

CITY OF MOBRIDGE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

CITY OF MOBRIDGE
CITY OFFICIALS
DECEMBER 31, 2005

Mayor:

Kyle Jensen

Governing Board:

Taylor Oster

Randy Runnels

Tony Yellow Boy

Jerry Weischedel

Dennis Laib

Dennis Wheeler

City Administrator:

Nels Christensen

Finance Officer:

Lori Heil

Attorney:

Laurie Bauer

CITY OF MOBRIDGE

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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, 2005, and for the year then ended, which collectively comprise the City of Mobridge's financial statements of the City's primary government and have issued our report thereon dated May 5, 2006. 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 of Mobridge's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Mobridge's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of current audit findings as items 2005-01 through 2005-03.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2005-01 through 2005-03 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mobridge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain additional matters that we have reported to the management of the City of Mobridge in a separate letter dated May 5, 2006.

This report is intended solely for the information and use of 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, this report is a matter of public record and its distribution is not limited.

Kohlman, Breischbach & Anderson, LLP

May 5, 2006

CITY OF MOBRIDGE
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005

PRIOR AUDIT FINDINGS:

2004-01

Fixed asset records, except for land and equipment, were not properly established and maintained to support the amounts reported for general fixed assets. This resulted in diminished control over fixed 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 audit finding 2005-01.

2004-02

A reportable condition and material weakness was reported for a lack of segregation of duties for revenues. This condition is restated as current audit finding 2005-02.

2004-03

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 2005-03.

2004-04

The municipal board did not adopt a budget for the Special Revenue and Capital Projects Funds. This comment has been corrected.

CITY OF MOBRIDGE
SCHEDULE OF CURRENT AUDIT FINDINGS
DECEMBER 31, 2005

CURRENT AUDIT FINDINGS:

2005-01

Finding

Fixed asset records were not properly established and maintained to support the amounts reported for general capital assets, enterprise capital assets and depreciation records. This resulted in diminished control over capital assets and can result in misleading information being presented to users of the financial statements.

Analysis

The general capital assets, enterprise capital assets, and depreciation records maintained did not contain sufficient detail. This results in diminished control over capital assets and can result in misleading information being presented to users of the financial statements.

Recommendation

We recommend general capital assets, enterprise capital assets, and depreciation records be established and maintained.

Corrective Action Plan

Taylor Oster is the contact person responsible for the corrective action plan for this comment. The City is continuing its work on correcting this deficiency.

2005-02

Finding

A reportable condition and material weakness was reported for a lack of segregation of duties for revenues, expenditures, and payroll.

Analysis

The City has a limited number of employees who prepare all records for revenues, expenditures, and payroll.

CITY OF MOBRIDGE
SCHEDULE OF CURRENT AUDIT FINDINGS
DECEMBER 31, 2005
(Continued)

Recommendation

We recommend the City Council take a more active role in their oversight of revenues, expenditures, and payroll.

Corrective Action Plan

Taylor Oster is the contact person responsible for the corrective action plan for this comment. This comment is a result of the size of the City of Mobridge which precludes staffing at a level sufficient to provide an ideal environment for internal controls. The City of Mobridge has determined it is not cost beneficial to employ additional personnel just to be able to adequately segregate duties for revenues, expenditures and payroll. The City of Mobridge is aware of this problem and is attempting to provide compensating controls wherever and whenever possible and practical.

2005-03

Finding

Sufficient records do not exist to verify the amounts reported as inventories for the governmental activities, business-type activities, each major fund and the aggregate remaining fund information.

Analysis

Inventory records maintained do not provide sufficient detail to verify amounts reported as inventories for the governmental activities, business-type activities, each major fund and the aggregate remaining fund information.

Recommendation

We recommend the City establish a perpetual inventory record system.

Corrective Action Plan

Taylor Oster is the contact person responsible for the corrective action plan for this comment. The City will attempt to install a perpetual inventory system to correct this deficiency.

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, 2005, and for the year then ended, which collectively comprise the City's basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City of Mobridge'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 do not express such an opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and 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 referred to above include only the primary government of the City of Mobridge, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Mobridge, as of December 31, 2005, the changes in its financial position, or, where

applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, City of Mobridge has issued separate reporting entity financial statements for which we have issued our report dated May 5, 2006.

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 financials statements is not reasonably determinable.

Management has not recorded certain capital assets, including land, buildings, and equipment, in governmental activities, business-type activities, water fund and sewer fund 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, business-type activities, water fund and sewer fund. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities, business-type activities, water fund and sewer fund is not reasonably determinable.

Management has not recorded inventory 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 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 matter discussed in the fourth, fifth and sixth 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, 2005, 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 May 5, 2006, on our consideration of the City of Mobridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 management's discussion and analysis and budgetary comparison information on pages 8 through 18 and 29 through 30, are not a required part of the basic financial statements but are 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mobridge's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. For reasons stated in the fourth, fifth and sixth 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 activity and the changes in financial position. Therefore, we do not express an opinion on the accompanying combining and individual nonmajor fund financial statements.

