2014-2015 budget calls for continued reinvestment in the City of Hurstbourne, Kentucky's infrastructure and other fixed assets. Additional phases of road resurfacing, gateway entrance improvements, sidewalk ramp construction, and tree canopy replacements represent the bulk of increased expenses for the upcoming fiscal year. Funding of these projects shall come from budgeted expenses and grant proceeds.

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 to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City Clerk/ City Administrator's Office at 304 Whittington Parkway, Suite 100, Hurstbourne, Kentucky 40222 during normal business hours.

CITY OF HURSTBOURNE, KENTUCKY
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government Governmental Activities
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents (\$11,720 restricted)	\$ 1,927,056
Investments	398,717
Accounts Receivable (\$8,735 restricted)	187,398
Prepaid Expenses	2,067
Total Current Assets	2,515,238
Non-current Assets:	
Non-Depreciable Fixed Assets	53,175
Depreciable Fixed Assets, net	871,866
Total Non-current Assets	925,041
Total Assets	\$ 3,440,279
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 28,119
Construction Deposits	20,525
Total Liabilities	48,644
<u>NET POSITION</u>	
Net Investment in Capital Assets	925,041
Restricted for Roads	20,455
Unrestricted	2,446,139
Total Net Position	\$ 3,391,635

See the accompanying notes to the financial statements.

**CITY OF HURSTBOURNE, KENTUCKY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Net (Expense) Revenue</u>
Primary Government:					
Governmental Activities:					
General Government	\$ 426,868	\$ 38,238	\$ -	\$ -	\$ (388,630)
Public Safety	190,068	-	-	-	(190,068)
Public Works	784,271	-	-	30,000	(754,271)
Sanitation	409,444	-	-	-	(409,444)
Road Maintenance	129,895	-	100,595	-	(29,300)
Depreciation not allocated elsewhere	933	-	-	-	(933)
Total Governmental Activities	<u>1,941,479</u>	<u>38,238</u>	<u>100,595</u>	<u>30,000</u>	<u>(1,772,646)</u>
Total Primary Government	<u>\$ 1,941,479</u>	<u>\$ 38,238</u>	<u>\$ 100,595</u>	<u>\$ 30,000</u>	<u>\$ (1,772,646)</u>
			<u>Primary Government</u>		
			<u>Governmental Activities</u>		
Changes in Net Assets:					
Net Expense		<u>\$ (1,772,646)</u>			
General Revenues:					
Taxes:					
Property Taxes		\$ 1,110,929			
Insurance Tax		658,314			
Bank Franchise Tax		75,861			
Cable Franchise Tax		28,928			
Intergovernmental		179			
Penalties & Interest		4,658			
Interest Income		23,135			
Other Income		<u>5,396</u>			
Total General Revenues		<u>1,907,400</u>			
Change in Net Position		134,754			
Net Position - July 1, 2013		<u>3,256,881</u>			
Net Position - June 30, 2014		<u>\$ 3,391,635</u>			

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

GOVERNMENTAL FUND TYPES

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Government Funds</u>
ASSETS			
Cash	\$ 1,915,336	\$ 11,720	\$ 1,927,056
Investments	398,717	-	398,717
Accounts Receivable	178,663	8,735	187,398
Prepaid Expenses	2,067	-	2,067
Total Assets	<u>2,494,783</u>	<u>20,455</u>	<u>2,515,238</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	28,119	-	28,119
Construction Deposits	20,525	-	20,525
Total Liabilities	<u>48,644</u>	<u>-</u>	<u>48,644</u>
Deferred Inflows of Resources:			
Unavailable Revenue	9,746	-	9,746
Total Deferred Inflows of Resources	<u>9,746</u>	<u>-</u>	<u>9,746</u>
Fund Balances:			
Nonspendable Fund Balances	2,067	-	2,067
Restricted Fund Balances	-	20,455	20,455
Assigned Fund Balances	318,340	-	318,340
Unassigned Fund Balances	2,115,986	-	2,115,986
Total Fund Balance	<u>2,436,393</u>	<u>20,455</u>	<u>2,456,848</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,494,783</u>	<u>\$ 20,455</u>	<u>\$ 2,515,238</u>

