

TOWN OF HIGHLAND LAKE
Highland Lake, Alabama

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY FINANCIAL INFORMATION

For the Year Ended September 30, 2015

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ALABAMA SOCIETY
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Highland Lake, Alabama

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the Town of Highland Lake, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the Town of Highland Lake, as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 8 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Highland Lake's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lori Criswell & Associates, P.C.

Snead, Alabama
November 17, 2015

***TOWN OF HIGHLAND LAKE
612 LAKESHORE DRIVE
HIGHLAND LAKE, AL 35121***

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Highland Lake's discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the Town's financial activities based on currently known facts, decisions, or conditions. It is intended to provide a broad overview and analysis of the Town's activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan, and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (RSI) that is provided in addition to this MD&A.

Government-Wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the Town as a whole. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenue is earned and the expense attributed.

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the Town and its governmental activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental), which are provided by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and the local taxing effort necessary to sustain each of those activities.

Fund Financial Statements

The Governmental Funds presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. The Government Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources)

which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds and interfund transfers as other financial sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the Government-wide statements).

The Town maintains three governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the street \$.07 state gas tax fund, and the street \$.04 and \$.05 state gas tax fund, which are considered to be major funds.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements.

Infrastructure Assets

The Town is a phase three government which were not required to retroactively report infrastructure assets and record accumulated depreciation on those assets. Beginning October 1, 2003, the Town capitalized any infrastructure assets as they have been constructed. Historically, governmental fixed assets, particularly infrastructure assets, have only been accounted for using the current financial resources (budgeted resources) method, and have not been expensed annually through depreciation or accounted for otherwise.

Analysis of the Overall Financial Position and Results of Operations

In evaluating the financial position and short-term financial performance of the Town, two tools are particularly valuable: The Statement of Net Position (see page 6) and the Statement of Activities (see page 7).

Net Position of the Town represents the difference between Assets and Liabilities of the Town using the economic resources measurement focus and accrual basis of accounting. Had the Town accounted for its infrastructure assets, Net Position Invested in Capital Assets, Net of Related Debt, would have been significantly higher.

In general terms, the Town's Total Assets and Deferred Outflows consist of Cash, Receivables, Prepaid Insurance and Accrued Property Tax Revenue: \$384,243 for the General Fund, \$100 for the .07 gas tax fund, and \$100 for the .04 and .05 gas tax fund; and Capital Assets of \$311,896.

The Town's Liabilities and Deferred Inflows consist of Accounts Payable, Payroll Tax Liabilities and Deferred Property Tax Revenue: \$73,843 for the General Fund.

The Governmental Activities of the Town consist of normal operating expenditures for the General Fund, which includes the Highland Lake Police Department and supporting the Straight Mountain Fire and Rescue Department. The Gas Tax Funds are remitted monthly to the county who has assumed responsibility for the maintenance of the existing Town roads.

Governmental Activities General Revenues consist of Advalorem and Personal Property Taxes, Motor Vehicle Taxes and Licenses, State Appropriations, Licenses and Permits and other revenue: \$179,769 for the General Fund. Program Revenues consist of \$3,111 for police fines and \$31,451 of grant reimbursements for tornado damage.

The gas tax funds have no general revenues due to their revenues being restricted for highway and street capital purposes. Those restricted revenues have been assigned to the County, and are therefore, not reflected in the Town's financial statements.

Expenses of the Town are in line with the revenue. There are no known or planned expenditures that will out pace the Town revenue for next year.

Budget Variances in the General and Gasoline Tax Funds

Please refer to page 15 of the audited financial statements for the budget detail. In the Town's opinion, expectations were met.

Capital Assets

There were no significant changes in the current fiscal year. Refer to Note 5 to the financial statements for additional information.

Economic Factors

The Town relies on state shared gasoline taxes for improvements to highways and streets and a franchise fee from the power company for its governmental activities.

The levels of taxes, fees, and charges for services have a direct bearing on the Town's ability to provide services to its citizens.

Lake use fees are growing and this allows the Town to accomplish capital improvements without acquiring debt.

Future Plans for the Town of Highland Lake

The Town of Highland Lake provides a lake and recreational area for the community and others. In the past few years, many improvements have been made to the town, with the addition of a new library, fishing pier, gazebo, additional landscaping and a walking trail. This trail has allowed the citizens of the town, as well as visitors to have a place to exercise, along with adding beauty to our landscape. Restrooms in the Anchor were remodeled, making them handicap accessible. The Anchor was also painted, both inside and outside and minor remodeling was finished. We have plans to paint the outside of the Town Hall, and other minor repairs scheduled in the near future.

