

**CITY OF MOBRIDGE**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2010**

**CITY OF MOBRIDGE**  
**CITY OFFICIALS**  
**DECEMBER 31, 2010**

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Mayor:

Kyle Jensen

Governing Board:

Rick Godkin  
Tom O'Connell  
Amy Cerney  
Jamie Dietterle  
Gene Cox  
Dennis Wheeler

City Administrator:

Steve Gasser

Finance Officer:

Heather Beck

Attorney:

Rick Cain

# CITY OF MOBRIDGE

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# CITY OF MOBRIDGE

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**CERTIFIED PUBLIC ACCOUNTANTS**

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WITH OFFICES IN  
LEMMON, SOUTH DAKOTA  
MILLER, SOUTH DAKOTA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council  
City of Mobridge  
Mobridge, South Dakota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mobridge, South Dakota, as of December 31, 2010, and for the year then ended, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 6, 2011. The report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information was adverse because of financial statement deficiencies. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Current Audit Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items 2010-02 through 2010-06 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and

grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items 2010-01 and 2010-02.

The City of Mobridge's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings and Questioned Costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

We also noted certain additional matters that we reported to management of the City in a separate communication dated September 6, 2011.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, state granting agencies, and the governing board and management of the City of Mobridge, South Dakota, and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 and OMB Circular A-133 §\_\_\_.320, this report is a matter of public record and its distribution is not limited.

*Kohlman, Piehler & Anderson LLP*

September 6, 2011

**KOHLMAN, BIERSCHBACH & ANDERSON, LLP**  
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WITH OFFICES IN  
LEMMON, SOUTH DAKOTA  
MILLER, SOUTH DAKOTA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditors' Report

City Council  
City of Mobridge  
Mobridge, South Dakota

Compliance

We have audited the City of Mobridge, South Dakota compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Current Audit Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Mobridge, South Dakota, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items 2010-01 and 2010-02.

## Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items 2010-01 and 2010-02 to be material weaknesses.

The City of Mobridge's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings and Questioned Costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, state granting agencies, the governing board and management of the City of Mobridge, South Dakota, and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 and OMB Circular A-133 §\_\_.320, this report is matter of public record and its distribution is not limited.

*Kahlan, Beemthel & Anderson, LLP*

September 6, 2011



**CITY OF MOBRIDGE**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2010**

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PRIOR AUDIT FINDINGS:

2009-01

A material weakness was reported for a lack of segregation of duties for revenues, receivables, inventories, payables, capital assets, equity, expenditures and payroll. This condition is restated as current audit finding 2010-03.

2009-02

Capital asset records were not properly established and maintained to support the amounts reported for general capital assets. This resulted in diminished control over capital assets and can result in misleading information being presented to users of the financial statements. This comment has not been corrected and is restated as current federal audit finding 2010-02.

2009-03

Sufficient records do not exist to verify the amounts reported as inventories. This comment has not been corrected and is restated as current audit finding 2010-04.

2009-04

No internal control structure to provide for the recording of all necessary material adjustments. This comment has not been corrected and is restated as current audit finding 2010-05.

2009-05

No internal control system designed to provide for the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP). This comment has not been corrected and is restated as current audit finding 2010-06.

**CITY OF MOBRIDGE**  
**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2010**

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SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS:

Financial Statements:

- a. An adverse opinion on the financial statements of each opinion unit was issued because of financial statement deficiencies.
- b. Material weaknesses were disclosed by our audit of the financial statements. They are described in findings 2010-02 through 2010-06.
- c. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards:

- d. Material weaknesses were disclosed for internal control over major federal programs affecting the Cash Management and Equipment and Real Property compliance requirement as described in findings 2010-01 and 2010-02.
- e. An unqualified opinion was issued on compliance with the requirements applicable to major programs.
- f. Our audit disclosed audit findings that are required to be disclosed in accordance with the Office of Management and Budget Circular A-133, §.510(a). See finding numbers 2010-01 and 2010-02.
- g. The federal awards tested as major program were:
  - a. Community Development Block Grant #14.228
  - b. Rural Development - Water and Waste Disposal Systems #10.781  
for Rural Communities - ARRA
- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$300,000.
- i. City of Mobridge, South Dakota, did not qualify as a low-risk entity

CURRENT FEDERAL AUDIT FINDINGS:

Internal Control-Related Findings and Federal Compliance-Related Audit Findings and Questioned Costs - Material Weaknesses:

2010-01

The major federal programs affected are Community Development Block Grant - CFDA #14.228, Federal Award Year 2010, U.S. Department of Agriculture, Rural Development; Rural Development - Water and Waste Disposal Systems for Rural Communities - ARRA - CFDA #10.781, Federal Award Year 2010, U.S. Department of Agriculture, Rural Development.