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
RECONCILIATION OF TOTAL FUND BALANCE - GOVERNMENTAL FUNDS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Reconciliation of total fund balance - governmental funds to total net position of governmental activities:

Total Fund Balance - Governmental Funds	\$ 2,456,848
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Certain property tax revenues are earned but not available and therefore are shown as unavailable revenue in the fund financial statements	9,746
Fixed assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$498,589	<u>925,041</u>
Net Position of Governmental Activities	<u>\$ 3,391,635</u>

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>GOVERNMENTAL FUND TYPES</u>		
	General Fund	Special Revenue Fund	Totals Governmental Funds
REVENUE			
Property Taxes	\$ 1,108,914	\$ -	\$ 1,108,914
Bank Franchise Tax	75,861	-	75,861
Cable Franchise Tax	28,928	-	28,928
Insurance Tax	658,314	-	658,314
Intergovernmental	179	100,595	100,774
License and Permits	38,238	-	38,238
Grants	30,000	-	30,000
Interest Income	23,135	-	23,135
Penalties & Interest	4,658	-	4,658
Other Income	5,396	-	5,396
Total Revenue	<u>1,973,623</u>	<u>100,595</u>	<u>2,074,218</u>
EXPENDITURES			
General Government	426,868	-	426,868
Public Safety	190,068	-	190,068
Public Works	784,271	-	784,271
Sanitation	409,444	-	409,444
Capital Outlay	30,081	90,000	120,081
Total Expenditures	<u>1,840,732</u>	<u>90,000</u>	<u>1,930,732</u>
Net Change in Fund Balances	132,891	10,595	143,486
Fund Balances - July 1, 2013	<u>2,303,502</u>	<u>9,860</u>	<u>2,313,362</u>
Fund Balances - June 30, 2014	<u>\$ 2,436,393</u>	<u>\$ 20,455</u>	<u>\$ 2,456,848</u>

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
 RECONCILIATION OF THE NET CHANGES IN FUND BALANCE - TOTAL
 GOVERNMENTAL FUNDS TO THE CHANGE IN NET POSITION OF
 GOVERNMENTAL ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

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	\$	143,486
Amounts reported for governmental activities in the statement of activities are difference because:		
Some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are shown as a deferred inflow in the fund financial statements.		
Unavailable tax revenues increased by this amount this year		2,015
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital Outlays		120,081
Depreciation expense		<u>(130,828)</u>
Change in Net Position of Governmental Activities	\$	<u>134,754</u>

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Hurstbourne, Kentucky (the City) is a fourth 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, public works, recreation, and community development. Primary revenue sources are property taxes, municipal road aid, and insurance taxes. Those revenues susceptible to accrual are property taxes, franchise taxes, and municipal road aid.

All significant activities and organizations on which the City of Hurstbourne, Kentucky exercises oversight responsibility have been included in the City's financial statements, for the year ended June 30, 2014. 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 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. This 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.

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

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

Basic Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the City are classified as governmental activities; the City has no business-type activities.

Government-wide Financial Statements:

These financial statements display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds.

In the statement of net position, the governmental activities columns is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The statement of activities reports both the gross and net cost of each of the City's functions (administration, police, civil service, public works, etc.). The functions are also supported by general government revenues (property taxes, insurance, taxes, bank deposit taxes and certain intergovernmental revenues, etc.). The statement

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Basic Financial Statements – Continued

Government-wide Financial Statements – Continued

of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, insurance taxes, bank deposit taxes and certain intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs and all interfund activity is eliminated in the government-wide financial statements.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements:

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds, except that the primary operating fund of the City, the general fund, is always considered major. Those criteria for evaluation of all other funds are as follows:

- 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.

The funds of the financial reporting entity are described below:

Governmental type funds used by the primary government are as follows:

General Fund - The General Fund is the primary operating fund of the City and is 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. The City accounts for state road funds in the special revenue fund and considered it to be a major fund.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Basic Financial Statements – Continued

Fund Financial Statements – Continued

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

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

On 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.

