

CITY OF GLENVIEW, KENTUCKY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

CITY OF GLENVIEW, KENTUCKY
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June 30, 2009

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Certified Public Accountants

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John M. McIntyre, CPA

Paula E. Wooldridge, CPA

Independent Auditor's Report

November 12, 2009

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

We have audited the accompanying financial statements of the governmental activities of the City of Glenview, Kentucky, (the City) as of June 30, 2009, and for the year then ended, which comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the City of Glenview, Kentucky, as of June 30, 2009, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in

considering the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison information on pages 3 through 5 and 21, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit this information and express no opinion on it.

McIntyre & Woolbridge, PSC

MANGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The management's discussion and analysis of the City of Glenview (the "City") financial statements provides an overview of the City's financial activities for the fiscal year ended June 30, 2009 and should be read in conjunction with the City's financial statements, which begin on Page 6.

Financial Highlights

The financial statements included in this report provide insight into the financial status of the City for the year ending June 30, 2009. The total net assets of the City increased \$77,470 and the unrestricted fund balance increased by \$87,943. The major revenue sources continue to be property taxes and insurance premium taxes. As a small city, we are required to audit our financial statements every two years.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Glenview's basic financial statements. These statements consist of 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 are designed to provide readers with a broad overview of the City of Glenview's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of a statement of net assets, and a statement of activities.

The statement of net assets presents information on all of the City of Glenview assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Glenview is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 fiscal periods.

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues. The City of Glenview's activities include administration, law enforcement, public works and sanitation. The government-wide financial statements can be found on pages 6-7 of this report.

Fund financial statements are a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The basic government fund financial statements can be found on pages 8-9 of this report.

Notes to the financial statements 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 11-20 of this report.

Government-wide Financial Analysis

	FYE'09	FYE'08	Increase
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
Cash and cash equivalents	\$ 78,392	\$ 83,943	\$(5,551)
Receivables and prepaid expenses	109,776	17,999	91,777
Short term investments	81,244	70,000	11,244
Capital assets, net	<u>176,427</u>	<u>189,279</u>	<u>(12,852)</u>
Total Assets	<u>\$445,839</u>	<u>\$361,221</u>	<u>\$ 84,618</u>
Accounts payable	<u>\$ 11,765</u>	<u>\$ 4,617</u>	<u>\$ 7,148</u>
Total Liabilities	<u>\$ 11,765</u>	<u>\$ 4,617</u>	<u>\$ 7,148</u>
Investment in capital assets	176,427	189,279	(12,852)
Restricted for roads	3,587	1,208	2,379
Unrestricted	<u>254,060</u>	<u>166,117</u>	<u>87,943</u>
Total Net Assets	<u>\$434,074</u>	<u>\$356,604</u>	<u>\$77,470</u>

The statement of Net Assets as of June 30, 2009 shows that the City of Glenview has assets of \$445,839 with liabilities of \$11,765. Of the \$445,839 total assets, \$176,427 is comprised of capital assets, net of depreciation and \$109,776 of receivables and prepaid expenses. The receivables and prepaid expenses as of June 30, 2009 included a receivable of \$78,964 from FEMA for the ice storm damage in January 2009 that was received in August 2009.

Following is a comparative statement of activities.

	FYE'09	FYE'08	Increase
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
REVENUES			
Property taxes	\$260,684	\$255,016	\$ 5,668
Franchise fees	5,450	5,450	-
Insurance premium taxes	77,633	62,916	14,717
Municipal aid	9,814	10,695	(881)
Interest income	4,178	7,879	(3,701)

Other income	<u>4,223</u>	<u>3,995</u>	<u>228</u>
Total Revenues	<u>\$361,982</u>	<u>\$345,951</u>	<u>\$16,031</u>
EXPENDITURES			
General government	\$ 70,165	\$ 85,782	\$(15,167)
Public safety	11,000	8,400	2,600
Public service	88,687	133,107	(44,420)
Sanitation	<u>114,660</u>	<u>114,660</u>	<u>- -</u>
Total Expenditures	<u>\$284,512</u>	<u>\$341,949</u>	<u>\$(57,437)</u>
Net Change in Fund Balance	<u>\$ 77,470</u>	<u>\$ 4,002</u>	<u>\$73,468</u>

Revenues increased by \$16,031 from 2009 over 2008 and expenditures decreased by \$57,437 for the same period. The decrease in expenditures resulted mainly from the combination of the City Administrator and City Clerk into one position and FEMA reimbursements of weather related expenditures.