Criteria

The Cash Management compliance requirement requires recipients to have procedures to reduce the time between receipt and use of federal funds for funds that are advanced. When funds are provided on a cost reimbursement basis, program costs must be paid for with the City's funds before reimbursement is requested.

Condition Found

Reimbursement requests were submitted before funds were spent.

**CITY OF MOBRIDGE**  
**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2010**  
**(Continued)**

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Questioned Costs

There are no questioned costs involved.

Recommendation

The City should verify federal program requirements and have procedures in place to assure compliance.

Corrective Action Plan

The City agrees with the finding and will pay closer attention to assure future compliance. The contact person for this finding is Kyle Jensen, Mayor. The anticipated completion date is May 11, 2011.

2010-02

The major federal programs affected are Community Development Block Grant - CFDA #14.228, Federal Award Year 2010, U.S. Department of Agriculture, Rural Development; Rural Development - Water and Waste Disposal Systems for Rural Communities - ARRA - CFDA #10.781, Federal Award Year 2010, U.S. Department of Agriculture, Rural Development.

Criteria

The Equipment and Real Property compliance requirement requires organizations to maintain an adequate equipment and property management system. Fixed asset records should include comprehensive lists of all land, buildings, improvements and equipment that have a cost greater than the City's capitalization policy. The City's lists of such assets were found to be incomplete and lacking in supporting documentation.

Condition Found

Fixed asset records were inadequate.

Questioned Costs

There are no questioned costs involved.

Recommendation

The City should conduct a comprehensive physical inventory of all fixed assets and update the subsidiary records accordingly. Costs (or estimated costs) of the assets should be properly documented.

Corrective Action Plan

The City agrees with the finding and will work on updating their records as soon as possible. The contact person for this finding is Kyle Jensen, Mayor.

**CITY OF MOBRIDGE**  
**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2010**  
**(Continued)**

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CURRENT OTHER AUDIT FINDINGS:

Internal Control-Related Findings - Material Weaknesses:

2010-03

Criteria

Internal control can help the City achieve its performance targets and prevent loss of resources. It can help ensure reliable financial reporting and it can help ensure that the City complies with laws and regulations.

Condition Found

A significant deficiency and material weakness was reported for a lack of segregation of duties for revenues, receivables, inventories, payables, capital assets, equity, expenditures, signature stamp and payroll, which could result in errors not being found in a timely manner.

Other Information

The City of Mobridge, South Dakota, has a limited number of employees who prepare all records for revenues, receivables, inventories, payables, capital assets, equity, expenditures, signature stamp and payroll. This is undesirable from an internal control viewpoint, and could result in a loss of control over accounting transactions and errors not being found in a timely manner.

Recommendation

We recommend the City Council take a more active role in their oversight of revenues, receivables, inventories, payables, capital assets, equity, expenditures, signature stamp and payroll.

Corrective Action Plan

The City of Mobridge has determined that it is not cost beneficial to employ additional personnel just to be able to adequately segregate duties for revenues, receivables, inventories, payables, capital assets, equity, expenditures, signature stamp and payroll and accepts the risks involved. The Board is aware of the problem and will attempt to provide compensating controls wherever and whenever possible and practical. The Finance Officer, Heather Beck, is responsible for the corrective action plan for this finding.

2010-04

Criteria

The City of Mobridge is responsible for maintaining accurate records for amounts reported as inventories for governmental activities, business-type activities and each major fund.

Condition Found

A material weakness was reported for not maintaining sufficient inventory records for the governmental activities, business-type activities and each major fund. The City is not in compliance with SDCL 5-24-2.

Effect

This has resulted in diminished controls over inventories and can result in misleading information being presented to users of the financial statements.

**CITY OF MOBRIDGE**  
**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2010**  
**(Continued)**

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Recommendation

We recommend the City Council prepare an inventory listing using the actual cost or the estimated cost at the time of acquisition. We also recommend more controls be implemented at the airport. A log of sales activity should be maintained by employees at the site. This log should include dollar amounts and gallons sold. An inventory should be performed monthly by management.

Corrective Action Plan

The City will attempt to complete an accurate inventory listing in the future. The contact person for this finding is Kyle Jensen, Mayor. The anticipated completion date is May 11, 2011.

2010-05

Criteria

An organization's internal control structure should provide for the recording of all necessary material adjustments in order to ensure that accounting records are in accordance with generally accepted accounting principles.

Condition Found

During the course of our engagement, we proposed material audit adjustments that would not have been identified as a result of the City's existing internal controls, and therefore could have resulted in a material misstatement of the City's financial statements.