Kohlman, Bierschbach & Anderson, LLP

May 5, 2006

CITY OF MOBRIDGE
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	PRIMARY GOVERNMENT		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 271,238	\$1,176,649	\$1,447,887
Accounts receivable, Net	304,806	50,305	355,111
Inventories	--	72,499	72,499
Deferred charges	--	31,800	31,800
Restricted Assets:			
Cash and cash equivalents	167,317	644,511	811,828
Capital Assets:			
Land, improvements and construction in progress	167,758	104,993	272,751
Other capital assets, net of depreciation	<u>1,664,705</u>	<u>3,343,833</u>	<u>5,008,538</u>
TOTAL ASSETS	\$2,575,824 =====	\$5,424,590 =====	\$8,000,414 =====
LIABILITIES:			
Accounts payable	\$ 110,389	\$ 40,735	\$ 151,124
Accrued leave payable	--	10,594	10,594
Deferred revenue	43,518	--	43,518
Other current liabilities	487	--	487
Noncurrent Liabilities:			
Due within one year	157,209	98,464	255,673
Due in more than one year	<u>816,397</u>	<u>1,367,090</u>	<u>2,183,487</u>
TOTAL LIABILITIES	<u>1,128,000</u>	<u>1,516,883</u>	<u>2,644,883</u>
NET ASSETS:			
Invested in capital assets, net of related debt	888,034	1,983,272	2,871,306
Restricted for:			
Capital projects purposes	(229,515)	--	(229,515)
Other purposes	167,317	644,511	811,828
Unrestricted	<u>621,988</u>	<u>1,279,924</u>	<u>1,901,912</u>
TOTAL NET ASSETS	<u>1,447,824</u>	<u>3,907,707</u>	<u>5,355,531</u>
TOTAL LIABILITIES AND NET ASSETS	\$2,575,824 =====	\$5,424,590 =====	\$8,000,414 =====

The notes to the financial statements are
an integral part of this statement.

CITY OF MOBRIDGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 299,213	\$ --	\$ --	\$ --	\$ (277,050)	\$ --	\$ (277,050)
Public safety	699,046	12,504	--	--	(578,279)	--	(578,279)
Public works	733,147	79,446	67,591	--	(583,386)	--	(583,386)
Health and welfare	23,238	--	--	--	(23,238)	--	(23,238)
Culture and recreation	689,392	2,291	271,042	--	(388,023)	--	(388,023)
Conservation and development	92,326	--	--	--	(92,326)	--	(92,326)
Miscellaneous expenditures	219	--	--	--	(219)	--	(219)
*Interest on long-term debt	33,960	--	--	--	(33,960)	--	(33,960)
Total Governmental Activities	2,570,541	94,241	338,633	--	(1,976,481)	--	(1,976,481)
Business-Type Activities:							
Water	364,762	--	--	--	--	122,888	122,888
Sewer	245,389	--	--	--	--	133,350	133,350
Cemetery	34,583	--	--	--	--	(18,308)	(18,308)
Solid waste	87,483	--	--	--	--	56,550	56,550
Water and sewer main	9,941	--	--	--	--	(784)	(784)
Total Business-Type Activities	742,158	--	--	--	--	293,696	293,696
Total Primary Government	\$3,312,699	\$94,241	\$338,633	--	(1,976,481)	293,696	(1,682,785)

General Revenues:
Taxes:
 Property taxes 450,280
 Sales taxes 1,327,909
State shared revenues 28,936
Grants and contributions not restricted to specific programs 5,000
Unrestricted investment earnings 8,870
Miscellaneous revenue 28,715
Transfers 37,194

*The City does not have interest expense related to the functions presented above. This amount includes indirect expense on general long-term debt.

Total General Revenues, Special Items, Extraordinary Items and Transfers	1,886,904	(16,783)	1,870,121
Change in Net Assets	(89,577)	276,913	187,336
Net Assets - Beginning	1,537,401	3,630,794	5,168,195
Net Assets - Ending	\$ 1,447,824	\$3,907,707	\$5,355,531

The notes to the financial statements are an integral part of this statement.

CITY OF MOBRIDGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$212,263	\$ 58,975	\$ 271,238
Taxes receivable - delinquent	21,433	--	21,433
Accounts receivable, net	17,620	8,418	26,038
Special assessments receivable - current	64,959	--	64,959
Special assessments receivable - delinquent	7,544	--	7,544
Due from Capital Projects Funds	212,939	--	212,939
Due from federal government	--	25,170	25,170
Due from state government	159,662	--	159,662
Advance to General Fund	--	6,774	6,774
Restricted cash and cash equivalents	<u>167,317</u>	<u>--</u>	<u>167,317</u>
TOTAL ASSETS	\$863,737 =====	\$ 99,337 =====	\$ 963,074 =====
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 67,545	\$ 42,844	\$ 110,389
Due to General Fund	--	212,939	212,939
Accrued taxes payable	487	--	487
Deferred revenue	251,815	5,710	257,525
Advance from Special Revenue Fund	<u>6,774</u>	<u>--</u>	<u>6,774</u>
TOTAL LIABILITIES	<u>326,621</u>	<u>261,493</u>	<u>588,114</u>
FUND BALANCES:			
Reserved for:			
Advance to General Fund	--	6,774	6,774
Unreserved fund balances:			
Designated for:			
Next year's appropriation	102,891	--	102,891
Capital replacements	150,000	--	150,000
Other purposes	17,317	--	17,317
Undesignated, reported in non-major:	266,908	--	266,908
Special Revenue Funds	--	18,487	18,487
Debt Service Funds	--	42,098	42,098
Capital Projects Funds	<u>--</u>	<u>(229,515)</u>	<u>(229,515)</u>
TOTAL FUND BALANCES	<u>537,116</u>	<u>(162,156)</u>	<u>374,960</u>
TOTAL LIABILITIES AND FUND BALANCES	\$863,737 =====	\$ 99,337 =====	\$ 963,074 =====

The notes to the financial statements are
an integral part of this statement.

