

CITY OF MOBRIDGE  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

CITY OF MOBRIDGE  
CITY OFFICIALS  
DECEMBER 31, 2006

Mayor:

Taylor Oster

Governing Board:

Rick Godkin

Tom O'Connell

Tony Yellow Boy

Jerry Weischedel

Dennis Laib

Dennis Wheeler

City Administrator:

Steve Gasser

Finance Officer:

Lori Heil

Attorney:

Laurie Bauer

CITY OF MOBRIDGE

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CITY OF MOBRIDGE

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

PARTNERS

WILLIAM J BACHMEIER, CPA  
CRAIG D BROCKEL, CPA  
DAVID S ANDERSON, CPA  
ROSEMARY MUELLER, CPA  
ROY R FAUTH, CPA

PROFESSIONAL BUILDING  
210 EAST GRAND CROSSING • PO BOX 460  
MOBRIDGE, SOUTH DAKOTA 57601  
605-845-3658 • 605-845-3754 (FAX)  
Email: kba@westriv.com

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 and for the year ended December 31, 2006, which collectively comprise the City of Mobridge's basic financial statements of the City's primary government and have issued our report thereon dated August 31, 2007. 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 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 of Mobridge's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Mobridge's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of

Mobridge's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Mobridge's financial statements that is more than inconsequential will not be prevented or detected by the City of Mobridge's internal control. We consider the deficiencies described in the accompanying Schedule of Current Auditing Findings as items 2006-01 through 2006-03 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Mobridge's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2006-01 through 2006-03 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Current Audit Findings as items 2006-02 through 2006-03.

We noted certain matters that we reported to the management of the City of Mobridge in a separate communication dated August 31, 2007.

City of Mobridge's response to the findings identified in our audit is described in the accompanying Schedule of Current Audit Findings. We did not audit City of Mobridge's response and, accordingly, we express no opinion on it.

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.

August 31, 2007

*Kohlman, Bierschbach & Anderson, LLP*

CITY OF MOBRIDGE  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006

PRIOR AUDIT FINDINGS:

2005-01

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 2006-01.

2005-02

A reportable condition and material weakness was reported for a lack of segregation of duties for revenues, expenditures and payroll. This condition is restated as current audit finding 2006-02.

2005-03

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 2006-03.

CITY OF MOBRIDGE  
SCHEDULE OF CURRENT AUDIT FINDINGS  
DECEMBER 31, 2006

CURRENT AUDIT FINDINGS:

2006-01

Criteria

The City of Mobridge is responsible for maintaining sufficient controls over revenues, expenditures and payroll.

Condition Found

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

Effect

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

Recommendation

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

Management's Response

Due to their size 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, expenditures and payroll. They are aware of the problem and they are attempting to provide compensating controls wherever and whenever possible and practical.

2006-02

Criteria

The City of Mobridge is responsible for maintaining proper general fixed assets, enterprise fixed assets and depreciation records.

Condition Found

A significant deficiency and material weakness was reported for not maintaining proper fixed asset records to support the amounts reported for general fixed assets, enterprise fixed assets and depreciation records, therefore the City is not in compliance with SDCL 5-24-4.



CITY OF MOBRIDGE  
SCHEDULE OF CURRENT AUDIT FINDINGS  
DECEMBER 31, 2006  
(Continued)

Effect

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

Recommendation

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

Management's Response

The City of Mobridge is continuing its work on correcting this deficiency.

2006-03

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 significant deficiency and material weakness was reported for not maintaining sufficient inventory records for the governmental activities, business-type activities and each major fund. The City of Mobridge has an inventory listing but the report does not contain any values, therefore 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 statement.

Recommendation

We recommend the City Council prepare an inventory listing using the actual cost or the estimated cost at the time of acquisition.

Management's Response

The City will attempt to complete an accurate inventory listing in the future.

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

PARTNERS

WILLIAM J BACHMEIER, CPA  
CRAIG D BROCKEL, CPA  
DAVID S ANDERSON, CPA  
ROSEMARY MUELLER, CPA  
ROY R FAUTH, CPA

PROFESSIONAL BUILDING  
210 EAST GRAND CROSSING • PO Box 460  
MOBRIDGE, SOUTH DAKOTA 57601  
605-845-3658 • 605-845-3754 (FAX)  
Email: kba@westriv.com

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 and for the year ended December 31, 2006, which collectively comprise the 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 also 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 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 \$901,616, \$795,210, \$106,406, \$831,795 and \$820,034. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by \$901,616, \$795,210, \$106,406, \$831,795 and \$820,034.

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, 2006, or the 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 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 matters 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, 2006, 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 August 31, 2007, 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 10 through 20 and 31 through 33, 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, Brischbach & Anderson, LLP*

August 31, 2007

**CITY OF  
MOBRIDGE, SOUTH DAKOTA**

**Financial Report for Fiscal Year 2006**

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## **(A) MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the City of Mobridge, SD annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended on December 31, 2006.

Please read it in conjunction with the City's financial statements, which follow this section.

### **1. FINANCIAL HIGHLIGHTS**

#### **1.1 General Comments**

- The 2006 financial report is the third Governmental Accounting Standards Board Statement No. 34 (GASB 34) report for the City of Mobridge.
- The current Finance Officer was hired in June 2005.
- The current City Administrator was hired as of January 1, 2006.