Effect

This condition may affect the City's ability to record, process, summarize, and report financial statement data consistent with the assertions of management in the financial statements.

Recommendation

This circumstance is not unusual in an organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Corrective Action Plan

The City of accepts the risks associated with this deficiency. The Board is aware of the problem and will attempt to provide compensating controls wherever and whenever possible and practical. The contact person for this finding is Kyle Jensen, Mayor.

2010-06

Criteria

An organization's internal control structure should provide for the preparation of financial statements in accordance with generally accepted accounting principles (GAAP).

**CITY OF MOBRIDGE**  
**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2010**  
**(Continued)**

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Condition Found

The City does not have an internal control system designed to provide for the preparation of the annual financial statements being audited, including required footnotes and disclosures, in accordance with generally accepted accounting principles. As auditors, we were requested to draft the financial statements.

Effect

This condition may affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

This circumstance is not unusual in an organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Corrective Action Plan

Both management and the City Council have been informed of this condition and are confident that the information is accurate and are willing to accept this risk. The Finance Officer, Heather Beck, is responsible for the corrective action plan for this finding.

Closing Conference

The contents of this report were discussed with Heather Beck, Finance Officer; Steve Gasser, City Administrator; and Jamie Dietterle, Council Member; on May 11, 2011.

**KOHLMAN, BIERSCHBACH & ANDERSON, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

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WITH OFFICES IN  
LEMMON, SOUTH DAKOTA  
MILLER, SOUTH DAKOTA

INDEPENDENT AUDITORS' REPORT

City Council  
City of Mobridge  
Mobridge, South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mobridge, South Dakota, as of December 31, 2010, and for the year then ended, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the City's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component unit would have been reported as \$1,394,415, \$1,375,138, \$19,277, \$987,347, and \$1,004,076.

In our opinion, because of the omission of the discretely presented component unit, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component unit of the City of Mobridge, South Dakota, as of December 31, 2010, or changes in financial position thereof for the year then ended.

The City has not prepared notes to the financial statements. As a result, numerous disclosures required by U.S. generally accepted accounting principles are not made a part of these financial statements. The amount by which this departure would affect these financial statements is not reasonably determinable.

Management has not recorded certain capital assets, including land, buildings, and equipment, in governmental activities and business-type activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those capital assets be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities and business-type activities. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities and business-type activities is not reasonably determinable.

Management has not maintained proper inventory records in the governmental activities, business-type activities, and each major fund. Accounting principles generally accepted in the United States of America require that inventory be properly recorded, which would affect assets, net assets, and expenses of the governmental activities, business-type activities and each major fund. The amount by which this departure would affect the assets, net assets and expenses of the governmental activities, business-type activities and each major fund is not reasonably determinable.

In our opinion, because of the effects of the matters discussed in the fifth, sixth, and seventh paragraphs, the financial statements referred to above do not present fairly, in all material respects, the financial position of the activities of the primary government of the City of Mobridge, South Dakota, as of December 31, 2010, or the changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 6, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedule on pages 22 and 23 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The City has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards, which is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the combining nonmajor fund financial statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, however, for reasons stated in the fifth, sixth, and seventh paragraphs above, the financial statements referred to above do not present fairly in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities and the changes in financial position. Therefore, we do not express an opinion on the Schedule of Expenditures of Federal Awards or the accompanying combining and individual nonmajor fund financial statements.

*Kahle, Dumbach & Anderson, LLP*

September 6, 2011



**CITY OF MOBRIDGE**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 675,955	\$ 866,095	\$ 1,542,050
Accounts receivable, net	268,930	71,955	340,885
Internal balances	(25,841)	25,841	-
Inventory of supplies	13,730	127,205	140,935
Prepaid expenses	14,470	-	14,470
Deferred charges	-	14,133	14,133
Restricted cash and cash equivalents	13,383	3,500	16,883
Capital Assets:			
Land, improvements and construction in progress	167,758	104,994	272,752
Other capital assets, net of depreciation	1,664,704	4,451,745	6,116,449
<b>TOTAL ASSETS</b>	<b><u>\$ 2,793,089</u></b>	<b><u>\$ 5,665,468</u></b>	<b><u>\$ 8,458,557</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 59,501	\$ 501,692	\$ 561,193
Other current liabilities	12,467	-	12,467
Noncurrent Liabilities:			
Due within one year	181,479	99,278	280,757
Due in more than one year	809,287	865,268	1,674,555
<b>TOTAL LIABILITIES</b>	<b><u>1,062,734</u></b>	<b><u>1,466,238</u></b>	<b><u>2,528,972</u></b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	893,612	3,617,333	4,510,945
Restricted for:			
Debt Service Purposes	13,383	929	14,312
Other Purposes	-	2,571	2,571
Unrestricted	1,307,359	1,169,952	2,477,311
<b>TOTAL NET ASSETS</b>	<b><u>2,214,354</u></b>	<b><u>4,790,785</u></b>	<b><u>7,005,139</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,277,088</u></b>	<b><u>\$ 6,257,023</u></b>	<b><u>\$ 9,534,111</u></b>