CITY OF MOBRIDGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005

Total Fund Balances - Governmental Funds	\$ 374,960
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.	1,832,463
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.	(973,606)
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.	<u>214,007</u>
Net Assets - Governmental Funds	\$1,447,824 =====

The notes to the financial statements are
an integral part of this statement.

CITY OF MOBRIDGE
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes:			
General property taxes	\$ 444,730	--	\$ 444,730
General sales and use taxes	1,134,274	73,127	1,207,401
Gross receipts business taxes	1,632	--	1,632
Amusement taxes	1,128	--	1,128
Tax deed revenue	1,439	--	1,439
Penalties and interest on delinquent taxes	1,745	--	1,745
Licenses and Permits	19,299	--	19,299
Intergovernmental Revenue:			
Federal grants	24,517	240,197	264,714
State grants	--	25,411	25,411
State shared revenue:			
Bank franchise tax	10,421	--	10,421
Motor vehicle commercial prorate	3,571	--	3,571
Liquor tax reversion	18,515	--	18,515
Motor vehicle licenses (5%)	12,723	--	12,723
Local government highway and bridge fund	40,914	--	40,914
County shared revenue:			
County road tax (25%)	4,108	--	4,108
County HBR tax (25%)	767	--	767
County wheel tax	3,778	--	3,778
Charges for Goods and Services:			
General government	1,553	8	1,561
Public safety	100,313	--	100,313
Highways and streets	1,437	--	1,437
Sanitation	1,287	--	1,287
Culture and recreation	16,830	--	16,830
Fines and Forfeits:			
Court fines and costs	1,167	--	1,167

Library	6,675	--	6,675
Other	108	--	108
Miscellaneous Revenue:			
Investment earnings	8,476	394	8,870
Rentals	14,467	--	14,467
Special assessments	69,343	--	69,343
Contributions and donations from private sources	7,574	24,744	32,318
Other	<u>16,581</u>	<u>--</u>	<u>16,581</u>
TOTAL REVENUE	<u>1,969,372</u>	<u>363,881</u>	<u>2,333,253</u>

EXPENDITURES:			
General Government:			
Legislative	12,601	--	12,601
Executive	91,365	--	91,365
Elections	1,035	--	1,035
Financial administration	82,623	--	82,623
Other	84,102	29,216	113,318
Public Safety:			
Police	655,438	--	655,438
Fire	36,988	--	36,988
Other protection	1,521	--	1,521
Public Works:			
Highways and streets	430,461	183,804	614,265
Sanitation	40	9,559	9,599
Airport	98,463	9,558	108,021
Health and Welfare:			
Health	21,238	--	21,238
Hospitals, nursing homes and rest homes	2,000	--	2,000
Culture and Recreation:			
Recreation	59,449	--	59,449
Parks	120,163	271,713	391,876
Libraries	106,640	--	106,640
Auditorium	106,220	22,118	128,338
Museums	5,000	--	5,000
Conservation and Development:			
Economic development and assistance (industrial development)	8,625	83,701	92,326

(Continued on next page)

CITY OF MOBRIDGE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

	General Fund	Other Governmental Funds	Total Governmental Funds
Debt Service	--	126,293	126,293
Miscellaneous:			
Liquor operating agreements	<u>219</u>	<u>--</u>	<u>219</u>
TOTAL EXPENDITURES	<u>1,924,191</u>	<u>735,962</u>	<u>2,660,153</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>45,181</u>	<u>(372,081)</u>	<u>(326,900)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	295,523	197,769	493,292
Sale of municipal property	7,939	--	7,939
Compensation for loss or damage to capital assets	2,237	--	2,237
Transfers out	<u>(456,098)</u>	<u>--</u>	<u>(456,098)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,399)</u>	<u>197,769</u>	<u>47,370</u>
NET CHANGE IN FUND BALANCES	<u>(105,218)</u>	<u>(174,312)</u>	<u>(279,530)</u>
FUND BALANCE - BEGINNING	88,507	565,983	654,490
PRIOR PERIOD ADJUSTMENT	<u>553,827</u>	<u>(553,827)</u>	<u>--</u>
ADJUSTED FUND BALANCE - BEGINNING	<u>642,334</u>	<u>12,156</u>	<u>654,490</u>
FUND BALANCE - ENDING	\$ 537,116	\$(162,156)	\$ 374,960
	=====	=====	=====

The notes to the financial statements are
an integral part of this statement.