#### **1.2 Financial Comments**

- The City's net assets from governmental and business-type activities for 2006 were \$4,802,351 a decrease of \$553,180. Total liabilities were \$2,483,929 which is \$160,954 less than 2005's balance of \$2,644,883.
- The City's 2006 revenues generated from charges for services, taxes and other revenues of the governmental and business-type programs were \$3,798,843.
- Governmental and business-type program expenditures were \$4,441,413.
- Expenses exceeded revenues by \$642,570.
- In the City's business-type activities, revenues were \$1,205,790, an increase of \$169,936 over 2005.
- The total expenses of the business-type activities were \$1,004,404. This resulted in a change in net assets of (\$486,369).
- The general fund reported a \$252,425 current year gain.

### **2. OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements include two kinds of statements that present different views of the City:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The **Governmental Funds** statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending. Included in this category are the General Fund, Special Revenue Funds such as the Liquor, Lodging and Dining Sales Tax Fund (3B) and the Additional Sales Tax Fund (2<sup>nd</sup> Penny), and capital project and debt service funds.

The **Proprietary Funds** (enterprise funds) statements offer short and long-term financial information about the activities that the City operates like businesses. The City has five proprietary funds. They are the Water Fund, Sewer Fund, Water & Sewer Main Fund, Cemetery Fund, and Solid Waste Fund.

The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

<b>Figure A-2</b>				
	<b>Government-wide Statements</b>	<b>Fund Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire City government (except fiduciary funds and the fiduciary component units)	The activities of the City that are not proprietary or fiduciary, such as finance office, police, fire and parks	Activities the City operates similar to private businesses, the water and sewer systems	Instances in which the city is the trustee or agent for someone else's resources
<b>Required Financial Statements</b>	*Statement of Net Assets *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Balance Sheet *Statement of Revenues, Expenses and Changes in Net Assets *Statement of Cash Flows	*Statement of Fiduciary Net Assets *Statement of changes in Fiduciary Net Assets
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of Asset/Liability Information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during year regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

## 2.1 Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets – the difference between the City's assets and liabilities – is one way to measure the City's financial health or position.

- Increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base and changes in the sales tax revenue base.

The government-wide financial statements of the City are reported in two categories:

- **Governmental Activities** -- This category includes most of the City's basic services, such as police, fire, public works, parks department and general administration. Property taxes, sales taxes, charges for services, state and federal grants and interest earnings finance most of these activities.
- **Business-type Activities** -- The City charges a fee to customers to help cover the costs of certain services it provides. The City's water and sewer systems are included here.

## 2.2 Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- State Law requires some of the funds.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two kinds of funds:

- **Governmental Funds** – Most of the City's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary Funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The City's enterprise funds (one type of proprietary



fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

### 3. FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

#### 3.1 Net Assets

Table A-1  
City of Mobridge  
Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2005	2006	2005	2006	2005	2006	
Current & Other Assets	\$743,361	\$699,674	\$1,975,764	\$1,305,317	\$2,719,125	\$2,004,991	
Capital Assets	\$1,832,463	\$1,832,463	\$3,448,826	\$3,448,826	\$5,281,289	\$5,281,289	-26.3%
Total Assets	\$2,575,824	\$2,532,137	\$5,424,590	\$4,754,143	\$8,000,414	\$7,286,280	0.0%
Long-Term Debt Outstanding	\$973,606	\$961,683	\$1,476,148	\$1,282,090	\$2,449,754	\$2,243,773	-8.4%
Other Liabilities	\$154,394	\$189,441	\$40,735	\$50,715	\$195,129	\$240,156	23.1%
Total Liabilities	\$1,128,000	\$1,151,124	\$1,516,883	\$1,332,805	\$2,644,883	\$2,483,929	-6.1%
<b>Net Assets:</b>							
Invested in Capital Assets							
Net of Related Debt	\$888,034	\$922,491	\$1,983,272	\$2,193,252	\$2,871,306	\$3,115,743	8.5%
Restricted	(\$62,198)	(\$415,713)	\$644,511	\$691,132	\$582,313	\$275,419	-52.7%
Unrestricted	\$621,988	\$874,235	\$1,279,924	\$536,954	\$1,901,912	\$1,411,189	-25.8%
Total Net Assets	\$1,447,824	\$1,381,013	\$3,907,707	\$3,421,338	\$5,355,531	\$4,802,351	-10.3%
Beginning Net Assets	\$1,537,401	\$1,447,824	\$3,630,794	\$3,907,707	\$5,168,195	\$5,355,531	3.6%
Increase (Decrease) in Net Assets for 2006	(\$89,577)	(\$66,811)	\$276,913	(\$486,369)	\$187,336	(\$553,180)	-395.3%
Percentage of Increase (Decrease) in Net Assets for 2006	-6%	-5%	8%	-12%	4%	-10%	

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting of compensated absences payable, sales tax revenue bonds payable and water revenue bonds payable, have been reported in this manner on the Statement of Net Assets. The difference between the City's assets and liabilities is its net assets.

The City's restricted net assets represent resources that are subject to external restrictions on how they may be used. These restrictions are normally set by state statutes, federal regulations or debt covenants.