**CITY OF MOBRIDGE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 284,850	\$ 24,760	\$ -	\$ 24,094	\$ (235,996)	\$ -	\$ (235,996)
Public safety	866,593	134,659	2,303	11,754	(717,877)	-	(717,877)
Public works	790,208	358,427	92,967	65,186	(273,628)	-	(273,628)
Health and welfare	8,081	-	-	-	(8,081)	-	(8,081)
Culture and recreation	537,222	16,161	-	9,892	(511,169)	-	(511,169)
Conservation and development	124,122	-	-	-	(124,122)	-	(124,122)
Miscellaneous expenditures	161	-	-	-	(161)	-	(161)
*Interest on long-term debt	<u>47,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,111)</u>	<u>-</u>	<u>(47,111)</u>
<b>Total Governmental Activities</b>	<u>2,658,348</u>	<u>534,007</u>	<u>95,270</u>	<u>110,926</u>	<u>(1,918,145)</u>	<u>-</u>	<u>(1,918,145)</u>
<b>Business-Type Activities:</b>							
Water	435,693	709,674	-	691,000	-	964,981	964,981
Sewer	255,301	390,266	-	-	-	134,965	134,965
Cemetery	30,159	14,360	-	-	-	(15,799)	(15,799)
Water and sewer main	<u>2,258</u>	<u>9,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,211</u>	<u>7,211</u>
<b>Total Business-Type Activities</b>	<u>723,411</u>	<u>1,123,769</u>	<u>-</u>	<u>691,000</u>	<u>-</u>	<u>1,091,358</u>	<u>1,091,358</u>
<b>Total Primary Government</b>	<u>\$ 3,381,759</u>	<u>\$ 1,657,776</u>	<u>\$ 95,270</u>	<u>\$ 801,926</u>	<u>(1,918,145)</u>	<u>1,091,358</u>	<u>(826,787)</u>
<b>General Revenues:</b>							
*The City does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.							
Taxes:							
Property taxes					547,380	-	547,380
Sales taxes					1,436,496	-	1,436,496
State shared revenues					32,653	-	32,653
Grants and contributions not restricted to specific programs							
					20,000	-	20,000
Unrestricted investment earnings					8,157	9,482	17,639
Miscellaneous revenue					67,860	379	68,239
Transfers					<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
<b>Total General Revenues and Transfers</b>					<u>2,092,546</u>	<u>29,861</u>	<u>2,122,407</u>
Change in Net Assets					<u>174,401</u>	<u>1,121,219</u>	<u>1,295,620</u>
Net Assets - Beginning					2,039,953	3,460,566	5,500,519
Prior Period Adjustment					<u>-</u>	<u>209,000</u>	<u>209,000</u>
Adjusted Net Assets - Beginning					<u>2,039,953</u>	<u>3,669,566</u>	<u>5,709,519</u>
Net Assets - Ending					<u>\$ 2,214,354</u>	<u>\$ 4,790,785</u>	<u>\$ 7,005,139</u>

**CITY OF MOBRIDGE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2010**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 644,897	\$ 31,058	\$ 675,955
Investments	483,999	-	483,999
Taxes receivable - delinquent	32,195	-	32,195
Accounts receivable, net	2,147	-	2,147
Special assessments receivable - delinquent	8,545	-	8,545
Due from Capital Projects Funds	97,675	-	97,675
Due from state government	188,115	11,867	199,982
Due from federal government	2,066	-	2,066
Due from county government	20,520	-	20,520
Interest receivable	3,415	60	3,475
Inventory of supplies	13,730	-	13,730
Prepaid expenses	14,470	-	14,470
Restricted cash and cash equivalents	13,383	-	13,383
<b>TOTAL ASSETS</b>	<u><u>\$ 1,525,157</u></u>	<u><u>\$ 42,985</u></u>	<u><u>\$ 1,568,142</u></u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 59,501	\$ -	\$ 59,501
Due to General Fund	-	97,675	97,675
Accrued taxes payable	12,467	-	12,467
Deferred revenue	100,945	1,151	102,096
Advance from Sewer Fund	25,841	-	25,841
<b>TOTAL LIABILITIES</b>	<u>198,754</u>	<u>98,826</u>	<u>297,580</u>
<b>FUND BALANCES:</b>			
Reserved for:			
Inventory	13,730	-	13,730
Debt Service	13,383	-	13,383
Unreserved fund balances:			
Designated for next year's appropriations	139,876		139,876
Designated for other purposes	335,773		335,773
Undesignated	823,641		823,641
Reported in nonmajor:			
Special Revenue Funds		32,802	32,802
Capital Projects Funds		(88,643)	(88,643)
<b>TOTAL FUND BALANCES</b>	<u>1,326,403</u>	<u>(55,841)</u>	<u>1,270,562</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,525,157</u></u>	<u><u>\$ 42,985</u></u>	<u><u>\$ 1,568,142</u></u>