Basis of Accounting

In the government-wide statement of net position and the 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.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

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.

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. 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 and not yet received. Major receivable balances for the governmental activities primarily include property taxes, insurance taxes, and municipal road aid.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions, collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

The City considers all receivables to be fully collectible; therefore, an allowance for doubtful accounts is not necessary.

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 \$5,000 or greater. Fixed assets are not reported on 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. Starting 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 HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Fixed Assets - Continued

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with 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 assets is as follows:

Vehicles	5 to 10 years
Equipment	5 to 7 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.

Deferred Inflow/Outflow of Resources

Deferred Outflows:

The City reports decreases in net position/fund balances that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position / fund financials balance sheet – governmental funds. No deferred outflows of resources affected either of these financial statements in the current year.

Deferred Inflows:

The City reports increases in net position/fund balances that related to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position / fund financials balance sheet – governmental funds. The City had no deferred inflows of resources to report in the government-wide statement of net position; however, such amounts are reported in the fund financial statement. The City only has one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the fiscal year) under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly deferred property taxes are reported in the fund financials balance sheet – governmental funds as unavailable revenue.

This change in the reporting of deferred property tax revenues is a result of the implementation of Statement of Governmental Accounting Standards (GASB Statement) No. 65, "Items Previously Reported as Assets and Liabilities." This statement requires the reclassification of certain assets and liabilities to deferred outflows / inflows as described above.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Accounts Payable

Accounts payable consist of trade payable to vendors who provide goods and services to the City.

Equity Classifications

Government-wide Financial Statements

The City reports the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources as net position. Net position is divided into three categories defined as follows:

- a. Net Investment in Capital Assets – Consists of the historical cost of capital assets including restricted capital assets, less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- b. Restricted net position – Consist of assets that are restricted by the City’s creditors (for example through debt covenants), by state enabling legislation (through restrictions on shared revenues) by grantors (both federal and state), by other contributors, or by enabling legislation.
- c. Unrestricted net position – Balance of net position not meeting the requirements of the other two categories.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- c. Committed – Amounts that can be used only for specific purposes determined by a formal action by the City Commission. The City Commission is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by the City Commission.
- d. Assigned – Amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commission or by an official or body to which the City Commission delegates authority.
- e. Unassigned – All amounts not included in other spendable classification.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Commission has provided for otherwise.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Property Tax Revenue

Property Tax Revenue is recognized when the bills become due and payable. Tax is assessed at a rate of .185 per \$100 valuations for real property based on the assessment by the Property Valuation Office.

The City assesses property taxes on January 1, and bills are due and payable by November 30th in the year assessed. Bills paid prior to August 31st are given a 5% discount. Bills paid from September 1st to November 30th are payable at the full face amount of the bill. All bills paid on or after December 1st are charged a 10% penalty and 1½% interest per month until collected. On bills collected after January 1st of the following year, an additional 15% penalty will be assessed on the face amount of the bill. Where a tax lien has been filed, the taxpayer shall be responsible for filing and release fees. Should the City have to initiate a lawsuit, or is named a party to a foreclosure action, to collect such delinquent taxes, then an additional 25% penalty shall be encompassed within the City's lien.

Bank Franchise and Local Deposit Tax

The City assess a bank franchise and local deposits tax on all financial institutions within the corporate limits of the City starting in the 2011 tax year. All deposits maintained by such institutions are assessed at the rate of 0.000250. Bills are issued prior to December 1st of each year. Any payment received prior to December 31st will be allowed a 2% discount; bills paid before January 31st of the following year will not receive any discount nor be assessed any penalties. Bills paid after January 31st shall be deemed delinquent and shall be subject to a penalty of 10% and shall bear interest at the rate of 12% per annum.

Business License

The City requires a license to be paid by anyone conducting business within the City. The fee for the license is \$75 and the license is good for a period not to exceed one year. Annual renewals may be granted to a licensee in good standing with payment of the \$75 license fee.

