

TENTATIVE-FOR DISCUSSION PURPOSES
TO BE RETURNED TO
JACKSON THORNTON & CO., P.C

CITY OF SEMMES, ALABAMA
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013
ANNUAL FINANCIAL REPORT

TENTATIVE-FOR DISCUSSION PURPOSES
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INTRODUCTORY SECTION

CITY OF SEMMES, ALABAMA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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CITY OF SEMMES, ALABAMA

LIST OF PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2013

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

TENTATIVE-FOR DISCUSSION PURPOSES
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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, 2013, 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 City'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 City'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, 2013, 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 16 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.

Montgomery, Alabama
May 9, 2014

TENTATIVE-FOR DISCUSSION PURPOSES
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BASIC FINANCIAL STATEMENTS

TENTATIVE-FOR DISCUSSION PURPOSES
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CITY OF SEMMES, ALABAMA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	GOVERNMENTAL ACTIVITIES
ASSETS:	
Cash and cash equivalents	\$ 4,269,167
Receivables	307,347
Prepaid expenses	36,714
Capital assets not being depreciated:	
Land	431,997
Construction in progress	7,312
Capital assets net of accumulated depreciation:	
Infrastructure	13,865
Buildings and improvements	548,741
Furniture and fixtures	28,453
Equipment	805,146
Vehicles	130,006
Total assets	<u>6,578,748</u>
LIABILITIES:	
Accounts payable	63,060
Other accrued liabilities	4,054
Long-term liabilities:	
Portion due or payable in one year:	
Capital leases payable	26,809
Portion due or payable after one year:	
Capital leases payable	152,405
Total liabilities	<u>246,328</u>
NET POSITION:	
Invested in capital assets, net	1,786,306
Restricted for:	
Capital projects	242,037
Unrestricted	<u>4,304,077</u>
Total net position	<u>\$ 6,332,420</u>

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

CITY OF SEMMES, ALABAMA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	EXPENSES	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
ACTIVITIES:					
Governmental:					
General government	\$ 538,374	\$ 111,766		\$ 86,665	\$ (339,943)
Public safety	947,540				(947,540)
Public works	340,528				(340,528)
Planning	126,139				(126,139)
Parks and recreation	22,893				(22,893)
Interest on long-term debt	541				(541)
Total governmental activities	\$ 1,976,015	\$ 111,766	\$ -	\$ 86,665	(1,777,584)
General revenues:					
Sales taxes					3,547,475
Business licenses					121,488
Motor fuel taxes					358,806
Beer and wine taxes					55,004
Franchise fee					303,970
Miscellaneous revenue					23,635
Total general revenue					4,410,378
CHANGE IN NET POSITION					2,632,794
NET POSITION - BEGINNING					3,699,626
NET POSITION - ENDING					\$ 6,332,420

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

CITY OF SEMMES, ALABAMA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	GENERAL	TOTAL GOVERNMENTAL FUNDS
ASSETS:		
Cash and cash equivalents	\$ 4,269,167	\$ 4,269,167
Accounts receivable, net	307,347	307,347
Prepaid expenses	36,714	36,714
Total assets	<u>\$ 4,613,228</u>	<u>\$ 4,613,228</u>
LIABILITIES:		
Accounts payable	\$ 63,060	\$ 63,060
Other liabilities	4,054	4,054
Total liabilities	<u>67,114</u>	<u>67,114</u>
FUND BALANCES:		
Non-spendable:		
Prepaid expenses	36,714	36,714
Restricted for:		
Capital improvements	242,037	242,037
Committed	3,633,026	3,633,026
Unassigned	634,337	634,337
Total fund balance	<u>4,546,114</u>	<u>4,546,114</u>
Total liabilities and fund balance	<u>\$ 4,613,228</u>	<u>\$ 4,613,228</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 ASSETS
SEPTEMBER 30, 2013

Total fund balances - governmental funds \$ 4,546,114

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	431,997
Construction in progress	7,312
Infrastructure, net of \$23 accumulated depreciation	13,865
Buildings and improvements, net of \$17,989 accumulated depreciation	548,741
Furniture and fixtures, net of \$4,369 accumulated depreciation	28,453
Equipment, net of \$72,493 accumulated depreciation	805,146
Vehicles, net of \$22,474 accumulated depreciation	130,006

Total capital assets 1,965,520

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, 2013
were:

Capital leases payable	179,214
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Total long-term liabilities (179,214)

Net position of governmental activities \$ 6,332,420

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, 2013

	GENERAL	TOTAL GOVERNMENTAL FUNDS
REVENUES:		
Taxes	\$ 4,265,255	\$ 4,265,255
Licenses and permits	207,225	207,225
Fines and forfeitures	26,029	26,029
Intergovernmental revenues	86,665	86,665
Interest income	7,620	7,620
Other	16,015	16,015
Total revenues	<u>4,608,809</u>	<u>4,608,809</u>
EXPENDITURES:		
Current:		
General governmental	523,947	523,947
Public safety	888,382	888,382
Public works	308,103	308,103
Planning	126,015	126,015
Parks and recreation	20,976	20,976
Capital outlay	1,387,578	1,387,578
Debt service:		
Principal retirement	1,106	1,106
Interest charges	541	541
Total expenditures	<u>3,256,648</u>	<u>3,256,648</u>
Excess of revenue over expenditures	<u>1,352,161</u>	<u>1,352,161</u>
OTHER FINANCING SOURCE:		
Capital lease	180,320	180,320
Total other financing source	<u>180,320</u>	<u>180,320</u>
NET CHANGE IN FUND BALANCE	<u>1,532,481</u>	<u>1,532,481</u>
FUND BALANCE - BEGINNING	<u>3,013,633</u>	<u>3,013,633</u>
FUND BALANCE - ENDING	<u>\$ 4,546,114</u>	<u>\$ 4,546,114</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, 2013