CITY OF MOBRIDGE
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2005

ASSETS:	Business-Type Activities Enterprise Funds			<u>Totals</u>
	Major			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	
Current Assets:				
Cash and cash equivalents	\$ 320,762	\$ 585,106	\$270,781	\$ 1,176,649
Accounts receivable, net	44,592	3,907	1,806	50,305
Inventory of supplies	<u>63,879</u>	<u>8,620</u>	<u>--</u>	<u>72,499</u>
Total Current Assets	<u>429,233</u>	<u>597,633</u>	<u>272,587</u>	<u>1,299,453</u>
Noncurrent Assets:				
Restricted cash and cash equivalents	215,094	429,417	--	644,511
Deferred charges	31,800	--	--	31,800
Capital Assets:				
Land	104,394	34	565	104,993
Buildings	4,619,438	3,816,428	--	8,435,866
Machinery and equipment	127,851	206,163	18,789	352,803
Less: accumulated depreciation (credit)	<u>(2,779,084)</u>	<u>(2,647,733)</u>	<u>(18,019)</u>	<u>(5,444,836)</u>
Total Noncurrent Assets	<u>2,319,493</u>	<u>1,804,309</u>	<u>1,335</u>	<u>4,125,137</u>
TOTAL ASSETS	<u>\$ 2,748,726</u> =====	<u>\$ 2,401,942</u> =====	<u>\$273,922</u> =====	<u>\$ 5,424,590</u> =====

	Business-Type Activities Enterprise Funds			
	Major			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	<u>Totals</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 29,002	\$ 6,848	\$ 4,885	\$ 40,735
Accrued leave payable	6,250	4,344	--	10,594
Bonds Payable Current:				
Revenue	<u> --</u>	<u>98,464</u>	<u> --</u>	<u>98,464</u>
Total Current Liabilities	<u>35,252</u>	<u>109,656</u>	<u>4,885</u>	<u>144,908</u>
Noncurrent Liabilities:				
Bonds payable:				
Revenue	890,000	455,574	--	1,345,574
Other long-term debt	<u>10,758</u>	<u>10,758</u>	<u> --</u>	<u>21,516</u>
Total Noncurrent Liabilities	<u>900,758</u>	<u>466,332</u>	<u> --</u>	<u>1,367,090</u>
NET ASSETS:				
Invested in capital assets, net of related debt	1,171,841	810,096	1,335	1,983,272
Restricted net assets, restricted for:				
Equipment repair and/or replacement	215,094	429,417	--	644,511
Unrestricted net assets	<u>425,781</u>	<u>586,441</u>	<u>267,702</u>	<u>1,279,924</u>
Total Net Assets	<u>1,812,716</u>	<u>1,825,954</u>	<u>269,037</u>	<u>3,907,707</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,748,726</u> =====	<u>\$ 2,401,942</u> =====	<u>\$273,922</u> =====	<u>\$ 5,424,590</u> =====

The notes to the financial statements are
an integral part of this statement.

CITY OF MOBRIDGE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities Enterprise Funds			<u>Totals</u>
	<u>Major</u>			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	
OPERATING REVENUE				
Charges for goods and services	\$ 487,486	\$ 378,580	\$169,365	\$1,035,431
Contributions and donations	--	--	100	100
Miscellaneous	<u>164</u>	<u>159</u>	<u>--</u>	<u>323</u>
TOTAL OPERATING REVENUE	<u>487,650</u>	<u>378,739</u>	<u>169,465</u>	<u>1,035,854</u>
OPERATING EXPENSES:				
Personal services	172,402	103,332	--	275,734
Other current expenses	<u>150,632</u>	<u>124,033</u>	<u>132,007</u>	<u>406,672</u>
TOTAL OPERATING EXPENSES	<u>323,034</u>	<u>227,365</u>	<u>132,007</u>	<u>682,406</u>
OPERATING INCOME	<u>164,616</u>	<u>151,374</u>	<u>37,458</u>	<u>353,448</u>
NONOPERATING REVENUE (EXPENSE):				
Investment earnings	5,840	10,068	3,358	19,266
Interest expense and fiscal charges	(41,728)	(18,024)	--	(59,752)
Other	<u>1,145</u>	<u>--</u>	<u>--</u>	<u>1,145</u>
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>(34,743)</u>	<u>(7,956)</u>	<u>3,358</u>	<u>(39,341)</u>
INCOME BEFORE CONTRIBUTIONS, SPECIAL ITEMS, EXTRAORDINARY ITEMS AND TRANSFERS	129,873	143,418	40,816	314,107
TRANSFERS OUT	<u>--</u>	<u>(37,194)</u>	<u>--</u>	<u>(37,194)</u>
CHANGE IN NET ASSETS	129,873	106,224	40,816	276,913
NET ASSETS - BEGINNING	<u>1,682,843</u>	<u>1,719,730</u>	<u>228,221</u>	<u>3,630,794</u>
NET ASSETS - ENDING	\$1,812,716 =====	\$1,825,954 =====	\$269,037 =====	\$3,907,707 =====

The notes to the financial statements are
an integral part of this statement.