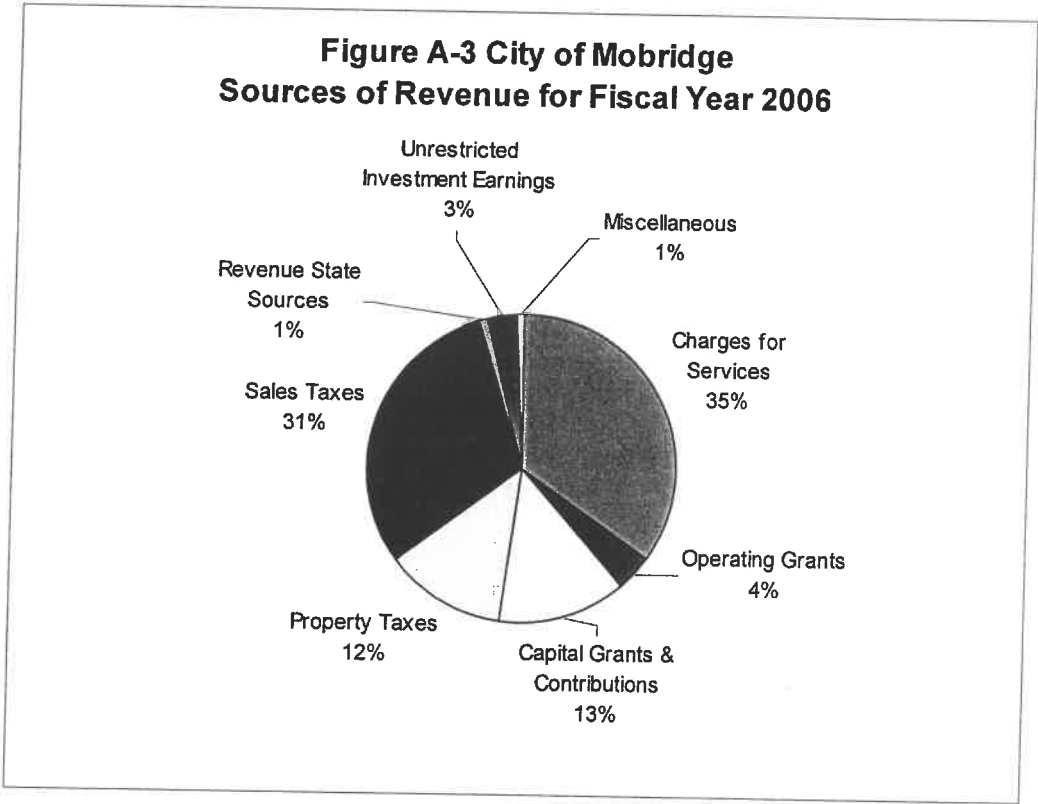
The remaining balance of net assets is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of 2006, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for 2004 and 2005.

The City's combined net assets decreased by 10% between fiscal year 2005 and 2006 decreasing by \$553,180. (See Table A-1)

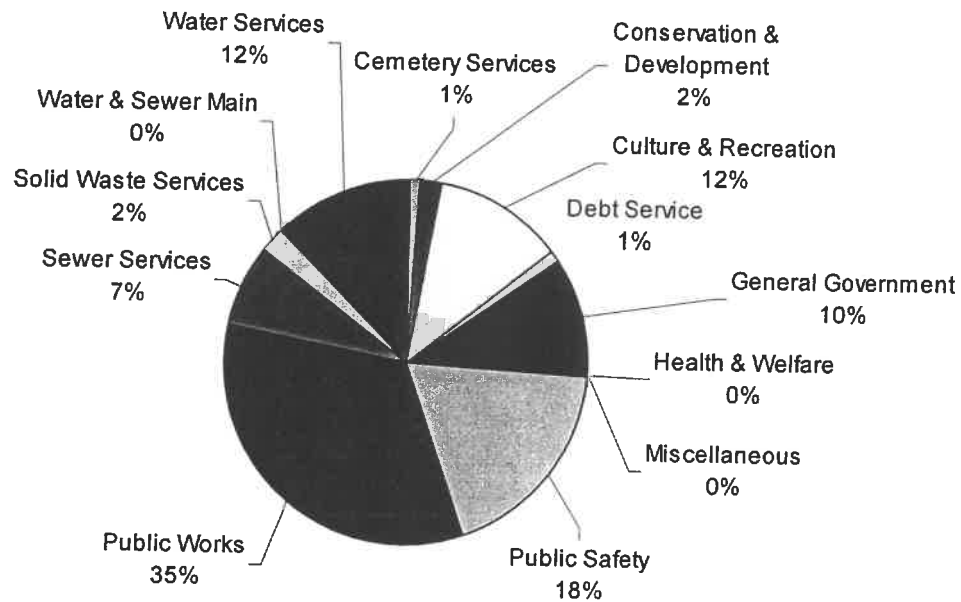
### 3.2 Changes in Net Assets

The City's total revenues were \$3,798,843 excluding special items. (See Table A-2.) The majority of the City's revenue comes from charges for services and taxes; with 35 cents of every dollar raised coming from charges for services (primarily water, sewer and solid waste operations) and 43 cents of every dollar raised comes from some type of tax. (See Figure A-3). Another 17% comes from grants and contributions and the remaining 5% coming from state-shared revenues, interest earnings, and miscellaneous revenue.



The City's expenses cover a range of services, with over half related to public safety and public works services (road maintenance, water system services and sewer system services). (See Figure A-4.)

**Figure A-4, City of Mobridge  
Functional Expenses for Fiscal Year 2006**



### 3.3 Governmental Activities

Table A-2 and the narrative that follows consider the operations of the governmental activities.