During the 2014-2015 fiscal year, we continued to study plans for the dredging of the lake. Our Special Committee on dredging met several times, and will be ready to present their findings to the town in a special meeting in November of 2015.

On April 29, 2014, the town took a direct hit from a tornado, causing over \$1,000,000.00 worth of damage to homes, roads and the lake. Many of our citizens either lost homes, or had major damage to homes or property. Several of the town's roads were damaged, requiring major repair to be done during this fiscal year. Because of a "Memorandum of Understanding" that was entered into by the town with the County, we were able to work with

them to remove the debris from our roads and lake, saving us valuable time and money. Based on damage estimates, the Council originally elected to set aside \$100,000.00, for our part of the clean-up. In September, 2015, we received our bill from the county, in the amount of \$65,611.83. This smaller amount was directly attributable to the County, and its employees, being prepared for this emergency. The Town of Highland Lake will forever be grateful for the wonderful people we worked with, and for all of their service to our town during this difficult time.

Although there continues to be a slower economic growth pattern in the state and national economy, the Town continues to see an upturn in the economic growth, with new houses, boat houses and piers being built, and an increase in sales of existing real estate.

The Town will continue to focus on efforts to maintain the cleanliness and eco-system of the lake, and the safety of the community. Funds are available for these and other improvement projects. The Town has no outstanding debt at this time.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Town of Highland Lake, 612 Lakeshore Drive, Highland Lake, Alabama 35121, phone 205-625-6407.

Financial Analysis

The following comparative condensed financial statements serve as the key financial data and indicators for management's monitoring and planning. The financial statements are studied in depth to detect trends, project growth and prepare budgets for the upcoming year.

**Town of Highland Lake
Condensed Financial Statements
For the Years Ended September 30, 2015 and 2014**

Condensed Statement of Net Position	Governmental Activities			
	2015	2014	Variance	
			Dollars	Percent
Cash and Certificates of Deposit	\$ 309,926	\$ 367,516	\$ (57,590)	-15.67%
Receivables	1,681	8,112	(6,431)	-79.28%
Capital Assets	311,896	344,991	(33,095)	-9.59%
Other	3,515	3,685	(170)	-4.61%
Accrued Property Tax Revenue	69,321	69,221	100	0.14%
Total Assets	696,339	793,525	(97,186)	-12.25%
Current Liabilities	4,522	103,908	(99,386)	-95.65%
Long Term Liabilities	-	-	-	-
Deferred Inflows of Resources	69,321	69,221	100	0.14%
Total Liabilities and Deferred Inflows	73,843	173,129	(99,286)	-57.35%
Net Position:				
Invested in Capital Assets, Net of Related Debt	311,896	344,991	(33,095)	-9.59%
Unrestricted	310,600	261,479	49,121	18.79%
Total Net Position	\$ 622,496	\$ 606,470	\$ 16,026	2.64%

(Continued)

**Town of Highland Lake
Condensed Financial Statements (Continued)
For the Years Ended September 30, 2015 and 2014**

Governmental Activities

Condensed Statement of Activities	2015		2014	Variance of 2015 Actual Data to:			
	Actual	Budget	Actual	2015 Budget		2014 Actual	
				Dollars	Percent	Dollars	Percent
Revenues:							
Program Revenues							
Charges for Services	\$ 3,111	\$ 125	\$ 3,291	\$ 2,986	2388.80%	\$ (180)	-5.47%
Operating Grants and Contributions	31,451	-	19,054	31,451	-	12,397	65.06%
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Program Revenues	34,562	125	22,345	34,437	27549.60%	12,217	154.12%
General Revenues and Payments							
Taxes	70,514	77,136	75,191	(6,622)	-8.58%	(4,677)	-6.22%
Intergovernmental	4,482	4,400	4,489	82	1.86%	(7)	-0.16%
Business Licenses and Permits	96,583	86,700	92,690	9,883	11.40%	3,893	4.20%
Loss on Disposal of Assets	-	-	-	-	-	-	-
Other	8,190	10,425	10,577	(2,235)	-21.44%	(2,387)	-22.57%
Total General Revenues and Payment:	179,769	178,661	182,947	1,108	0.62%	(3,178)	-1.74%
Total Revenues	214,331	178,786	205,292	35,545	19.88%	9,039	4.40%
Program Expenses							
General Government	142,313	107,977	246,997	34,336	31.80%	(104,684)	-42.38%
Public Safety	43,528	49,809	53,285	(6,281)	-12.61%	(9,757)	-18.31%
Highway and Street	12,464	17,000	-	(4,536)	-26.68%	12,464	-
Interest Expense	-	-	-	-	-	-	-
Total Program Expenses	198,305	174,786	300,282	23,519	13.46%	(101,977)	-33.96%
Excess (Deficiency) Before Other Sources and Uses	16,026	4,000	(94,990)	12,026	300.65%	111,016	-116.87%
Other Sources and Uses	-	-	-	-	-	-	-
Change in Net Position	16,026	4,000	(94,990)	12,026	300.65%	111,016	-116.87%
Beginning Net Position	606,470	-	701,460	606,470	-	(94,990)	-13.54%
Ending Net Position	\$622,496	\$ 4,000	\$606,470	\$618,496	15462.40%	\$ 16,026	2.64%