Notes to the Financial Statements

The notes include much useful information and data. Note 1 states the significant accounting policies used by the City. As stated in Note 1, the assessed value of property in Glenview as of January 1, 2008 was \$208,470,980. The property tax rate for fiscal year ended June 30, 2009 remained at 0.13 per \$100 of assessed value. As of January 1, 2007, the assessed value was \$202,818,400 and the tax rate was 0.13 per \$100 of assessed value. The assessed value increased by less than 3% as determined the Jefferson County Property Valuation Administrator. Note 2 contains information regarding cash and cash equivalents, and Note 4 contains information regarding short term investments.

Supplementary Information

Budgetary comparison for the year ended June 30, 2009 is shown on page 21. This schedule shows the original budget as approved and was not amended. All revenues exceeded budget amounts and all expenditures came in under budget.

Summary

The current financial statement reporting model is mandated by the Governmental Accounting Standards Board (GASB). The City implemented these changes in 2005.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's financial position and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the City Administrator/Clerk, Kacy White, City of Glenview, General Delivery, Glenview, KY 40025.

**CITY OF GLENVIEW, KENTUCKY
STATEMENT OF NET ASSETS
JUNE 30, 2009**

ASSETS

Current Assets

Cash and cash equivalents	\$ 78,392
Property taxes receivable	2,198
Municipal aid receivable	3,587
Insurance premium taxes receivable	20,103
FEMA receivable	78,964
Prepaid expenses	4,924
Short term investments	<u>81,244</u>
Total Current Assets	269,412

Capital assets, net of accumulated depreciation of \$51,737	<u>176,427</u>
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TOTAL ASSETS	445,839
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LIABILITIES

Current Liabilities

Accounts payable	<u>11,765</u>
Total Current Liabilities	<u>11,765</u>

NET ASSETS

Investment in capital assets	176,427
Restricted for roads	3,587
Unrestricted	<u>254,060</u>

TOTAL NET ASSETS	<u>\$ 434,074</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF GLENVIEW, KENTUCKY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>EXPENSES</u>	<u>PROGRAM REVENUES OPERATING GRANTS</u>	<u>NET (EXPENSES) AND REVENUES AND CHANGES IN NET ASSETS GOVERNMENTAL ACTIVITIES</u>
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES:			
General government	\$ (70,165)	\$ -	\$ (70,165)
Public safety	(11,000)		(11,000)
Public services	(88,687)	9,814	(78,873)
Sanitation	<u>(114,660)</u>	<u>-</u>	<u>(114,660)</u>
Total Governmental Activities	(284,512)	9,814	(274,698)
GENERAL REVENUES			
Taxes:			
Property taxes levied for general purposes			260,684
Insurance premium taxes			77,633
Franchise fees			5,450
Interest income			4,178
Other income			<u>4,223</u>
Total General Revenues			<u>352,168</u>
CHANGE IN NET ASSETS			77,470
NET ASSETS, BEGINNING OF YEAR			<u>356,604</u>
NET ASSETS, END OF YEAR			<u>\$ 434,074</u>

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

CITY OF GLENVIEW, KENTUCKY
BALANCE SHEET - GOVERNMENTAL FUNDS AND
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

	GENERAL FUND	ROAD FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 78,392	\$	\$ 78,392
Property taxes receivable	-		-
Municipal aid receivable		3,587	3,587
Insurance premium taxes receivable	20,103		20,103
FEMA receivable	78,964		78,964
Prepaid expenses	4,924		4,924
Short term investments	81,244	-	81,244
TOTAL ASSETS	\$ 263,627	\$ 3,587	\$ 267,214
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 11,765	\$ -	\$ 11,765
TOTAL LIABILITIES	11,765	-	11,765
FUND BALANCES			
Unreserved, general fund	251,862		251,862
Reserved, road fund	-	3,587	3,587
TOTAL FUND BALANCES	251,862	3,587	255,449
TOTAL LIABILITIES AND FUND BALANCES	\$ 263,627	\$ 3,587	\$ 267,214
TOTAL GOVERNMENTAL FUND BALANCES			\$ 255,449
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount by which capital outlays exceeded depreciation			176,427
Tax receivables in the statement of net assets are reported on using the accrual basis whereas the balance sheet-governmental funds reflects the modified accrual basis. This is the difference in the two methods.			2,198
NET ASSETS			\$ 434,074

