

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION			
Legal Name of Applicant Organization: City of Middletown <i>(as listed on: http://www.sos.ky.gov/business/records)</i>			
Main Office Street & Mailing Address: 11803 Old Shelbyville Rd 40243 Mail: PO Box 43048, 40253			
Website: cityofmiddletownky.org			
Applicant Contact:	Deborah Columbia	Title:	City Clerk
Phone:	502.245.2762	Email:	deborah@cityofmiddletownky.org
Financial Contact:	Tracy Dohn	Title:	Treasurer
Phone:	502.245.2762	Email:	tracy@cityofmiddletownky.org
Organization’s Representative who attended NDF Training: Deborah Columbia			
GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
Program Facility Location(s):	Middletown City Hall 11803 Old Shelbyville Rd. Middletown KY 40243		
Council District(s):	19	Zip Code(s):	40243
SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION			
PROGRAM/PROJECT NAME: Radio upgrades and ballistic helmet shields			
Total Request: (\$)	10,000	Total Metro Award (this program) in previous year: (\$)	9500
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"/> Current financial statement Most recent IRS Form 990 or 1120-H Articles of Incorporation (current & signed) <input checked="" type="checkbox"/> Cost estimates from proposed vendor if request is for capital expense		Signed lease if rent costs are being requested <input checked="" type="checkbox"/> IRS Form W9 Evaluation forms if used in the proposed program <input checked="" type="checkbox"/> Annual audit (if required by organization) Faith Based Organization Certification Form, if applicable	
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 checked="" type="checkbox"/> No			

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The City of Middletown/Middletown Police Department strive to provide it's residents with excellent services and protections in an efficient manner.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 – BOARD OF DIRECTORS AND PAID STAFF

Board Member	Term End Date
J. Byron Chapman, Mayor	Jan 1, 2023
Ron Wolf, Commissioner	Jan 1, 2021
Amy Oliver, Commissioner	Jan 1, 2021
Mark Stigers, Commissioner	Jan 1, 2021
Paul Zimmerman, Commissioner	Jan 1, 2021

Describe the Board term limit policy:
 Commissioners are 2 year terms and mayor is 4 years.

Three Highest Paid Staff Names	Annual Salary
Robert Herman, Police Chief	65,000
Marty Stansbury, Director of Operations	71,580
Deborah Columbia, City Clerk	66,000

Applicant's Initials 

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – PROGRAM/PROJECT NARRATIVE

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

The start of this project will begin as soon as the items are received and as conditions dictate.

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

The funding will be spent on the: Mobile radio upgrades that will allow for the addition of encrypted channels and ballistic helmets w/ face shields.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

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

Not a fundraiser.

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:

- 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.

- Reimbursements should not be made before application date 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.

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 radio upgrades were mandated by Louisville Metro Police in order to use their encrypted channels. This will allow the PD to communicate with LMPD and other agencies in the event of a large scale deployment.

The ballistic helmets will be used for: response to active shooter (school, shopping center, etc.), COVID-19 issues and situations involving crowd control.

These items are not unique to Middletown. They are used throughout the Metro area. They will be used when the PD is called to assist another agency. The items are also compatible with equipment used in the Metro area.

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.

The Middletown Police Department has partnered with the police departments of LMPD, St. Matthews, J-Town, Anchorage, Prospect, West Buechel and Graymoor-Devondale. If a situation should arise in any of these cities MPD will assist and vice versa.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – 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 (See Detailed List on Page 8)			
G: Professional Service Contracts			
H: Program Materials			
I: Community Events & Festivals (See Detailed List on Page 8)			
J: Machinery & Equipment			
K: Capital Project	10000	4603	14603
L: Other Expenses (See Detailed List on Page 8)			
*TOTAL PROGRAM/PROJECT FUNDS	10,000	4,603	14,603
% of Program Budget	68 %	32 %	100%

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

Other State, Federal or Local Government	
United Way	
Private Contributions (do not include individual donor names)	
Fees Collected from Program Participants	
Other (please specify) City of Middletown	4,603
Total Revenue for Columns 2 Expenses **	4,603

*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 for Client Assistance, Community Events & Festivals or Other Expenses shown on Page 7 (circle one and use multiple sheets if necessary)	Column 1	Column 2	Column (1 + 2)=3
	Proposed Metro Funds	Non- Metro Funds	Total Funds
Total			

Applicant's Initial *GLA*

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		
Total Value of In-Kind (to match Program Budget Line Item. 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: 7/1/2020

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

If YES, please explain:

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 7 – 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 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 and the funds will not be disbursed to our organization.
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 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.


Standard Certifications

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

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

SECTION 8 – CERTIFICATIONS & ASSURANCES

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

Signature of Legal Signatory: 	Date:	9/21/2020
Legal Signatory: (please print): J. Byron Chapman	Title:	Mayor
Phone: 502.245.2762	Extension:	Email: mayor@cityofmiddletownky.org

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT
40620

September 22, 1980

City of Middletown
P.O. Box 43048
Middletown, KY 40248

PURCHASE EXEMPTION NUMBER: CT-56-182

SUBJECT: Exempt Purchases

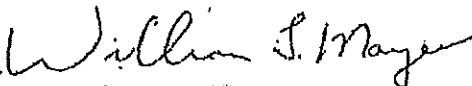
Based on the information submitted in your "Application for Purchase Exemption - Sales and Use Tax", you are hereby authorized to purchase tangible personal property or services without paying or reimbursing the vendor for the sales or use tax with respect to such purchases. A copy of this letter should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

Every vendor making such sales must require an official or an employee exercising comparable authority of the federal, state or local governmental unit to sign and acknowledge in writing on a copy of the invoice that the sale and delivery of the property was actually made to a unit of federal, state or local government. The invoice shall be retained by the vendor as documentary evidence in support of his deduction of the sale from gross receipts on his sales tax return. For proper reporting, the vendor must deduct receipts from these sales on Line 17 of his return.

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

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

In the event there is a change in your operations from the information submitted in your application, you must notify the department immediately.



William L. Mayes
Technical Division
(502) 564-8054



Department of the Treasury
Internal Revenue Service

Cincinnati Service Center
CINCINNATI OH 45999-0038

In reply refer to: 0256554941
Jan. 14, 2020 LTR 4076C 0
61-1030668 000000 00

00006833
BODC: TE

CITY OF MIDDLETOWN KENTUCKY
PO BOX 43048
MIDDLETOWN KY 40253



013536

Taxpayer identification number: 61-1030668
Person to contact: Customer Service
Toll-free telephone number: 877-829-5500

Dear To Whom It May Concern:

We received your request dated Jan. 07, 2020, asking about your federal tax status. Our records don't specify your federal tax status. The following information about the tax treatment of state and local governments and affiliated organizations may help you.

GOVERNMENTAL UNITS

Governmental units, such as states and their political subdivisions, generally are not subject to federal income tax. Political subdivisions of a state are entities with the authority to exercise one or more of the sovereign powers of the state: taxation, police powers, or eminent domain. They typically include counties or municipalities and their agencies or departments. Charitable contributions to governmental units may be tax-deductible under Internal Revenue Code (IRC) Section 170(c)(1) if made for an exclusively public purpose. Generally, grantors and contributors may rely on the status of governmental units based on state or local law in determining the deductibility of their contributions.

AFFILIATED ORGANIZATIONS

* INSTRUMENTALITIES

In general, an instrumentality is an entity separate from, but affiliated with, a state or local government, and lacking any sovereign powers. Instrumentalities generally are subject to federal income tax. However, they may be recognized as tax-exempt under IRC Section 501(a) as organizations described in IRC Section 501(c), including IRC Section 501(c)(3). In addition, the income of a state or local government instrumentality may be excluded from gross income if it meets the requirements of IRC Section 115(1).

* ENTITIES MEETING THE REQUIREMENTS OF IRC SECTION 115(1)

An entity that is not a governmental unit but that performs an essential governmental function may qualify for an income exclusion under IRC Section 115(1). If the entity's income (1) is derived from a

APPROVED OPERATING EXPENSES 2020-2021

FINAL

	A	B	C	D	E	F	
1	APPROVED 06/11/2020	OPERATING EXPENSE	April	APPROVED	Approved	1 CAR/with 2% Raises=\$17,510.40 for all employees	
2		WORKSHEET	Actual	Budget	Budget		Comments
3			2020	2019-2020	2020-2021		
4	12566 SHELBYVILLE ROAD: Lisa Lynn						
5	500.1	Insurance	1,233.47	1,234.00	1,380.69	Per KLC	
6	501.1	Maintenance	62.56	6,000.00	2,000.00		
7	502.1	Mowing	900.00	2,000.00	0.00	City to take over mowing	
8	503.1	Utilities	1,826.65	3,000.00	7,200.00	Increased due to City paying for 1 meter	
9	EXP. FOR 12566 S'VILLE RD.:		4,022.68	12,234.00	10,580.69		
10							
11							
12							
13	COMMUNITY CENTER:						
14	510.1	Insurance	5,582.33	5,583.00	5,704.67	Per KLC	
15	511.1	Maintenance	18,594.78	20,000.00	10,000.00	Per Marty-Reduced, CC in good shape	
16	513.1	Utilities	20,173.68	25,000.00	24,000.00		
17	EXPENSES FOR COMM. CENTER:		44,350.79	50,583.00	39,704.67		
18							
19							
20							
21	COMMUNITY OUTREACH PROGRAMS:						
22	522.1	Middletown Museum	6,708.51	8,982.00	8,982.00		
23	522.2	Museum New Hire		10,000.00	0.00	Remove	
24	523.1	Newsletter	14,659.94	15,000.00	11,000.00	Changed to 2 mailings this budget	
25	526.1	Miscellaneous Outreach	411.98	500.00	500.00		
26	528.1	Non-Profit Organizations	3,250.00	3,000.00	3,000.00		
27	695.1	Middletown Chamber	50,000.00	50,000.00	50,000.00	Per Commission-Disburse quarterly	
28		Honor Guard	0.00	0.00	0.00	Honor Guard - remove this year to save \$\$	
29	585.1	Middletown School Donations					
30		524.1 EHS Project Graduation	500.00	500.00	0.00		
31		524.2 EHS Basketball Tourney	1,501.00	2,500.00	2,500.00		
32		524.3 EHS Band Classic	1,948.51	9,500.00	4,000.00		
33		524.4 EHS Yearbook	0.00	100.00	0.00		
34		524.5 EHS Track Meets	8,999.60	9,000.00	0.00		
35	EXP. FOR COMMUNITY OUTREACH:		87,979.54	109,082.00	79,982.00		
36							
37							
38							
39	CROSS CREEK PARK						
40	530.1	Insurance	35.86	36.00	37.92	Per KLC	
41	531.1	Maintenance	949.23	5,000.00	2,000.00	Per Marty	
42	532.1	Mowing	1,440.00	3,200.00	0.00	City to take over mowing	
43	EXP. CROSS CREEK PARK:		2,425.09	8,236.00	2,037.92		
44							
45							
46							
47	HISTORIC GAS STATION:						
48	540.1	Insurance	166.99	167.00	168.61	Per KLC	
49	541.1	Maintenance	4,789.19	5,000.00	500.00	Per Marty-Reduced GS makeover this year	
50	542.1	Utilities	396.18	500.00	500.00		
51	EXP. FOR HISTORIC GAS STATION:		5,352.36	5,667.00	1,168.61		
52							
53							
54							
55							
56							
57						PAGE 1 of 5 (EXPENSES)	
58	LEGAL/PROFESSIONAL FEES:						
59							
60	549.1	Law Suits	0.00	20,000.00	20,000.00	Per Singler	