Expenditures/Expenses

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.

Compensated Absences

The City has not made an accrual for compensated absences because the amount is not significant.

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.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE B - 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 typically invests surplus cash at local banks in the form of certificates of deposit, savings accounts, and money market accounts. This plan subjects the City to the following types of risk:

Custodial Credit Risk – this is the risk that in the event of the failure of a counterparty (e.g., a bank) the City will not be able to recover the full value of its deposits or investments. This City considers this risk immaterial and as of June 30, 2014, \$1,263,071 of the government’s bank balance of \$2,465,262, including certificates of deposits shown as investments in the financial statements, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 116,279
Uninsured and collateral held by pledging bank	1,146,792
Uninsured and collateral held by pledging bank’s trust department not in City’s name	-
	\$ 1,263,071

Concentration of Credit Risk – this is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City has addressed this risk by purchasing investments that are secured by FDIC insurance.

Interest Rate Risk – this is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The City has attempted to address this risk by diversifying the investments and their maturity dates to minimize the risk of loss.

Investments at June 30, 2014 consisted of certificates of deposit with local financial institutions. The market value and the cost of these investments were essentially the same at June 30, 2014.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of the following:

Receivable Type	Statement of	Balance Sheet - Governmental Funds	
	Net Position	General	Special Revenue
	Governmental	Fund	Fund
	Activities		
Property Tax	\$ 10,129	\$ 10,129	\$ -
Insurance Tax	168,534	168,534	-
Intergovernmental	8,735	-	8,735
Total Receivables	\$ 187,398	\$ 178,663	\$ 8,735

NOTE D – FIXED ASSETS

Fixed asset activity for the year ended June 30, 2014, was as follows:

	Beginning	Additions	Retirements	Ending
	Balance			Balance
Governmental Activities				
Non-depreciable Assets:				
Land	\$ 53,175	\$ -	\$ -	\$ 53,175
Total non-depreciable assets	53,175	-	-	53,175
Depreciable Assets:				
Vehicles	18,165	-	-	18,165
Equipment	12,299	-	-	12,299
Infrastructure	1,219,910	120,081	-	1,339,991
Total depreciable assets	1,250,374	120,081	-	1,370,455
Total fixed assets	1,303,549	120,081	-	1,423,630
Accumulated Depreciation:				
Vehicles	18,165	-	-	18,165
Equipment	12,299	-	-	12,299
Infrastructure	337,297	130,828	-	468,125
Total accumulated depreciation	367,761	130,828	-	498,589
Governmental activities fixed assets, net	\$ 935,788	\$ (10,747)	\$ -	\$ 925,041

Depreciation expense of \$130,828 was allocated to the various functions on the statement of activities as follows:

Governmental Activities	
Road Maintenance	\$ 129,895
Unallocated	933
Total	\$ 130,828

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE H - EMPLOYEE RETIREMENT SYSTEM - CONTINUED

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan, except for persons hired on or after September 1, 2008 who are required to contribute 6 percent. The City's contribution rate for nonhazardous employees was 18.89 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is 65, with a minimum of 60 months service credit.

The City's payments to the plan are as follows:

Fiscal Year Ending June 30th	Required Contributions		Total	Percent Contributed
	Employees	City		
2012	\$ 7,107	\$ 25,541	\$ 32,648	100%
2013	\$ 6,279	\$ 22,875	\$ 29,154	100%
2014	\$ 6,611	\$ 23,270	\$ 29,881	100%

CERS also provides post-retirement health care coverage, for members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

<u>Years of Service</u>	<u>% Paid by Insurance Fund</u>	<u>% Paid by Member through Payroll Deduction</u>
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount.