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

CITY OF GLENVIEW, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>GENERAL FUND</u>	<u>ROAD FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Property taxes, including interest and penalties	\$ 258,486	\$	\$ 258,486
Franchise fees	5,450		5,450
Insurance premium taxes	77,633		77,633
Municipal aid		9,814	9,814
Interest income	4,178		4,178
Other income	<u>4,223</u>	<u>-</u>	<u>4,223</u>
Total Revenues	349,970	9,814	359,784
EXPENDITURES			
General government	69,565		69,565
Public safety	11,000		11,000
Public service	69,000	7,435	76,435
Sanitation	<u>114,660</u>	<u>-</u>	<u>114,660</u>
Total Expenditures	<u>264,225</u>	<u>7,435</u>	<u>271,660</u>
NET CHANGE IN FUND BALANCES	85,745	2,379	88,124
FUND BALANCES, Beginning of year	<u>166,117</u>	<u>1,208</u>	<u>167,325</u>
FUND BALANCES, End of year	<u>\$ 251,862</u>	<u>\$ 3,587</u>	<u>\$ 255,449</u>

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

**CITY OF GLENVIEW, KENTUCKY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Net change in fund balances-total governmental funds \$ 88,124

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays were exceeded by depreciation in the current period. (12,852)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the change of receivables during the year. 2,198

Net change in net assets as reflected on Statement of Activities \$ 77,470

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

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities presents direct expenses which are clearly identifiable with a specific function or segment. Taxes and other revenue items are reported as general revenues.

Fund Financial Statements

The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the City are classified as governmental, which account for all or most of the City's general activities including the collection of legally restricted monies, administrative expense and the acquisition or construction of capital assets.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

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

The government reports the following funds of the financial reporting entity: The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. The *road fund* is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City accounts for Kentucky municipal aid receipts in this fund. The municipal aid fund is restricted to road construction, repairs and maintenance

Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when they are "measurable and available". Measurable means the amount can be determined.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

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

Available means collectible within the period or soon enough thereafter to pay current liabilities. The City considers government fund revenues as available if they are collected within 60 to 90 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation debt and interest which are reported as expenditures in the year due.

Budgetary Accounting

The budget information reflected in the financial statements is the annual budget adopted by the City in accordance with the provisions of Kentucky law. It is presented to the Commission in the form of an ordinance and may be amended by subsequent ordinance or by municipal order. The budget is prepared on a basis consistent with the modified accrual basis of accounting utilized in the government fund financial statements.

Budgetary Comparison Schedules

As required by generally accepted governmental accounting principles, this statement has been prepared in the same form as the legally adopted budget; therefore its form varies somewhat from the statement of revenues, expenditures and changes in fund balances on page 9.

Cash and Concentrations of Credit Risk

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

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

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

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

Cash and Concentrations of Credit Risk (Continued)

The City maintains its deposits with banks insured by the Federal Deposit Insurance Corporation (FDIC). FDIC insures balances up to \$250,000. As of June 30, 2009, the City had a money market investment in a brokerage account in the amount of \$73,854 which was not covered by FDIC.

Property Taxes Receivable and Property Tax Calendar

Delinquent property taxes are recorded in property taxes receivable in the general fund.

Property taxes are levied on the assessed value of qualifying property as of the preceding January 1 for all real property located in the City. The property tax bills are mailed to property owners in July (the first month of the fiscal year). For the year ended June 30, 2009, the City assessed a tax to finance general fund operations amounting to \$.13 per \$100 of assessed valuation for real property. The total assessed value of the tax roll on January 1, 2008, upon which the levy for the June 30, 2009 fiscal year was based, amounted to \$208,470,980 resulting in gross taxes of \$271,012.