CITY OF MOBRIDGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities Enterprise Funds			Totals
	Major			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 485,681	\$ 379,189	\$ 169,379	\$1,034,249
Other operating cash receipts	164	159	100	423
Cash payments to employees for services	(173,415)	(104,136)	--	(277,551)
Cash payments to suppliers of goods and services	<u>(163,825)</u>	<u>(120,719)</u>	<u>(135,005)</u>	<u>(419,549)</u>
Net cash provided by operating activities	<u>148,605</u>	<u>154,493</u>	<u>34,474</u>	<u>337,572</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out	--	<u>(37,194)</u>	--	<u>(37,194)</u>
Net cash used by noncapital financing activities	<u>--</u>	<u>(37,194)</u>	<u>--</u>	<u>(37,194)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on capital debt	(100,164)	(97,753)	--	(197,917)
Interest paid on capital debt	(41,728)	(18,024)	--	(59,752)
Other receipts	<u>1,145</u>	<u>--</u>	<u>--</u>	<u>1,145</u>
Net cash used by capital and related financing activities	<u>(140,747)</u>	<u>(115,777)</u>	<u>--</u>	<u>(256,524)</u>

	Business-Type Activities			<u>Totals</u>
	Enterprise Funds			
	Major			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash received for interest	<u>5,840</u>	<u>10,068</u>	<u>3,358</u>	<u>19,266</u>
Net cash provided by investing activities	<u>5,840</u>	<u>10,068</u>	<u>3,358</u>	<u>19,266</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,698	11,590	37,832	63,120
BALANCES - BEGINNING	<u>522,158</u>	<u>1,002,933</u>	<u>232,949</u>	<u>1,758,040</u>
BALANCES - ENDING	<u>\$ 535,856</u> =====	<u>\$1,014,523</u> =====	<u>\$ 270,781</u> =====	<u>\$1,821,160</u> =====
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 164,616	\$ 151,374	\$ 37,458	\$ 353,448
Changes in assets and liabilities:				
Receivables	(1,805)	609	14	(1,182)
Inventories	(15,887)	--	--	(15,887)
Prepaid expense	43	43	--	86
Accounts and other payables	2,651	3,271	(2,998)	2,924
Accrued leave payable	<u>(1,013)</u>	<u>(804)</u>	<u>--</u>	<u>(1,817)</u>
Net cash provided by operating activities	<u>\$ 148,605</u> =====	<u>\$ 154,493</u> =====	<u>\$ 34,474</u> =====	<u>\$ 337,572</u> =====

The notes to the financial statements are
an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MOBRIDGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
General property taxes	\$ 454,215	\$ 454,215	\$ 444,730	\$ (9,485)
General sales and use taxes	1,000,000	1,000,000	1,134,274	134,274
Gross receipts business taxes	2,000	2,000	1,632	(368)
Amusement taxes	--	--	1,128	1,128
Tax deed revenue	--	--	1,439	1,439
Penalties and interest on delinquent taxes	2,600	2,600	1,745	(855)
License and Permits	19,700	19,700	19,299	(401)
Intergovernmental Revenue:				
Federal grants	--	--	24,517	24,517
State shared revenue:				
Bank franchise tax	10,000	10,000	10,421	421
Motor vehicle commercial prorate	3,000	3,000	3,571	571
Liquor tax reversion	17,000	17,000	18,515	1,515
Motor vehicle licenses (5%)	13,000	13,000	12,723	(277)
Local government highway and bridge fund	50,000	50,000	40,914	(9,086)
County shared revenue:				
County road tax (25%)	4,000	4,000	4,108	108
County HBR tax (25%)	800	800	767	(33)
County wheel tax	3,500	3,500	3,778	278
Charges for Goods and Services:				
General government	15,200	15,200	1,553	(13,647)
Public safety	94,600	94,600	100,313	5,713
Highways and streets	100	100	1,437	1,337
Sanitation	400	400	1,287	887
Culture and recreation	12,000	12,000	16,830	4,830

Fines and Forfeits:					
Court fines and costs	2,000	2,000	1,167	(833)	
Library	--	--	6,675		
Other	--	--	108		
Miscellaneous Revenue:					
Investment earnings	200	200	8,476		
Rentals	15,000	15,000	14,467	(533)	
Special assessments	61,000	61,000	69,343		
Contributions and donations from private sources	--	--	7,574		
Other	<u>3,700</u>	<u>3,700</u>	<u>16,581</u>		
TOTAL REVENUE	<u>1,784,015</u>	<u>1,784,015</u>	<u>1,969,372</u>		<u>185,357</u>
EXPENDITURES:					
General Government:					
Legislative	11,455	12,645	12,601		44
Contingency	20,000	20,000			
Amount transferred		--			
Executive	76,577	83,477	91,365		20,000
Elections	1,300	1,300	1,035		(7,888)
Financial administration	63,032	79,832	82,623		265
Other	79,897	85,297	84,102		(2,791)
Public Safety:					
Police	492,749	670,999	655,438		15,561
Fire	54,914	54,914	36,988		17,926
Other protection	--	1,700	1,521		179
Public Works:					
Highways and streets	432,707	441,490	430,461		11,029
Sanitation	500	500	40		460
Airport	41,600	97,833	98,463		(630)
Health and Welfare:					
Health	1,400	21,238	21,238		--
Hospitals, nursing homes, and rest homes	2,000	2,000	2,000		--
Culture and Recreation:					
Recreation	115,811	115,811	59,449		56,362
Parks	95,000	120,930	120,163		767
Libraries	104,756	104,756	106,640		(1,884)
Auditorium	92,587	104,287	106,220		(1,933)
Museums	5,000	5,000	5,000		--

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REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MOBRIDGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

	Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final	
Conservation and Development: Economic development and assistance (industrial development)	8,183	8,641	16
Miscellaneous: Liquor operating agreement	--	<u>154</u>	<u>(65)</u>
TOTAL EXPENDITURES	<u>1,699,468</u>	<u>2,032,804</u>	<u>108,613</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>84,547</u>	<u>(248,789)</u>	<u>293,970</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	--	295,523	--
Sale of municipal property	--	7,939	7,939
Compensation for loss or damage to capital assets	--	2,237	2,237
Transfers out	<u>(168,391)</u>	<u>(336,782)</u>	<u>(119,316)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(168,391)</u>	<u>(41,259)</u>	<u>(109,140)</u>
NET CHANGE IN FUND BALANCES	<u>(83,844)</u>	<u>(290,048)</u>	<u>184,830</u>
FUND BALANCE - BEGINNING	88,507	88,507	--
PRIOR PERIOD ADJUSTMENT	--	<u>553,827</u>	<u>553,827</u>
ADJUSTED FUND BALANCE - BEGINNING	<u>88,507</u>	<u>642,334</u>	<u>642,334</u>
FUND BALANCE - ENDING	\$ 4,663	\$ (201,541)	\$ 738,657
	=====	=====	=====

SUPPLEMENTARY INFORMATION

CITY OF MOBRIDGE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005

	Third Penny Sales Tax Fund	Additional Sales Tax Fund	Special Park Gift Project Fund	Debt Service Fund	Riverfront Project Fund	Frisbee Fund	Railroad Crossing Fund
ASSETS:							
Cash and cash equivalents	\$ 9,472	\$ --	\$6,307	\$42,098	\$ --	\$ --	\$ --
Accounts receivable, net	8,418	--	--	--	--	--	--
Due from federal government	--	--	--	--	--	--	--
Advance to General Fund	<u> --</u>	<u>6,774</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
TOTAL ASSETS	\$17,890	\$6,774	\$6,307	\$42,098	\$ --	\$ --	\$ --
	=====	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to General Fund	--	--	--	--	--	--	--
Deferred revenue	<u>5,710</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>13,522</u>	<u>18,216</u>	<u>121,841</u>
TOTAL LIABILITIES	5,710	--	--	--	13,522	18,216	121,841
FUND BALANCES:							
Reserved for:							
Advance to General Fund	--	6,774	--	--	--	--	--
Unreserved Fund Balances:							
Undesignated							
Reported in nonmajor:							
Special Revenue Funds	12,180	--	6,307	--	--	--	--
Debt Service Funds	--	--	--	42,098	--	--	--
Capital Projects Funds	--	--	--	--	(13,522)	(18,216)	(121,841)
TOTAL FUND BALANCES	<u>12,180</u>	<u>6,774</u>	<u>6,307</u>	<u>42,098</u>	<u>(13,522)</u>	<u>(18,216)</u>	<u>(121,841)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$17,890	\$6,774	\$6,307	\$42,098	\$ --	\$ --	\$ --
	=====	=====	=====	=====	=====	=====	=====

(Continued on next page)

CITY OF MOBRIDGE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005
 (Continued)

	South Main Extension Fund	Trails Fund	Main Street Project Fund	Auditorium Restoration Fund	Mural Restoration Fund	National Guard Armory Fund	Total Nonmajor Governmental Funds
ASSETS:							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 1,097	\$ 1	\$ --	\$ 58,975
Accounts receivable, net	--	--	--	--	--	--	8,418
Due from federal government	18,020	7,150	--	--	--	--	25,170
Advance to General Fund	--	--	--	--	--	--	<u>6,774</u>
TOTAL ASSETS	\$ 18,020	\$ 7,150	\$ --	\$ 1,097	\$ 1	\$ --	\$ 99,337
	=====	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ 21,180	\$ 57	\$ --	\$ 1,566	\$ --	\$ 20,041	\$ 42,844
Due to General Fund	12,044	--	38,141	--	--	9,175	212,939
Deferred revenue	--	--	--	--	--	--	<u>5,710</u>
TOTAL LIABILITIES	\$ 33,224	\$ 57	\$ 38,141	\$ 1,566	\$ --	\$ 29,216	\$ 261,493
	<u>33,224</u>	<u>57</u>	<u>38,141</u>	<u>1,566</u>	<u>--</u>	<u>29,216</u>	<u>261,493</u>
FUND BALANCES:							
Reserved for:							
Advance to General Fund	--	--	--	--	--	--	6,774
Unreserved Fund Balances:							
Undesignated	--	--	--	--	--	--	--
Reported in nonmajor:							
Special Revenue Funds	--	--	--	--	--	--	18,487
Debt Service Funds	--	--	--	--	--	--	42,098
Capital Projects Funds	(15,204)	7,093	(38,141)	(462)	1	(29,216)	(229,515)
TOTAL FUND BALANCES	(15,204)	7,093	(38,141)	(462)	1	(29,216)	(162,156)
	<u>(15,204)</u>	<u>7,093</u>	<u>(38,141)</u>	<u>(462)</u>	<u>1</u>	<u>(29,216)</u>	<u>(162,156)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,020	\$ 7,150	\$ --	\$ 1,097	\$ 1	\$ --	\$ 99,337
	=====	=====	=====	=====	=====	=====	=====