As a result of Senate Bill 2, a new subdivision of CERS was added – They Hybrid Cash Balance Plan (Tier 3) – for members who began participation on or after January 1, 2014. Employees covered under this plan have all of their payroll deduction contributions and a portion of the employer's contribution credited toward a "cash balance" account which has a guaranteed minimum return on investment (currently 4%). Retirement benefits under this portion of the plan vary based upon the investment performance of the underlying "cash balance." Covered employees are credited with their applicable period payroll reductions (5 percent for nonhazardous duty employees). The credited portion of the employer's contribution rate was 4 percent for nonhazardous duty employees. A participant vests after 60 service months and may withdraw any amounts accumulated under this subdivision of the plan upon separation from service subject to all applicable IRS guidelines. Non vested members may withdraw amounts resulting from the employee portion of the contributions only.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE H - EMPLOYEE RETIREMENT SYSTEM - CONTINUED

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement System's annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by telephone at (502) 564-4646.

NOTE I - INTERGOVERNMENTAL REVENUE

Under the provisions of state law, the Commonwealth of Kentucky reimbursed the City for coal and mineral severance and costs associated with road maintenance and repair during the year ended June 30, 2014.

NOTE J - LITIGATION

The City is involved in 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 forecast with certainty, final disposition should not have a material effect on the financial position of the City.

NOTE K - 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 commercial insurance coverage for each of the above risks of loss. Management believes 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 past three fiscal years.

CITY OF HURSTBOURNE, KENTUCKY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revisions	Revised Budget	Total Actual	Variance
<u>REVENUES</u>					
Taxes:					
Property Taxes	\$ 1,083,000	\$ -	\$ 1,083,000	\$ 1,108,914	\$ 25,914
Insurance Premium Tax	575,000	-	575,000	658,314	83,314
Bank Franchise	75,000	-	75,000	75,861	861
Cable Franchise	30,000	-	30,000	28,928	(1,072)
License and Permits:					
Sign Permits	4,000	-	4,000	11,813	7,813
Alcohol License Fee	20,000	-	20,000	15,300	(4,700)
Home Occupation Income	1,000	-	1,000	775	(225)
Business License	7,200	-	7,200	10,350	3,150
Intergovernmental					
Coal & Mineral Income	500	-	500	179	(321)
Grant Income	-	-	-	30,000	30,000
Property Tax Penalties and Interest	5,000	-	5,000	4,658	(342)
Other Income	5,000	-	5,000	5,396	396
Interest Income	25,000	-	25,000	23,135	(1,865)
Total Revenues before Prior Year Fund Balance	<u>1,830,700</u>	<u>-</u>	<u>1,830,700</u>	<u>1,973,623</u>	<u>142,923</u>
Prior Year Fund Balance:					
Appropriated for Current Year Budget	<u>366,100</u>	<u>-</u>	<u>366,100</u>	<u>-</u>	<u>(366,100)</u>
Total Revenues and Prior Year Fund Balance	<u>2,196,800</u>	<u>-</u>	<u>2,196,800</u>	<u>1,973,623</u>	<u>(223,177)</u>
<u>EXPENDITURES AND ENCUMBRANCES</u>					
General Government:					
General and Administrative Expenditures					
General Government:					
City Attorney Retainer	20,000	-	20,000	24,980	(4,980)
Outside Counsel	2,000	-	2,000	1,000	1,000
Auditor	6,000	-	6,000	5,400	600
Financial Assistant	30,000	-	30,000	25,035	4,965
Public Record Sales	1,000	-	1,000	-	1,000
Recording Secretary	4,000	-	4,000	3,384	616
Advertising	6,500	-	6,500	9,063	(2,563)
Travel	1,000	-	1,000	2,312	(1,312)
Memberships and Training	3,000	-	3,000	2,539	461
Subscriptions	3,000	-	3,000	660	2,340
Refreshments	1,000	-	1,000	551	449
Office Space Lease	40,600	-	40,600	39,583	1,017
Safety Deposit Box	200	-	200	165	35
Telephones	4,000	-	4,000	3,749	251