APPROVED OPERATING EXPENSES 2020-2021
FINAL

	A	B	C	D	E	F
1	APPROVED 06/11/2020	OPERATING EXPENSE	April	APPROVED	Approved	1 CAR/with 2% Raises=\$17,510.40 for all employees
2		WORKSHEET	Actual	Budget	Budget	Comments
3			2020	2019-2020	2020-2021	
61	550.1	Fixed Legal Fees	27,391.00	35,000.00	35,000.00	Per Singler
62	551.1	Litigation/Liens	510.00	2,000.00	2,000.00	
63	552.1	Audit Fees	6,950.00	6,950.00	7,250.00	Per Welenken
64	554.1	PVA Fees	40,000.00	40,000.00	40,000.00	Per PVA
65	555.1	Membership Dues	2,796.00	5,000.00	5,000.00	
66	EXPENSES FOR LEGAL/PROF. FEES:		77,647.00	108,950.00	109,250.00	
67						
68						
69						
70	OFFICE SUPPLIES/EQUIPMENT:					
71	560.2	Postage	5,662.27	10,000.00	8,000.00	
72	560.3	Office supplies/Printing	23,725.69	25,000.00	23,000.00	Reduced to cut expenses
73	561.1	Leased Office Equipment	425.94	2,000.00	2,000.00	
74	562.1	Telephone & Cable	25,450.88	20,000.00	34,000.00	Phone, internet, cable/City & Police
75	563.1	Advertising	2,449.84	10,000.00	5,000.00	Reduced to a more accurate figure
76	564.1	Computer Equipment & Programs	19,976.00	23,000.00	20,000.00	
77	566.1	Office Equipment/Repairs	11,629.96	10,000.00	10,000.00	City & Police
78	567.1	Computer Support/Email/Web/Backup	24,768.71	20,000.00	22,000.00	City & Police
79	566.1	Codification	2,915.80	3,000.00	3,000.00	
80	EXP. FOR OFFICE SUPPLIES/EQUIP.:		117,005.09	123,000.00	127,000.00	
81						
82						
83						
84	PERSONNEL:					
85	570.1	General Insurance	43,800.05	40,309.00	53,114.50	Per KLC -Due to New Hires & added cars
86	571.1	Salaries	337,326.65	381,100.00	410,000.00	2% Raise= \$8,025.40 over last year
87	579.1	Contract Labor	0.00	5,000.00	0.00	Per Marty take out this year
88	572.1	Workers Comp Insurance	26,219.07	25,798.92	33,571.72	Per KLC- Increase due to new hires
89	578.1	Surety Bond Insurance	1,346.31	1,500.00	1,500.00	
90	573.1	Payroll Tax	85,011.59	88,400.00	130,000.00	Doubled employee #/W Police xtra hires
91	574.1	Fringe Benefits	62,548.76	74,400.00	77,000.00	Doubled employee #/W Police xtra hires
92	575.1	Truck Expenses/Maint./Ins	4,904.10	5,000.00	5,000.00	
93	576.1	Miscellaneous/Training	5,772.46	10,000.00	10,000.00	
94	577.1	Code Enforcement Signs	75.00	500.00	500.00	
95	EXP. FOR PERSONNEL SERVICES:		567,003.99	632,007.92	720,686.22	
96						
97						
98	PRES., REC. & LANDSCAPING:					
99	580.1	City Landscape & Beautification	36,083.47	60,000.00	50,000.00	Per Marty
100	582.1	Light-Up Middletown	19,945.27	20,000.00	20,000.00	
101	583.1	Middletown Festival	42,000.00	63,000.00	0.00	Cancelled
102	584.2	City Festival	4,912.64	5,000.00	0.00	Cancelled
103	588.1	Willow Gate & Beckley Wood Mowing	4,320.00	9,500.00	0.00	City mowing
104	EXP. FOR PRES., REC. & LANDSCAPE:		107,261.38	157,500.00	70,000.00	
105						
106						
107						
108						
109						
110						
111						PAGE 2 OF 5 (EXPENSES)
112						
113	PUBLIC HEALTH & SAFETY:					
114	591.1	Sanitation Services	390,523.41	465,000.00	465,000.00	
115	593.1	Street Lights	143,239.96	150,000.00	154,000.00	Average cost for Streetlights
116	594.1	Mowing Pathways	900.00	2,000.00	0.00	
117	595.1	Delinquent Properties	0.00	5,000.00	5,000.00	

APPROVED OPERATING EXPENSES 2020-2021

FINAL

	A	B	C	D	E	F	
1	APPROVED 06/11/2020	OPERATING EXPENSE	April	APPROVED	Approved	1 CAR/with 2% Raises=\$17,510.40 for all employees	
2		WORKSHEET	Actual	Budget	Budget		Comments
3			2020	2019-2020	2020-2021		
116	605.1	Misc. City Maintenance	42,919.92	40,000.00	40,000.00	Per Marty	
119	596.1	Fuel for City Vehicles	6,104.69	6,000.00	6,500.00		
120	597.1	COVID-19 Expenses	3,274.33	5,000.00	5,000.00		
121	EXP. FOR PUBLIC HEALTH & SAFETY:		586,962.31	673,000.00	675,500.00		
122							
123							
124	WETHERBY HOUSE - CITY HALL:						
125	600.1	Insurance	5,402.84	5,402.84	5,509.37	Per KLC	
126	601.1	Maintenance	13,355.35	15,000.00	15,000.00	Per Marty	
127	602.1	Utilities	31,517.38	50,000.00	42,000.00	Lower to more accurate # for CH + Maint Bldg	
128	EXP. FOR WETHERBY HOUSE-CITY HALL:		50,275.57	70,402.84	62,509.37		
129							
130							
131	WETHERBY PARK:						
132	610.1	Insurance	1,650.44	1,696.00	1,479.21	Per KLC -decrease in Premium	
133	611.1	Maintenance	9,076.63	15,000.00	15,000.00	Per Marty	
134	612.1	Mowing	2,660.00	9,500.00	0.00		
135	614.1	Community Functions	27,568.05	50,000.00	10,000.00	Concerts next Spring	
136							
137							
138	PARK/11905 OLD SHELBYVILLE RD						
139	617.1	Ins/maint.	1,057.67	5,000.00	766.44	Per KLC	
140			0.00	10,000.00	0.00		
141							
142							
143	PARK/11913 OLD SHELBYVILLE RD						
144	617.1	Maintenance	7,482.00	15,000.00	5,000.00		
145	618.1	Utilities	3,306.69	4,000.00	4,000.00	LG&E, Water, MSD	
146	619.1	Insurance	600.90	556.00	672.61	Per KLC	
147							
148							
149	PARK/New Maintenance Bldg.						
150	617.1	Maintenance	0.00	0.00	10,000.00		
151	618.1	Utilities	0.00	0.00	6,000.00	LG&E, Water, MSD	
152	619.1	Insurance	0.00	0.00	750.00		
153							
154	EXPENSES FOR WETHERBY PARK:		53,402.38	110,752.00	53,668.26		
155							
156							
157							
158							
159							
160							
161							
162							
163							
164						PAGE 3 OF 5 (EXPENSES)	
165							
166							
167	POLICE EXPENDITURES						
168	Police Vehicle Expenses						
169	905.1	O'Brien/Purchase New Vehicles	383,344.08	360,393.80	0.00		
170	New	Craig & Landreth New Vehicles	0.00	0.00	27,452.00	1 DURANGO	
171	905.3	Marking for Old Vehicles	55.00	3,000.00	0.00	remove	
172	905.4	Equipment for Vehicles	81,181.72	81,203.65	7,596.00	Equipment for 1 Durango	
173	905.5	Vehicle Repair & Maint.	17,252.91	20,000.00	25,000.00		

APPROVED OPERATING EXPENSES 2020-2021

FINAL

1	A	B	C	D	E	F
	APPROVED	OPERATING EXPENSE	April	APPROVED	Approved	1 CAR/with 2% Raises=\$17,610.40 for all employees
	06/11/2020	WORKSHEET	Actual	Budget	Budget	Comments
			2020	2019-2020	2020-2021	
174	905.6	Fuel	18,660.45	30,000.00	30,000.00	
175	905.7	Misc/Repair & supplies	1,180.42	8,000.00	10,000.00	
176	New	Reserve			2,000.00	
177		Police Vehicle Expenses Total:	501,674.58	502,597.45	102,048.00	
178						
179						
180		Firearm/Ammo/Supplies				
181	902.1	Firearms	12,441.20	12,000.00	0.00	
182	902.2	Firearm Equip/Supplies/Ammo	1,128.37	2,500.00	1,500.00	
183	902.6	Misc.Firearms/Equip/Supplies	1,604.01	3,000.00	3,500.00	
184	New	Reserve			2,000.00	
185		Police Firearm/Ammo & Supplies Total:	15,173.58	17,500.00	7,000.00	
186						
187						
188		Police Equip/Uniforms/Supplies				
189	902.4	Uniforms w/Equipment	41,379.08	35,564.00	3,000.00	Replacements
190	902.3	Police Equipment & Supplies	7,884.35	16,140.00	10,000.00	
191	901.6	Taser /Axon	1,908.00	4,600.00	9,000.00	Annual fee
192	902.5	Body/Vehicle Cameras (Axon)	5,938.63	5,400.00	5,400.00	
193	901.5	Misc/Equip/Supplies	3,387.65	8,189.55	6,500.00	
194	902.7	Motorola/Grant paid	27,741.54	27,741.54	0.00	
195	New	Reserve			2,000.00	
196		Police Equipment & Supplies Total:	88,239.25	97,635.09	35,900.00	
197						
198						
199		Computers/Programs NEW				
200	New	Fingerprint Machine	0.00	0.00	0.00	
201	New	Leads Online	0.00	0.00	2,192.00	
202	New	NetMotion	0.00	0.00	2,030.00	19@ \$106.85
203	New	Accurint	0.00	0.00	2,000.00	
204	New	Verizon	0.00	0.00	8,000.00	
205		Police Computers/Programs Total:	0.00	0.00	14,222.00	
206						
207		Education & Training				
208	904.1	Training & Edu. Expenses	3,102.67	7,600.00	4,000.00	
209	904.2	T & E Equip & Supplies	3,307.99	3,500.00	3,000.00	
210	904.3	Membership & Accreditation	3,631.55	2,700.00	500.00	
211	904.4	PR & Crime Prevention	8,014.93	5,500.00	1,500.00	
212	904.5	Misc. T & E	3,074.35	2,000.00	2,500.00	
213	New	Community Outreach	0.00	0.00	500.00	
214	New	Reserve	0.00	0.00	2,000.00	
215		Education & Training Total:	21,131.49	21,300.00	14,000.00	
216						
217						
218						
219						PAGE 4 OF 5 (EXPENSES)
220		Police Salary & Court Pay				
221	903.1	Police Payroll/OT/Court	517,129.66	591,286.00	814,724.00	14 Officers/Includes 2% raise for Officers with 1 full year of employment=\$9,485.00
222	901.3	Payroll Taxes	0.00	45,000.00	0.00	Need to keep all taxes in one liability acct.
223	903.2	KLEFT Payout to Police	32,209.23	36,000.00	56,000.00	No cost to City/State funded (see Income)
224	904.6	Police/Forfeited Funds	24.45	500.00	500.00	15% Due to Jeff Co Atty's Office for Confiscated Funds
225	904.7	Officer expenses/Misc	3,955.05	8,424.00	0.00	
226		Police Salary & Court Pay Total:	553,318.39	681,210.00	871,224.00	
227						
228		Total Expenses for Police Department	1,179,537.29	1,320,242.54	1,044,394.00	
229						

APPROVED OPERATING EXPENSES 2020-2021

FINAL

	A	B	C	D	E	F
1	APPROVED 06/11/2020	OPERATING EXPENSE	April	APPROVED	Approved	1 CAR/with 2% Raises=\$17,510.40 for all employees
2		WORKSHEET	Actual	Budget	Budget	Comments
3			2020	2019-2020	2020-2021	
236						
231	NEW	Contingency			73,000.00	To be used for unforeseen expenses
232		Total Expenses for Fiscal Yr.	2,883,225.47	3,381,657.30	3,069,481.74	
233						
234						
235						
236						
237						
238						
239						
240						
241						PAGE 5 OF 5 (EXPENSES)

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08/04/20

Accrual Basis

City of Middletown
Balance Sheet - General Fund
As of July 31, 2020

	Jul 31, 20
ASSETS	
Current Assets	
Checking/Savings	
110.1 · Cash - CWB Checking	450,614.47
102.1 · Petty Cash	491.41
103.1 · Petty Cash/Police	150.00
149.1 · Transcend CU/CD#1495850-0101	534,448.39
156.1 · Transcend CU/CD#1495850-0100	252,642.78
167.1 · Stock Yards Bank CD#734031	244,000.00
Total Checking/Savings	1,482,347.05
Other Current Assets	
130.1 · Taxes Receivable - Current	46,663.23
143.1 · Prepaid Expenses	44,250.00
Total Other Current Assets	90,913.23
Total Current Assets	1,573,260.28
Other Assets	
162.1 · KLC Investment Pool/PNC	1,539,209.41
158.1 · House-Held for Sale	319,175.00
Total Other Assets	1,858,384.41
TOTAL ASSETS	3,431,644.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201.0 · Accounts Payable..	
202.1 · Accounts Payable	-3,687.76
Total 201.0 · Accounts Payable..	-3,687.76
Total Accounts Payable	-3,687.76
Other Current Liabilities	
153.3 · Escrow/StorAll Drainage Improv.	35,000.00
153.2 · Escrow for Echelon Apts	20,000.00
214.1 · Kentucky Withholding	8,782.34
216.1 · Local Withholding	2,431.75
218.1 · Accrued Payroll Tax	349.13
Total Other Current Liabilities	66,563.22
Total Current Liabilities	62,875.46
Total Liabilities	62,875.46
Equity	
302.1 · Fund Balance-Beginning	1,109,135.32
390.1 · Retained Earnings	2,283,045.52
Net Income	-23,411.61
Total Equity	3,368,769.23
TOTAL LIABILITIES & EQUITY	3,431,644.69