Total revenues for the City's governmental activities increased 3%, or \$69,811. Sales Tax revenue decreased 7% or \$133,211. Operating Grants increased \$50,065 which is a 53% increase. Capital Grants & Contributions increased \$125,995 or 37%. Unrestricted Investment Earnings increased the largest percentage at 225% or \$19,929. Total expenses increased by 34%. The two largest increases were in General Government and Public Works with increases of \$162,818 or 54% and \$763,215 or 104% respectively.

**Table A-2**  
**City of Mobridge**  
**Changes of Net Assets**

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2005	2006	2005	2006	2005	2006	
<b>Revenues</b>							
<b>Program Revenues</b>							
Charges for Services	161,186	164,939	1,035,854	1,159,140	1,197,040	1,324,079	10.6%
Operating Grants	94,241	144,306			94,241	144,306	53.1%
Capital Grants & Contributions	338,633	464,628		46,650	338,633	511,278	51.0%
<b>General Revenues</b>							
Taxes	1,778,189	1,644,978			1,778,189	1,644,978	-7.5%
Revenue State Sources	33,936	31,509			33,936	31,509	-7.2%
Unrestricted Investment Earnings	8,870	28,799	19,266	79,472	28,136	108,271	284.8%
Miscellaneous	28,715	34,422	1,145		29,860	34,422	15.3%
<b>Total Revenues</b>	<b>2,443,770</b>	<b>2,513,581</b>	<b>1,056,265</b>	<b>1,285,262</b>	<b>3,500,035</b>	<b>3,798,843</b>	<b>8.5%</b>
<b>Expenses</b>							
General Government	299,213	462,031			299,213	462,031	54.4%
Public Safety	699,046	819,218			699,046	819,218	17.2%
Public Works	733,147	1,496,362			733,147	1,496,362	104.1%
Health & Welfare	23,238	7,046			23,238	7,046	-69.7%
Culture & Recreation	689,392	525,264			689,392	525,264	-23.8%
Conservation & Development	92,326	86,626			92,326	86,626	-6.2%
Miscellaneous	219	103			219	103	-53.0%
Debt Service	33,960	40,359			33,960	40,359	18.8%
Water Services			364,762	540,830	364,762	540,830	48.3%
Sewer Services			245,389	313,266	245,389	313,265	27.7%
Cemetery Services			34,583	35,292	34,583	35,292	2.1%
Solid Waste Services			87,483	105,145	87,483	105,145	20.2%
Water & Sewer Main			9,941	9,871	9,941	9,871	-0.7%
<b>Total Expenses</b>	<b>2,570,541</b>	<b>3,437,009</b>	<b>742,158</b>	<b>1,004,403</b>	<b>3,312,699</b>	<b>4,441,413</b>	<b>34.1%</b>
<b>Excess (Deficiency) Before Special</b>							
Items & Transfers	(126,771)	(923,428)	314,107	280,858	187,336	(642,570)	-443.0%
Transfers	37,194	767,227	(37,194)	(767,227)	0	0	0%
<b>Increase (Decrease) in Net Assets</b>	<b>(89,577)</b>	<b>(156,201)</b>	<b>276,913</b>	<b>(486,369)</b>	<b>187,336</b>	<b>(642,570)</b>	<b>-443.0%</b>
<b>Net Assets - Beginning</b>							
Adjustments:	1,537,401	1,447,824	3,630,794	3,907,707	5,168,195	5,355,531	3.6%
Prior Period Adjustment		89,390				89,390	-100.0%
<b>Adjusted Net Assets - Beginning</b>	<b>1,537,401</b>	<b>1,537,214</b>	<b>3,630,794</b>	<b>3,907,707</b>	<b>5,168,195</b>	<b>5,444,921</b>	<b>5.4%</b>
<b>Net Assets - Ending</b>	<b>1,447,824</b>	<b>1,381,013</b>	<b>3,907,707</b>	<b>3,421,338</b>	<b>5,355,531</b>	<b>4,802,351</b>	<b>-10.3%</b>

### 3.4 Business-type Activities

The revenue for the City's business-type activities increased 22% to \$1,285,262. 54% of that increase is from Charges for Services, which increased \$123,286. Unrestricted Investment Earnings rose 313% or \$60,206. The City also received \$46,650 in donations for cemetery sprinkler systems. Expenses increased by 35%. The largest increase was in the Water Fund with a 48% increase for \$176,068.

Included in the transfers is \$577,987 of transfers to the Main Street Capital Project Fund. Of the \$577,987, \$221,000 came from the Water Fund and Sewer Fund each.

## 4. FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The financial analysis of the City's funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains fifteen governmental funds, including the General, Additional Sales Tax, 3<sup>rd</sup> Penny Sales Tax or 3B Fund, Special Park Gift, Debt Service Funds, and the following project funds: Riverfront, Frisbee Golf, Trails, South Main Extension, Railroad Crossing, Main Street, Arena Restoration, Mural Restoration, National Guard Armory and Bike Path-Trail. The Riverfront, Frisbee Golf, and Trails project funds were all closed out during 2006 as those projects are now completed.

The City has five business-type funds which are the Water Fund, Sewer Fund, Cemetery Fund, Solid Waste Fund, and Water and Sewer Main Fund. At the end of 2006, the Solid Waste Fund was closed out to the General Fund. Beginning in 2007, it will be budgeted as part of the General Fund.