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revisions	Revised Budget	Total Actual	Variance
EXPENDITURES AND ENCUMBRANCES - Continued					
General Government: (Continued)					
General and Administrative Expenditures (Continued)					
General Government (Continued):					
Published City Directory	5,000	-	5,000	-	5,000
PVA Assessment	35,000	-	35,000	31,643	3,357
Automotive	5,000	-	5,000	2,974	2,026
General Government Miscellaneous	15,000	-	15,000	3,564	11,436
General Government Contingency	20,000	-	20,000	-	20,000
Office Supplies:					
Supplies	3,000	-	3,000	1,726	1,274
Office Equipment	3,000	-	3,000	400	2,600
Postage	3,000	-	3,000	3,603	(603)
Computer Equipment	5,000	-	5,000	170	4,830
Computer Software	2,000	-	2,000	400	1,600
Equipment Maintenance	3,000	-	3,000	2,578	422
Printing - Newsletter	4,000	-	4,000	1,642	2,358
Printing - Other	2,000	-	2,000	1,336	664
Web Page	2,000	-	2,000	519	1,481
Personnel:					
Salaries and Wages	164,500	-	164,500	157,571	6,929
Payroll Taxes - FICA	12,500	-	12,500	11,648	852
Payroll Taxes Unemployment	2,000	-	2,000	1,207	793
Payroll Service	2,000	-	2,000	1,444	556
Retirement Contribution	23,500	-	23,500	23,270	230
Health Insurance	40,000	-	40,000	37,408	2,592
Dental Insurance	6,500	-	6,500	6,637	(137)
Insurance:					
Insurance/Liability	16,000	-	16,000	13,040	2,960
Insurance/Property	2,000	-	2,000	1,851	149
Bonding	4,000	-	4,000	3,162	838
Workers Compensation	1,000	-	1,000	654	346
Total General Government	<u>503,300</u>	<u>-</u>	<u>503,300</u>	<u>426,868</u>	<u>76,432</u>
Public Safety:					
Vehicle/Pedestrian Safety					
Police Patrols	60,000	-	60,000	35,945	24,055
Street Lighting - Electricity	120,000	-	120,000	112,108	7,892
Electrical Repairs - Improvements	5,000	-	5,000	3,401	1,599

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revisions	Revised Budget	Total Actual	Variance
EXPENDITURES AND ENCUMBRANCES - Continued					
Public Safety (Continued):					
Vehicle/Pedestrian Safety (Continued):					
Street Signs and Markings	30,000	-	30,000	245	29,755
Traffic Control Maintenance	10,000	-	10,000	-	10,000
Sign Upgrade Project	60,000	-	60,000	36,337	23,663
General Public Safety					
Public Safety Miscellaneous	6,000	-	6,000	1,552	4,448
Public Safety Contingency	5,000	-	5,000	-	5,000
Block Watch					
Newsletter/Communications	4,000	-	4,000	480	3,520
Supplies and Promotions	2,000	-	2,000	-	2,000
Total Public Safety	<u>302,000</u>	<u>-</u>	<u>302,000</u>	<u>190,068</u>	<u>111,932</u>
Public Works:					
General:					
Holiday Decorations	25,000	-	25,000	18,721	6,279
Public Works Miscellaneous	20,000	-	20,000	12,645	7,355
Public Works Contingency	40,000	-	40,000	-	40,000
Landscaping:					
Landscaping Other	1,000	-	1,000	-	1,000
Horticulturalist	23,000	-	23,000	21,515	1,485
Contract Gardener	175,000	-	175,000	121,561	53,439
Maintenance:					
Grass Cutting	115,000	-	115,000	96,805	18,195
Chemical Applications	38,000	-	38,000	46,259	(8,259)
Irrigation					
Annual Service Contract	30,000	-	30,000	32,163	(2,163)
System Replacement	8,000	-	8,000	443	7,557
Water	70,000	-	70,000	82,791	(12,791)
Electrician/Landscape	10,000	-	10,000	2,629	7,371
Other Maintenance	5,000	-	5,000	-	5,000
Special Projects:					
Picnic	10,000	-	10,000	6,666	3,334
Concert	5,000	-	5,000	5,395	(395)
Hazardous Tree Inspections	2,000	-	2,000	-	2,000
Entrance Improvements & Upgrades	75,000	-	75,000	17,597	57,403

