



FOR IMMEDIATE RELEASE

CONTACT: Kathy O’Nan, Mayor

(270) 251-6251

(270) 247-2485 Fax

konan@mayfieldky.gov

Report
Overview of Disaster Recovery Funding

July 25, 2022

Mayfield Graves County Tornado Relief Fund, Inc, Established as a non-profit 501c3, while not restricting or limiting the foregoing, the Corporation shall engage in providing aid, assistance, and relief to persons and entities effected by Tornadoes and natural disasters in Mayfield and Graves County, KY. The Mayfield Graves County Tornado Relief Fund business affairs are governed by a volunteer Board of Directors each receiving no reimbursement of expenses or other compensation. The board consists of Darvin Towery, Tim Stark, and Cindy Cash. Graves County Sheriff Jon Hayden, and Mayor Kathy O’Nan serve in an advisory capacity and have no voting authority. Currently the Mayfield Graves County Tornado Relief Fund, Inc. has three programs active to assist tornado victims. Automobile assistance, renter assistance, and homeowner assistance. Each program has an application, guidelines, and required documentation in addition to an application that must be submitted. Applications and guidelines can be found online at MayfieldGravesStrong.org, or at designated locations. Applications are currently reviewed and compiled by volunteer case workers and reviewed by the board for approval.

Background

The City of Mayfield, Kentucky was devastated by a tornado outbreak on December 10, 2021. The town and its residents suffered severe damage, with some residences and businesses destroyed. There were 80 deaths attributed to the tornadoes that struck the State of Kentucky, with 24 suffered in the Graves County.

In the aftermath of the Tornado, city officials began to receive donations from individuals and businesses across the state and nation. Several donations came with instructions from the donor for assistance to specific programs or entities. City officials handled the donation by documenting the donor and their address, the amount received, purpose if noted, cash or check, and disposition of the donation.

As time has passed, many residents and business owners still await payments from FEMA, the Commonwealth of Kentucky, private entities handling donations, and some insurance settlements. Questions concerning the status of donated funds and federal dollars for disaster recovery are being raised by some residents.

Status of Funding

The City of Mayfield requested that The Integrity Group develop a general summary of all recovery funding being managed by the City and complete a specific review of documentation regarding donations received by the City, how the donations were processed, and the purpose for donations that were expended.

This report provides a general overview of estimated disaster recovery funding that is being sought; has been received; and has been spent by the City of Mayfield. Funding sources included in this report are the Federal Emergency Management Agency (FEMA); the Commonwealth of Kentucky; and contributions from citizens, businesses, and charitable organizations state and nationwide. This summary-level data provides information to residents, businesses and other parties interested in understanding this funding.

The information presented in this report does not include the following:

- Funding and support to individuals and businesses through the **FEMA Individual Assistance Program (IA)**. This funding is not coordinated nor controlled by the City of Mayfield. This funding is provided directly to qualified affected parties.

- Funding and support to businesses and non-profit organizations through the **U.S. Small Business Administration (SBA)**. This funding is not coordinated nor controlled by the City of Mayfield. This funding is provided directly to qualified affected parties.

- Funding to residents, businesses, non-profit organizations through the **Team Western Kentucky Tornado Relief Fund**. This program, which was established by Governor Andy Beshear, has received in excess of \$52 million in contributions of which approximately \$26.5 million has been provided to Western Kentuckians. The City of Mayfield has no role in coordination nor control of this funding. This is consistent with the City's desire to maximize the amount of federal disaster recovery funding to the City and avoid any potential conflicts of interest. City leadership has consistently encouraged affected residents, businesses, and non-profit organizations to seek support funding through the program.