### 4.1 General Fund Budgetary Highlights

The City Council supplemented the 2006 budget at the end of the year with \$779,695 to prevent budget overages. 2006 was the first year that the capital projects were budgeted for.

## 5. CAPITAL ASSET ADMINISTRATION

By the end of 2006, the City had invested \$5,281,289 in a broad range of capital assets, including, land, buildings, various machinery and equipment. (See Table A-3.) There were no changes to the recorded Net Assets in 2006.

Table A-3  
City of Mobridge  
Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total Percentage Change
	2005	2006	2005	2006		
Land	167,758	167,758	104,993	104,993	0	0.0%
Buildings	1,176,726	1,176,726	3,172,050	3,172,050	0	0.0%
Improvements other than Buildings	330,151	330,151	0	0	0	0.0%
Machinery & Equipment	157,828	157,828	171,783	171,783	0	0.0%
<b>Total Capital Assets (Net)</b>	<b>1,832,463</b>	<b>1,832,463</b>	<b>3,448,826</b>	<b>3,448,826</b>	<b>0</b>	<b>0.0%</b>

## 6. LONG-TERM DEBT

At the year-end the City had \$2,243,773 in Revenue Bonds and other long-term obligations. This is a decrease of 8.4% as shown on Table A-4 below.

Table A-4  
City of Mobridge  
Outstanding Debt & Obligations

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total Percentage Change
	2005	2006	2005	2006		
Compensated Absences	29,177	51,711	10,594	26,516	38,456	96.7%
Revenue Bonds	944,429	816,397	1,444,038	1,255,574	(316,496)	-13.3%
Notes Payable		93,575			93,575	100.0%
Financing (Capital Acquisition) Lease	0	0	21,516	0	(21,516)	-100.0%
	973,606	961,683	1,476,148	1,282,090	205,981	8.4%

The City is liable for the accrued vacation leave payable to all full-time employees who have been employed for 180 days or more. In 2006, a new Personnel Policy Manual was adopted in which ¼ of sick leave was payable to employees after 10 years of continuous service. This new policy increased the Compensated Absences obligation by 97%.

The City has \$2,071,972 outstanding in Revenue Bonds. The bonds are secured and paid for from the Water Fund, the Sewer Fund and the Additional Sales Tax Fund. These bonds were used to fund water and sewer plant upgrades and storm sewer improvements.

The City received a loan for \$93,575 to purchase a fire rescue truck in 2006.

The capital acquisition lease for a Jet Sewer Machine was completed in 2006.

## 7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Table A-5  
City of Mobridge  
Property Tax and Front Foot Assessment

Year Taxed- Collected	Valuation	Tax Levy	Amount of Tax	Dollar Change	Percentage Change	Front Foot Assessment
2000-2001	\$65,917,560	5.90	\$388,914			\$62,278
2001-2002	63,845,459	6.32	403,503	14,590	3.8%	61,673
2002-2003	58,818,451	7.13	419,258	15,755	3.9%	61,585
2003-2004	52,986,979	8.13	430,784	11,526	2.7%	61,369
2004-2005	54,117,289	8.27	447,550	16,766	3.9%	61,716
2005-2006	50,117,978	9.25	463,796	16,246	3.6%	60,853
2006-2007	64,549,262	7.45	480,745	16,949	3.7%	60,947
7 yr Ave	58,621,854	7.49	433,507	13,119	0	61,489
2006 Increase/ (Decrease)	14,431,284	1.80	16,949	703	0	94
2006 % change	29%	19%	4%	4%	-7%	0%

After a trend of decreasing valuations, the City's property was partially re-evaluated in 2006-2007, resulting in a 29% increase. However, the amount of taxes levied had a small increase of \$16,948, or 3.7% due to a decrease in the tax levy. Taxes from front footage assessments have remained steady.

One of the primary sources of revenue to the City is sales tax, which is based on taxable retail sales in the community. In 2006 the City experienced an increase in sales tax collected of 1.53% over 2005. The City's 2007 budget for sales tax revenue increased \$85,000 over the 2006 budget to a total of \$1,150,000.

**Table A-6  
City of Mobridge  
Sales Tax History**

	<b>1st Penny</b>	<b>Change</b>	<b>%</b>		<b>2nd Penny</b>	<b>Change</b>	<b>%</b>
<b>1998</b>	\$458,068			<b>1998</b>	\$374,410		
<b>1999</b>	481,937	23,869	5.21%	<b>1999</b>	398,913	24,503	6.54%
<b>2000</b>	463,392	(18,545)	-3.85%	<b>2000</b>	382,277	(16,636)	-4.17%
<b>2001</b>	490,251	26,859	5.80%	<b>2001</b>	403,379	21,102	5.52%
<b>2002</b>	487,870	(2,381)	-0.49%	<b>2002</b>	398,357	(5,022)	-1.24%
<b>2003</b>	521,964	34,094	6.99%	<b>2003</b>	430,250	31,893	8.01%
<b>2004</b>	542,362	20,398	3.91%	<b>2004</b>	534,272	104,022	24.18%
<b>2005</b>	567,137	24,775	4.57%	<b>2005</b>	567,137	32,865	6.15%
<b>2006</b>	575,823	8,686	1.53%	<b>2006</b>	575,823	8,686	1.53%

The City's adopted General Fund budget for 2007 will increase \$621,991 or 34%, to \$2,456,103. This increase is due in large part to combining the Second Penny Sales Tax Fund and the Solid Waste Fund with the General Fund, based on advice from the Department of Legislative Audit.