**City of Middletown - GF
Budget Report - General Fund**

July 2020

	Jul 20	Budget	Jul 20	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
A. • Taxation and Fees					
401.1 • Real Estate Tax	1,660.62	1,000.00	1,660.62	1,000.00	1,539,588.00
402.1 • Delinquent Penalty & Interest	337.52	833.37	337.52	833.37	10,000.00
406.1 • Mineral Severance Tax	0.00	0.00	0.00	0.00	100.00
409.1 • Franchise Bank Deposit Tax	0.00	0.00	0.00	0.00	185,000.00
410.1 • ABC Licenses	0.00	0.00	0.00	0.00	48,000.00
412.1 • Sign Permits	836.00	333.37	836.00	333.37	4,000.00
416.1 • Franchise Fees	0.00	0.00	0.00	0.00	2,500.00
420.1 • Insurance Premium Tax	124,389.37	78,333.37	124,389.37	78,333.37	940,000.00
421.1 • Cable Franchise Tax	0.00	0.00	0.00	0.00	100,000.00
Total A. • Taxation and Fees	127,223.51	80,500.11	127,223.51	80,500.11	2,829,188.00
B. • 12556 Shelbyville Rd.					
422.1 • Rental Income	0.00	6,000.00	0.00	6,000.00	6,000.00
Total B. • 12556 Shelbyville Rd.	0.00	6,000.00	0.00	6,000.00	6,000.00
C.1 • Community Center Building					
430.1 • Rental Income	-400.00	166.63	-400.00	166.63	2,000.00
Total C.1 • Community Center Building	-400.00	166.63	-400.00	166.63	2,000.00
C.2 • C.C./License Bureau					
433.1 • Lease Income/License Bureau	8,700.67	8,700.75	8,700.67	8,700.75	34,803.00
434.1 • License Bureau/Build Out Reimb.	4,544.14	4,544.25	4,544.14	4,544.25	18,177.00
Total C.2 • C.C./License Bureau	13,244.81	13,245.00	13,244.81	13,245.00	52,980.00
D. • Wetherby Park					
438.1 • Gazebo Rental	150.00	0.00	150.00	0.00	100.00
Total D. • Wetherby Park	150.00	0.00	150.00	0.00	100.00
E. • Interest Income					
404.1 • KLC IP/PNC Interest/Dividends	0.00	416.63	0.00	416.63	5,000.00
408.1 • Interest Revenue	5,506.51	1,666.63	5,506.51	1,666.63	20,000.00
Total E. • Interest Income	5,506.51	2,083.26	5,506.51	2,083.26	25,000.00
J. • Miscellaneous Income					
450.0 • Misc. Income	3,010.00	166.67	3,010.00	166.67	2,000.00
499.1 • Police Contract St Reimburse	0.00	1,500.00	0.00	1,500.00	6,000.00
Total J. • Miscellaneous Income	3,010.00	1,666.67	3,010.00	1,666.67	8,000.00
K • 11905 Old Shelbyville Rd.					
475.1 • Rental Income	800.00	800.00	800.00	800.00	9,600.00
Total K • 11905 Old Shelbyville Rd.	800.00	800.00	800.00	800.00	9,600.00
P.1 • Police Department Income					
473.1 • Police-Forfeited Funds	0.00	41.63	0.00	41.63	500.00
476.1 • Police Report Fees	230.20	250.00	230.20	250.00	3,000.00
477.1 • Parking Ticket Income	320.00	500.00	320.00	500.00	6,000.00
478.1 • Police Grants	0.00	833.37	0.00	833.37	10,000.00
479.1 • KLEFT/Police	4,408.43	4,666.63	4,408.43	4,666.63	56,000.00
Total P.1 • Police Department Income	4,958.63	6,291.63	4,958.63	6,291.63	75,500.00
W.1 • Wetherby Statue					
480.1 • Donations/Sale of Bricks	0.00	100.00	0.00	100.00	100.00
Total W.1 • Wetherby Statue	0.00	100.00	0.00	100.00	100.00
R. • Reserve Income					
481.1 • Reserve Income	303,514.00	303,514.00	303,514.00	303,514.00	303,514.00
Total R. • Reserve Income	303,514.00	303,514.00	303,514.00	303,514.00	303,514.00
Total Income	458,007.46	414,367.30	458,007.46	414,367.30	3,311,982.00
Gross Profit	458,007.46	414,367.30	458,007.46	414,367.30	3,311,982.00
Expense					
PROJECTED OPERATING EXPENSES					
A-1 • 12556 Shelbyville Rd.					
500.1 • Insurance	1,380.69	1,380.69	1,380.69	1,380.69	1,380.69
501.1 • Maintenance	0.00	166.63	0.00	166.63	2,000.00

**City of Middletown - GF
Budget Report - General Fund**

July 2020

	Jul 20	Budget	Jul 20	YTD Budget	Annual Budget
503.1 · Utilities	0.00	600.00	0.00	600.00	7,200.00
Total A-1 · 12556 Shelbyville Rd.	1,380.69	2,147.32	1,380.69	2,147.32	10,580.69
B-1 · Community Center					
510.1 · Insurance	5,704.67	5,704.67	5,704.67	5,704.67	5,704.67
511.1 · Maintenance	424.00	833.37	424.00	833.37	10,000.00
513.1 · Utilities	526.89	2,000.00	526.89	2,000.00	24,000.00
Total B-1 · Community Center	6,655.56	8,538.04	6,655.56	8,538.04	39,704.67
C-1 · Community Outreach Programs					
519.1 · Middletown Chamber	12,500.00	12,500.00	12,500.00	12,500.00	50,000.00
522.1 · Middletown Museum	0.00	748.50	0.00	748.50	8,982.00
523.1 · Newsletter	0.00	0.00	0.00	0.00	11,000.00
526.1 · Misc.Outreach	0.00	41.63	0.00	41.63	500.00
528.1 · Non-Profit Organizations	0.00	250.00	0.00	250.00	3,000.00
C2 · EHS Sponsored Activities					
524.2 · EHS Basketball Tourney	0.00	0.00	0.00	0.00	2,500.00
524.3 · EHS Band Classic	0.00	0.00	0.00	0.00	4,000.00
Total C2 · EHS Sponsored Activities	0.00	0.00	0.00	0.00	6,500.00
Total C-1 · Community Outreach Programs	12,500.00	13,540.13	12,500.00	13,540.13	79,982.00
D-1 · Cross Creek Park					
530.1 · Insurance	37.92	37.92	37.92	37.92	37.92
531.1 · Maintenance	0.00	166.63	0.00	166.63	2,000.00
Total D-1 · Cross Creek Park	37.92	204.55	37.92	204.65	2,037.92
E-1 · Historic Gas Station					
540.1 · Insurance	168.61	168.61	168.61	168.61	188.61
541.1 · Maintenance	0.00	41.63	0.00	41.63	500.00
542.1 · Utilities	34.45	41.63	34.45	41.63	500.00
Total E-1 · Historic Gas Station	203.06	251.87	203.06	251.87	1,168.61
F-1 · Legal/Professional Fees					
549.1 · Law Suits	0.00	1,666.63	0.00	1,666.63	20,000.00
550.1 · Fixed Legal Fees	2,773.00	2,916.63	2,773.00	2,916.63	36,000.00
551.1 · Litigation/Lien Fees	0.00	166.63	0.00	166.63	2,000.00
552.1 · Audit Fees	0.00	0.00	0.00	0.00	7,250.00
554.1 · PVA Fees	0.00	0.00	0.00	0.00	40,000.00
555.1 · Membership Dues	0.00	416.63	0.00	416.63	5,000.00
Total F-1 · Legal/Professional Fees	2,773.00	5,166.52	2,773.00	5,166.52	109,250.00
G-1 · Office Supplies/Equipment					
580.2 · Postage	0.00	0.00	0.00	0.00	8,000.00
580.3 · Office Supplies/Printing	2,341.67	1,916.63	2,341.67	1,916.63	23,000.00
581.1 · Leased Office Equip.	0.00	166.63	0.00	166.63	2,000.00
582.1 · Telephone & Cable	1,055.64	2,833.37	1,055.64	2,833.37	34,000.00
583.1 · Advertising	238.88	416.63	238.88	416.63	5,000.00
584.1 · Computer Equip & Programs	3,608.86	1,666.63	3,608.86	1,666.63	20,000.00
585.1 · Equipment/Repair	0.00	833.37	0.00	833.37	10,000.00
587.1 · Computer Support/Email/Backup	300.00	1,833.37	300.00	1,833.37	22,000.00
586.1 · Codification	0.00	0.00	0.00	0.00	3,000.00
Total G-1 · Office Supplies/Equipment	7,545.05	9,666.63	7,545.05	9,666.63	127,000.00
H-1 · Personnel/City Expenditures					
569.1 · Surety Bond Insurance	0.00	0.00	0.00	0.00	1,500.00
570.1 · General Insurance	53,180.28	53,114.76	53,180.28	53,114.76	53,114.76
571.1 · Salaries	38,087.83	34,166.63	38,087.83	34,166.63	410,000.00
572.1 · Ins/Worker's Comp	33,571.72	33,571.72	33,571.72	33,571.72	33,571.72
573.1 · Payroll Tax	11,102.39	10,833.37	11,102.39	10,833.37	130,000.00
574.1 · Fringe Benefits	6,565.93	6,416.63	6,565.93	6,416.63	77,000.00
575.1 · City Trucks Expenses	836.47	416.63	836.47	416.63	5,000.00
576.1 · Miscellaneous/Training	20.00	833.37	20.00	833.37	10,000.00
577.1 · Code Enforcements	0.00	41.63	0.00	41.63	500.00
Total H-1 · Personnel/City Expenditures	143,364.62	139,394.74	143,364.62	139,394.74	720,686.48
I-1 · Presv., Recreation & Landscaping					
580.1 · Landscape & Beautification	3,531.01	4,166.63	3,531.01	4,166.63	50,000.00
582.1 · Light Up Middletown	0.00	0.00	0.00	0.00	20,000.00
Total I-1 · Presv., Recreation & Landscaping	3,531.01	4,166.63	3,531.01	4,166.63	70,000.00
J-1 · Public Health & Safety					

**City of Middletown - GF
Budget Report - General Fund**

July 2020

	Jul 20	Budget	Jul 20	YTD Budget	Annual Budget
591.1 · Sanitation Services	39,852.20	38,750.00	39,852.20	38,750.00	465,000.00
593.1 · Street Lights	13,650.14	12,833.37	13,650.14	12,833.37	154,000.00
595.1 · Delinquent Properties	0.00	416.63	0.00	416.63	5,000.00
596.1 · Fuel for City Vehicles	399.75	541.63	399.75	541.63	6,500.00
605.1 · Misc. City Maintenance	1,794.07	3,333.37	1,794.07	3,333.37	40,000.00
597.1 · COVID-19 Expenses	941.00	416.63	941.00	416.63	5,000.00
Total J-1 · Public Health & Safety	56,637.16	56,291.63	56,637.16	56,291.63	675,500.00
K-1 · Wetherby House City Hall					
600.1 · Insurance	5,609.37	5,609.37	5,609.37	5,609.37	6,509.37
601.1 · Maintenance	747.87	1,250.00	747.87	1,250.00	15,000.00
602.1 · Utilities	2,646.48	3,500.00	2,646.48	3,500.00	42,000.00
Total K-1 · Wetherby House City Hall	8,903.72	10,259.37	8,903.72	10,259.37	62,509.37
L-1 · Wetherby House Park					
610.1 · Insurance	1,478.21	1,479.21	1,479.21	1,479.21	1,479.21
611.1 · Maintenance	270.73	1,250.00	270.73	1,250.00	15,000.00
614.1 · Community Functions	0.00	833.37	0.00	833.37	10,000.00
L-2 · Park/11905 Old Shelbyville Rd.					
667.1.2 · Ins./Malnten.	766.44	766.44	766.44	766.44	766.44
Total L-2 · Park/11905 Old Shelbyville Rd.	766.44	766.44	766.44	766.44	766.44
L-3 · Park/11913 Old Shelbyville Rd.					
617.1 · Maintenance	0.00	416.63	0.00	416.63	5,000.00
618.1 · Utilities	53.06	333.37	53.06	333.37	4,000.00
619.1 · Insurance	672.61	672.61	672.61	672.61	672.61
Total L-3 · Park/11913 Old Shelbyville Rd.	725.67	1,422.61	725.67	1,422.61	9,672.61
L-4 · Park/ 11909 Maintenance Bldg.					
622.1 · Insurance	0.00	0.00	0.00	0.00	750.00
623.1 · Utilities	0.00	600.00	0.00	500.00	6,000.00
624.1 · Maintenance/Supplies	702.77	833.37	702.77	833.37	10,000.00
Total L-4 · Park/ 11909 Maintenance Bldg.	702.77	1,333.37	702.77	1,333.37	16,750.00
Total L-1 · Wetherby House Park	3,944.82	7,085.00	3,944.82	7,085.00	53,868.26
P-2 · POLICE EXPENDITURES					
P.E.1 · Police Equip/ Uniforms/Supplies					
902.3 · Police Equipment & Supplies	405.71	833.37	405.71	833.37	10,000.00
902.4 · Uniforms w/Equipment	53.00	250.00	53.00	250.00	3,000.00
902.5 · Body/Car Cameras /Axon Software	339.20	450.00	339.20	450.00	5,400.00
901.6 · Taser/Axon	0.00	750.00	0.00	750.00	9,000.00
901.5 · Misc. Equip/Repair/Supplies	0.00	541.63	0.00	541.63	6,500.00
902.8 · Reserve	0.00	166.63	0.00	166.63	2,000.00
Total P.E.1 · Police Equip/ Uniforms/Supplies	797.91	2,991.63	797.91	2,991.63	36,900.00
P.F.1 · Police Firearms/Ammo/Supplies					
902.2 · Firearm Equip/Supplies/Ammo	0.00	125.00	0.00	125.00	1,500.00
902.6 · Misc. Firearms/Equip/Supplies	0.00	291.63	0.00	291.63	3,500.00
902.9 · Reserve	0.00	166.63	0.00	166.63	2,000.00
Total P.F.1 · Police Firearms/Ammo/Supplies	0.00	583.26	0.00	583.26	7,000.00
P.S.1 · Police Payroll & Taxes					
903.1 · Payroll/OT/Court Pay	67,895.53	67,893.63	67,895.53	67,893.63	814,724.00
903.5 · KLEFT Monthly Pay	4,333.29	4,666.63	4,333.29	4,666.63	56,000.00
904.6 · Police-Forfeited Funds	0.00	41.63	0.00	41.63	500.00
Total P.S.1 · Police Payroll & Taxes	72,228.82	72,601.89	72,228.82	72,601.89	871,224.00
P.T.1 · Police Training/Education					
904.1 · Train & Education/Expenses	0.00	333.37	0.00	333.37	4,000.00
904.2 · Train & Educ/Equip & Supplies	0.00	250.00	0.00	250.00	3,000.00
904.3 · Membership & Accreditation	0.00	41.63	0.00	41.63	500.00
904.4 · PR & Crime Prevention	6,039.00	125.00	6,039.00	125.00	1,500.00
904.5 · Misc. Training/Education	0.00	208.37	0.00	208.37	2,500.00
904.8 · Community Outreach	0.00	41.63	0.00	41.63	500.00
904.9 · Reserve	0.00	166.63	0.00	166.63	2,000.00
Total P.T.1 · Police Training/Education	6,039.00	1,166.63	6,039.00	1,166.63	14,000.00
P.U.1 · Police Programs & Software					
906.1 · Leads Online Program	0.00	182.63	0.00	182.63	2,182.00
906.2 · Netmotion	0.00	169.13	0.00	169.13	2,030.00
906.3 · Accurlnt	0.00	166.63	0.00	166.63	2,000.00

