

**CITY OF SEMMES, ALABAMA**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**  
**ANNUAL FINANCIAL REPORT**

## INTRODUCTORY SECTION

CITY OF SEMMES, ALABAMA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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CITY OF SEMMES, ALABAMA

LIST OF PRINCIPAL OFFICIALS  
AS OF SEPTEMBER 30, 2014

MAYOR - JUDITH HALE

CITY COUNCIL

Howard Smith

Renee Fransen

David Baker

Jerry Shirey

Lawrence Webb

HEADS OF DEPARTMENTS

City Clerk

Brittany Johnson

Public Works

Jason Franklin

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Semmes, Alabama

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the City of Semmes, Alabama, (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor'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. 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 and the general fund of the City of Semmes, Alabama, as of September 30, 2014, and the respective changes in financial position 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 on page 17 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 Information*

Management has omitted management's discussion and analysis information that 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 the 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 the missing information.

*Jackson Thornton & Co. PC*

Montgomery, Alabama  
January 20, 2016

## BASIC FINANCIAL STATEMENTS



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CITY OF SEMMES, ALABAMA

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

	GOVERNMENTAL ACTIVITIES
<hr/>	
ASSETS:	
Cash and cash equivalents	\$ 3,973,220
Receivables	307,283
Prepaid expenses	66,599
Capital assets not being depreciated:	
Land	1,177,482
Construction in progress	368,017
Capital assets net of accumulated depreciation:	
Infrastructure	306,214
Buildings and improvements	568,999
Furniture and fixtures	29,685
Equipment	680,914
Vehicles	145,352
Total assets	<hr/> 7,623,765 <hr/>
LIABILITIES:	
Accounts payable	101,367
Other accrued liabilities	2,741
Long-term liabilities:	
Portion due or payable in one year:	
Capital leases payable	25,414
Portion due or payable after one year:	
Capital leases payable	126,866
Total liabilities	<hr/> 256,388 <hr/>
NET POSITION:	
Invested in capital assets, net	3,124,383
Restricted for:	
Capital projects	338,032
Unrestricted	<hr/> 3,904,962 <hr/>
Total net position	<hr/> \$ 7,367,377 <hr/> <hr/>

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

CITY OF SEMMES, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

				NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION
		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
ACTIVITIES:				GOVERNMENTAL ACTIVITIES
Governmental:				
General government	\$ 739,403	\$ 120,725		\$ 46,121
Public safety	1,777,413			
Public works	995,172			
Planning	146,875			
Parks and recreation	48,653			4,515
Interest on long-term debt	4,478			
Total governmental activities	<u>\$ 3,711,994</u>	<u>\$ 120,725</u>	<u>\$ -</u>	<u>\$ 50,636</u>
General revenues:				
Sales taxes				3,668,720
Business licenses				183,307
Motor fuel taxes				345,433
Beer and wine taxes				57,028
Franchise fee				305,172
Miscellaneous revenue				15,930
Total general revenue				<u>4,575,590</u>
CHANGE IN NET POSITION				<u>1,034,957</u>
NET POSITION - BEGINNING				<u>6,332,420</u>
NET POSITION - ENDING				<u>\$ 7,367,377</u>

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

CITY OF SEMMES, ALABAMA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	GENERAL	TOTAL GOVERNMENTAL FUNDS
ASSETS:		
Cash and cash equivalents	\$ 3,973,220	\$ 3,973,220
Accounts receivable, net	307,283	307,283
Prepaid expenses	66,599	66,599
Total assets	<u>\$ 4,347,102</u>	<u>\$ 4,347,102</u>
LIABILITIES:		
Accounts payable	\$ 101,367	\$ 101,367
Other liabilities	2,741	2,741
Total liabilities	<u>104,108</u>	<u>104,108</u>
FUND BALANCES:		
Nonspendable:		
Prepaid expenses	66,599	66,599
Restricted for:		
Capital improvements	338,032	338,032
Committed	882,437	882,437
Unassigned	2,955,926	2,955,926
Total fund balance	<u>4,242,994</u>	<u>4,242,994</u>
Total liabilities and fund balance	<u>\$ 4,347,102</u>	<u>\$ 4,347,102</u>