BASIC FINANCIAL STATEMENTS

TOWN OF HIGHLAND LAKE, ALABAMA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 113,003
Certificates of Deposit	196,923
Receivables	
Due From Other Governments	1,052
Accrued Interest	629
Accrued Property Tax Revenue	69,321
Prepaid Insurance	3,515
	<hr/>
	384,443
	<hr/>
NONCURRENT ASSETS	
Land and Construction in Progress	12,475
Other Capital Assets, Net of Accumulated Depreciation	299,421
	<hr/>
	311,896
	<hr/>
TOTAL ASSETS	<hr/>
	696,339
	<hr/>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts Payable	2,195
Payroll Tax Liabilities	2,327
	<hr/>
TOTAL LIABILITIES	<hr/>
	4,522
	<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Property Tax Revenue	69,321
	<hr/>
<u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	311,896
Unrestricted	310,600
	<hr/>
TOTAL NET POSITION	<hr/>
	\$ 622,496
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government					
Governmental Activities					
General Government	\$ 142,313	\$ -	\$ 31,451	\$ -	\$ (110,862)
Public Safety	43,528	3,111	-	-	(40,417)
Highway and Street	12,464	-	-	-	(12,464)
	<u>\$ 198,305</u>	<u>\$ 3,111</u>	<u>\$ 31,451</u>	<u>\$ -</u>	<u>(163,743)</u>
			General Revenues		
			Taxes		
			Advalorem and Personal Property		60,986
			Motor Vehicle Taxes and Licenses		9,528
			State Appropriations		4,482
			Licenses and Permits		96,583
			Other		8,190
					<u>179,769</u>
			Change in Net Position		16,026
			Net Position - Beginning		<u>606,470</u>
			Net Position - Ending		<u>\$ 622,496</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	General Fund	Road Fund State \$.07 Gas Tax	Special Road Fund State \$.04 and \$.05 Gas Tax	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 112,803	\$ 100	\$ 100	\$ 113,003
Certificates of Deposit	196,923	-	-	196,923
Receivables				
Due From Other Governments	1,052	-	-	1,052
Accrued Interest	629	-	-	629
Accrued Property Tax Revenue	69,321	-	-	69,321
Prepaid Insurance	3,515	-	-	3,515
TOTAL ASSETS	\$ 384,243	\$ 100	\$ 100	\$ 384,443
 <u>LIABILITIES</u>				
Accounts Payable	\$ 2,195	\$ -	\$ -	\$ 2,195
Payroll Tax Liabilities	2,327	-	-	2,327
	4,522	-	-	4,522
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Property Tax Revenue	69,321	-	-	69,321
 <u>FUND BALANCES</u>				
Nonspendable				
Prepaid Insurance	3,515	-	-	3,515
Assigned				
Streets	-	100	100	200
Unassigned	306,885	-	-	306,885
	310,400	100	100	310,600
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 384,243	\$ 100	\$ 100	\$ 384,443

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

Total Fund Balances for Governmental Funds	\$ 310,600
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Total Net Position reported for governmental activities in the Statement of Net Position is different because:

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

Land and Construction in Progress	\$ 12,475	
Buildings and Improvements, net of accumulated depreciation of \$33,231	99,992	
Equipment, net of accumulated depreciation of \$54,471	33,754	
Lake Improvements, net of accumulated depreciation of \$297,709	97,328	
Land Improvements, net of accumulated depreciation of \$7,594	68,347	
Vehicles, net of accumulated depreciation of \$39,535	-	311,896
	<u> </u>	<u> </u>

Net Position of Governmental Activities	<u><u>\$ 622,496</u></u>
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The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Road Fund State \$.07 Gas Tax	Special Road Fund State \$.04 and \$.05 Gas Tax	Total Governmental Funds
REVENUES				
Taxes	\$ 70,514	\$ -	\$ -	\$ 70,514
Licenses and Permits	96,583	-	-	96,583
Fines	3,111	-	-	3,111
Intergovernmental	35,933	-	-	35,933
Other	8,190	-	-	8,190
	<u>214,331</u>	<u>-</u>	<u>-</u>	<u>214,331</u>
EXPENDITURES				
General Government	108,493	-	-	108,493
Public Safety	41,867	-	-	41,867
Highway and Street	12,464	-	-	12,464
Appropriations	3,336	-	-	3,336
Capital Outlay	12,976	-	-	12,976
	<u>179,136</u>	<u>-</u>	<u>-</u>	<u>179,136</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,195	-	-	35,195
FUND BALANCES - Beginning	<u>275,205</u>	<u>100</u>	<u>100</u>	<u>275,405</u>
FUND BALANCES - Ending	<u><u>\$ 310,400</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 310,600</u></u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 35,195

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$32,145) exceeds capital outlay (\$12,976).

(19,169)

Change in Net Position of Governmental Activities

\$ 16,026

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Actual</u>	<u>Original Budget</u>	<u>Amendment</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 70,514	\$ 77,136	\$ -	\$ 77,136
Licenses and Permits	96,583	86,700	-	86,700
Fines	3,111	125	-	125
Intergovernmental	35,933	4,400	-	4,400
Other	8,190	10,425	-	10,425
	<u>214,331</u>	<u>178,786</u>	<u>-</u>	<u>178,786</u>
EXPENDITURES				
General Government	108,493	95,768	-	95,768
Public Safety	41,867	49,809	-	49,809
Highway and Street	12,464	17,000	-	17,000
Appropriations	3,336	3,336	-	3,336
Capital Outlay	12,976	8,873	-	8,873
	<u>179,136</u>	<u>174,786</u>	<u>-</u>	<u>174,786</u>
Excess of Revenues Over (Under) Expenditures	35,195	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>
FUND BALANCE - Beginning	<u>275,205</u>			
FUND BALANCE - Ending	<u>\$ 310,400</u>			

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Town of Highland Lake, Alabama is a municipality governed by an elected mayor and town council. The Town's major operations include management of the lake, providing police protection for its citizens, maintenance of streets, and general administrative services.

In evaluating how to define the Town for financial reporting purposes, all potential component units were considered. The basic, but not the only, criterion for including a component unit within the reporting entity is the Town's ability to exercise oversight responsibility. Oversight responsibility is defined to include, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Town has no component units.

BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the Town) and its component units. These statements include the financial activities of the overall government. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Eliminations have been made to minimize the double-counting of internal activities. 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 Town'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 or 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.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund. This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

Road Fund State \$.07 Gas Tax. The State Gasoline Tax Funds receive revenues from the State 7-cent gasoline tax and 2-cent Inspection Fee on motor fuels. These funds are restricted for the repair and maintenance of the Town's streets and street lights.

Special Road Fund State \$.04 and \$.05 Gas Tax. The State Gasoline Tax Funds receive revenues from the State 4-cent, 5-cent, the State Motor Vehicle, and the additional excise tax. These funds are restricted for the repair and maintenance of the Town's streets and street lights.

During the year ended September 30, 2006, the Town assigned these state gasoline tax revenues to the Blount County Commission and the responsibility of maintenance of the Town's roads.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, gasoline taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. 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.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

The Town is restricted to depositing and investing in accounts that are fully insured by the federal government.

Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Receivables are reported as *Receivables* and *Due from Other Governments* in the government-wide financial statements and as *Receivables*, *Due from Other Funds*, and *Due from Other Governments* in the fund financial statements. Receivables due from other governments include amounts due from grantors for grants issued for specific programs and local taxes.

Prepaid Items

Certain payments to vendors reflect costs that benefit future accounting periods and are recorded on the consumption basis. They are similarly reported in the government-wide and fund financial statements.