The City's business-type activities include water, sewer, cemetery and water and sewer main operations. The City's current water rate is \$15.50 for 2000 gallons per month, which is the minimum rate required to qualify for state grants. Sewer and garbage rates will remain the same for 2007.

## **8. CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Mobridge Finance Office at 114 1<sup>st</sup> Ave East, Mobridge, SD 57601.

CITY OF MOBRIDGE  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 364,271	\$ 332,097	\$ 696,368
Accounts receivable, Net	242,054	67,997	310,051
Internal balances	(129,213)	129,213	--
Inventories	--	56,612	56,612
Deferred charges	--	28,266	28,266
Restricted Assets:			
Cash and cash equivalents	222,562	691,132	913,694
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>
<b>TOTAL ASSETS</b>	<u>\$2,532,137</u> =====	<u>\$4,754,143</u> =====	<u>\$7,286,280</u> =====
<b>LIABILITIES:</b>			
Accounts payable	\$ 120,304	\$ 50,715	\$ 171,019
Deferred revenue	68,462	--	68,462
Other current liabilities	675	--	675
Noncurrent Liabilities:			
Due within one year	193,262	121,027	314,289
Due in more than one year	<u>768,421</u>	<u>1,161,063</u>	<u>1,929,484</u>
<b>TOTAL LIABILITIES</b>	<u>1,151,124</u>	<u>1,332,805</u>	<u>2,483,929</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	922,491	2,193,252	3,115,743
Restricted for:			
Capital projects purposes	(415,909)	--	(415,909)
Debt services purposes	196	--	196
Other purposes	--	691,132	691,132
Unrestricted	<u>874,235</u>	<u>536,954</u>	<u>1,411,189</u>
<b>TOTAL NET ASSETS</b>	<u>1,381,013</u>	<u>3,421,338</u>	<u>4,802,351</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$2,532,137</u> =====	<u>\$4,754,143</u> =====	<u>\$7,286,280</u> =====



CITY OF MOBRIDGE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Expenses	Program Revenues	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:						
Primary Government:						
Governmental Activities:						
General government	\$ 462,031	\$ --	\$ --	\$ (428,497)	\$ --	\$ (428,497)
Public safety	819,218	28,459	--	(699,111)	--	(699,111)
Public works	1,496,362	115,847	400,733	(976,672)	--	(976,672)
Health and welfare	7,046	--	--	(7,046)	--	(7,046)
Culture and recreation	525,264	--	63,895	(424,722)	--	(424,722)
Conservation and development	86,626	--	--	(86,626)	--	(86,626)
Miscellaneous expenditures	103	--	--	(103)	--	(103)
*Interest on long-term debt	40,359	--	--	(40,359)	--	(40,359)
<u>Total Governmental Activities</u>	<u>3,437,009</u>	<u>144,306</u>	<u>464,628</u>	<u>(2,663,136)</u>	<u>--</u>	<u>(2,663,136)</u>
Business-Type Activities:						
Water	540,830	590,570	--	--	49,740	49,740
Sewer	313,266	374,603	--	--	61,337	61,337
Cemetery	35,292	23,075	46,650	--	34,433	34,433
Solid waste	105,145	161,815	--	--	56,670	56,670
Water and sewer main	9,871	9,077	--	--	(794)	(794)
<u>Total Business-Type Activities</u>	<u>1,004,404</u>	<u>1,159,140</u>	<u>46,650</u>	<u>--</u>	<u>201,386</u>	<u>201,386</u>
<u>Total Primary Government</u>	<u>\$4,441,413</u>	<u>\$1,324,079</u>	<u>\$511,278</u>	<u>(2,663,136)</u>	<u>201,386</u>	<u>(2,461,750)</u>

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

General Revenues:	Property taxes	Sales taxes	State shared revenues	Grants and contributions not restricted to specific programs	Unrestricted investment earnings	Miscellaneous revenue	Transfers
	468,503	1,176,475	26,509	5,000	28,799	34,422	767,227
	--	--	--	79,472	--	--	(687,755)
	--	--	--	--	--	--	(486,369)
	--	--	--	3,907,707	--	--	1,819,180
	--	--	--	--	--	--	(642,570)
	--	--	--	89,390	--	--	5,355,531
	--	--	--	3,907,707	--	--	89,390
	--	--	--	1,537,214	--	--	5,444,921
	--	--	--	\$ 1,381,013	--	--	\$4,802,351