2:53 PM

08/04/20

Accrual Basis

**City of Middletown - GF
Budget Report - General Fund**

July 2020

	Jul 20	Budget	Jul 20	YTD Budget	Annual Budget
906.4 · Verizon	1,141.76	666.63	1,141.76	666.63	8,000.00
Total P.U.1 · Police Programs & Software	1,141.76	1,186.02	1,141.76	1,186.02	14,222.00
P.V.1 · Police Vehicles Expenses					
905.1 · Purchase New Vehicles w/Equip.	0.00	2,287.63	0.00	2,287.63	27,462.00
905.4 · Equipment for Vehicles	318.12	633.00	318.12	633.00	7,896.00
905.5 · Vehicle Repair/Maint.	187.34	2,083.37	187.34	2,083.37	26,000.00
905.6 · Fuel	2,702.36	2,500.00	2,702.36	2,500.00	30,000.00
905.7 · Misc Vehicle Equip/Maint/Supply	114.00	833.37	114.00	833.37	10,000.00
905.8 · Reserve	0.00	166.63	0.00	166.63	2,000.00
Total P.V.1 · Police Vehicles Expenses	3,321.82	8,604.00	3,321.82	8,604.00	102,048.00
Total P-2 · POLICE EXPENDITURES	83,529.31	87,032.43	83,529.31	87,032.43	1,044,394.00
C.F.1 · CONTINGENCY FUNDS	0.00	6,083.37	0.00	6,083.37	73,000.00
Total PROJECTED OPERATING EXPENSES	331,005.92	349,828.23	331,005.92	349,828.23	3,069,482.00
II. · PROJECTED CAPITAL EXPENSES					
A-R.1 · Allocation to Road Fund					
664.1 · Allocated To Road Fund	160,000.00	160,000.00	160,000.00	160,000.00	150,000.00
Total A-R.1 · Allocation to Road Fund	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00
P-1 · Park Expansion/Phase I					
804.2 · Park-Maint Building/Drive	413.15	9,760.00	413.15	9,760.00	19,500.00
Total P-1 · Park Expansion/Phase I	413.15	9,760.00	413.15	9,760.00	19,500.00
Total II. · PROJECTED CAPITAL EXPENSES	160,413.15	169,760.00	160,413.15	169,760.00	169,500.00
Total Expense	481,419.07	509,578.23	481,419.07	509,578.23	3,238,982.00
Net Ordinary Income	-23,411.61	-95,210.93	-23,411.61	-95,210.93	73,000.00
Net Income	-23,411.61	-95,210.93	-23,411.61	-95,210.93	73,000.00

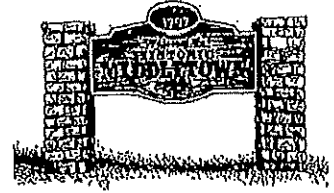


Middletown Police Department

P.O Box 43819
Middletown, KY 40253
11803 Old Shelbyville Rd

502-365-1900 | Office
502-409-9331 | Fax

CITY OF MIDDLETOWN



Robert Herman, Chief

J. Byron Chapman, Mayor

Middletown Police Department P.O. Box 43819* Louisville, KY 40253 502-365-1900 Office • 502-409-9331 Fax *Billing address		New Purchase Order <u> X </u>		
Part 1.				
TO: Galls 1340 Russell Gave Rd Lexington, KY 40505		SHIPPING ADDRESS: Middletown Police Department 11803 Old Shelbyville Rd. Middletown, KY 40243	P.O. NUMBER: MPD060320 P.O. DATE 06/03/2020	
Part 2.				
QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL
212	HW438 BLK LG	BALLISTIC HELMT W/ DKS-H SHIELD	\$392.86	\$4,714.32
2	HW438 BLK XLG	BALLISTIC HELMT W/ DKS-H SHIELD	\$442.86	\$885.72
215	BG155 BLK	MILITARY HELMET BAG	\$29.91	\$418.74
Ordered by: Chief Rob Herman			SUBTOTAL:	\$6,018.78
APPROVED BY: City Official: <i>[Signature]</i> Date: 4 JUN 2020 Print Name: J. Byron Chapman / Mayor			SHIPPING:	\$60.00
ACCEPTED BY: Vendor: _____ Date: _____ Print Name: _____			TOTAL: \$6,078.78 \$6,501.55	



Quote

Customer: (1001999891) MIDDLETOWN POLICE DEPARTMEN
 Date: 06/04/2020
 Sales Rep: JAMES FRAZIER

Page 1 of 1
 Quote Number: 15911117
 Quote Expiration: 09/02/2020

Sold To:
 MIDDLETOWN POLICE DEPARTMENT
 PO BOX 43819
 MIDDLETOWN, KY 40253
 ROBERT HERMAN

Ship To:
 MIDDLETOWN POLICE DEPARTMENT
 11803 OLD SHELBYVILLE RD
 MIDDLETOWN, KY 40243
 ROBERT HERMAN

Line	Item	Description	Qty	Retail	Your Price	Ext Total
1	HW438 BLK LG	BALLISTIC HELMT W/DKS-H SHIELD	13		392.86	5,107.18
3	BG155 BLK	MILITARY HELMRT BAG	15		29.91	448.65
4	HW438 BLK XL	BALLISTIC HELMT W/DKS-H SHIELD	2		442.86	885.72

Quote is valid for 90 days

SUBTOTAL: 6,441.55
 SHIPPING: 60.00
 TAX....: 6,501.55
 TOTAL...: 6,501.55

Galls is required to collect sales tax on shipments to certain states. Sales tax will be added where applicable. For tax exempt customers, state laws require us to have signed tax exemption or resale certificates on file at our office. If you are tax exempt, please email or fax this information, (including your Galls account number) to Tax@galls.com or fax 859-268-5946.

Export Restrictions - This may contain commodities restricted in the United States International Trade Regulations.

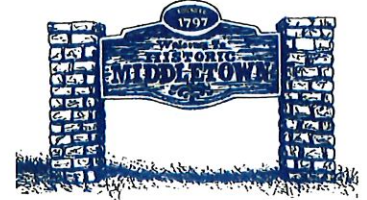
1340 Russell Cave Rd
 Lexington, KY 40505
 Tel: 800-876-4242 Fax: 877-914-2557



Middletown Police Department

CITY OF MIDDLETOWN

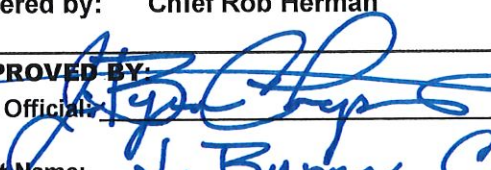
P.O Box 43819
Middletown, KY 40253
11803 Old Shelbyville Rd



502-365-1900 | Office
502-409-9331 | Fax

Robert Herman, Chief

J. Byron Chapman, Mayor

Middletown Police Department P.O. Box 43819* Louisville, KY 40253 502-365-1900 Office • 502-409-9331 Fax <i>*Billing address</i>		New Purchase Order <u> x </u>		
Part 1.				
TO: Christopher Morgan MOTOROLA SOLUTIONS Contract: 24915 – Commonwealth of KY 502-773-9883		SHIPPING ADDRESS: Chief Rob Herman Middletown Police Department 11803 Old Shelbyville Rd. Middletown, KY 40243	P.O. NUMBER: MPD092120 P.O. DATE 09/21/2020	
Part 2.				
QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL
1	T7936A	APX UCM UPGRADE CD	\$57.50	\$57.50
9	CA00182AR	ADD: AES ENCRYPTION SOFTWARE	\$462.09	\$4,158.81
	FLASHport Series	APX6000FLASHPORT		
1	T7664A	DIGITAL SMARTZONE		
3	G996AX	ENH: PROGRAMMING OVER P25 (OTAP)	\$83.95	\$251.85
3	H869CC	ENH: MULTIKEY	\$277.40	\$832.20
3	QA09008AB	ADD: GROUP SERVICES FLP	\$126.29	\$378.87
	FLASHport Series	APX6000FLASHPORT		
1	T7664A	DIGITAL SMARTZONE		
6	H869CC	ENH: MULTIKEY	\$277.40	\$1,644.40
6	QA09008AB	ADD: GROUP SERVICES FLP	\$126.29	\$757.74
Ordered by: Chief Rob Herman			SUBTOTAL:	\$8,101.37
APPROVED BY: 			SHIPPING:	
City Official: _____ Date: 21 Sep 20			TOTAL: \$8,101.37	
Print Name: J. Byron Chapman				
ACCEPTED BY: Vendor: _____ Date: _____				
Print Name: _____				

Billing Address:
 MIDDLETOWN POLICE DEPT
 11803 OLD SHELBYVILLE RD
 LOUISVILLE, KY 40243
 US

Quote Date:09/15/2020

Expiration Date:12/14/2020

Quote Created By:
 Christopher Morgan
 Account Manager
 christopher.morgan@
 erswireless.com
 (502) 773-9883

End Customer:
 MIDDLETOWN POLICE DEPT
 Rob Herman
 robertherman@middletownkypd.org
 (502) 365-1900

Contract: 24915 - COMMONWEALTH OF
 KY

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
1	T7936A	APX UCM UPGRADE CD	1	\$57.50	\$57.50	\$57.50
1a	CA00182AR	ADD: AES ENCRYPTION SOFTWARE	9	\$633.00	\$462.09	\$4,158.81
	FLASHport Series	APX6000FLASHPORT				
2	T7664A	DIGITAL SMARTZONE	1	\$0.00	\$0.00	\$0.00
2a	G996AX	ENH: PROGRAMMING OVER P25 (OTAP)	3	\$115.00	\$83.95	\$251.85
2b	H869CC	ENH: MULTIKEY	3	\$380.00	\$277.40	\$832.20
2c	QA09008AB	ADD: GROUP SERVICES FLP	3	\$173.00	\$126.29	\$378.87
	FLASHport Series	APX6000FLASHPORT				
3	T7664A	DIGITAL SMARTZONE	1	\$0.00	\$0.00	\$0.00
3a	H869CC	ENH: MULTIKEY	6	\$380.00	\$277.40	\$1,664.40
3b	QA09008AB	ADD: GROUP SERVICES FLP	6	\$173.00	\$126.29	\$757.74

Grand Total

\$8,101.37(USD)



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Request for Taxpayer Identification Number and Certification

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

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
City of Middletown

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Other (see instructions) ▶ **Local Government/Municipality**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
P.O. Box 43048

6 City, state, and ZIP code
Middletown, KY 40253

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

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

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

--	--	--	--	--	--	--	--	--	--

or

Employer identification number

6	1	-	1	0	3	0	6	6	8
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Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

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 for Part II, later.