**CITY OF MOBRIDGE**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

---

Total Fund Balances - Governmental Funds \$ 1,355,777

Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources and therefore  
are not reported in the funds. 1,832,462

Long-term liabilities, including bonds payable and accrued leave payable, are not due and  
payable in the current period and therefore are not reported in the funds.

Revenue bonds	\$ 877,928	
Accrued leave	51,916	
Other long-term debt	<u>60,922</u>	(990,766)

Assets, such as taxes receivable (delinquent) and special assessment receivables (current,  
delinquent and deferred), are not available to pay for current period expenditures and  
therefore are deferred in the funds.

Property taxes	\$ 31,148	
Special assessments	7,883	
Sales taxes	<u>63,065</u>	<u>102,096</u>

Net Assets - Governmental Activities \$ 2,299,569

	General Fund	Other Governmental Funds	Total Governmental Funds
Elections	1,778	-	1,778
Financial administration	101,473	-	101,473
Other	78,073	-	78,073
Public Safety:			
Police	790,149	-	790,149
Fire	63,647	-	63,647
Other protection	226	-	226
Public Works:			
Highways and streets	482,169	-	482,169
Sanitation	155,730	-	155,730
Airport	151,155	-	151,155
Health and Welfare:			
Health	6,081	-	6,081
Hospitals, nursing homes and rest homes	2,000	-	2,000
Culture and Recreation:			
Recreation	130,102	-	130,102
Parks	129,579	-	129,579
Libraries	126,415	-	126,415
Auditorium	140,402	-	140,402
Museums	6,000	-	6,000
Conservation and Development:			
Economic development and assistance (industrial development)	36,122	88,000	124,122
Debt Service	46,854	-	46,854
Miscellaneous:			
Liquor operating agreements	161	-	161
<b>TOTAL EXPENDITURES</b>	<u>2,549,902</u>	<u>88,000</u>	<u>2,637,902</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>161,174</u>	<u>6,916</u>	<u>168,090</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of municipal property	26,228	-	26,228
Transfers out	(196,391)	-	(196,391)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(170,163)</u>	<u>-</u>	<u>(170,163)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(8,989)	6,916	(2,073)
<b>FUND BALANCE - BEGINNING</b>	<u>1,335,392</u>	<u>22,458</u>	<u>1,357,850</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,326,403</u>	<u>\$ 29,374</u>	<u>\$ 1,355,777</u>

**CITY OF MOBRIDGE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2010**

---

Net Change in Fund Balances - Total Governmental Funds \$ (464)

Amounts reported for governmental activities in the statement of activities  
are different because:

Payment of bond principal is an expenditure in the governmental funds, but the payment  
reduces long-term liabilities in the statement of net assets.

Revenue bonds	\$ 159,498	
Other long-term debt	<u>8,637</u>	168,135

The fund financial statement governmental fund property tax accruals differ from the  
government-wide statement property tax accruals in that the fund financial statements  
require the amounts to be "available". 5,541

The fund financial statement governmental fund sales tax accruals differ from the  
government-wide statement sales tax accruals in that the fund financial statements  
require the amounts to be "available". 5,416

Governmental funds report special assessments as revenue when "available", but the  
statement of activities includes the full amount of special assessments as revenue upon  
completion of the project at the point when an enforceable legal claim arises. 1,965

Governmental funds recognize expenditures for amounts of compensated absences actually  
paid to employees with current financial resources during the fiscal year. Amounts of  
compensated absences earned by employees are not recognized in the funds. In the  
statement of activities, expenses for these benefits are recognized when the employees  
earn leave credits. (6,192)

