

# **Pearson Place Road District**

Financial Report

For the Fiscal Year Ended September 30, 2017

**Pearson Place Road District**  
Financial Report  
For the Fiscal Year Ended September 30, 2017  
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## **Independent Auditor's Report**

To the Board of Directors of  
Pearson Place Road District

We have audited the accompanying financial statements of the governmental activities and each major fund of Pearson Place Road District (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District'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 each major fund of Pearson Place Road District, as of September 30, 2017, 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 Matter**

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 6 and budgetary comparison on pages 15 and 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, which 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 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 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 assurance.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2017, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 12, 2018

## **Pearson Place Road District**

### **Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2017**

As management of the Pearson Place Road District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

#### **Overview of the District**

The District is a political subdivision of the State of Texas created by order of the Williamson County Commissioners' Court on July 20, 2010, after holding a public hearing pursuant to Chapter 257 of the Texas Transportation Code. The District was created for the main purpose of constructing or reimbursing the developers, Century Land Holdings II, LLC, for the costs of constructing, acquiring by purchase, maintaining and operating a four-lane divided road within the District, known as Neenah Avenue. The District is located within the corporate limits of the City of Austin, all within Williamson County, Texas.

#### **Financial Highlights**

- The liabilities of Pearson Place Road District exceeded its assets as of September 30, 2017, by \$4,649,184 (i.e. net deficit).
- The District's total net position decreased by \$4,413,897 during the year.
- Cash and investments equaled \$995,875.
- Annual expenses consist of reimbursement to the developer for professional services paid and construction costs associated with the road, debt service payments and related debt service fees such as paying agent/registrar fees.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements.

The financial statements include the statement of net position and governmental funds balance sheet and statement of activities and governmental funds statement of revenues, expenditures and changes in fund balance that present information for the District as a whole and provide an indication of the District's financial health.

The statement of net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The District's first bond was issued on August 15, 2016 for \$5,315,000 with debt service payments first becoming due in fiscal year 2017. In fiscal year 2017, the District's taxable assessed value totaled approximately \$104,969,064. The tax rate is set after reviewing operating and debt service requirements. The District's primary revenue source will be property taxes.

## Pearson Place Road District

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2017

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are governmental funds and, as such, the financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The financial statements can be found on pages 6 and 7 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 8 of this report.

### Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2017, the District's liabilities exceeded assets by \$4,649,184.

#### Pearson Place Road District Net Position

	2017	2016
Assets	\$ 995,951	5,419,494
Long-term liabilities	5,624,297	5,637,185
Other liabilities	20,838	17,596
Total liabilities	5,645,135	5,654,781
Net position		
Restricted	975,113	138,698
Unrestricted	(5,624,297)	(373,985)
<b>Total net position (deficit)</b>	<b>\$ (4,649,184)</b>	<b>\$ (235,287)</b>

Overall, the District had a decrease in net position of \$4,413,897. This decrease is primarily related to reimbursement to the developer for construction costs.

## Pearson Place Road District

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2017

### Pearson Place Road District's Change in Net Position

	2017	2016
Revenues		
General revenues		
Assessments	\$ 289,070	\$ -
Interest	11,662	1,950
Miscellaneous	1,000	-
Total general revenues	301,732	1,950
Expenses		
General government	4,570,641	-
Interest and fiscal charges	144,288	237,237
Debt issuance costs	700	-
Total expenses	4,715,629	237,237
Change in net position	(4,413,897)	(235,287)
NET POSITION (DEFICIT), beginning	(235,287)	-
<b>NET POSITION (DEFICIT), ending</b>	<b>\$ (4,649,184)</b>	<b>\$ (235,287)</b>

The District owes \$5,315,000 to bond holders. More detailed information about the District's long-term debt is presented in the notes to the financial statements.

### Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2017

The property tax base for fiscal year 2017 is \$104,969,064. The tax rate is \$0.2750 on each \$100 of taxable value. Approximately 100% of the property tax will be set aside for debt service.

### Requests for Information

This financial report is designed to provide our citizens with a general overview of the District's finances. If you have any questions about this report or need any additional information, please contact the Williamson County Auditor's Office at (512) 943-1500; 710 Main Street, Suite 301, Georgetown, Texas 78626.