Sign Here Signature of U.S. person ▶ *Chancy Johnson* Date ▶ 1/7/2020

General Instructions

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

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What Is backup withholding, later.

CITY OF MIDDLETOWN, KENTUCKY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

CITY OF MIDDLETOWN
Circa 1797

J. Byron Chapman
Mayor



P.O. Box 43048
Middletown, Kentucky 40253
(502) 245-2762
(502) 245-6047 Fax
E-mail: mdtown@bellsouth.net
Web: www.cityofmiddletownky.org #

CITY OF MIDDLETOWN, KENTUCKY MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

As management of the City of Middletown, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Middletown for the fiscal year ended June 30, 2019.

Financial Highlights

- The City's Net Position increased by approximately \$597,000 due in part to recognizing interest income on sewer recapture project.
- The City expanded their police department during the fiscal year.
- During the year, the City increased their cash and investment holdings by approximately \$320,000.
- The City purchased a house and property near Wetherby park. The City split the purchase between land for park expansion and house – available for sale recorded as an investment.
- The City completed \$89,000 in road paving.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Middletown's basic financial statements. The City of Middletown's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Middletown's finances, in a manner similar to a private-sector business.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and payroll taxes accrued but unpaid in current fiscal year).

The governmental activities of the City of Middletown include general government, public safety, public works (roads, etc.), sanitation, and community development.

The government-wide financial statements can be found on pages 2-3 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Middletown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Middletown are governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental statement of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between the *governmental funds and governmental activities*.

The City of Middletown maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund (municipal road aid), both of which are considered to be major funds. No non-major funds exist.

The City of Middletown adopts an annual appropriated budget for both funds as required by state statute. Budgetary comparison statements have been provided for the general fund and the special revenue fund (municipal road aid) for the reader to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 4-6 of this report.

Proprietary fund. The City maintains one proprietary fund. The proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the proprietary fund to account for its cemetery activities.

The proprietary fund financial statements can be found on pages 7-9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-18 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Middletown, the increase in assets plus the decrease in liabilities created a net increase in net position of \$596,946 at the close of the most recent fiscal year.

The largest portion of the City of Middletown's net position \$7,985,467 (59 percent) reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation. The City of Middletown used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following is a condensed version of the City's government-wide Statement of Net Position:

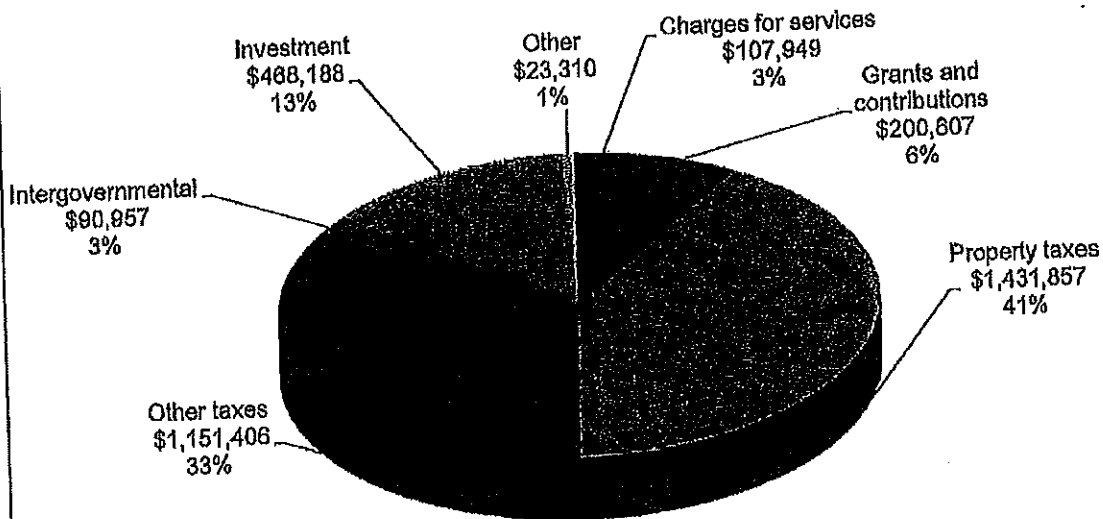
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 5,276,168	\$ 4,801,824	\$463,184	\$435,674	\$ 5,739,352	\$ 5,037,498
Capital assets, net of accumulated depreciation	<u>7,866,025</u>	<u>7,982,304</u>	<u>19,442</u>	<u>21,968</u>	<u>7,985,467</u>	<u>8,004,272</u>
Total assets	<u>13,242,193</u>	<u>12,684,128</u>	<u>482,626</u>	<u>457,642</u>	<u>13,724,819</u>	<u>13,041,770</u>
Current and other liabilities	<u>252,924</u>	<u>166,821</u>	-	-	<u>252,924</u>	<u>166,821</u>
Net position:						
Invested in capital assets, net of accumulated depreciation	7,866,025	7,982,304	19,442	21,968	7,985,467	8,004,272
Restricted	453,277	413,630	-	-	453,277	413,630
Unrestricted	4,569,967	4,021,373	463,184	435,674	5,033,151	4,457,047
Total net position	<u>\$12,989,269</u>	<u>\$12,417,307</u>	<u>\$482,626</u>	<u>\$457,642</u>	<u>\$13,471,895</u>	<u>\$12,874,849</u>

A portion of the City of Middletown's net position, \$453,277, represents resources that are subject to external restrictions on how they may be used. Prior year comparison shows \$413,630, an increase of \$39,647. The remaining balance of unrestricted net position, \$5,033,151, may be used to meet the government's ongoing obligations to citizens and creditors. This is an increase in available net assets of \$576,104 from 2018. At the end of the current fiscal year, the City of Middletown is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental activities. The increase in governmental net position of \$571,962 is primarily attributable to recording interest income on the sewer recapture project receivable.

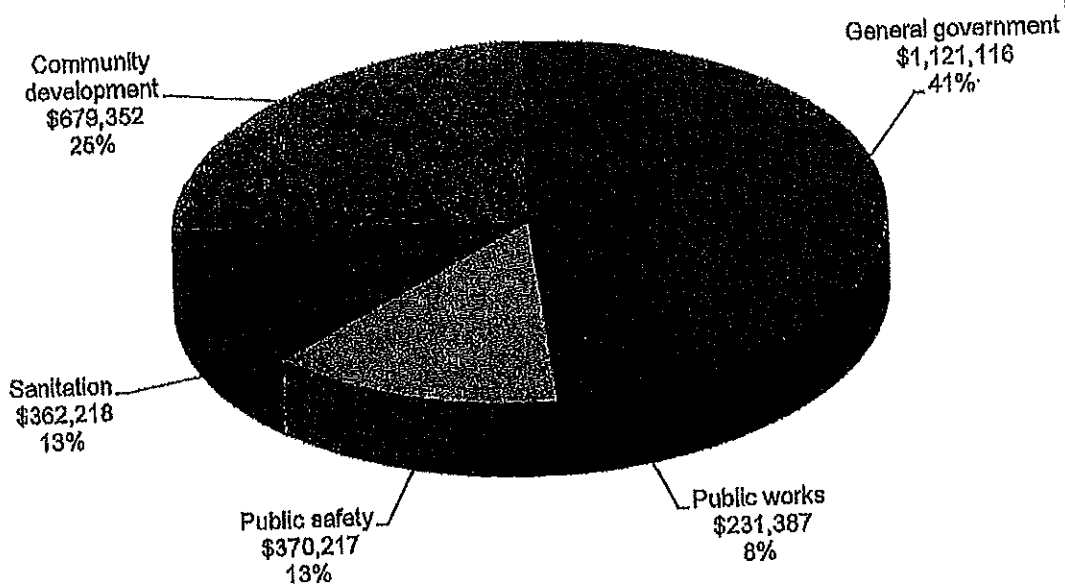
The following is a more detailed review of the years' operations:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenue:						
Charges for services	\$ 107,949	\$ 77,112	\$ 71,783	\$ 46,161	\$ 179,732	\$ 123,273
Grants and contributions	200,607	190,249	-	-	200,607	190,249
General revenues:						
Property taxes	1,431,857	1,342,737	-	-	1,431,857	1,342,737
Other taxes	1,151,406	1,047,669	-	-	1,151,406	1,047,669
Intergovernmental	90,957	92,679	-	-	90,957	92,679
Investment	468,188	56,581	8,499	4,219	476,687	60,800
Loss on asset disposals	(138,022)	(2,099)	-	-	(138,022)	(2,099)
Other	23,310	30,829	1,000	-	24,310	30,829
Total revenues	<u>3,336,252</u>	<u>2,835,751</u>	<u>81,282</u>	<u>50,380</u>	<u>3,417,534</u>	<u>2,886,131</u>
Expenses:						
General government	1,121,116	898,049	-	-	1,121,116	898,049
Public safety	370,217	185,466	-	-	370,217	185,466
Public works	231,387	235,148	-	-	231,387	235,148
Sanitation	362,218	366,897	-	-	362,218	356,897
Community development	679,352	748,861	-	-	679,352	748,861
Cemetery	-	-	56,298	48,550	56,298	48,550
Total expenses	<u>2,784,290</u>	<u>2,424,521</u>	<u>56,298</u>	<u>48,550</u>	<u>2,820,588</u>	<u>2,473,071</u>
Change in net position	<u>571,962</u>	<u>411,230</u>	<u>24,984</u>	<u>1,830</u>	<u>596,946</u>	<u>413,060</u>
Net position - beginning	12,417,307	12,006,077	457,642	455,812	12,874,949	12,461,889
Net position - ending	<u>\$12,989,269</u>	<u>\$12,417,307</u>	<u>\$482,626</u>	<u>\$457,642</u>	<u>\$13,471,895</u>	<u>\$12,874,949</u>