Change in Net Assets of Governmental Activities \$ 174,401

	Enterprise Funds			Totals
	Major		Nonmajor	
	Water Fund	Sewer Fund		
NET ASSETS:				
Invested in capital assets, net of related debt	2,323,164	1,292,834	1,335	3,617,333
Restricted net assets, restricted for:				
Debt service	929	-	-	929
Other purposes	-	-	2,571	2,571
Unrestricted net assets	<u>255,526</u>	<u>819,121</u>	<u>95,305</u>	<u>1,169,952</u>
Total Net Assets	<u>2,579,619</u>	<u>2,111,955</u>	<u>99,211</u>	<u>4,790,785</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,938,262</u>	<u>\$ 2,219,527</u>	<u>\$ 99,234</u>	<u>\$ 6,257,023</u>

**CITY OF MOBRIDGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	Enterprise Funds			Totals
	Major		Nonmajor	
	Water Fund	Sewer Fund		
OPERATING REVENUE:				
Charges for goods and services	\$ 709,674	\$ 390,266	\$ 23,829	\$ 1,123,769
Miscellaneous	364	15	-	379
<b>TOTAL OPERATING REVENUE</b>	<u>710,038</u>	<u>390,281</u>	<u>23,829</u>	<u>1,124,148</u>
OPERATING EXPENSES:				
Personal services	196,104	128,699	-	324,803
Other current expense	204,174	122,576	32,417	359,167
Materials (cost of goods sold)	2,238	-	-	2,238
<b>TOTAL OPERATING EXPENSES</b>	<u>402,516</u>	<u>251,275</u>	<u>32,417</u>	<u>686,208</u>
<b>OPERATING INCOME (LOSS)</b>	<u>307,522</u>	<u>139,006</u>	<u>(8,588)</u>	<u>437,940</u>
NONOPERATING REVENUE (EXPENSE):				
Capital Grants	691,000	-	-	691,000
Investment earnings	3,438	5,393	651	9,482
Interest expense	(33,177)	(4,026)	-	(37,203)
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<u>661,261</u>	<u>1,367</u>	<u>651</u>	<u>663,279</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>968,783</u>	<u>140,373</u>	<u>(7,937)</u>	<u>1,101,219</u>
<b>TRANSFERS IN</b>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>CHANGE IN NET ASSETS</b>	<u>968,783</u>	<u>140,373</u>	<u>12,063</u>	<u>1,121,219</u>
<b>NET ASSETS - BEGINNING</b>	1,401,836	1,971,582	87,148	3,460,566
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>209,000</u>	<u>-</u>	<u>-</u>	<u>209,000</u>
<b>ADJUSTED NET ASSETS - BEGINNING</b>	<u>1,610,836</u>	<u>1,971,582</u>	<u>87,148</u>	<u>3,669,566</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 2,579,619</u>	<u>\$ 2,111,955</u>	<u>\$ 99,211</u>	<u>\$ 4,790,785</u>



	Enterprise Funds			Totals
	Major		Nonmajor	
	Water Fund	Sewer Fund		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 307,522	\$ 139,006	\$ (8,588)	\$ 437,940
Change in assets and liabilities:				
Accounts receivable	179,488	(367)	(11)	179,110
Inventories	(13,223)	(16,284)	-	(29,507)
Accounts payable	457,505	7,461	(2,216)	462,750
Accrued leave payable	(5,350)	1,053	-	(4,297)
Net cash provided (used) by operating activities	<u>\$ 925,942</u>	<u>\$ 130,869</u>	<u>\$ (10,815)</u>	<u>\$ 1,045,996</u>

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Other	71,567	80,067	78,073	1,994
Public Safety:				
Police	780,606	798,960	790,149	8,811
Fire	53,984	67,984	63,647	4,337
Other protection	600	600	226	374
Public Works:				
Highways and streets	488,984	488,984	482,169	6,815
Sanitation	161,500	173,500	155,730	17,770
Airport	209,600	209,600	151,155	58,445
Health and Welfare:				
Health	31,200	31,200	6,081	25,119
Hospitals, nursing homes and rest homes	2,000	2,000	2,000	-
Culture and Recreation:				
Recreation	40,000	130,400	130,102	298
Parks	121,300	129,300	129,579	(279)
Libraries	124,069	131,869	126,415	5,454
Auditorium	93,251	143,251	140,402	2,849
Museums	6,500	6,500	6,000	500
Conservation and Development:				
Economic development and assistance (industrial development)	26,098	34,620	36,122	(1,502)
Debt Service	80,412	80,412	46,854	33,558
Miscellaneous:				
Liquor operating agreements	225	225	161	64
<b>TOTAL EXPENDITURES</b>	<u>2,515,568</u>	<u>2,725,522</u>	<u>2,549,902</u>	<u>(175,620)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>89,241</u>	<u>(69,668)</u>	<u>161,174</u>	<u>230,842</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of municipal property	13,000	27,000	26,228	(772)
Transfers out	<u>(188,391)</u>	<u>(188,391)</u>	<u>(196,391)</u>	<u>(8,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(175,391)</u>	<u>(161,391)</u>	<u>(170,163)</u>	<u>(8,772)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(86,150)	(231,059)	(8,989)	222,070
<b>FUND BALANCE - BEGINNING</b>	<u>1,335,392</u>	<u>1,335,392</u>	<u>1,335,392</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,249,242</u>	<u>\$ 1,104,333</u>	<u>\$ 1,326,403</u>	<u>\$ 222,070</u>