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

CITY OF SEMMES, ALABAMA

RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

Total fund balances - governmental funds \$ 4,242,994

Amounts reported for governmental activities in the statement of net position on page 3 are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:

Land	\$ 1,177,482
Construction in progress	368,017
Infrastructure, net of \$6,272 accumulated depreciation	306,214
Buildings and improvements, net of \$34,255 accumulated depreciation	568,999
Furniture and fixtures, net of \$9,618 accumulated depreciation	29,685
Equipment, net of \$255,681 accumulated depreciation	680,914
Vehicles, net of \$64,285 accumulated depreciation	<u>145,352</u>

Total capital assets 3,276,663

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Balances at September 30, 2014 were:

Capital leases payable	<u>152,280</u>
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Total long-term liabilities (152,280)

Net position of governmental activities \$ 7,367,377

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

CITY OF SEMMES, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	GENERAL	TOTAL GOVERNMENTAL FUNDS
REVENUES:		
Taxes	\$ 4,376,353	\$ 4,376,353
Licenses and permits	285,383	285,383
Fines and forfeitures	18,649	18,649
Intergovernmental revenues	46,121	46,121
Interest income	6,705	6,705
Other	13,740	13,740
Total revenues	<u>4,746,951</u>	<u>4,746,951</u>
EXPENDITURES:		
Current:		
General governmental	720,591	720,591
Public safety	1,654,422	1,654,422
Public works	893,441	893,441
Planning	146,577	146,577
Parks and recreation	39,722	39,722
Capital outlay	1,563,905	1,563,905
Debt service:		
Principal retirement	26,935	26,935
Interest charges	4,478	4,478
Total expenditures	<u>5,050,071</u>	<u>5,050,071</u>
Excess of revenue over (under) expenditures	<u>(303,120)</u>	<u>(303,120)</u>
NET CHANGE IN FUND BALANCE	<u>(303,120)</u>	<u>(303,120)</u>
FUND BALANCE - BEGINNING	<u>4,546,114</u>	<u>4,546,114</u>
FUND BALANCE - ENDING	<u>\$ 4,242,994</u>	<u>\$ 4,242,994</u>

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

CITY OF SEMMES, ALABAMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net change in fund balance - total governmental funds \$ (303,120)

Differences in amounts reported for governmental activities  
in the statement of activities on page 4.

Capital outlay, reported as expenditures in governmental  
funds shown as capital assets in the statement of net assets  
in accordance with the City's capitalization policy. 1,563,905

Depreciation expense on governmental capital assets  
included in the governmental activities in the statement of  
activities. (252,763)

Repayment of long-term debt is reported as an  
expenditure in governmental funds, but a reduction of  
long-term liabilities in the statement of net assets:

Capital leases	\$ 26,935	
Total repayments		26,935

Change in net position of governmental activities	\$ 1,034,957
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The accompanying notes are an integral part of these financial statements.

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting entity - The City of Semmes, Alabama (the City) was incorporated in Mobile County on May 2, 2011. The City operates under a Mayor-Council form of government. The City's major operations include general administrative service, public safety, public works, planning, and parks and recreation.

B. Government-wide and fund financial statements - The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. The City does not have any business-type activities; therefore, none will be reflected in the financial statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. All governmental funds of the City have been classified as major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

The City reports the following major governmental fund:

*General Fund* - This is the City's operating fund. It accounts for all financial resources of the general government.

C. Measurement focus, basis of accounting, and financial statement presentation -

*Government-wide financial statements* - 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 when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

*Governmental fund financial statements* - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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, which is considered to be 90 days. There are no ad valorem taxes levied by the City of Semmes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Stewardship, compliance, and accountability - The City adopts a budget for the general fund. The budget for the general fund is adopted on the cash basis that differs from accounting principles generally accepted in the United States of America (GAAP). Reconciliation of revenues and expenditures reported in accordance with GAAP and those presented in accordance with the Non-GAAP budgetary basis is shown in the statement comparing budget to actual information.

