



# PROSPECT

## Ordinance Publication



JULY 2017

I present to you the full text of the budget ordinances recently passed by City Council. Ordinance 556, which amends the 2016-2017 budget to address changes in the City's spending needs since last summer, was passed unanimously on June 26, 2017. Ordinance 553 is the 2017-2018 budget. Your property taxes and other revenue sources pay for police and administrative services, trash collection, street maintenance, and community development. Ordinance 554 addresses the municipal road aid budget, which provides for road construction and paving. Finally, as set forth in Ordinance 555, the ad valorem property tax rate remains at \$.2125 per \$100 of assessed value, as it has for many years. The City's 2017 property tax bills will be mailed to each owner of record later this summer.

I hope you find this mailing informative. Please do not hesitate to contact City Hall if you have any questions about the budget.

**Audit of the City of Prospect, Kentucky for 2016** *John E. Evans* - Mayor

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the City of Prospect, Kentucky, as of June 30, 2016, 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 budgetary comparison information and pension schedules on pages 20 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Prospect, Kentucky's basic financial statements. The budgetary comparison information - special revenue fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison information - special revenue fund, balance sheet - special revenue fund and statement of revenues, expenses, and changes in fund balances - special revenue fund is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information - special revenue fund, balance sheet - special revenue fund and statement of revenues, expenses, and changes in fund balances - special revenue fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2017, on our consideration of the City of Prospect, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Prospect, Kentucky's internal control over financial reporting and compliance.

(Continued page 4)  
*Jones, Nale and Mattingly* PLC

### LEGAL NOTICE

This publication was prepared in accordance with KRS 424.170. If you would like to view a copy of the full Ordinance documents, they are available at Prospect City Hall, 9200 US Hwy 42, Prospect, KY 40059. Every citizen has the right to view and obtain a copy of the completed Ordinances for his or her personal use; duplication costs will not exceed \$.25 per page.

**CITY OF PROSPECT ORDINANCE NO. 556, SERIES 2017**

**AN ORDINANCE RELATING TO THE AMENDMENT AND MODIFICATION OF THE BUDGET FOR THE GENERAL FUND OF THE CITY OF PROSPECT FOR THE FISCAL YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017**

**BE IT ORDAINED BY THE CITY OF PROSPECT, KENTUCKY:**

**SECTION 1: The Budget for the General Fund of the City of Prospect for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 shall be amended as follows:**

<b>Revenue</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Change</b>
Property Tax	\$1,839,600.00	\$1,800,000.00	-\$39,600.00
Utilities Tax	\$15,000.00	\$12,678.08	-\$2,321.92
Insurance Tax	\$1,130,000.00	\$1,146,500.00	+\$16,500.00
Cable TV Franchise Fee	\$35,000.00	\$32,098.83	-\$2,901.17
Bank Deposit Tax	\$60,000.00	\$64,391.37	+\$4,391.37
Business Licenses	\$9,650.00	\$9,707.13	+\$57.13
Library Contributions	\$1,000.00	\$2,500.00	+\$1,500.00
KLEFPF Grant	\$21,000.00	\$28,606.28	+\$7,606.28
HB413 (Base Court Revenue)	\$10,000.00	\$15,000.00	+\$5,000.00
Interest Income	\$700.00	\$2,965.31	+\$2,265.31
Miscellaneous Revenue	\$35,000.00	\$37,000.00	+\$2,000.00
Police Fingerprinting/Reports	\$300.00	\$600.00	+\$300.00
City Property Use Payments	\$450.00	\$0.00	-\$450.00
Amended Revenue (line item changes)	\$3,157,700.00	\$3,152,047.00	-\$5,653.00
Amended Total Revenue*	\$3,184,925.00	\$3,179,272.00	-\$5,653.00

(Includes \$27,225.00 in unchanged budgeted revenue.)

**GENERAL GOVERNMENT EXPENDITURES**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Change</b>
Salaries and Benefits	\$385,963.99	\$430,323.46	+\$44,359.47
Professional Services	\$157,550.00	\$254,160.95	+\$96,610.95
Travel & Training	\$1,500.00	\$3,000.00	+\$1,500.00
Maintenance & Repair	\$103,900.00	\$101,100.00	-\$2,800.00
Utilities	\$167,500.00	\$165,000.00	-\$2,500.00
Postage	\$9,950.00	\$10,500.00	+\$550.00
Insurance	\$33,800.00	\$36,678.91	+\$2,878.91
Materials & Supplies	\$6,500.00	\$5,500.00	-\$1,000.00
Information & Communication	\$41,500.00	\$42,626.35	+\$1,126.35
Capital Outlay	\$113,088.64	\$76,061.00	-\$37,027.64
Amended General Government Total	\$1,021,252.63	\$1,124,950.67	+\$103,698.04