**CITY OF MOBRIDGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**  
**SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND**  
**DECEMBER 31, 2010**

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NOTE 1 - Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the schedule:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total City budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year end unless encumbered by resolution of the Governing Board.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
7. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP).

NOTE 2 - USGAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however, in the Budgetary RSI Schedule, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

**SUPPLEMENTARY INFORMATION**

**CITY OF MOBRIDGE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2010**

	Third Penny Sales Tax Fund	Special Park Gift Project Fund	24/7 Sobriety Fund	Railroad Crossing Fund	Mural Restoration Fund	Bike Path Trail Fund	Total Nonmajor Governmental Funds
ASSETS:							
Cash and cash equivalents	\$ 18,605	\$ 2,492	\$ 929	\$ -	\$ 21	\$ 9,011	\$ 31,058
Due from state government	11,867	-	-	-	-	-	11,867
Interest receivable	53	7	-	-	-	-	60
<b>TOTAL ASSETS</b>	<u>\$ 30,525</u>	<u>\$ 2,499</u>	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 9,011</u>	<u>\$ 42,985</u>
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Due to General Fund	\$ -	\$ -	\$ -	\$ 97,675	\$ -	\$ -	\$ 97,675
Deferred revenue	1,151	-	-	-	-	-	1,151
<b>TOTAL LIABILITIES</b>	<u>1,151</u>	<u>-</u>	<u>-</u>	<u>97,675</u>	<u>-</u>	<u>-</u>	<u>98,826</u>
FUND BALANCES:							
Unreserved fund balances:							
Undesignated, reported in nonmajor:							
Special Revenue Funds	29,374	2,499	929	-	-	-	32,802
Capital Projects Funds	-	-	-	(97,675)	21	9,011	(88,643)
<b>TOTAL FUND BALANCES</b>	<u>29,374</u>	<u>2,499</u>	<u>929</u>	<u>(97,675)</u>	<u>21</u>	<u>9,011</u>	<u>(55,841)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 30,525</u>	<u>\$ 2,499</u>	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 9,011</u>	<u>\$ 42,985</u>

**CITY OF MOBRIDGE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	Third Penny Sales Tax Fund	Special Park Gift Project Fund	24/7 Sobriety Fund	Debt Service Fund	Railroad Crossing Fund	Mural Restoration Fund	Bike Path Trail Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>								
Taxes:								
General sales and use taxes	\$ 94,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,787
Charges for Goods and Services:								
Public safety	-	-	7,574	-	-	-	-	7,574
Miscellaneous Revenue:								
Investment earnings	129	32	-	-	-	-	-	161
<b>TOTAL REVENUE</b>	<u>94,916</u>	<u>32</u>	<u>7,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,522</u>
<b>EXPENDITURES:</b>								
Public Safety:								
Police	-	-	9,497	-	-	-	-	9,497
Culture and Recreation:								
Parks	-	4,500	-	-	-	-	-	4,500
Conservation and Development:								
Economic development and assistance (industrial development)	88,000	-	-	-	-	-	-	88,000
Debt Service	-	-	-	168,391	-	-	-	168,391
<b>TOTAL EXPENDITURES</b>	<u>88,000</u>	<u>4,500</u>	<u>9,497</u>	<u>168,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,388</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>6,916</u>	<u>(4,468)</u>	<u>(1,923)</u>	<u>(168,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(167,866)</u>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	-	168,391	-	-	8,000	176,391
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,391</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>176,391</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>6,916</u>	<u>(4,468)</u>	<u>(1,923)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,525</u>
<b>FUND BALANCE - BEGINNING</b>	<u>22,458</u>	<u>6,967</u>	<u>2,852</u>	<u>-</u>	<u>(97,675)</u>	<u>21</u>	<u>1,011</u>	<u>(64,366)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 29,374</u>	<u>\$ 2,499</u>	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ (97,675)</u>	<u>\$ 21</u>	<u>\$ 9,011</u>	<u>\$ (55,841)</u>