For the year ended September 30, 2014, four general fund functional expenditure categories (the legal level of budgetary control) exceeded appropriations. The excess was due to additional capital outlay that was not budgeted and was funded by general operating revenues.

E. Management estimates and assumptions - The preparation of financial statements in conformity 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

F. Cash and cash equivalents - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities three months or less from the date of acquisition.

G. Receivables - Accounts receivable include amounts for taxes, licenses, permits, etc. that are measurable and available to pay liabilities of the current period but have not been received as of the financial statement date.

H. Lease obligations - Capital lease obligations are stated at the original fair value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate of interest in the lease. Also, in the year an asset is acquired by capital lease, the expenditure for the asset and the offsetting amount of the financing source are reflected in the fund financial statements.

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Capital assets - Capital assets, purchased or constructed, are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Infrastructure	50 years
Buildings and improvements	40 years
Furniture and fixtures	5 - 20 years
Equipment	5 - 20 years
Vehicles	5 years

J. Fund balance - In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies government fund balances as follows:

Nonspendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form, or for legal or contractual requirements.

Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed - Includes fund balance amounts that can be used only for the specific purposes that are internally imposed by formal action of the government's highest level of decision making authority. Commitments may be modified or rescinded by the government taking the same formal action that imposed the constraint initially. Committed balances have been created by formal action of the City Council by passage of ordinances, which is an action that is deemed equivalent as a binding constraint.

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purposes of that fund.

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to have been spent when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City considers committed, then assigned amounts to have been spent when expenditure is incurred for purposes for which the amounts of unrestricted fund balance is available.

K. Deferred outflows of resources - Decreases in net assets that relate to future periods are reported as deferred outflows of resources in a separate section of the government-wide statement of net position and or governmental fund balance sheet. The City did not have any resources during the year ended September 30, 2014 that qualify as deferred outflows.

L. Deferred inflows of resources - Increases in net assets that apply to a future period(s) are reported as deferred inflows of resources in a separate section of the government-wide statement of net position and or governmental fund balance sheet. The City did not have any resources during the year ended September 30, 2014 that qualify as deferred inflows.

M. Concentration - The City has outsourced the collection of its sales tax and business license revenues to a third party.

Also, approximately \$1,850,000 is received from one taxpayer for sales and use taxes.

NOTE 2 - CASH AND CASH EQUIVALENTS:

As of September 30, 2014, none of the City's bank balances are exposed to custodial credit risk. All of the City's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) and the Security for Alabama Funds Enhancement (SAFE) Program. The SAFE Program is a multiple financial institution collateral pool administered by the State Treasurer according to the State of Alabama statute.

NOTE 3 - RECEIVABLES:

Receivables as of September 30, 2014 are considered fully collectible and are recorded at net realizable value as follows:

	GENERAL FUND	TOTAL
Taxes	\$ 307,041	\$ 307,041
Intergovernmental	242	242
Total receivables	<u>\$ 307,283</u>	<u>\$ 307,283</u>

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 4 - CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2014, was as follows:

	BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 431,997	\$ 745,485		\$ 1,177,482
Construction in progress	7,312	360,705		368,017
Total capital assets, not being depreciated	439,309	1,106,190		1,545,499
Capital assets, being depreciated:				
Infrastructure	13,888	298,598		312,486
Buildings and improvements	566,730	36,524		603,254
Furniture and fixtures	32,822	6,481		39,303
Equipment	877,639	58,956		936,595
Vehicles	152,480	57,157		209,637
Total capital assets being depreciated	1,643,559	457,716		2,101,275
Less accumulated depreciation for:				
Infrastructure	23	6,249		6,272
Buildings and improvements	17,989	16,266		34,255
Furniture and fixtures	4,369	5,249		9,618
Equipment	72,493	183,188		255,681
Vehicles	22,474	41,811		64,285
Total accumulated depreciation	117,348	252,763		370,111
Total capital assets, being depreciated, net	1,526,211	204,953		1,731,164
Governmental activity capital assets, net	\$ 1,965,520	\$ 1,311,143	\$ -	\$ 3,276,663