CITY OF MOBRIDGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005

	Third Penny Sales Tax Fund	Additional Sales Tax Fund	Special Park Gift Project Fund	Debt Service Fund	Riverfront Project Fund	Frisbee Fund	Railroad Crossing Fund
REVENUES:							
Taxes:							
General sales and use taxes	\$ 73,127	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
Federal grants	--	--	--	--	--	--	--
State grants	--	--	--	--	--	2,291	--
Charges for Goods and Services:							
General government	--	--	--	--	--	--	--
Miscellaneous Revenue:							
Investment earnings	220	--	22	--	11	--	--
Contributions and donations from private sources	--	--	8,694	--	--	--	--
TOTAL REVENUE	<u>73,347</u>	<u>73,347</u>	<u>8,716</u>	<u>8,716</u>	<u>11</u>	<u>2,291</u>	<u>116,541</u>
EXPENDITURES:							
General Government:							
Other	--	--	--	--	--	--	--
Public Works:							
Highways and streets	--	19,585	--	--	--	--	116,541
Sanitation	--	--	--	--	--	--	--
Water	--	--	--	--	--	--	--
Culture and recreation:							
Parks	--	--	--	--	--	--	--
Auditorium	--	--	4,139	--	120	3,412	--
Conservation and Development:							
Economic development and assistance (industrial development)	83,701	--	--	--	--	--	--
Debt Service	--	--	--	126,293	--	--	--
TOTAL EXPENDITURES	<u>83,701</u>	<u>19,585</u>	<u>4,139</u>	<u>126,293</u>	<u>120</u>	<u>3,412</u>	<u>116,541</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,354)</u>	<u>(19,585)</u>	<u>4,577</u>	<u>(126,293)</u>	<u>(120)</u>	<u>(1,121)</u>	<u>116,541</u>
OTHER FINANCING SOURCES:							
Transfers in	--	--	--	168,391	121	1,122	--
TOTAL OTHER FINANCING SOURCES	<u>--</u>	<u>--</u>	<u>--</u>	<u>168,391</u>	<u>121</u>	<u>1,122</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	<u>(10,354)</u>	<u>(19,585)</u>	<u>4,577</u>	<u>42,098</u>	<u>12</u>	<u>1</u>	<u>(116,541)</u>
FUND BALANCE - BEGINNING	22,534	580,186	1,730	--	(13,534)	(18,217)	(5,300)
ADJUSTMENTS:							
PRIOR PERIOD ADJUSTMENT	--	(553,827)	--	--	--	--	--
ADJUSTED FUND BALANCE - BEGINNING	<u>22,534</u>	<u>26,359</u>	<u>1,730</u>	<u>--</u>	<u>(13,534)</u>	<u>(18,217)</u>	<u>(5,300)</u>
FUND BALANCE - ENDING	\$ 12,180	\$ 6,774	\$ 6,307	\$ 42,098	\$ (13,522)	\$ (18,216)	\$ (121,841)
	=====	=====	=====	=====	=====	=====	=====

(Continued on next page)

CITY OF MOBRIDGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005
 (Continued)

	South Main Extension Fund	Trails Fund	Main Street Project Fund	Auditorium Restoration Fund	Mural Restoration Fund	National Guard Army Fund	Total Nonmajor Governmental Funds
REVENUES:							
Taxes:							
General sales and use taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 73,127
Intergovernmental Revenue:							
Federal grants	18,020	219,677	--	--	--	--	240,197
State grants	--	23,120	--	--	2,500	--	25,411
Charges for Goods and Services:							
General government	--	--	--	8	--	--	8
Miscellaneous Revenue:							
Investment earnings	--	141	--	--	--	--	394
Contributions and donations from private sources	--	--	--	16,000	--	--	16,000
TOTAL REVENUE	<u>--</u>	<u>242,938</u>	<u>--</u>	<u>16,000</u>	<u>50</u>	<u>--</u>	<u>24,744</u>
EXPENDITURES:							
General Government:							
Other	--	--	--	--	--	29,216	29,216
Public Works:							
Highways and streets	9,537	--	38,141	--	--	--	183,804
Sanitation	9,559	--	--	--	--	--	9,559
Water	9,558	--	--	--	--	--	9,558
Culture and recreation:							
Parks	--	264,042	--	--	--	--	271,713
Auditorium	--	--	--	16,477	5,641	--	22,118
Conservation and Development:							
Economic development and assistance (industrial development)	--	--	--	--	--	--	83,701
Debt Service	--	--	--	--	--	--	126,293
TOTAL EXPENDITURES	<u>28,654</u>	<u>264,042</u>	<u>38,141</u>	<u>16,477</u>	<u>5,641</u>	<u>29,216</u>	<u>735,962</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,634)</u>	<u>(21,104)</u>	<u>(38,141)</u>	<u>(469)</u>	<u>(3,091)</u>	<u>29,216</u>	<u>(372,081)</u>
OTHER FINANCING SOURCES:							
Transfers in	--	25,043	--	--	3,092	--	197,769
TOTAL OTHER FINANCING SOURCES	<u>--</u>	<u>25,043</u>	<u>--</u>	<u>--</u>	<u>3,092</u>	<u>--</u>	<u>197,769</u>
NET CHANGE IN FUND BALANCES	<u>(10,634)</u>	<u>3,939</u>	<u>(38,141)</u>	<u>(469)</u>	<u>1</u>	<u>(29,216)</u>	<u>(174,312)</u>
FUND BALANCE - BEGINNING	(4,570)	3,154	--	--	--	--	565,983
ADJUSTMENTS:							
PRIOR PERIOD ADJUSTMENT	--	--	--	--	--	--	(553,827)
ADJUSTED FUND BALANCE - BEGINNING	<u>(4,570)</u>	<u>3,154</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,156</u>
FUND BALANCE - ENDING	<u>\$ (15,204)</u>	<u>\$ 7,093</u>	<u>\$ (38,141)</u>	<u>\$ (469)</u>	<u>\$ 1</u>	<u>\$ (29,216)</u>	<u>\$ (162,156)</u>