<b>Police Department Expenditures</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Change</b>
Salaries and Benefits	\$719,298.90	\$739,547.15	+\$20,248.25
Professional Services	\$4,500.00	\$1,500.00	-\$3,000.00
Uniforms	\$6,000.00	\$6,000.00	N/A
Travel & Living	\$8,000.00	\$6,100.00	-\$1,900.00
KLEFPF Pay	\$21,000.00	\$28,806.28	+\$7,806.28
Police Insurance	\$81,250.00	\$61,157.69	-\$20,092.31
Materials & Supplies	\$65,750.00	\$52,200.00	-\$13,550.00
Capital Outlay	\$48,000.00	\$48,484.80	+\$484.80
Amended Police Department Budget	\$953,798.90	\$943,795.92	-\$10,002.98

<b>Community Development Expenditures</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Change</b>
Environmental Services	\$1,250.00	\$1,200.00	-\$50.00
Forestation	\$20,550.00	\$17,100.00	-\$3,450.00
Beautification	\$117,880.00	\$76,193.72	-\$41,686.28
Library	\$13,200.00	\$11,657.07	-\$1,542.93
Parks and Recreation	\$36,000.00	\$33,679.00	-\$2,321.00
Prospect History Book	\$35,000.00	\$10,000.00	-\$25,000.00
Amended Community Development Budget	\$223,880.00	\$149,829.79	-\$74,050.21

<b>Public Works Expenditures</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Change</b>
Contractual Maintenance	\$248,935.00	\$242,216.63	-\$6,718.37
Street Maintenance	\$27,058.47	\$3,029.99	-\$24,028.48
Solid Waste	\$710,000.00	\$715,449.00	+\$5,449.00
Amended Public Works Budget	\$985,993.47	\$960,695.62	-\$25,297.85

<b>Original Budget Total</b>	<b>Amended Budget Total</b>
\$3,184,925.00	\$3,179,272.00

**SECTION 2: This Ordinance shall be effective from and after its passage, approval and publication as required by law.**

**CITY OF PROSPECT  
ORDINANCE NO. 553, SERIES 2017**

**AN ORDINANCE ESTABLISHING A BUDGET  
FOR THE GENERAL FUND OF THE CITY OF PROSPECT  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2017  
AND ENDING JUNE 30, 2018**

Uniforms	\$6,000
Travel, Training and Reimburse	\$8,000
Insurance	\$78,063
Materials and Supplies	\$55,750
Capital Outlay	\$48,000
KLEPFF	\$24,000
<b>Total Police Department</b>	<b>\$981,279</b>

**BE IT ORDAINED BY THE CITY OF PROSPECT, KENTUCKY:**  
**SECTION 1: The Budget for the General Fund of the City of Prospect for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018 shall be as follows:**

Public Works	
Solid Waste	\$742,000
Street Maintenance	\$10,000
Contractual Maintenance	\$241,083
<b>Total Public Works</b>	<b>\$993,083</b>

**REVENUES**

Ad Valorem Property Tax	\$1,759,000
Utilities Tax	\$15,000
Insurance Premium Tax	\$1,250,000
Liquor Licenses	\$6,000
Permits	\$8,000
Cable Television Franchise Fee	\$35,000
Bank Deposit Tax	\$65,000
Business Licenses	\$9,750
Community Events Contributions	\$10,000
Library Contributions	\$1,000
LGEA Grants	\$225
KLEPFF Grant	\$24,000
Base Court Revenue	\$10,000
Interest Income	\$700
Tax Records Requests	\$2,500
Miscellaneous Revenue	\$3,500
Police Finger Printing	\$300
<b>TOTAL REVENUES</b>	<b>\$3,199,975</b>

Community Development	
Environmental Services	\$2,250
Forestation	\$24,050
Beautification	\$120,000
Library	\$13,600
Parks and Recreation	\$36,500
Prospect History Book	\$30,000
<b>Total Community Development</b>	<b>\$226,400</b>
<b>Total Budgeted Expenditures</b>	<b>\$3,199,975</b>
Transfers	
Transfer to Unallocated Reserves	0.00
<b>TOTAL EXPENDITURES</b>	<b>\$3,199,975</b>

**SECTION 2: This Ordinance shall be effective from and after its passage, approval and publication as required by law.**

**EXPENDITURES**

General Government	
Salaries and Benefits	\$466,216
Professional Services	\$162,650
Maintenance and Repairs	\$42,900
Travel and Training	\$3,000
Utilities	\$179,000
Postage	\$10,400
Insurance	\$22,545
Materials and Supplies	\$5,500
Information and communication	\$37,500
Capital Outlay	\$69,502
<b>Total General Government</b>	<b>\$999,213</b>
Police Department	
Salaries and Benefits	\$756,966
Professional Services	\$4,500