# Pearson Place Road District

## Statement of Net Position and Governmental Funds

### Balance Sheet

September 30, 2017

	General	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 995,875	\$ 995,875	\$ -	\$ 995,875
Property tax receivable	-	76	76	-	76
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 995,951</u>	<u>\$ 995,951</u>	<u>\$ -</u>	<u>\$ 995,951</u>
<b>LIABILITIES</b>					
Interest payable	\$ -	\$ -	\$ -	\$ 20,838	\$ 20,838
Non-current liabilities					
Due within one year	-	-	-	82,888	82,888
Due in more than one year	-	-	-	5,541,409	5,541,409
Total liabilities	-	-	-	5,645,135	5,645,135
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	-	76	76	(76)	-
Total deferred inflows of resources	-	76	76	(76)	-
<b>FUND BALANCE / NET POSITION</b>					
Fund balance					
Restricted for debt service	-	995,875	995,875	(995,875)	
Total fund balance	-	995,875	995,875	(995,875)	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 995,951</u>	<u>\$ 995,951</u>		
<b>NET POSITION (DEFICIT)</b>					
Restricted for debt service				975,113	975,113
Unrestricted				(5,624,297)	(5,624,297)
<b>TOTAL NET POSITION (DEFICIT)</b>				<u>\$ (4,649,184)</u>	<u>\$ (4,649,184)</u>

The Notes to the Financial Statements are an integral part of this statement.



## Pearson Place Road District

### Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2017

	General	Debt Service	Totals	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Current					
General government	\$ 4,564,346	\$ 6,295	\$ 4,570,641	\$ -	\$ 4,570,641
Debt service					
Interest and fiscal charges	-	153,934	153,934	(9,646)	144,288
Debt issuance costs	700	-	700	-	700
Total expenditures / expenses	4,565,046	160,229	4,725,275	(9,646)	4,715,629
<b>GENERAL REVENUES</b>					
Property taxes	-	288,994	288,994	76	289,070
Interest	3,560	8,102	11,662	-	11,662
Miscellaneous	-	1,000	1,000	-	1,000
Total general revenues	3,560	298,096	301,656	76	301,732
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,561,486)	137,867	(4,423,619)	9,722	(4,413,897)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	701,714	701,714	(701,714)	-
Transfers out	(701,714)	-	(701,714)	701,714	-
Total other financing sources	(701,714)	701,714	-	-	-
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	(5,263,200)	839,581	(4,423,619)	9,722	(4,413,897)
<b>FUND BALANCE / NET POSITION, beginning of year</b>	5,263,200	156,294	5,419,494	(5,654,781)	(235,287)
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ -	\$ 995,875	\$ 995,875	\$ (5,645,059)	\$ (4,649,184)

The Notes to the Financial Statements are  
an integral part of this statement.

## **Pearson Place Road District**

### Notes to the Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

##### **Reporting Entity**

Chapter 257 of the Texas Transportation Code and Chapter 1471, Texas Government Code allow a commissioners' court of a county to establish one or more road districts in the county. A road district created pursuant to the Act is a political subdivision and a body corporate of the State of Texas. The Pearson Place Road District (the District) was created by order of the Williamson County Commissioners' Court on July 20, 2010, in accordance with the Texas Government Code and Article III, Section 52 of the Texas Constitution.

The District is governed by the Williamson County Commissioners' Court and is a component unit of Williamson County.

On November 2, 2010, the District's voters authorized the issuance of unlimited tax bonds for the purpose of reimbursing the developer for the construction costs of developing roads within the District. The District issues unlimited tax bonds to reimburse the developer after each construction project is completed. The bonds are payable from property taxes.

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* are supported by property taxes and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenue are reported instead as *general revenue*.

The government-wide and fund financial statements are provided for the governmental funds of the District with a column for adjustments between the two statements.

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## Pearson Place Road District

### Notes to the Financial Statements

The District reports the following major governmental funds:

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

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

### **Assets, Liabilities and Net Position or Equity**

#### Cash and Investments

Investments for the District are reported at fair market value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### Receivables and Payables

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year. Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

#### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

## **Pearson Place Road District**

### Notes to the Financial Statements

#### Fund Equity

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB 54). The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are nonspendable, restricted for, committed to, assigned and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

*Restricted* – includes fund balance amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amount restricted due to constitutional provisions or enabling legislation.

*Unassigned* – includes residual positive fund balance within the General Fund, which has not been classified within the other 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors or laws or regulations of other governments.

#### Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## **Note 2. Stewardship and Accountability**

### **Deficit Net Position**

A net position deficit of \$4,649,184 exists in governmental activities as of September 30, 2017. This deficit is the result of the District issuing bonds to finance the construction of roads that will be contributed to City of Austin. As of September 30, 2017, the amount of bonds outstanding that were used to finance construction of assets and pay debt service was \$5,315,000.