Property Tax Calendar

The Blount County Commission levies property taxes for all jurisdictions including the school boards and municipalities within the county. Millage rates for property taxes are levied at the first regular meeting of the County Commission in February of each year. Property taxes are assessed for property as of October 1 of the preceding year based on the millage rates established by the County Commission. Property taxes are due and payable the following October 1 and are delinquent after December 31.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets, which include road network, bridges, sidewalks, etc., are only those acquired or that receive substantial improvements subsequent to September 30, 2003. The costs 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>	<u>Capitalization Thresholds</u>
Infrastructure	30	\$ 5,000
Buildings	40	\$ 5,000
Building improvements	20	\$ 5,000
Vehicles	2-15	\$ 5,000
Office equipment	3-15	\$ 1,000

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

Equity Classifications

In the government-wide statements and in proprietary fund statements, equity is classified as net position, and displayed in three components:

- a) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and outstanding balances of any bonds, mortgages, notes or other debt attributable to the acquisition, construction or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (ii) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the Town is bound to observe constraints imposed on the use of the resources in the fund as follows:

- a) Nonspendable fund balances – Consist of amounts that cannot be spent because they are either (i) not in spendable form or (ii) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.
- b) Restricted fund balances – Consist of amounts with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (ii) law through constitutional provisions or enabling legislation.
- c) Committed fund balances – Consist of resource balances with constraints imposed by formal action of the Town through resolution or public meeting minutes that specifically state the revenue source and purpose of the commitment. Commitments can only be modified or rescinded through public meeting actions or resolutions by the Town. Commitments can also include resources required to meet contractual obligations approved by the Town.
- d) Assigned fund balances – Consist of resource balances intended to be used for specific purposes by authorized Town management that do not meet the criteria to be classified as restricted or committed. In the General Fund, the assigned fund balance represents management approved encumbrances that have been re-appropriated in the subsequent year, and amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources.

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

- e) Unassigned fund balances – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

Based on the Town’s policy regarding the fund balance classification as noted above, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Budgets and Budgetary Accounting

Formal integration of budgets is used as a management control device during the year for the General Fund and Special Revenue Funds. These budgets are adopted on the cash basis of accounting. Since the financial statements are prepared on a basis consistent with generally accepted accounting principles (modified accrual), there may be some timing differences between the budgetary data and financial statement data; however, these would be immaterial. The Mayor and Council approve the budgets. For the year ended September 30, 2015, total budgeted inflows for the governmental funds were \$178,786 and total budgeted outflows were \$174,786. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of September 30, 2015, the Town’s bank deposits were insured through the Federal Depository Insurance Corporation (FDIC) or were covered by the State of Alabama’s Security of Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the Code of Alabama 1975, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer’s Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged failed to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts Receivable at September 30, 2015 consists of the amounts due from Blount County for Taxes of \$1,052. As of September 30, 2104, the amount due from the Federal Emergency Management Agency (FEMA) for tornado damage of \$6,965 was shown as a receivable. The actual amount received during the year ended September 30, 2015 was \$4,029.

NOTE 4 – CONTRACTS PAYABLE – TORNADO DAMAGE

During May 2014, the Town suffered extensive damage from a tornado. The Town's portion of the estimated costs of cleanup was \$100,000 and was included as a liability in the Statement of Net Position and the Balance Sheet for the General Fund as of September 30, 2014. During the year ended September 30, 2015, the actual amount paid was \$65,612.

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

NOTE 5 - CAPITAL ASSETS

Information related to property, plant and equipment of the Town for the year ended September 30, 2015 was as follows:

	Balance at September 30, 2014	Increases	Decreases	Balance at September 30, 2015
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land and Land Rights	\$ 12,475	\$ -	\$ -	\$ 12,475
Construction in Progress, Net Change	-	-	-	-
Total capital assets not being depreciated	<u>12,475</u>	<u>-</u>	<u>-</u>	<u>12,475</u>
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	132,080	1,143	-	133,223
Equipment	76,392	11,833	-	88,225
Lake Improvements	395,037	-	-	395,037
Land Improvements	75,941	-	-	75,941
Vehicles	39,535	-	-	39,535
	<u>718,985</u>	<u>12,976</u>	<u>-</u>	<u>731,961</u>
<i>Less accumulated depreciation for:</i>				
Buildings and Improvements	29,649	3,582	-	33,231
Equipment	51,291	3,180	-	54,471
Lake Improvements	276,123	21,586	-	297,709
Land Improvements	3,797	3,797	-	7,594
Vehicles	39,535	-	-	39,535
	<u>400,395</u>	<u>32,145</u>	<u>-</u>	<u>432,540</u>
Total capital assets being depreciated, net	<u>318,590</u>	<u>(19,169)</u>	<u>-</u>	<u>299,421</u>
Governmental activity capital assets, net	<u>\$ 331,065</u>	<u>\$ (19,169)</u>	<u>\$ -</u>	<u>\$ 311,896</u>