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

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

<u>GOVERNMENTAL ACTIVITIES</u>	<u>AMOUNT</u>
General government	\$ 18,811
Public safety	122,992
Public works	101,731
Planning	298
Parks and recreation	8,931
Total	<u>\$ 252,763</u>

NOTE 5 - LONG-TERM LIABILITIES:

The City has entered into lease agreements as lessee for financing the acquisition of property and equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Capital lease activities for the year ended September 30, 2014, were as follows:

	<u>BEGINNING</u>		<u>REDUCTIONS</u>	<u>ENDING</u>	<u>DUE</u>
	<u>BALANCE</u>	<u>ADDITIONS</u>		<u>BALANCE</u>	<u>WITHIN</u>
					<u>ONE YEAR</u>
Governmental activities:					
Capital leases	\$ 179,214		\$ 26,934	\$ 152,280	\$ 25,414
Total governmental activity					
long-term liabilities	<u>\$ 179,214</u>	<u>\$ -</u>	<u>\$ 26,934</u>	<u>\$ 152,280</u>	<u>\$ 25,414</u>

The assets acquired through capital leases are as follows:

<u>ASSET</u>	
Equipment	\$ 180,320
Less accumulated depreciation	<u>40,269</u>
Total	<u>\$ 140,051</u>

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were as follows:

Year ending September 30:

2015	\$ 28,832
2016	28,996
2017	28,996
2018	<u>75,098</u>

Total minimum lease payments	161,922
Less amount representing interest	<u>9,642</u>

Present value of minimum lease payments	<u><u>\$ 152,280</u></u>
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Operating lease - The City is obligated under an operating lease for the City Hall and Council Chambers through December 2014. The lease is for \$1,550 per month. Future minimum lease payments are \$4,650 for 2015. Total rental expense for this operating lease is \$18,600 for the year ended September 30, 2014.

NOTE 6 - RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has general liability insurance and workers compensation insurance through a commercial insurance carrier. The City also purchases commercial insurance for other risks of loss, including property and casualty insurance. Settled claims resulting from these claims have not exceeded commercial insurance coverage in any of the past three years.

NOTE 7 - CONTINGENT LIABILITIES:

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. It is the opinion of the City that such disallowances, if any, would be immaterial.

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 8 - EFFECT OF NEW PRONOUNCEMENTS:

Management has not currently determined what, if any, impact implementation of the following statement may have on the financial statements of the City.

The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement will improve accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. Requirements of this Statement are effective for financial statements whose fiscal year begins after December 15, 2013. This standard will be adopted during the year ending September 30, 2015. This Statement is not anticipated to have any significant impact on the City.

## REQUIRED SUPPLEMENTARY INFORMATION



CITY OF SEMMES, ALABAMA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGET	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES:			
Taxes	\$3,996,579	\$ 4,357,581	\$ 361,002
Licenses and permits	186,000	285,383	99,383
Fines and forfeitures	3,000	18,649	15,649
Intergovernmental revenues	26,753	64,957	38,204
Interest income		6,705	6,705
Other		13,740	13,740
Total revenues	<u>4,212,332</u>	<u>4,747,015</u>	<u>534,683</u>
EXPENDITURES:			
Current operations:			
General government	909,951	1,472,282	(562,331)
Public safety	1,706,334	2,065,113	(358,779)
Public works	1,250,278	1,020,670	229,608
Planning	135,200	146,577	(11,377)
Parks and recreation	209,600	338,320	(128,720)
Total expenditures	<u>4,211,363</u>	<u>5,042,962</u>	<u>(831,599)</u>
Excess (deficiency) of revenue over expenditures	<u>969</u>	<u>(295,947)</u>	
Net change in fund balances, budgetary basis	<u>969</u>	<u>(295,947)</u>	
ADD (DEDUCT) OTHER RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS:			
Change in accounts receivable		(64)	
Change in prepaid insurance		29,885	
Change in accounts payable		(38,307)	
Change in other accrued liabilities		1,313	
Total		<u>(7,173)</u>	
NET CHANGE IN FUND BALANCE, MODIFIED ACCRUAL BASIS		(303,120)	
BEGINNING FUND BALANCE		<u>4,546,114</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 4,242,994</u>	

See Independent Auditor's Report.