City of Middletown Governmental Activities 2019 Revenues



City of Middletown Governmental Activities 2019 Expenses

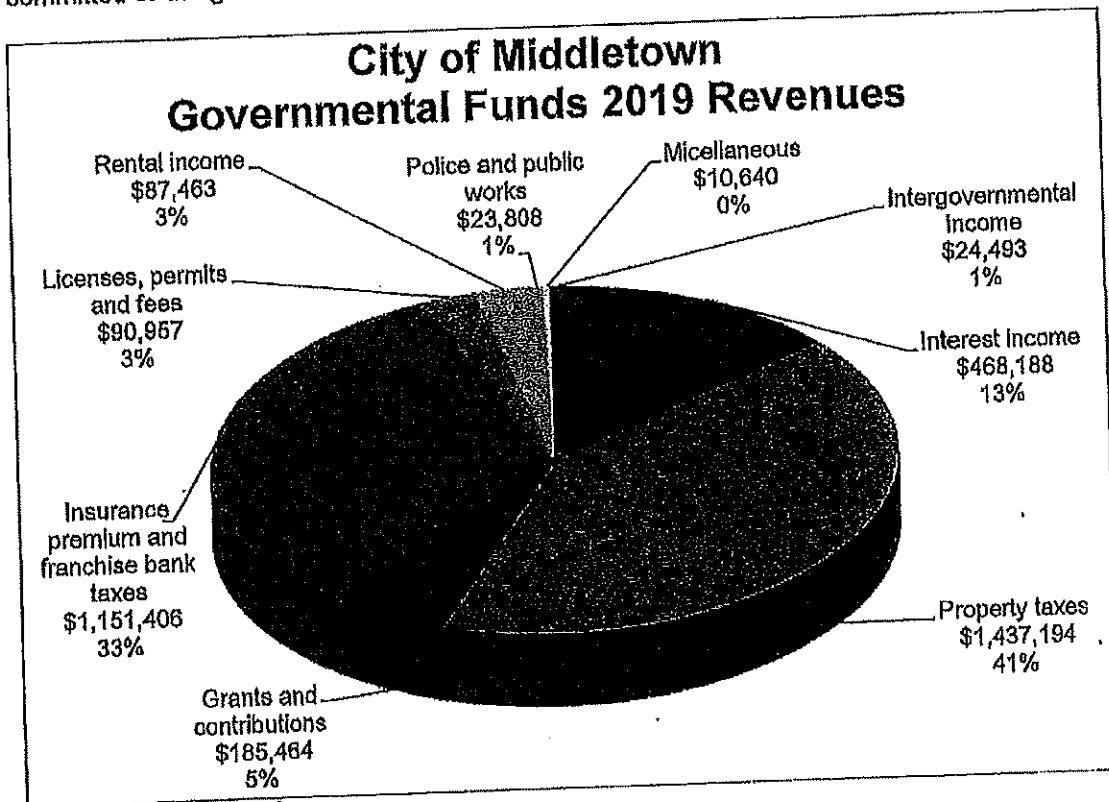


Financial Analysis of the Government Funds

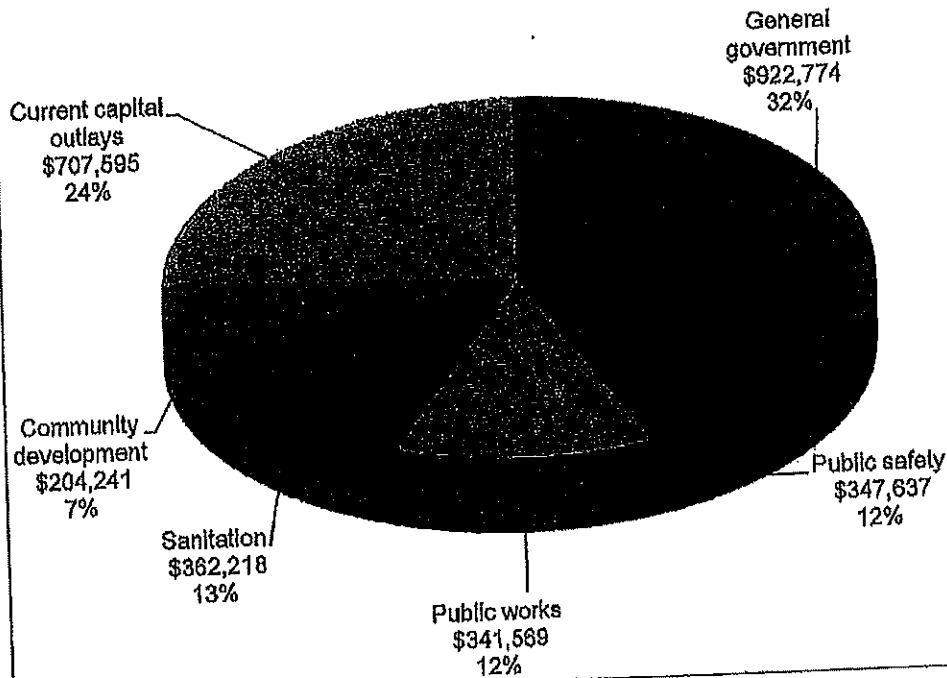
As noted earlier, the City of Middletown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The financial reporting focus of the City of Middletown's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information, particularly *unassigned fund balance*, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Middletown's governmental funds reported a combined ending fund balance of \$4,995,670, an increase of \$593,579 in comparison with the prior year. Of this total, \$4,521,393 constitutes the unassigned fund balance, which is available to meet the future financial needs of the City. The remainder of the fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending.



City of Middletown Governmental Funds 2019 Expenses



Revenues for governmental fund functions totaled \$3,479,613 (see Statement of Revenues, Expenditures, and Changes in Fund Balances on page 5 of this report) in the fiscal year ended June 30, 2019.

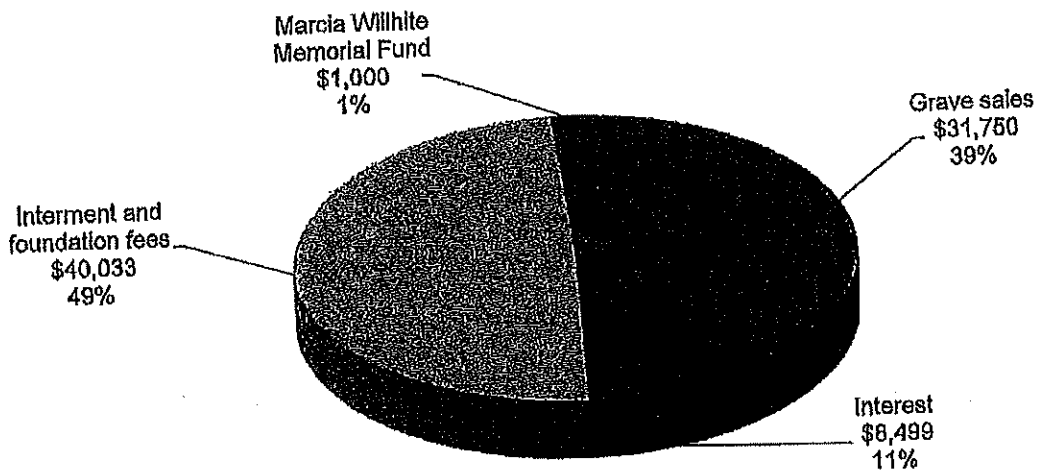
Property taxes represent the City's largest revenue source, with \$1,437,194 or 41 percent of all Governmental Fund revenues at the end of the current fiscal year. There was no change in the tax rate for this fiscal year within the General Fund. Grants of \$185,464 were received during the current fiscal year.

Expenses for governmental fund functions totaled \$2,886,034 (see Statement of Revenues, Expenditures, and Changes in Fund Balances on page 5 of this report) in the fiscal year ended June 30, 2019.

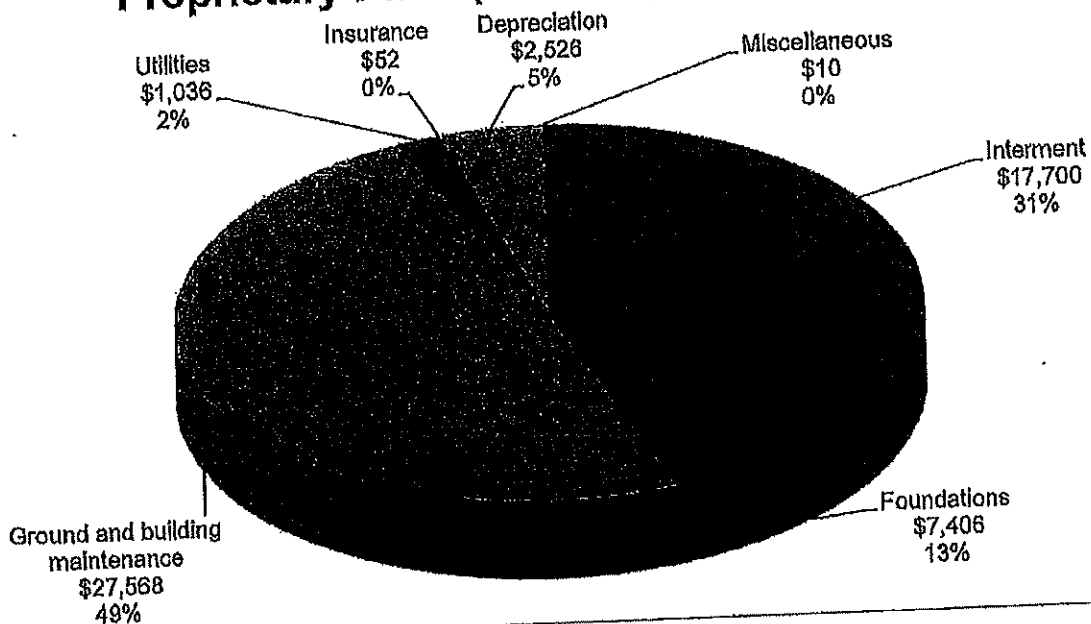
General government expenditures represent the City's largest expense, with \$922,774 or 32 percent of all Governmental Fund expenses. This amount represents expenses in the form of insurance, wages, general maintenance and other general expenses.

Proprietary fund. The proprietary fund accounts for revenues collected from the sale of cemetery grave space and interment and foundation fees. This year the unrestricted net position increased from \$457,642 to \$482,626, an increase of \$24,984.

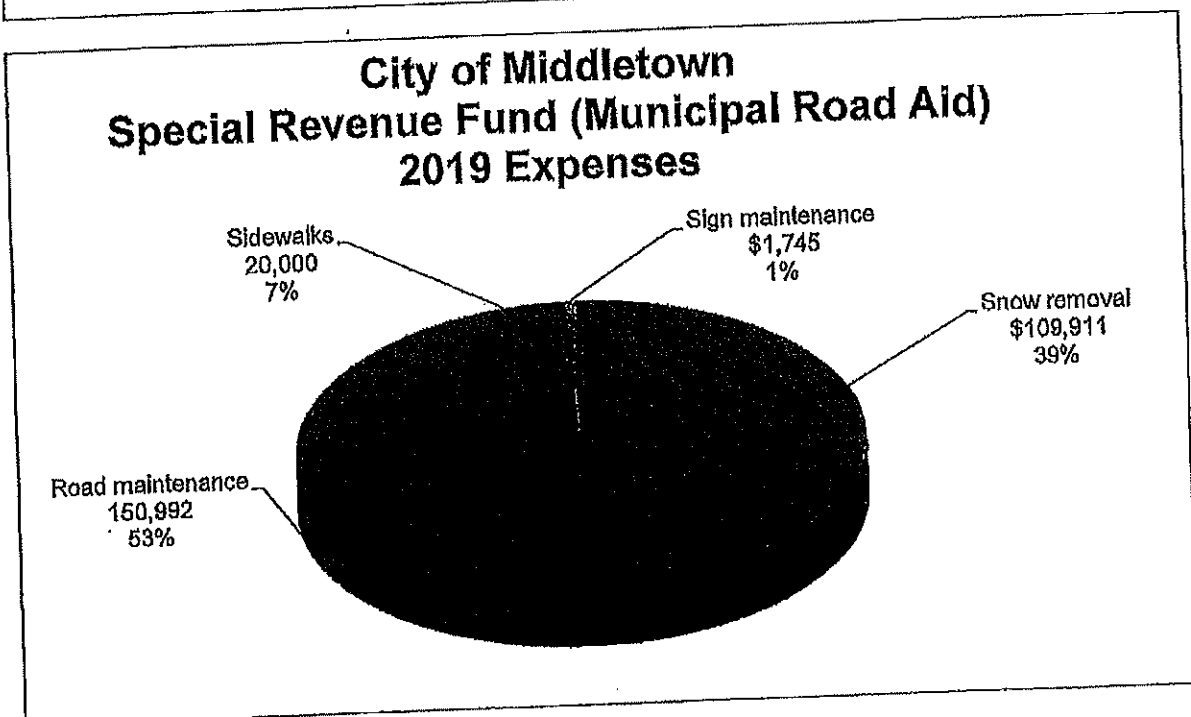
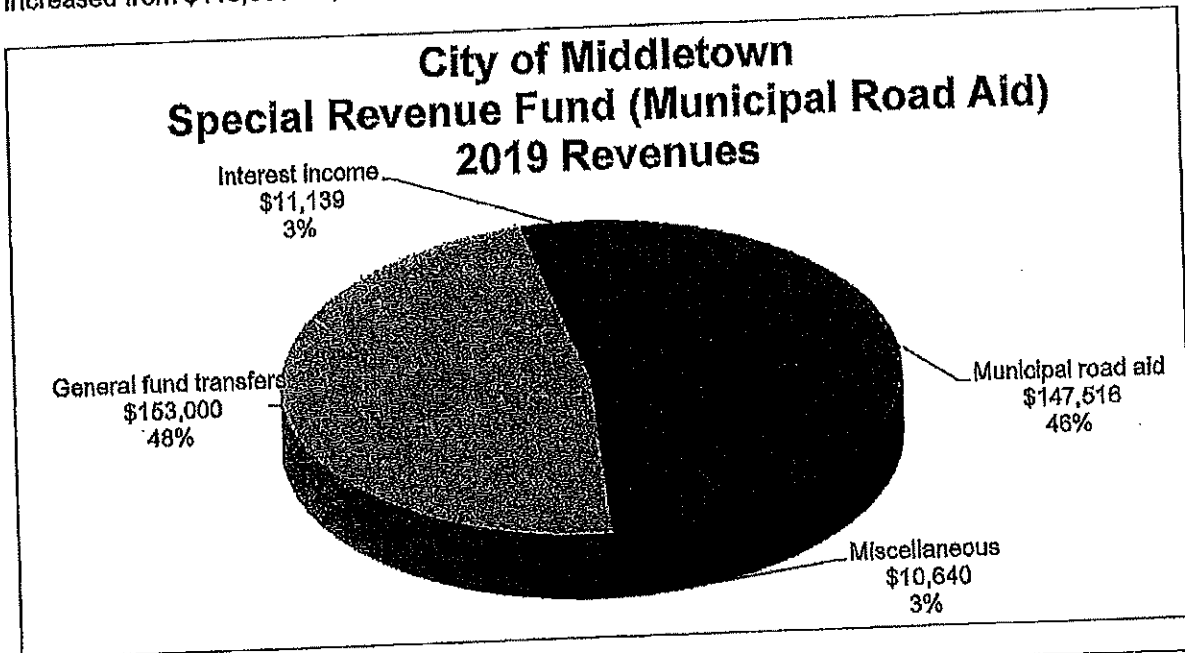
City of Middletown Proprietary Fund (Cemetery) 2019 Revenues



City of Middletown Proprietary Fund (Cemetery) 2019 Expenses



Special revenue fund (municipal road aid). The special revenue fund (municipal road aid) accounts for revenues collected from the Kentucky Transportation Cabinet municipal road aid payments and transfers from the general operating fund. This year the restricted fund balance increased from \$413,630 to \$453,277, an increase of \$39,647.



Capital Assets

The City of Middletown's investment in capital assets for its governmental activities for the year ended June 30, 2019 amounts to \$7,985,487. This investment in capital assets includes land and building improvements, machinery and equipment, roads and sidewalks, and park facilities.