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**CITY OF PROSPECT  
ORDINANCE NO. 554, SERIES 2017**

**AN ORDINANCE ESTABLISHING A BUDGET FOR THE MUNICIPAL ROAD AID FUND OF THE CITY OF PROSPECT FOR THE FISCAL YEAR BEGINNING JULY 1, 2017 AND ENDING JUNE 30, 2018**

**BE IT ORDAINED BY THE CITY OF PROSPECT, KENTUCKY:**

**SECTION 1: The Budget for the Municipal Road Aid Fund of the City of Prospect for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018 shall be as follows:**

Estimated Balance July 1, 2017	\$8,999.15
Estimated Increases to Fund	\$108,000
<b>TOTAL AVAILABLE FOR APPROPRIATION</b>	<b>\$116,999.15</b>
<b>ESTIMATED EXPENDITURES</b>	<b>\$56,000.00</b>
Road Construction/Paving	
<b>ESTIMATED ENDING BALANCE JUNE 30, 2018</b>	<b>\$60,999.15</b>

**SECTION 2: This Ordinance shall be effective from and after its passage, approval and publication as required by law.**

**CITY OF PROSPECT  
ORDINANCE NO. 555, SERIES 2017**

**AN ORDINANCE ESTABLISHING AN AD VALOREM TAX RATE FOR THE CITY OF PROSPECT  
BE IT ORDAINED BY THE CITY OF PROSPECT, KENTUCKY:**

**SECTION 1: An ad valorem tax is hereby levied and fixed at the rate of 21.25 cents on each \$100 of all real estate property within the corporate limits of the City of Prospect, as assessed for taxation and subject to taxation by said City, under assessment as of January 1st of each year.**

**SECTION 2: Said ad valorem taxes shall be due and payable, including interest and penalty pursuant to Ordinance 113, Series 1983, until paid in full.**

**SECTION 3: The proceeds of such taxes, penalties and interest are to be placed in the General Fund of the City of Prospect and are to be used for the general operation expenses of said City, including but not limited to purchase of City supplies, safety and security, health and sanitation, recreation and welfare, improvement and maintenance of streets, management and maintenance of trees and public lands, garbage collection, street lights and expenses thereof, other expenses for operation of the City and all necessary and proper municipal functions as may be ordained and resolved by the City Council.**

**SECTION 4: This Ordinance shall be effective from and after its passage, approval and publication as required by law.**



City of Prospect  
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**CITY OF PROSPECT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**For the Year Ended June 30, 2016**

REVENUES:	GOVERNMENTAL FUNDS		
	General	Special Revenue	Total
Property taxes	\$ 1,675,421	\$ --	\$ 1,675,421
Utility tax	14,638	--	14,638
Insurance tax	1,190,892	--	1,190,892
Liquor license	7,684	--	7,684
Permits	9,479	--	9,479
Cable television franchise fee	35,019	--	35,019
Bank deposit tax	60,230	--	60,230
Business license	10,150	--	10,150
Community contributions	14,070	--	14,070
Library contributions	1,802	--	1,802
KLEFPF grant	24,723	--	24,723
HB 413 (Base court revenue)	5,112	--	5,112
Interest income	813	23	836
Records request	2,980	--	2,980
Miscellaneous	2,065	--	2,065
Municipal road aid grants	--	93,270	93,270
TOTAL REVENUES	<u>\$ 3,055,078</u>	<u>\$ 93,293</u>	<u>\$ 3,148,371</u>
EXPENDITURES:			
Current:			
General government	\$ 852,810	\$ --	\$ 852,810
Police department	813,581	--	813,581
Public works	1,240,122	83,034	1,323,156
Community development	--	403	403
Total current	2,906,513	83,437	2,989,950
Capital outlay:			
General government	51,270	--	51,270
Police department	41,475	--	41,475
Community development	--	423,032	423,032
Total capital outlay	92,745	423,032	515,777
TOTAL EXPENDITURES	<u>\$ 2,999,258</u>	<u>\$ 506,469</u>	<u>\$ 3,505,727</u>

The Notes to the Financial statements are an integral part of this statement. A copy of the complete audit report, including financial statements and supplemental information, is on file at City Hall and available for public inspection during normal business hours. Any citizen may obtain a copy of the complete auditor's report, including financial statements and supplemental information, at a cost that shall not exceed twenty-five cents (\$0.25) per page. Copies of the financial statement prepared in accordance with KRS 424.220 are also available to the public at no cost at the business address of Jones, Nale & Mattingly PLC.