CITY OF MOBRIDGE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	<u>General Fund</u>	<u>Main Street Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 349,643	\$ --	\$ 14,628	\$ 364,271
Taxes receivable - delinquent	20,186	--	--	20,186
Accounts receivable, net	15,231	--	9,742	24,973
Special assessments receivable - delinquent	6,698	--	--	6,698
Due from Capital Projects Funds	414,020	--	--	414,020
Due from state government	179,328	--	--	179,328
Interest receivable	10,412	--	457	10,869
Restricted cash and cash equivalents	<u>222,562</u>	<u>--</u>	<u>--</u>	<u>222,562</u>
<b>TOTAL ASSETS</b>	<b>\$1,218,080</b> =====	<b>\$ --</b> =====	<b>\$ 24,827</b> =====	<b>\$1,242,907</b> =====
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 53,543	\$ --	\$ 66,761	\$ 120,304
Due to General Fund	--	64,851	349,169	414,020
Accrued taxes payable	675	--	--	675
Deferred revenue	155,718	--	2,960	158,678
Advance from Sewer Fund	<u>129,213</u>	<u>--</u>	<u>--</u>	<u>129,213</u>
<b>TOTAL LIABILITIES</b>	<b><u>339,149</u></b>	<b><u>64,851</u></b>	<b><u>418,890</u></b>	<b><u>822,890</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Debt Service	196	--	--	196
Unreserved fund balances:				
Designated for:				
Next year's appropriation	72,098	--	--	72,098
Other purposes	222,810	--	--	222,810
Undesignated, reported in non-major:	583,827	(64,851)	--	518,976
Special Revenue Funds	--	--	21,846	21,846
Capital Projects Funds	<u>--</u>	<u>--</u>	<u>(415,909)</u>	<u>(415,909)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>878,931</u></b>	<b><u>(64,851)</u></b>	<b><u>(394,063)</u></b>	<b><u>420,017</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$1,218,080</b> =====	<b>\$ --</b> =====	<b>\$ 24,827</b> =====	<b>\$1,242,907</b> =====

CITY OF MOBRIDGE  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 DECEMBER 31, 2006

Total Fund Balances - Governmental Funds		\$ 420,017
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		1,832,463
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Revenue bonds	\$816,397	
Accrued leave	51,711	
Other long-term debt	<u>93,575</u>	(971,683)
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	\$ 19,763	
Special assessments	5,735	
Sales tax	<u>64,718</u>	<u>90,216</u>
Net Assets - Governmental Funds		\$1,381,013 =====

Fines and Forfeits:									
Court fines and costs									2,999
Library									6,765
Miscellaneous Revenue:									
Investment earnings								869	28,799
Rentals									19,865
Special assessments									65,917
Contributions and donations									
from private sources								9,230	26,216
Other								943	29,325
TOTAL REVENUE								166,406	2,634,600
								363,125	
EXPENDITURES:									
General Government:									
Legislative									46,971
Executive									61,155
Elections									2,065
Financial administration									96,003
Other								105,562	252,688
Public Safety:									
Police									651,446
Fire									163,396
Other protection									226
Public Works:									
Highways and streets									1,347,223
Sanitation									14,699
Water									18,857
Airport									107,555
Health and Welfare:									
Health									5,046
Hospitals, nursing homes and rest homes									2,000
Culture and Recreation:									
Recreation									63,101
Parks									156,628
Libraries								54,277	97,605
Auditorium									195,723
Museums									5,000
Conservation and Development:									
Economic development and assistance (industrial development)								78,000	86,626

(Continued on next page)

CITY OF MOBRIDGE  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)

	<u>General Fund</u>	<u>Main Street Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Debt Service	--	--	168,391	168,391
Miscellaneous:				
Liquor operating agreements	<u>103</u>	<u>--</u>	<u>--</u>	<u>103</u>
TOTAL EXPENDITURES	<u>1,993,815</u>	<u>967,822</u>	<u>580,870</u>	<u>3,542,507</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>111,254</u>	<u>(604,697)</u>	<u>(414,464)</u>	<u>(907,907)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	992,022	577,987	158,031	1,728,040
Long-term debt issued	93,575	--	--	93,575
Sale of municipal property	2,772	--	--	2,772
Transfers out	<u>(947,198)</u>	<u>--</u>	<u>(13,615)</u>	<u>(960,813)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>141,171</u>	<u>577,987</u>	<u>144,416</u>	<u>863,574</u>
NET CHANGE IN FUND BALANCES	<u>252,425</u>	<u>(26,710)</u>	<u>(270,048)</u>	<u>(44,333)</u>
FUND BALANCE - BEGINNING	537,116	(38,141)	(124,015)	374,960
PRIOR PERIOD ADJUSTMENT TO CORRECT OPERATING CYCLE ERROR FOR SALES TAX	<u>89,390</u>	<u>--</u>	<u>--</u>	<u>89,390</u>
ADJUSTED FUND BALANCE - BEGINNING	<u>626,506</u>	<u>(38,141)</u>	<u>(124,015)</u>	<u>464,350</u>
FUND BALANCE - ENDING	<u>\$ 878,931</u>	<u>\$ (64,851)</u>	<u>\$ (394,063)</u>	<u>\$ 420,017</u>

Fines and Forfeits:								
Court fines and costs								2,999
Library								6,765
Miscellaneous Revenue:								
Investment earnings								28,799
Rentals					869			19,865
Special assessments								65,917
Contributions and donations from private sources								
Other						9,230		26,216
						<u>943</u>		<u>29,325</u>
TOTAL REVENUE						<u>363,125</u>		<u>2,634,600</u>
EXPENDITURES:								
General Government:								
Legislative								46,971
Executive								61,155
Elections								2,065
Financial administration								96,003
Other								252,688
Public Safety:						105,562		
Police								651,446
Fire								163,396
Other protection								226
Public Works:								
Highways and streets								1,347,223
Sanitation						72,283		14,699
Water						18,857		18,857
Airport								107,555
Health and Welfare:								
Health								5,046
Hospitals, nursing homes and rest homes								2,000
Culture and Recreation:								
Recreation								63,101
Parks								102,351
Libraries						54,277		156,628
Auditorium								97,605
Museums						68,801		195,723
Conservation and Development:								5,000
Economic development and assistance (industrial development)								
							78,000	86,626

(Continued on next page)

CITY OF MOBRIDGE  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES TO THE  
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2006

Net Change in Fund Balances - Total Governmental Funds \$ (44,333)

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

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

Revenue Bond	\$ <u>128,032</u>	128,032
--------------	-------------------	---------

The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government-wide statements.