Net change in fund balance - total governmental funds \$ 1,532,481

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. 1,387,180

Depreciation expense on governmental capital assets
included in the governmental activities in the statement of
activities. (107,653)

Loan proceeds provide current financial resources to
governmental funds; however, issuing debt increases long-
term liabilities in the statement of net position:

Capital lease proceeds	(180,320)	
Total proceeds		(180,320)

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	1,106	
Total repayments		1,106

Change in net position of governmental activities	\$ 2,632,794
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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, 2013

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 assets 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, 2013

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 Town 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, 2013, three 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, 2013

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	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, 2013

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. 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, 2013, 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, 2013 are considered fully collectible and are recorded at net realizable value as follows:

	GENERAL FUND	TOTAL
Taxes	\$ 288,269	\$ 288,269
Intergovernmental	19,078	19,078
Total receivables	<u>\$ 307,347</u>	<u>\$ 307,347</u>

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 - CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2013, was as follows:

	BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 120,932	\$ 311,065		\$ 431,997
Construction in progress		7,312		7,312
Total capital assets, not being depreciated	120,932	318,377		439,309
Capital assets, being depreciated:				
Infrastructure		13,888		13,888
Buildings and improvements	458,884	107,846		566,730
Furniture and fixtures	11,422	21,400		32,822
Equipment	39,120	838,519		877,639
Vehicles	65,331	87,149		152,480
Total capital assets being depreciated	574,757	1,068,802		1,643,559
Less accumulated depreciation for:				
Infrastructure		23		23
Buildings and improvements	2,905	15,084		17,989
Furniture and fixtures	1,390	2,979		4,369
Equipment	3,222	69,271		72,493
Vehicles	2,178	20,296		22,474
Total accumulated depreciation	9,695	107,653		117,348
Total capital assets, being depreciated, net	565,062	961,149		1,526,211
Governmental activity capital assets, net	\$ 685,994	\$ 1,279,526	\$ -	\$ 1,965,520

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

<u>GOVERNMENTAL ACTIVITIES</u>	<u>AMOUNT</u>
General government	\$ 14,427
Public safety	58,759
Public works	32,426
Planning	124
Parks and recreation	<u>1,917</u>
Total	<u>\$ 107,653</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, 2013, were as follows:

	BEGINNING			ENDING	DUE
	BALANCE	ADDITIONS	REDUCTIONS	BALANCE	WITHIN
					ONE YEAR
Governmental activities:					
Capital leases		180,320	1,106	179,214	\$ 26,809
Total governmental activity					
long-term liabilities	\$ -	\$ 180,320	\$ 1,106	\$ 179,214	\$ 26,809

The assets acquired through capital leases are as follows:

<u>Asset</u>	
Equipment	\$ 180,320
Less accumulated depreciation	<u>(4,205)</u>
Total	<u>\$ 176,115</u>

CITY OF SEMMES, ALABAMA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

Year ending September 30:

2014	\$	31,248
2015		28,996
2016		28,996
2017		28,996
2018		<u>75,098</u>
Total minimum lease payments		193,334
Less amount representing interest		<u>14,120</u>
Present value of minimum lease payments	\$	<u><u>179,214</u></u>

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 \$18,600 and \$4,650 for 2014 and 2015, respectively. Total rental expense for this operating lease is \$18,600 for the year ended September 30, 2013.

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.

NOTE 8 - EFFECT OF NEW PRONOUNCEMENTS:

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

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this statement are effective for the periods beginning after December 15, 2012.

TENTATIVE FOR DISCUSSION PURPOSES
TO BE RETURNED TO
JACKSON THORNTON & CO., P.C

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, 2013

	BUDGET	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES:			
Taxes	\$3,996,579	\$ 4,267,803	\$ 271,224
Licenses and permits	186,000	206,109	20,109
Fines and forfeitures	3,000	26,029	23,029
Intergovernmental revenues	26,753	67,587	40,834
Interest income		7,620	7,620
Other		16,015	16,015
Total revenues	<u>4,212,332</u>	<u>4,591,163</u>	<u>378,831</u>
EXPENDITURES:			
Current operations:			
General government	929,594	614,271	315,323
Public safety	1,684,591	1,723,836	(39,245)
Public works	462,307	501,217	(38,910)
Planning	114,014	121,071	(7,057)
Parks and recreation	258,094	139,703	118,391
Total expenditures	<u>3,448,600</u>	<u>3,100,098</u>	<u>348,502</u>
Excess (deficiency) of revenue over expenditures	<u>763,732</u>	<u>1,491,065</u>	
Net change in fund balances, budgetary basis	<u>763,732</u>	<u>1,491,065</u>	
ADD (DEDUCT) OTHER RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS:			
Change in accounts receivable		17,607	
Change in prepaid insurance		36,714	
Change in accounts payable		(10,612)	
Change in other accrued liabilities		(2,293)	
		<u>41,416</u>	
NET CHANGE IN FUND BALANCE, MODIFIED ACCRUAL BASIS		1,532,481	
BEGINNING FUND BALANCE		<u>3,013,633</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 4,546,114</u>	

See Independent Auditor's Report.