**CITY OF MOBRIDGE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**

	Cemetery Fund	Water and Sewer Main Fund	Totals
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ 3,165	\$ 59,535	\$ 62,700
Investments	-	32,267	32,267
Accounts receivable, net	-	84	84
Interest receivable	16	261	277
Total Current Assets	<u>3,181</u>	<u>92,147</u>	<u>95,328</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	2,571	-	2,571
Capital Assets:			
Land	565	-	565
Machinery and equipment	18,789	-	18,789
Less: accumulated depreciation	<u>(18,019)</u>	<u>-</u>	<u>(18,019)</u>
Total Noncurrent Assets	<u>3,906</u>	<u>-</u>	<u>3,906</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 7,087</u></u>	<u><u>\$ 92,147</u></u>	<u><u>\$ 99,234</u></u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	\$ 23	\$ -	\$ 23
Total Current Liabilities	<u>23</u>	<u>-</u>	<u>23</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	1,335	-	1,335
Restricted net assets, restricted for:			
Other purposes	2,571	-	2,571
Unrestricted net assets	<u>3,158</u>	<u>92,147</u>	<u>95,305</u>
Total Net Assets	<u>7,064</u>	<u>92,147</u>	<u>99,211</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 7,087</u></u>	<u><u>\$ 92,147</u></u>	<u><u>\$ 99,234</u></u>



**CITY OF MOBRIDGE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	Cemetery	Water and Sewer Main Fund	Totals
OPERATING REVENUE:			
Charges for goods and services	\$ 14,360	\$ 9,469	\$ 23,829
TOTAL OPERATING REVENUE	<u>14,360</u>	<u>9,469</u>	<u>23,829</u>
OPERATING EXPENSES:			
Other current expense	<u>30,159</u>	<u>2,258</u>	<u>32,417</u>
TOTAL OPERATING EXPENSES	<u>30,159</u>	<u>2,258</u>	<u>32,417</u>
OPERATING INCOME (LOSS)	<u>(15,799)</u>	<u>7,211</u>	<u>(8,588)</u>
NONOPERATING REVENUE:			
Investment earnings	<u>11</u>	<u>640</u>	<u>651</u>
TOTAL NONOPERATING REVENUE	<u>11</u>	<u>640</u>	<u>651</u>
INCOME (LOSS) BEFORE TRANSFERS	(15,788)	7,851	(7,937)
TRANSFERS IN	<u>20,000</u>	<u>-</u>	<u>20,000</u>
CHANGE IN NET ASSETS	4,212	7,851	12,063
NET ASSETS - BEGINNING	<u>2,852</u>	<u>84,296</u>	<u>87,148</u>
NET ASSETS - ENDING	<u>\$ 7,064</u>	<u>\$ 92,147</u>	<u>\$ 99,211</u>

**CITY OF MOBRIDGE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2010**

	Cemetery Fund	Water and Sewer Main Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 14,361	\$ 9,458	\$ 23,819
Cash payments to suppliers of goods and services	<u>(32,374)</u>	<u>(2,260)</u>	<u>(34,634)</u>
Net cash provided (used) by operating activities	<u>(18,013)</u>	<u>7,198</u>	<u>(10,815)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net cash provided by noncapital financing activities	<u>20,000</u>	<u>-</u>	<u>20,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received for interest	<u>-</u>	<u>780</u>	<u>780</u>
Net cash provided by investing activities	<u>-</u>	<u>780</u>	<u>780</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,987	7,978	9,965
BALANCES - BEGINNING	<u>3,749</u>	<u>83,824</u>	<u>87,573</u>
BALANCES - ENDING	<u>\$ 5,736</u>	<u>\$ 91,802</u>	<u>\$ 97,538</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (15,799)	\$ 7,211	\$ (8,588)
Change in assets and liabilities:			
Accounts receivable	-	(11)	(11)
Accounts payable	<u>(2,214)</u>	<u>(2)</u>	<u>(2,216)</u>
Net cash provided (used) by operating activities	<u>\$ (18,013)</u>	<u>\$ 7,198</u>	<u>\$ (10,815)</u>

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Expenditures 2010
NATIONAL ENDOWMENT FOR THE ARTS:		
Indirect Federal Funding:		
Promotion of the Arts Partnership Agreements	45.025	<u>1,000</u>
TOTAL NATIONAL ENDOWMENT FOR THE ARTS		<u>1,000</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY:		
Indirect Federal Funding:		
South Dakota Department of Environment and Natural Resources, Capitalization Grants for Clean Water State Revolving (Federal Portion)	66.468	<u>291,000</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		<u>291,000</u>
GRAND TOTAL		<u>\$ 1,106,039</u>

NOTE 1: The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the full accrual basis of accounting unless otherwise noted. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE 2: This represents a major federal financial assistance program.

NOTE 3: The amount reported represents 23.3 percent of the original acquisition cost of the federal surplus