**Pearson Place Road District**  
Notes to the Financial Statements

**Note 3. Reconciliation of Government-Wide and Fund Financial Statements**

Amounts reported for net position of governmental activities in the statement of net position and governmental funds balance sheet are different because:

Fund balance - governmental funds	\$ 995,875
Property taxes are not recognized until collected in the governmental funds	76
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(20,838)
Long-term obligations are not due and payable in the current period and are not reported in the funds	<u>(5,624,297)</u>
<b>Net position (deficit) of governmental activities</b>	<b><u>\$ (4,649,184)</u></b>

Amounts reported for change in net position of governmental activities in the statement of activities and change in fund balance of governmental funds in the statement of revenues, expenditures, and changes in fund balance are different because:

Change in fund balance - governmental funds	\$ (4,423,619)
Property taxes are not recognized until collected in the governmental funds	76
Some expenses reported in the statement of activities do not require the use of current financial resources	<u>9,646</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ (4,413,897)</u></b>

**Note 4. Investments**

As of September 30, 2017, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	<u>\$ 995,875</u>	43
<b>Total investments</b>	<b><u>\$ 995,875</u></b>	

The District's investment in LOGIC (the Pool), which is a 2a7-like pool recorded at amortized cost. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

## Pearson Place Road District

### Notes to the Financial Statements

LOGIC has been organized in conformity with the Texas Government Code and the Public Funds Investment Act, and is administered by J.P. Morgan Chase and FirstSouthwest. LOGIC is governed by a board of directors which has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of the Pool. The business and affairs of LOGIC is managed by its Board in accordance with its bylaws. The Bylaws set forth procedures governing the selection of, and action taken by the Board. Board oversight of LOGIC is maintained through daily, weekly, and monthly reporting requirements.

#### Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 180 days.

#### Credit Risk

It is the District's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. LOGIC was rated AAAM by Standard & Poor's Investors Service.

### Note 5. Long-term Obligations

#### Unlimited Tax Road Bonds

In August of 2016, the District issued \$5,315,000 in Unlimited Tax Road Bonds. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property located within the Road District. Interest at rates ranging from 2.0% to 4.0% was payable at February 15 and August 15 of each year.

Long-term liability activity for the year ended September 30, 2017, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 5,315,000	\$ -	\$ -	\$ 5,315,000	\$ 70,000
Premium on issuance of bonds	333,363	-	13,335	320,028	13,335
Discount on issuance of bonds	(11,178)	-	(447)	(10,731)	(447)
<b>Governmental activities long-term liabilities</b>	<b>\$ 5,637,185</b>	<b>\$ -</b>	<b>\$ 12,888</b>	<b>\$ 5,624,297</b>	<b>\$ 82,888</b>

**Pearson Place Road District**  
Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 70,000	\$ 166,700	\$ 236,700
2019	160,000	165,300	325,300
2020	165,000	162,100	327,100
2021	165,000	158,800	323,800
2022	170,000	155,500	325,500
2023-2027	930,000	700,900	1,630,900
2028-2032	1,120,000	506,250	1,626,250
2033-2037	1,325,000	303,150	1,628,150
2038-2041	1,210,000	91,950	1,301,950
<b>Total</b>	<b>\$ 5,315,000</b>	<b>\$ 2,410,650</b>	<b>\$ 7,725,650</b>

## **Supplementary Information**



**Pearson Place Road District**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
General Fund  
For the Fiscal Year Ended September 30, 2017

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 3,560	\$ 3,560
Total revenues	-	3,560	3,560
EXPENDITURES			
General government	-	4,564,346	(4,564,346)
Debt service			
Debt issuance costs	-	700	(700)
Total expenditures	-	4,565,046	(4,565,046)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(4,561,486)	(4,561,486)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(701,714)	(701,714)
Net change in fund balance	-	(5,263,200)	(5,263,200)
FUND BALANCE, beginning	5,263,200	5,263,200	-
<b>FUND BALANCE, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,263,200)</b>

**Pearson Place Road District**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended September 30, 2017

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 274,419	\$ 288,994	\$ 14,575
Interest	-	8,102	8,102
Miscellaneous	-	1,000	1,000
Total revenues	274,419	298,096	23,677
EXPENDITURES			
General government	8,400	6,295	2,105
Debt service			
Interest and fiscal charges	153,934	153,934	-
Total expenditures	162,334	160,229	2,105
DEFICIENCY OF REVENUES UNDER EXPENDITURES	112,085	137,867	25,782
OTHER FINANCING SOURCES (USES)			
Transfers in	-	701,714	701,714
Net change in fund balance	112,085	839,581	727,496
FUND BALANCE, beginning	156,294	156,294	-
<b>FUND BALANCE, ending</b>	<b>\$ 268,379</b>	<b>\$ 995,875</b>	<b>\$ 727,496</b>