CITY OF MOBRIDGE
 COMBINING BALANCE SHEET
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2005

	Business-Type Activities Nonmajor Enterprise Funds			Totals
	Cemetery	Solid Waste	Water and Sewer Main	
	Fund	Fund	Fund	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 45,707	\$136,937	\$88,137	\$270,781
Accounts receivable, net	--	1,710	96	1,806
Total Current Assets	<u>45,707</u>	<u>138,647</u>	<u>88,233</u>	<u>272,587</u>
Noncurrent Assets:				
Capital Assets:				
Land	565	--	--	565
Machinery and equipment	18,789	--	--	18,789
Less: accumulated depreciation (credit)	<u>(18,019)</u>	<u>--</u>	<u>--</u>	<u>(18,019)</u>
Total Noncurrent Assets	<u>1,335</u>	<u>--</u>	<u>--</u>	<u>1,335</u>
TOTAL ASSETS	<u>\$ 47,042</u> =====	<u>\$138,647</u> =====	<u>\$88,233</u> =====	<u>\$273,922</u> =====
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 3,248	\$ 1,637	\$ --	\$ 4,885
Total Current Liabilities	<u>3,248</u>	<u>1,637</u>	<u>--</u>	<u>4,885</u>
NET ASSETS:				
Invested in capital assets, net of related debt	1,335	--	--	1,335
Unrestricted net assets	42,459	137,010	88,233	267,702
Total Net Assets	<u>43,794</u>	<u>137,010</u>	<u>88,233</u>	<u>269,037</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 47,042</u> =====	<u>\$138,647</u> =====	<u>\$88,233</u> =====	<u>\$273,922</u> =====

CITY OF MOBRIDGE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities Nonmajor Enterprise Funds			Totals
	Cemetery	Solid Waste	Water and Sewer Main	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
OPERATING REVENUE:				
Charges for goods and services	\$ 16,175	\$144,033	\$ 9,157	\$169,365
Contributions and donations	<u>100</u>	<u>--</u>	<u>--</u>	<u>100</u>
TOTAL OPERATING REVENUE	<u>16,275</u>	<u>144,033</u>	<u>9,157</u>	<u>169,465</u>
OPERATING EXPENSES:				
Other current expense	<u>34,583</u>	<u>87,483</u>	<u>9,941</u>	<u>132,007</u>
TOTAL OPERATING EXPENSES	<u>34,583</u>	<u>87,483</u>	<u>9,941</u>	<u>132,007</u>
OPERATING INCOME (LOSS)	<u>(18,308)</u>	<u>56,550</u>	<u>(784)</u>	<u>37,458</u>
NONOPERATING REVENUE:				
Investment earnings	<u>898</u>	<u>1,254</u>	<u>1,206</u>	<u>3,358</u>
TOTAL NONOPERATING REVENUE	<u>898</u>	<u>1,254</u>	<u>1,206</u>	<u>3,358</u>
CHANGE IN NET ASSETS	(17,410)	57,804	422	40,816
NET ASSETS - BEGINNING	<u>61,204</u>	<u>79,206</u>	<u>87,811</u>	<u>228,221</u>
NET ASSETS - ENDING	\$ 43,794 =====	\$137,010 =====	\$88,233 =====	\$269,037 =====

CITY OF MOBRIDGE
 COMBINING STATEMENT OF CASH FLOWS--
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	Business-Type Activities Nonmajor Enterprise Funds			Totals
	Cemetery	Solid Waste	Water and Sewer Main	
	Fund	Fund	Fund	
Cash receipts from customers	\$ 16,575	\$143,631	\$ 9,173	\$ 169,379
Other operating cash receipts	100	--	--	100
Cash payments to suppliers of goods and services	<u>(33,908)</u>	<u>(91,156)</u>	<u>(9,941)</u>	<u>(135,005)</u>
Net cash provided (used) by operating activities	<u>(17,233)</u>	<u>52,475</u>	<u>(768)</u>	<u>34,474</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash received for interest	<u>898</u>	<u>1,254</u>	<u>1,206</u>	<u>3,358</u>
Net cash provided by investing activities	<u>898</u>	<u>1,254</u>	<u>1,206</u>	<u>3,358</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,335)	53,729	438	37,832
BALANCES - BEGINNING	<u>62,042</u>	<u>83,208</u>	<u>87,699</u>	<u>232,949</u>
BALANCES - ENDING	\$ 45,707 =====	\$136,937 =====	\$88,137 =====	\$ 270,781 =====
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (18,308)	\$ 56,550	\$ (784)	\$ 37,458
Change in assets and liabilities:				
Receivables	400	(402)	16	14
Accounts and other payables	<u>675</u>	<u>(3,673)</u>	<u>--</u>	<u>(2,998)</u>
Net cash provided (used) by operating activities	\$ (17,233) =====	\$ 52,475 =====	\$ (768) =====	\$ 34,474 =====