Property taxes are due as follows:

September 30 and before	- gross less discount of 5%
October 1 to December 31	- gross amount
After December 31	- gross plus penalty of 10% plus interest at 1.5% per month compounded monthly

Currently, the City does not have a policy which sets a date for filing liens on delinquent taxes. Property tax revenues as reflected in these financial statements, includes applicable penalties and interest.

Insurance Premium Taxes

The City's tax rate assessed on insurance premium is 5%.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

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

Capital Assets

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

Effective for the year ended June 30, 2004, the City implemented GASB Statement Number 34. One of the requirements of GASB 34 is to capitalize and depreciate infrastructure expenditures and other capital assets (See Note 5). The City elected to implement this standard prospectively, as it related to the capitalization of infrastructure expenditures. The valuation basis for general capital assets are historical costs, or where historical cost is not available, estimated historical cost based on replacement cost. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

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

Infrastructure including roads and bridges	15 to 25 years
Leasehold improvements	15 years
Street signs	15 years

Fund Equity

Net assets is the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation.

In the fund financial statements, government funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function.

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

Fair Value of Financial Investments

The carrying amount of cash, receivables, short-term investments and payables approximates their fair market values as of June 30, 2009.

Use Estimates in the Preparation of Financial Statements

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of the following at June 30, 2009:

Bank checking account with interest at .25% per annum	\$4,538
Raymond James Eagle Cash Trust money market account with interest at .01% per annum	<u>73,854</u>
Total	<u><u>\$78,392</u></u>

NOTE 3-FEMA RECEIVABLE

During the year ended June 30, 2009, the City incurred significant public service costs as a result of the September 2008 wind storm and the January 2009 ice storm. The City filed a claim for reimbursement of these costs with the Federal Emergency Management Agency (FEMA) in March 2009 and was notified by FEMA that the City's reimbursement would be \$78,964. This amount was received by the City in August 2009. The amount was recorded as a receivable at June 30, 2009 and a credit to the public service expenditure account.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 4 – SHORT TERM INVESTMENTS

Short term investments consist of the following invested with Raymond James Brokerage at June 30, 2009:

	<u>Acquired</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Certificate of deposit Capital One	March 2009	March 2010	4.00%	\$ 60,684
Certificate of deposit GE Capital	September 2008	September 2009	3.55%	<u>20,560</u>
Total				<u>\$81,244</u>

The above certificates of deposit were covered by FDIC at June 30, 2009. The certificates of deposit are reported at cost plus accrued interest which approximates fair market value.

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Credit Risk – Kentucky Revised Statutes (KRS) limits investments to obligations of the United States Government, obligations backed by the full faith and credit of the United States Government, obligations of any corporation or agency of the United States Government, certificates of deposits, commercial paper, bonds or securities issued by a state or local government and shares of mutual funds. The City has no investment policy that would further limit its investment choices as they are defined in KRS.

Concentration of Credit Risk – The city places no limit on the amount the City may invest in any one issuer.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended June 30, 2009, consists of the following:

	Balance <u>6-30-08</u>	2009 <u>Additions</u>	Balance <u>6-30-09</u>
Road and bridge improvements	\$165,904	\$ -	\$165,904
Entrance improvements	28,500		28,500
Street signs	24,754		24,754
Post office	<u>9,006</u>	<u>-</u>	<u>9,006</u>
	228,164		228,164
Accumulated depreciation	<u>(38,885)</u>	<u>(12,852)</u>	<u>(51,737)</u>
Total Capital Assets, Net	<u>\$189,279</u>	<u>\$(12,852)</u>	<u>\$176,427</u>

Depreciation for the year ended June 30, 2009 was charged to function in the Statement of Activities as follows:

General government	\$ 600
Public services	<u>12,252</u>
Total	<u>\$12,852</u>

NOTE 6– RISK MANAGEMENT

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

NOTE 7 – POST OFFICE RENT

The City has an annual operating lease with a resident for space in a building which it subleases to the United States Postal Service for an indefinite period. The City leases the space for \$1 per year from the resident of the City and subleases the space to the Postal Service for \$3,750 per year. Rent revenue was \$3,650 for the year ended June 30, 2009.