City of Mayfield Disaster Recovery Funding

Item No.	Source	Est. Total Being Pursued	Funding Received	Amount Spent	Purpose/Comments
1	FEMA Public Assistance Program & City Insurance Claims	*Estimated \$23,584,813.48	\$13,300		Government infrastructure repair/replacement; costs associated with disaster response & recovery
2	Western Kentucky State Aid Funding for Emergencies (SAFE) fund.	*Estimated \$31,906,000	\$2,800,000.00		This funding will be used to pay the required local match to FEMA funding.
3	U.S. Housing & Urban Development Disaster Recovery Grants	*Estimated \$15,000,000	None		Housing, disaster mitigation, infrastructure. This funding will be sought as part of the Long-term Recovery Planning effort now underway.
4	Contributions to City of Mayfield from Residents, Businesses, Others	Contributions	\$137,349.00	\$22,470.26	To be determined by the City and not in conflict with other funding sources. Expenditures are fully transparent.

Specific Review

Regarding line number 4 above, City of Mayfield officials provided The Integrity Group with spreadsheets documenting the donations received and the purpose of the expenditures made with the donated funds, as well as copies of checks, deposit slips and receipts where available. Documentation was received from the City Clerk's Office, the Mayfield Police Department, and the Mayfield Fire Department.

Examination of Data Supplied by Mayfield Officials

We have examined the spreadsheets, receipts and other data provided by the Mayfield City Officials. We were told that these documents accounted for the donations received by the city and the expenditures by those offices from the donations received. The following is a summary of the data provided.

Reported by City Clerk

Receipts

Cash	\$	763.00
Checks	\$	116,544.00
Gift Cards		Unknown ¹
Unknown ²		<u>Unknown</u>
Total Receipts	\$	117,307.00

Expenditures	Total Expenditures	\$	7,589.92
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Balance in Checking Account	\$	109,717.08
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Reported by Mayfield Police Department

Receipts

Deposited in Account	\$	9,361.00
Other Fully Accounted For ³	\$	660.00
Unknown ⁴		?
Amount Reported by MPD	<u>\$</u>	<u>10,021.00</u>

¹ Value unknown - zeroed out - City Clerk's Records

² Black Forrest Germany - other data unknown - City Clerk's Records

³ In his email, Mr. Kent, Chief of Police, explains all of these amounts and how they were used.

⁴ Gift cards sealed in envelope, value unknown.

**Reported by Mayfield
Fire Department**

Expenditure

Rogue Fitness \$ 12,797.75

The above data is fully supported by the information provided by the three sources.

Suggestions for moving forward include:

- Deposit receipts intact a promptly as possible.
- Fully document all receipts and expenditures fully identifying sources and authority to expend.

Findings

Our review revealed the following:

All donations received by the City of Mayfield were handled and recorded by the City Clerk, except for donations sent to the police department. The police department deposited the donations into a separate banking account. Donations received by the Fire Department were forwarded to the city clerk for processing.

The City Clerk reported the following:

Total receipts of \$117,307.00, total expenditures of \$7,589.92, for a checking account balance of \$109,717.08.

The City Police Department reported the following:

Total receipts of \$10,021.00. The PD provided copies of receipts for expenditures in the amount of \$2,082.59.

The City Fire Department forwarded all donations received to the City Clerk's Office. Their donations are included in the total receipts reported by the Clerk's Office.

The fire department ordered fitness equipment for department personnel to maintain physical fitness. The city has obligated donated funds in the amount of \$12,797.75 for the equipment.

Conclusions

City of Mayfield officials receiving donated funds following the devastation suffered by the community maintained a record of donated cash, gift cards and checks received. The

clerk's office managed processing of donations received by city officials and the fire department. The police department processed donations received by the department.

The records reflect that city officials maintained detailed records of total donations received and expenditures of those funds. The records reflect total receipts at **\$137,349.00** and expenditures in the amount of **\$22,470.26**.

The City has demonstrated awareness of the importance of avoiding any expenditure of these funds that could conflict with anticipated FEMA funding now being sought. They also understand the need to deposit any future receipts into the City account as promptly as possible; fully document all receipts and expenditures including identification of sources and authority to expend. Additionally, they will identify the person or entity receiving funding from the City and the purpose of the expenditure.