Depreciation expense was charged to the primary government as follows:

General	\$ 30,484
Police	1,661
	<u>\$ 32,145</u>

TOWN OF HIGHLAND LAKE, ALABAMA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

NOTE 6 - RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs and worker's compensation. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 7 - GRANTS AND AWARDS

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

NOTE 8 – ECONOMIC DEPENDENCY

The Town receives franchise revenue from Alabama Power Company which approximates 14.7% of the general fund's total revenue. During the year ended September 30, 2015, the Town received \$31,501.

NOTE 9 – SUBSEQUENT EVENTS

The Town evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. The Town evaluated subsequent events through November 17, 2015, which is the date the financial statements were available to be issued.

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES
OF THE
PRIMARY GOVERNMENT

GENERAL FUND

The General Fund accounts for all revenues and expenditures of the Town except those which must be accounted for in other funds. It receives a variety of general revenues. These resources finance all of the current operations of general government activities which basically benefit the citizenry as a whole.

TOWN OF HIGHLAND LAKE, ALABAMA

BALANCE SHEETS - GENERAL FUND

SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash	\$ 112,803	\$ 108,075
Certificates of Deposit	196,923	259,241
Receivables		
Due From Other Governments	1,052	7,491
Accrued Interest	629	621
Accrued Property Tax Revenue	69,321	69,221
Prepaid Insurance	<u>3,515</u>	<u>3,685</u>
TOTAL ASSETS	<u>\$ 384,243</u>	<u>\$ 448,334</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,195	\$ 1,212
Contracts Payable - Tornado Damage	-	100,000
Payroll Taxes Payable	<u>2,327</u>	<u>2,696</u>
	<u>4,522</u>	<u>103,908</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Property Tax Revenue	<u>69,321</u>	<u>69,221</u>
<u>FUND BALANCE</u>		
Nonspendable		
Prepaid Insurance	3,515	3,685
Unassigned	<u>306,885</u>	<u>271,520</u>
	<u>310,400</u>	<u>275,205</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 384,243</u>	<u>\$ 448,334</u>

TOWN OF HIGHLAND LAKE, ALABAMA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Taxes	\$ 70,514	\$ 75,191
Licenses and Permits	96,583	92,690
Fines	3,111	3,291
Intergovernmental	35,933	23,543
Other	8,190	10,577
	<u>214,331</u>	<u>205,292</u>
EXPENDITURES		
General Government	108,493	213,990
Public Safety	41,867	47,100
Highway and Street	12,464	-
Appropriations	3,336	2,500
Capital Outlay	12,976	22,766
	<u>179,136</u>	<u>286,356</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,195	(81,064)
OTHER FINANCING SOURCES		
Transfers	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	35,195	(81,064)
FUND BALANCE - Beginning	<u>275,205</u>	<u>356,269</u>
FUND BALANCE - Ending	<u>\$ 310,400</u>	<u>\$ 275,205</u>

TOWN OF HIGHLAND LAKE, ALABAMA

SCHEDULES OF GENERAL FUND REVENUES

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
TAXES		
Ad Valorem and Personal Property	\$ 60,986	\$ 68,067
Auto Licenses	<u>9,528</u>	<u>7,124</u>
	<u>70,514</u>	<u>75,191</u>
LICENSES AND PERMITS		
Business Licenses and Permits	46,610	45,042
Lake Usage Fees	38,893	39,853
Building Permits and Electrical Inspections	<u>11,080</u>	<u>7,795</u>
	<u>96,583</u>	<u>92,690</u>
FINES		
	<u>3,111</u>	<u>3,291</u>
INTERGOVERNMENTAL		
State Oil and Gas Appropriation	4,482	4,489
County Appropriation for Tornado Cleanup	31,451	-
Grant Income	<u>-</u>	<u>19,054</u>
	<u>35,933</u>	<u>23,543</u>
OTHER		
Anchor Rental	4,275	5,275
Boat Slip Rental	1,200	1,800
Interest	2,343	2,288
Donations	-	339
Miscellaneous	<u>372</u>	<u>875</u>
	<u>8,190</u>	<u>10,577</u>
TOTAL REVENUES	<u><u>\$ 214,331</u></u>	<u><u>\$ 205,292</u></u>