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 7 – POST OFFICE RENT (CONTINUED)

In addition, the City is responsible for maintenance and insurance. During 2009, the City incurred maintenance costs on the post office facility of \$9,100. An amendment to the lease, dated December 12, 2000, states that the City is also required to reimburse the resident for property taxes paid by the resident on the facility which approximates \$400 annually.

On August 15, 2008 the City renewed its sublease agreement with the Postal Service obligating the Postal Service to pay the City an annual rental of \$3,750 payable in monthly installments beginning February 2009 and ending January 2014.

NOTE 8 – CONDUIT DEBT OBLIGATIONS

In 1995, the City issued Educational Development Revenue Bonds in the amount of \$500,000 to provide financial assistance to the Chance School (the “School”) for purposes deemed in the public interest. As of June 30, 2009, there were approximately \$239,000 of Educational Development Revenue Bonds outstanding.

Subsequently on July 9, 2009, the City issued Kentucky Educational Development Improvement and Refunding Revenue Bonds (Chance School Project) Series 2009 in the amount of \$700,000. The purpose of the bond is for paying the cost of construction, renovation, improvement, and equipping of an educational development project to be owned by the Chance School and the current refunding of the outstanding Series 1995 City revenue bond described in the aforementioned paragraph. The amount of \$239,242 of the \$700,000 bond proceeds was used to redeem the Series 1995 bonds.

Both the Series 1995 and 2009 bonds are secured by School property and revenues and are payable solely by the School. Neither the City, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

NOTE 9 – ADOPTION OF ACCOUNTING STANDARDS

In June 1999, The Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments. As required, the City implemented the provision of this statement for the year ended June 30, 2004. Certain significant changes in the statements include the following:

**CITY OF GLENVIEW, KENTUCKY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 9 – ADOPTION OF ACCOUNTING STANDARDS (CONTINUED)

- A management discussion and analysis (MD&A) section providing an analysis of the City's overall financial position and results of operation.
- Financial statements prepared using full accrual accounting for all of the City's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements, including notes to the financial statements.

NOTE 10-COMMITMENTS AND CONTINGENCIES

Presently, there is no known litigation nor any asserted legal claims against the City.

Other than its sanitation contract, the City has no contractual commitments.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF GLENVIEW, KENTUCKY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
GENERAL FUND			
RESOURCES AVAILABLE			
Fund Balance Carried Forward	\$150,000	\$166,117	\$16,117
Revenues:			
Property taxes	255,000	258,486	3,486
Post office rent	3,600	3,600	-
Interest income	4,000	4,178	178
Insurance premium taxes	50,000	77,633	27,633
Franchise fees	5,000	5,450	450
Other income	600	623	23
Total Estimated Revenues	<u>318,200</u>	<u>349,970</u>	<u>31,770</u>
 TOTAL RESOURCES AVAILABLE	 468,200	 516,087	 47,887
EXPENDITURES			
General government	82,250	69,565	12,685
Public works	104,950	69,000	35,950
Police and public safety	16,000	11,000	5,000
Sanitation	115,000	114,660	340
Total Expenditures	<u>318,200</u>	<u>264,225</u>	<u>53,975</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 150,000</u>	 <u>\$ 251,862</u>	 <u>\$ 101,862</u>
 ROAD FUND			
RESOURCES AVAILABLE			
Fund Balance Carried Forward	\$ -	\$ 1,208	\$ 1,208
Revenues	<u>9,000</u>	<u>9,814</u>	<u>814</u>
 TOTAL RESOURCES AVAILABLE	 9,000	 11,022	 2,022
 EXPENDITURES	 <u>9,000</u>	 <u>7,435</u>	 <u>1,565</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ -</u>	 <u>\$ 3,587</u>	 <u>\$ 3,587</u>

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

McIntyre & Wooldridge, PSC
Certified Public Accountants

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Louisville, Kentucky 40220
502/493-9373 or 493-9374 (fax)

John M. McIntyre, CPA

Paula E. Wooldridge, CPA

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

November 12, 2009

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

We have audited the financial statements of the City of Glenview, Kentucky as of and for the year ended June 30, 2009, and have issued our report thereon dated November 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated November 12, 2009.

This report is intended solely for the information and use of the City's management and Commission and is not intended to be and should not be used by anyone other than these specified parties.

McIntyre, Woodbridge, PSC