City of Middletown's 2019 Capital Assets Governmental Activities

	June 30, 2018	Additions	Disposals	June 30, 2019
Land	\$ 353,221	\$ 36,406	\$ -	\$ 388,627
Infrastructure	8,435,628	246,746	(127,651)	8,554,723
Building - Office	248,365	-	(2,461)	245,904
Building - Church	698,753	-	-	698,753
Signs	72,428	-	-	72,428
Main Streetscape	1,574,164	-	(39,171)	1,534,993
Office Equipment & Furniture	54,213	-	(13,975)	40,238
Building - Wetherby House	1,290,560	-	(4,589)	1,285,971
Wetherby House Impr	995,722	-	(3,240)	992,482
Community Center	1,017,854	368,091	(63,695)	1,322,250
Farmbrook Property	130,028	-	-	130,028
Monuments & Park Equip	182,572	-	(8,850)	173,722
Maintenance Building	-	16,408	-	16,408
11905 Shelbyville Rd	311,106	-	(1,900)	309,206
Equipment	20,672	-	(3,300)	17,372
City Hall 1/2 Bldg	602,345	-	(12,512)	589,833
Police Vehicles & Equip	80,132	40,944	-	121,076
Total Fixed Assets	16,067,764	707,595	(281,344)	16,494,015
Accumulated Depreciation:	(8,085,460)	(585,852)	143,322	(8,527,990)
Net Fixed Assets	\$ 7,982,304	\$ 121,743	\$ (138,022)	\$ 7,966,025

Business -Type Activities

	June 30, 2018	Additions	Disposals	June 30, 2019
Land	\$ 1,550	\$ -	\$ -	\$ 1,550
Improvements	37,895	-	-	37,895
Total Fixed Assets	39,445	-	-	39,445
Accumulated Depreciation:	(17,477)	(2,526)	-	(20,003)
Net Fixed Assets	\$ 21,968	\$ (2,526)	\$ -	\$ 19,442

Major capital asset events during the current fiscal year included the following:

- The City purchased land to expand Wetherby park.
- The City completed renovations to the Community Center.
- The City completed improvements to roads during the fiscal year.
- The City purchased a vehicle and equipment for the expanded police department.

Additional information on the City of Middletown's capital assets can be found in Note 1 on page 13 of this report.

Budgetary Highlights

The general fund budget was amended during the year to reflect the cost of repairs and renovations to the Community Center, addition of police officer and increased police expenses, purchase of land for park additions, and construction of a maintenance building.

Significant budget versus actual variances include the following:

- The general fund federal and state grants revenue was \$37,948 versus the budgeted amount of \$342,232, which was \$304,284 under budget due to several large grants applied for but had not been awarded as of June 30, 2019.
- The general fund community development expenditures were \$711,755 versus the budgeted amount of \$1,921,227, which was \$1,209,472 under budget due to capital projects that were not started since the grant money to be used for the projects had not been awarded as of June 30, 2019.

Debt Administration

The City had no debt during fiscal year 2019.

Economic Factors and Next Year's Budgets

The local economy of the City remains strong. The City is experiencing consistent growth from incoming and continuing businesses. The City has experienced increases in property values in the current year.

In adopting the budget for the fiscal year 2020, the City officials considered many factors in making decisions and estimates about the finances of the upcoming year. A primary objective of the Commission was to continue to provide basic city services to the citizens while keeping the property tax rate the same.

A summary for the 2020 fiscal year budgeted expenses are as follows:

- Capital projects \$1,375,133
- Police expenditures \$892,300
- Public health & safety \$668,000
- Public works \$171,302
- General government \$1,130,713

Requests for Information

This financial report is designed to provide a general overview of the City of Middletown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Office of the City Treasurer, 11803 Old Shelbyville Road, Louisville, KY 40243.

**CITY OF MIDDLETOWN, KENTUCKY
CONTENTS**

	<u>Page(s)</u>
FINANCIAL STATEMENTS:	
Independent Auditor's Report	1
Statement of Net Position	2
Statement of Activities	3
Balance Sheet Governmental Funds	4
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Fund (Cemetery)	7
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund (Cemetery)	8
Statement of Cash Flows – Proprietary Fund (Cemetery)	9
Notes to Financial Statements	10-18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund (Municipal Road Aid)	20
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 <i>Government Auditing Standards</i>	21-22



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
City of Middletown, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Middletown, Kentucky as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Middletown, Kentucky'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's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Middletown, Kentucky, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages M1-M11 and 19-20 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 October 3, 2019, on our consideration of the City of Middletown, 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 solely 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 effectiveness of the City of Middletown, Kentucky's 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 Middletown, Kentucky's internal control over financial reporting and compliance.

Welenken CPAs

Welenken CPAs

Louisville, Kentucky
October 3, 2019

CITY OF MIDDLETOWN, KENTUCKY
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,539,519	\$ 224,399	\$ 2,763,918
Taxes receivable and other current assets	79,046	-	79,046
Investments	1,821,551	238,785	2,060,336
House held for resale	319,175	-	319,175
Other assets	516,877	-	516,877
Capital assets, net of accumulated depreciation	<u>7,966,025</u>	<u>19,442</u>	<u>7,985,467</u>
Total assets	<u>13,242,193</u>	<u>482,626</u>	<u>13,724,819</u>
LIABILITIES			
Accounts payable	195,168	-	195,168
Accrued liabilities	2,756	-	2,756
Escrow	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Total liabilities	<u>252,924</u>	<u>-</u>	<u>252,924</u>
NET POSITION			
Invested in capital assets, net of accumulated depreciation	7,966,025	19,442	7,985,467
Restricted for other purposes	453,277	-	453,277
Unrestricted	<u>4,569,967</u>	<u>463,184</u>	<u>5,033,151</u>
Total net position	<u>\$ 12,989,269</u>	<u>\$ 482,626</u>	<u>\$ 13,471,895</u>

The accompanying notes are an integral part of these statements.

**CITY OF MIDDLETOWN, KENTUCKY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (1,121,118)	\$ -	\$ -	\$ 37,948	\$ (1,083,168)	\$ -	\$ (1,083,168)
Public safety	(370,217)	8,848	15,143	-	(345,228)	-	(345,228)
Public works	(231,387)	-	-	-	(231,387)	-	(231,387)
Sanitation	(382,218)	-	-	-	(382,218)	-	(382,218)
Community development	(678,352)	88,103	147,516	-	(433,733)	-	(433,733)
Total governmental activities	(2,764,290)	107,949	162,659	37,948	(2,455,734)	-	(2,455,734)
Business-type activities:							
Cemetery	(58,288)	71,783	-	-	-	15,485	15,485
Total business activities	(58,288)	71,783	-	-	-	15,485	15,485
Total primary government	\$ (2,820,588)	\$ 179,732	\$ 162,659	\$ 37,948			(2,440,249)
General revenues:							
Taxes					1,431,857	-	1,431,857
Property taxes, levied for general purpose					852,208	-	852,208
Insurance premiums taxes					189,200	-	189,200
Bank franchise and total deposit taxes					80,957	-	80,957
Public service taxes					466,188	8,489	475,887
Investment earnings					(138,022)	-	(138,022)
Loss on disposal of asset					23,310	1,000	24,310
Miscellaneous					3,027,888	9,489	3,037,195
Total general revenues					571,862	24,984	596,946
Changes in net position					12,417,307	467,642	12,874,949
Net position - beginning					\$ 12,885,289	\$ 482,828	\$ 13,471,885
Net position - ending							

The accompanying notes are an integral part of these statements.

**CITY OF MIDDLETOWN, KENTUCKY
BALANCE SHEET GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General	Special Revenue (Municipal Road Aid)	Total
ASSETS			
Cash and cash equivalents	\$ 2,086,242	\$ 453,277	\$ 2,539,519
Receivables			46,663
Taxes	46,663	-	46,663
Grants	11,383	-	11,383
Prepaid expenses	21,000	-	21,000
Investments	1,821,551	-	1,821,551
House held for resale	319,175	-	319,175
Other current assets	516,877	-	516,877
Total Assets	4,822,891	453,277	5,276,168
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	195,168	-	195,168
Accrued liabilities	2,756	-	2,756
Escrow	55,000	-	55,000
Total Liabilities	252,924	-	252,924
 Deferred Inflows of Resources			
Unavailable revenue - property taxes	27,574	-	27,574
Total Deferred Inflows of Resources	27,574	-	27,574
 Fund balances:			
Nonspendable	21,000	-	21,000
Prepaid items			
Restricted		453,277	453,277
Special Revenue (Municipal Road Aid)	-	-	-
Unassigned	4,521,393	-	4,521,393
Total Fund Balances	4,542,393	453,277	4,995,670
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,822,891	\$ 453,277	\$ 5,276,168

**RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

Total fund balances - governmental	\$ 4,995,670
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	7,966,025
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds	27,574
 Net position of governmental activities	 \$ 12,989,269

The accompanying notes are an integral part of these statements.

CITY OF MIDDLETOWN, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Special Revenue (Municipal Road Aid)	Total Governmental Funds
REVENUES			
Taxes	\$ 1,437,194	\$ -	\$ 1,437,194
Insurance premiums taxes	952,208	-	952,208
Franchise bank tax	199,200	-	199,200
Licenses, permits and fees	90,957	-	90,957
Intergovernmental revenues	24,493	-	24,493
Police and public works	23,808	-	23,808
Rental income	87,463	-	87,463
Grant income	37,948	147,516	185,464
Interest received	457,049	11,139	468,188
Miscellaneous	-	10,640	10,640
Total revenues	<u>3,310,318</u>	<u>169,295</u>	<u>3,479,613</u>
EXPENDITURES			
General government	922,774	-	922,774
Public safety	347,637	-	347,637
Public works	218,058	123,511	341,569
Sanitation	362,218	-	362,218
Community development	204,241	-	204,241
Current capital outlays	548,458	159,137	707,595
Total expenditures	<u>2,803,386</u>	<u>282,648</u>	<u>2,886,034</u>
Other financing sources (uses)			
Transfers in (out)	<u>(153,000)</u>	<u>153,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(153,000)</u>	<u>153,000</u>	<u>-</u>
Net change in fund balances	553,932	39,647	593,579
Fund balances - beginning	<u>3,988,461</u>	<u>413,630</u>	<u>4,402,091</u>
Fund balances - ending	<u>\$ 4,542,393</u>	<u>\$ 453,277</u>	<u>\$ 4,995,670</u>

The accompanying notes are an integral part of these statements.

CITY OF MIDDLETOWN, KENTUCKY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Net change in fund balances-total governmental funds	\$ 593,579
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures	
however, in the statement of activities, the cost of those assets	
is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	707,595
Depreciation expense	(585,852)
Loss on disposal of asset	(138,022)
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds	(5,338)
Change in net position of governmental activities	<u>\$ 571,962</u>

The accompanying notes are an integral part of these statements.

**CITY OF MIDDLETOWN, KENTUCKY
STATEMENT OF NET POSITION
PROPRIETARY FUND (CEMETERY)
JUNE 30, 2019**

ASSETS	
Current Assets:	\$ 224,399
Cash	<u>238,785</u>
Investments	
Total current assets	<u>463,184</u>
Capital assets, net of accumulated depreciation	<u>19,442</u>
Total capital assets, net	<u>19,442</u>
Total assets	<u>482,626</u>
LIABILITIES	
Current Liabilities:	-
Accounts payable	<u>-</u>
Total current liabilities	<u>-</u>
NET POSITION	
Invested in capital assets, net of accumulated depreciation	19,442
Unrestricted	<u>463,184</u>
Total net position	<u><u>\$ 482,626</u></u>

The accompanying notes are an integral part of these statements.

**CITY OF MIDDLETOWN, KENTUCKY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
PROPRIETARY FUND (CEMETERY)
YEAR ENDED JUNE 30, 2019**

Operating Revenues:		\$ 31,750
Sale of grave space		40,033
Interment and foundation fees		<u>71,783</u>
Total operating revenue		<u>71,783</u>
Operating Expenses:		17,700
Interment		7,406
Foundations		27,568
Ground and building maintenance		1,036
Utilities		52
Insurance		2,526
Depreciation		10
Miscellaneous		<u>56,298</u>
Total operating expenses		<u>56,298</u>
Operating income		15,485
Non-operating revenues:		8,499
Interest income		1,000
Marcie Willhite Memorial Fund		<u>9,499</u>
Total non-operating revenues		<u>9,499</u>
CHANGE IN NET POSITION		24,984
Net position - beginning		<u>457,842</u>
Net position - ending		<u><u>\$ 482,626</u></u>

The accompanying notes are an integral part of these statements.

**CITY OF MIDDLETOWN, KENTUCKY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CEMETERY)
YEAR ENDED JUNE 30, 2019**

Cash Flows From Operating Activities:	
Receipts from customers	\$ 71,783
Payments to suppliers	<u>(53,772)</u>
Net cash provided by operating activities	<u>18,011</u>
Cash Flows From Investing Activities:	
Interest Income	8,499
Investment in Marcle Willhite Memorial Fund	1,000
Purchase of investments	<u>(4,459)</u>
Sale of investments	24,891
Net cash provided by investing activities	<u>29,931</u>
Net Increase In Cash	47,942
Cash, Beginning	<u>176,457</u>
Cash, Ending	<u><u>\$ 224,399</u></u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Cash flows from operating activities:	
Operating income	\$ 15,485
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	<u>2,526</u>
Net cash provided by operating activities	<u><u>\$ 18,011</u></u>

The accompanying notes are an integral part of these statements.