TOWN OF HIGHLAND LAKE, ALABAMA

SCHEDULES OF GENERAL FUND EXPENDITURES BY FUNCTION

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
GENERAL GOVERNMENT		
Salaries and Wages	\$ 30,116	\$ 32,089
Payroll Taxes	2,660	3,084
Inspections	4,658	5,085
Insurance	11,201	11,429
Utilities	7,578	8,158
Telephone	1,563	1,605
Legal	1,186	2,250
Accounting and Audit	3,000	3,000
Other Professional Fees	1,750	1,334
Office Supplies	1,460	1,565
Postage and Freight	441	585
Dues, Fees, and Bonds	588	618
Repairs and Maintenance	23,378	21,150
Lake - Sediment Survey	-	21,000
Lake - Dredging Feasibility Study	18,000	-
Advertising and Public Relations	531	597
Travel	312	324
Miscellaneous	71	117
Tornado Damage Cleanup	-	100,000
	<u>108,493</u>	<u>213,990</u>
PUBLIC SAFETY		
Police		
Salaries	31,342	32,183
Payroll Taxes	2,398	2,462
Dispatch	891	825
Equipment Repairs and Supplies	7,236	11,630
	<u>41,867</u>	<u>47,100</u>

(Continued)

TOWN OF HIGHLAND LAKE, ALABAMA

SCHEDULES OF GENERAL FUND EXPENDITURES BY FUNCTION (Continued)

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
HIGHWAY AND STREET		
Paving, Repairs and Maintenance	\$ 12,464	\$ -
 APPROPRIATIONS		
Economic Development Council	836	-
Volunteer Fire Department	1,000	1,000
Local School	1,000	1,000
Blount County Animal Shelter	500	500
	<u>3,336</u>	<u>2,500</u>
 CAPITAL OUTLAY		
General	8,967	21,435
Police	4,009	1,331
Park	-	-
	<u>12,976</u>	<u>22,766</u>
 TOTAL EXPENDITURES	<u>\$ 179,136</u>	<u>\$ 286,356</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues allocated by law or contractual agreement for specific purposes. The State Gasoline Tax Funds receive revenues from the State 4-cent, 5-cent and 7-cent gasoline taxes, the State Motor Fuel 2-cent Inspection Fee on motor fuels, State motor vehicle license, and excise tax. These funds are restricted for the repair and maintenance of the Town's streets and street lights.

TOWN OF HIGHLAND LAKE, ALABAMA

COMBINING BALANCE SHEETS - SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2015 AND 2014

	2015			2014		
	Road Fund State \$.07 Gas Tax	Special Road Fund State \$.04 and \$.05 Gas Tax	Total (Memorandum Only)	Road Fund State \$.07 Gas Tax	Special Road Fund State \$.04 and \$.05 Gas Tax	Total (Memorandum Only)
<u>ASSETS</u>						
Cash	\$ 100	\$ 100	\$ 200	\$ 100	\$ 100	\$ 200
Due From Other Governments	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 200</u>
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCE</u>						
Assigned - Streets	<u>100</u>	<u>100</u>	<u>200</u>	<u>100</u>	<u>100</u>	<u>200</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 200</u>

TOWN OF HIGHLAND LAKE, ALABAMA

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015			2014		
	Road Fund State \$.07 Gas Tax	Special Road Fund State \$.04 and \$.05 Gas Tax	Total (Memorandum Only)	Road Fund State \$.07 Gas Tax	Special Road Fund State \$.04 and \$.05 Gas Tax	Total (Memorandum Only)
REVENUES						
Intergovernmental						
Gasoline Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Petroleum Inspection Fees	-	-	-	-	-	-
Motor Vehicle Licenses	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Street Paving, Repairs and Maintenance	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
FUND BALANCE - Beginning	<u>100</u>	<u>100</u>	<u>200</u>	<u>100</u>	<u>100</u>	<u>200</u>
FUND BALANCE - Ending	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 200</u>