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revisions	Revised Budget	Total Actual	Variance
EXPENDITURES AND ENCUMBRANCES - Continued					
Public Works (Continued):					
Special Projects (Continued):					
Primary Medians	15,000	-	15,000	-	15,000
Secondary Medians	20,000	-	20,000	-	20,000
Bridle Path - Wimborne	2,000	-	2,000	-	2,000
Parks	5,000	-	5,000	-	5,000
Spring/Fall Planting:					
Flowers	20,000	-	20,000	18,037	1,963
Replacement Plants/Shrubs	20,000	-	20,000	18,009	1,991
Mulch	32,000	-	32,000	26,367	5,633
Tree Replacement	30,000	-	30,000	3,141	26,859
Tree Removal	20,000	-	20,000	9,264	10,736
Roads:					
City Engineer	42,000	-	42,000	41,791	209
Scheduled Maintenance-Resurfacing	50,000	-	50,000	100,440	(50,440)
Unscheduled Maintenance	10,000	-	10,000	10,290	(290)
Street Cleaning	2,000	-	2,000	-	2,000
Snow Removal	40,000	-	40,000	121,823	(81,823)
Total Public Works	<u>960,000</u>	<u>-</u>	<u>960,000</u>	<u>814,352</u>	<u>145,648</u>
Sanitation - Code Enforcement:					
Sanitation					
Residential Collection	420,000	-	420,000	406,156	13,844
Publications	1,000	-	1,000	469	531
Sanitation Contingency	2,000	-	2,000	-	2,000
Sanitation Miscellaneous	1,000	-	1,000	-	1,000
Code Enforcement					
Code Enforcement Miscellaneous	5,000	-	5,000	2,819	2,181
Code Enforcement Contingency	2,500	-	2,500	-	2,500
Total Sanitation	<u>431,500</u>	<u>-</u>	<u>431,500</u>	<u>409,444</u>	<u>22,056</u>
Total Expenditures	<u>2,196,800</u>	<u>-</u>	<u>2,196,800</u>	<u>1,840,732</u>	<u>356,068</u>
Net Change in Fund Balance	-	-	-	132,891	132,891
Fund Balance - July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,303,502</u>	<u>2,303,502</u>
Fund Balance - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,436,393</u>	<u>\$ 2,436,393</u>

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
BUDGETARY COMPARISON SCHEDULE - MUNICIPAL ROAD AID FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Total Actual</u>	<u>Variance</u>
<u>REVENUES</u>					
Municipal Road Aid:					
Intergovernmental Revenue	\$ 90,000	\$ -	\$ 90,000	\$ 100,595	\$ 10,595
Total Revenues before Prior Year Fund Balance	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>100,595</u>	<u>10,595</u>
Prior Year Fund Balance:					
Appropriated for Current Year Budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Prior Year Fund Balance	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>100,595</u>	<u>10,595</u>
<u>EXPENDITURES AND ENCUMBRANCES</u>					
Municipal Road Aid:					
Street Paving and Repairs	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total Municipal Road Aid	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	-	-	-	10,595	10,595
Fund Balance - July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,860</u>	<u>9,860</u>
Fund Balance - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,455</u>	<u>\$ 20,455</u>

See the accompanying notes to the financial statements.

CITY OF HURSTBOURNE, KENTUCKY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION ON
BUDGETARY REPORTING
JUNE 30, 2014

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.

Encumbrances

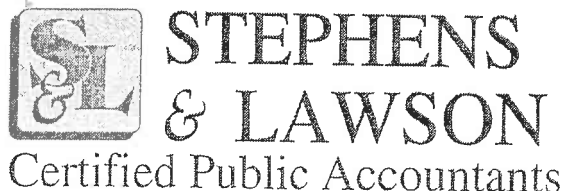
As previously disclosed, the City does not employ encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation.