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Middletown, Kentucky (City) was founded in 1797 and incorporated on August 7, 1979 under the laws of the Commonwealth of Kentucky. The City operates under a Commission form of government and provides the following services as authorized by its charter: streets, sanitation, public improvements, planning and zoning, and general administrative services. As required by accounting principles generally accepted in the United States of America (GAAP), the accompanying basic financial statements present the activities of the City.

B. BASIC FINANCIAL STATEMENTS

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, public works, sanitation, and community development.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated based on the annual cost allocation plan. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The City considers all governmental and proprietary funds to be major funds due to their belief that all of these funds present financial information which is important to the financial statement users. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- continued

C. MEASUREMENTS FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City in general considers revenues available if they are collected within 180 days after year-end, except for property taxes, which the City considers available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when payment is due.

For the governmental funds financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and are recorded at the time of receipt or earlier, if the susceptible to accrual criteria are met.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. MEASUREMENTS FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION- continued

The Special Revenue Fund (Municipal Road Aid) is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

The City reports the following major proprietary fund:

The Proprietary Fund (Cemetery). Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are sales of cemetery grave space, interment and foundation fees. Operating expenses report on the costs of interment, maintenance and administration of the cemetery. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Cash and Cash Equivalents – The City maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidence by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The City met the requirements stated above, and as of June 30, 2019, deposits were fully insured or collateralized at a 100% level.

For purposes of the statement of cash flows, all cash deposits (including restricted assets) with an original maturity of three months or less from date of acquisition are considered to be cash equivalents.

Accounts Receivable and Taxes Receivable – Accounts receivable and taxes receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

Investments -- Investments are stated at amortized cost which approximates fair value. The City maintains investments in certificates of deposit with maturities varying from twelve to nineteen months.

Other Assets -- The City has entered into a Recapture Agreement to construct sewer recapture facilities which will be capable of providing sanitary sewer service to certain properties within the service area. The cost of the Recapture Facilities was paid for by the

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION – continued

City and the project's partners. The cost of this project will be offset by future connection fees charged to property owners within the service area. As of June 30, 2019 construction costs less connection fees plus accrued interest totaled \$516,877.

Capital Assets – Capital assets, which include land, buildings, improvements, machinery, equipment and infrastructure assets (e.g., roads, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using a straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5 to 40
Improvements other than buildings	5 to 40
Machinery and equipment	5 to 10
Infrastructure	15 to 40

Deferred Inflows of Resources – In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity:

Fund Financial Statements – Fund balances of the governmental funds are classified as follows:

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

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION – continued

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

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

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission adopted policy, only the City Commission may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Commissioners have provided otherwise in its commitment or assignment functions.

Government-Wide Statements – Equity is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Amount of net position that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that are neither classified as restricted nor as invested in capital assets, net of related debt.

Budgetary Accounting – 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 for all funds are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts in the financial statements are as adopted by ordinance of the City including any authorized revisions.

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION – continued

Compensated Absences – Vacation time not taken within the current year may be carried forward to the following calendar year not to exceed 20 days per year. Any amount over 20 days will be compensated at the full rate at the end of each calendar year. Also at the end of each calendar year, all full-time current employees have the option of: (1) carry forward all unused sick leave days of the maximum at 30, or (2) be paid compensation for all sick leave days in excess of 30 days at a rate of 100% of current compensation for all accumulated sick leave days. Since the employee's accumulating rights are contingent upon future events that cannot be reasonably estimated, no liability or expense has been recorded.

Long-term Obligations – In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

Interfund Transfers – Interfund transfers are budgeted and approved by the City Commission.

Use of 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 classification and reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

Note 2. AD VALOREM TAXES

The City has adopted a tax rate of \$0.136 cents per \$100 of property assessed for taxation. The total assessed value of real property within the City is \$1,184,547,280.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. Taxes are levied annually on June 30 and are due by December 31. A discount of 15% shall be allowed on tax bills paid through November 1st. From January 1st and thereafter, a penalty of 10% plus interest at the rate of 18% per annum is assessed on the face amount of the tax bill until payment is received.

Note 3. INSURANCE PREMIUMS TAXES

The City levies an insurance premium tax on non-health and worker's compensation insurance products sold to City residents. The assessed tax is 5% of gross premiums payable on a quarterly basis.

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 4. BANK FRANCHISE AND LOCAL DEPOSIT TAXES

The City imposes a bank franchise tax on local deposits of all financial institutions located within the City limits. The assessed tax is .025% on all deposits payable on an annual basis.

Note 5. COMMITMENTS

The City maintains contractual relationships relating to services provided for the benefit of the City. These commitments include annual contractual obligations for employment, sanitation, cable television, and maintenance services. All contracts are current and no invoices are outstanding.

Note 6. DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City does not have a formal policy on deposits and investments or custodial credit risk.

The City categorizes deposits at local financial institutions to give an indication of the level of custodial credit risk assumed by the City at fiscal year-end. The categories are described as follows:

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

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

Category 3: Uncollateralized.

Deposits, categorized by level of risk as of June 30, 2019 are as follows:

<u>Account</u>	<u>Bank Balance</u>	<u>Category</u>			<u>Carrying Amount</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Cash and cash equivalents	\$2,947,258	\$ 474,799	\$2,472,459	\$ -	\$2,947,258
CDs	<u>2,060,336</u>	<u>738,785</u>	<u>189,309</u>	<u>1,132,242</u>	<u>2,060,336</u>
	<u>\$5,007,594</u>	<u>\$1,213,584</u>	<u>\$2,661,768</u>	<u>\$1,132,242</u>	<u>\$5,007,594</u>

At June 30, 2019, the City had investments in certificates of deposits with maturities as follows:

<u>Total</u>	<u>Investment Maturities</u>	
	<u>Less than 1 year</u>	<u>1 - 5 years</u>
<u>\$2,060,336</u>	<u>-</u>	<u>\$2,060,336</u>

The City purchased a house with a large lot located near City Hall. The City intends to use a majority of the land for expansion of Wetherby Park and to sell the house and a small portion of land. The house has been recorded as an investment. The allocated cost of the house totaled \$319,175. This amount is recorded as an investment as of June 30, 2019. The fair market value is approximately the same as the purchase price.

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Note 7. CAPITAL ASSETS

City of Middletown's 2019 Capital Assets
Governmental Activities

	June 30, 2018	Additions	Disposals	June 30, 2019
Land	\$ 353,221	\$ 35,408	\$ -	\$ 388,627
Infrastructure	8,435,628	246,746	(127,651)	8,554,723
Building - Office	248,365	-	(2,461)	245,904
Building - Church	698,753	-	-	698,753
Signs	72,429	-	-	72,429
Main Streetscape	1,574,164	-	(39,171)	1,534,993
Office Equipment & Furniture	54,213	-	(13,975)	40,238
Building - Wetherby House	1,290,560	-	(4,589)	1,285,971
Wetherby House Impr	995,722	-	(3,240)	992,482
Community Center	1,017,854	368,091	(63,695)	1,322,250
Farnbrook Property	130,028	-	-	130,028
Monuments & Park Equip	182,572	-	(8,850)	173,722
Maintenance Building	-	16,408	-	16,408
11905 Shelbyville Rd	311,106	-	(1,900)	309,206
Equipment	20,872	-	(3,300)	17,372
City Hall 1/2 Bldg	602,345	-	(12,512)	589,833
Police Vehicles & Equip	80,132	40,944	-	121,076
Total Fixed Assets	16,067,764	707,595	(281,344)	16,494,015
Accumulated Depreciation:	(8,085,460)	(585,852)	143,322	(8,527,990)
Net Fixed Assets	\$ 7,982,304	\$ 121,743	\$ (138,022)	\$ 7,966,025

Business -Type Activities

	June 30, 2018	Additions	Disposals	June 30, 2019
Land	\$ 1,550	\$ -	\$ -	\$ 1,550
Improvements	37,895	-	-	37,895
Total Fixed Assets	39,445	-	-	39,445
Accumulated Depreciation:	(17,477)	(2,526)	-	(20,003)
Net Fixed Assets	\$ 21,968	\$ (2,526)	\$ -	\$ 19,442

CITY OF MIDDLETOWN, KENTUCKY
Notes to Financial Statements
June 30, 2019

Depreciation expense was allocated to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 78,919
Public safety	22,580
Public works	17,688
Community development	<u>465,665</u>
	<u>\$ 585,852</u>
Business-type activities:	
Cemetery	<u>\$ 2,526</u>

Note 8. RELATED PARTY TRANSACTIONS

The City rents a house to an employee of the City. Rental income from the house for the year ended June 30, 2019 totaled \$9,600. Rental terms are detailed in Note 9.

Note 9. LEASES

The City of Middletown holds various leases. The lease details are as follows:

<u>Location</u>	<u>Rental Income</u>	<u>Term of Lease</u>
11905 Old Shelbyville Road	\$800/month	Month to month
12556 Shelbyville Road	\$3,500/month	October 2016 – September 2023
Community Center	\$8,701/quarter	11/1/17-6/30/19
Community Center		
Build out reimbursement	\$4,544/quarter	11/1/17-6/30/19

As a courtesy, the City of Middletown, Kentucky provides free space to certain non-profit organizations.

Note 10. RETIREMENT PLAN

The City provides a Simple IRA plan for eligible employees, whereby employees make salary reduction contributions up to the allowable limit and the City makes matching contributions up to 3% of wages. The City's expense for the year ended June 30, 2019 was \$4,366.

Note 11. SUBSEQUENT EVENTS

The City has evaluated subsequent events through October 3, 2019, the date the financial statements are available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MIDDLETOWN, KENTUCKY
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,380,802	\$ 1,380,802	\$ 1,437,194	\$ 56,392
Insurance premiums	875,000	875,000	962,208	77,208
Franchise bank fees	200,000	200,000	199,200	(800)
Licenses, permits, and fees	99,000	99,000	90,957	(8,043)
Federal and state grants	342,232	342,232	37,948	(304,284)
Rental income	94,032	94,032	87,463	(6,569)
Police and public works	-	-	23,808	23,808
Interest received	32,000	32,000	457,049	425,049
Miscellaneous	2,900	2,900	24,493	21,593
Total revenues	<u>3,025,966</u>	<u>3,025,966</u>	<u>3,310,318</u>	<u>284,352</u>
Expenditures:				
General government	895,725	935,726	922,774	12,952
Public safety and sanitation	714,925	774,925	760,799	24,126
Public works	287,700	287,700	218,068	69,642
Community development	1,165,137	1,921,227	711,755	1,209,472
Total expenditures	<u>3,063,487</u>	<u>3,919,578</u>	<u>2,603,386</u>	<u>1,316,192</u>
Other financing sources (uses)				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(153,000)</u>	<u>3,000</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(153,000)</u>	<u>(3,000)</u>
Net change in fund balance	(187,521)	(1,043,612)	553,932	1,597,544
Fund balance - beginning	<u>3,988,461</u>	<u>3,988,461</u>	<u>3,988,461</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,800,940</u>	<u>\$ 2,944,849</u>	<u>\$ 4,542,393</u>	<u>\$ 1,597,544</u>

CITY OF MIDDLETOWN, KENTUCKY
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - SPECIAL REVENUE FUND (MUNICIPAL ROAD AID)
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with final budget Positive (Negative)
	Original	Final		
Revenues:				
Intra-governmental revenue	\$ 145,000	\$ 145,000	\$ 147,516	\$ 2,516
Miscellaneous	-	-	10,640	10,640
Interest	4,500	4,500	11,139	6,639
Total revenues	<u>149,500</u>	<u>149,500</u>	<u>169,295</u>	<u>19,795</u>
Expenditures:				
Public works	284,303	284,603	282,648	1,955
Total expenditures	<u>284,303</u>	<u>284,603</u>	<u>282,648</u>	<u>1,955</u>
Other financing sources(uses)				
Transfers in	150,000	150,000	153,000	(3,000)
Net change in fund balance	15,197	14,897	39,647	24,750
Fund balance - beginning	<u>413,630</u>	<u>413,630</u>	<u>413,630</u>	-
Fund balance - ending	<u>\$ 428,827</u>	<u>\$ 428,527</u>	<u>\$ 453,277</u>	<u>\$ 24,750</u>



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**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 Honorable Mayor and City Commissioners
City of Middletown, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Middletown, Kentucky, as of and for the year ended June 30, 2019 and the related notes to the financial statements, and have issued our report thereon dated October 3, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Middletown, 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 Middletown, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Middletown, 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 Middletown, Kentucky's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Welenken CPAs

Welenken CPAs

Louisville, Kentucky
October 3, 2019