Reconciliation

Certain expenditures are required to be reported as capital outlay on the fund financial statements regardless of the department or function within general government that acquires the capital item. For budgetary purposes however, the City budgets for those expenditures on specific lines of the department or function from which payment will be made. Differences between the budgetary basis as reported in the required supplementary information differs from the fund financial statements in the following areas:

<u>Budgetary Fund/Department/Line Item</u>	<u>Reported as Capital Outlay in the Fund Financials</u>	
	<u>General Fund</u>	<u>Municipal Road Aid Fund</u>
Public Works:		
Roads:		
Scheduled Maintenance - Resurfacing	\$ 30,081	\$ -
Roads		
Street Paving and Repairs	-	90,000
	\$ 30,081	\$ 90,000

INDEPENDENT AUDITOR'S 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*



Independent Auditor's 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 Members of the City Commission
City of Hurstbourne, 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 major fund of the City of Hurstbourne, Kentucky, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Hurstbourne, Kentucky's basic financial statements, and have issued our report thereon dated December 8, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Hurstbourne, Kentucky'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Hurstbourne, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Hurstbourne, 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. 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 City of Hurstbourne, Kentucky's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Stephens & Lawson CPAs

Louisville, Kentucky
December 8, 2014

City of Hurstbourne – 2015 NDF Application / Additional Information

1. List of the three highest paid staff.
Staff of only two:
Jim Leidgen, City Administrative Officer
Victoria Lemke, Administrative Assistant
2. At the bottom, we need to list that there are no relationships with Councilmembers.
We have no relationships with Councilmembers.
3. We need Hurstbourne's FY16 projected budget. We realize that you submitted the application during FY15, but we need the FY16 budget too.
(See attached 2015-2016 budget)

Jim Leidgen
City Administrative Officer

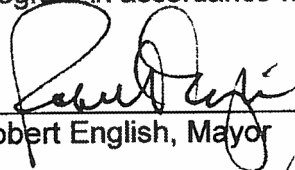
City of Hurstbourne Commission
Municipal Order No. 11-19 Series 2011
July 26, 2011

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 Program with Suburban Cities for a Capital Improvement Program [the "Program"; and

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

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

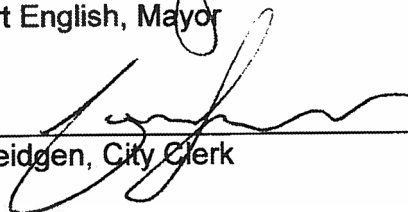
1. The City hereby elects to participate in the Program for capital projects which are authorized by LMCO 97.100.
2. The City agrees to construct projects funded in whole or in part by the Program in accordance with standards established in compliance with LMCO 97.100.



Robert English, Mayor



Date



Jim Leidgen, City Clerk



Date



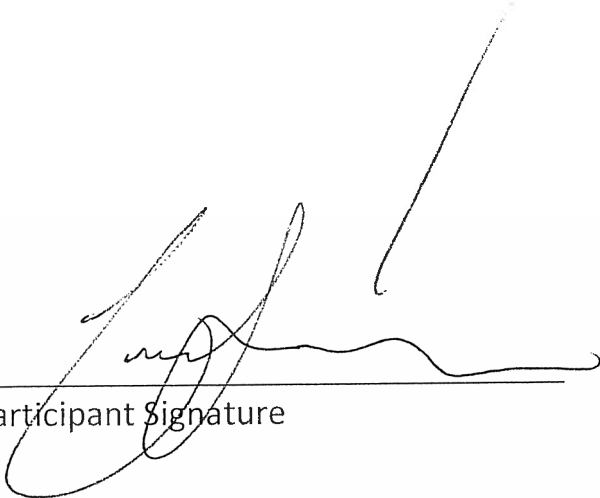
Louisville Metro Government
Office of Management and Budget

Neighborhood Development Fund Training Attestation

Organization Name: CITY OF HURSTBOURNE

Participant Name: JIM LEIDGEN

I agree that I am an authorized signatory of the organization named above and attest to having participated in reviewing the PowerPoint and the NDF financial reporting examples. In addition, I understand the requirements of the Neighborhood Development Fund grant process and the financial reporting documentation guidelines.


Participant Signature

11/19/2014
Date