Other long-term debt	\$ <u>93,575</u>	(93,575)
----------------------	------------------	----------

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".

(1,601)

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".

(55,791)

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.

(66,399)

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.

Vacation leave	\$ 6,044	
Sick leave	<u>16,490</u>	<u>(22,534)</u>

Change in Net Assets of Governmental Activities	\$(156,201) =====
---	----------------------

	Business-Type Activities			
	Enterprise Funds			
	Major			Totals
Water Fund	Sewer Fund	Nonmajor		
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 31,764	\$ 17,729	\$ 1,222	\$ 50,715
Bonds Payable Current:				
Revenue	--	94,511	--	94,511
Total Current Liabilities	<u>31,764</u>	<u>112,240</u>	<u>1,222</u>	<u>145,226</u>
Noncurrent Liabilities:				
Bonds payable:				
Revenue	800,000	361,063	--	1,161,063
Accrued leave payable	<u>16,029</u>	<u>10,487</u>	<u>--</u>	<u>26,516</u>
Total Noncurrent Liabilities	<u>816,029</u>	<u>371,550</u>	<u>--</u>	<u>1,187,579</u>
NET ASSETS:				
Invested in capital assets, net of related debt	1,272,599	919,318	1,335	2,193,252
Restricted net assets, restricted for:				
Equipment repair and/or replacement	215,094	429,417	--	644,511
Other purposes	--	--	46,621	46,621
Unrestricted net assets	<u>177,938</u>	<u>234,948</u>	<u>124,068</u>	<u>536,954</u>
Total Net Assets	<u>1,665,631</u>	<u>1,583,683</u>	<u>172,024</u>	<u>3,421,338</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 2,513,424 =====	\$ 2,067,473 =====	\$173,246 =====	\$ 4,754,143 =====



CITY OF MOBRIDGE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities			Totals
	Enterprise Funds			
	Major			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	
CASH FLOWS FROM OPERATING				
ACTIVITIES:				
Cash receipts from customers	\$ 599,731	\$ 373,606	\$ 194,021	\$1,167,358
Other operating cash receipts	--	296	48,287	48,583
Cash payments to employees for services	(178,862)	(107,494)	--	(286,356)
Cash payments to suppliers of goods and services	<u>(294,091)</u>	<u>(172,702)</u>	<u>(153,970)</u>	<u>(620,763)</u>
Net cash provided by operating activities	<u>126,778</u>	<u>93,706</u>	<u>88,338</u>	<u>308,822</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out	<u>(221,000)</u>	<u>(349,455)</u>	<u>(196,773)</u>	<u>(767,228)</u>
Net cash used by noncapital financing activities	<u>(221,000)</u>	<u>(349,455)</u>	<u>(196,773)</u>	<u>(767,228)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on capital debt	(100,758)	(109,222)	--	(209,980)
Interest paid on capital debt	(39,449)	(16,046)	--	(55,495)
Other payments	<u>--</u>	<u>(129,213)</u>	<u>--</u>	<u>(129,213)</u>
Net cash used by capital and related financing activities	<u>(140,207)</u>	<u>(254,481)</u>	<u>--</u>	<u>(394,688)</u>

	Business-Type Activities			Totals
	Enterprise Funds			
	Major			
	Water Fund	Sewer Fund	Nonmajor	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash received for interest	<u>16,407</u>	<u>31,276</u>	<u>7,480</u>	<u>55,163</u>
Net cash provided by investing activities	<u>16,407</u>	<u>31,276</u>	<u>7,480</u>	<u>55,163</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(218,022)	(478,954)	(100,955)	(797,931)
BALANCES - BEGINNING	<u>535,856</u>	<u>1,014,523</u>	<u>270,781</u>	<u>1,821,160</u>
BALANCES - ENDING	\$ 317,834 =====	\$ 535,569 =====	\$ 169,826 =====	\$1,023,229 =====
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 89,189	\$ 77,384	\$ 90,309	\$ 256,882
Change in assets and liabilities:				
Receivables	9,161	(702)	1,692	10,151
Inventories	15,887	--	--	15,887
Accounts and other payables	2,762	10,881	(3,663)	9,980
Accrued leave payable	<u>9,779</u>	<u>6,143</u>	<u>--</u>	<u>15,922</u>
Net cash provided by operating activities	\$ 126,778 =====	\$ 93,706 =====	\$ 88,338 =====	\$ 308,822 =====

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A

Culture and recreation	13,500	13,500	23,346	9,846
Fines and Forfeits:				
Court fines and costs	1,500	1,500	2,999	1,499
Library	6,000	6,000	6,765	765
Miscellaneous Revenue:				
Investment earnings	7,250	7,250	27,930	20,680
Rentals	19,620	19,620	19,865	245
Special assessments	65,450	65,450	65,917	467
Contributions and donations from private sources	5,000	5,000	16,986	11,986
Other	19,000	19,000	28,382	9,382
<b>TOTAL REVENUE</b>	<u>2,056,986</u>	<u>2,076,986</u>	<u>2,105,069</u>	<u>28,083</u>

<b>EXPENDITURES:</b>				
General Government:				
Legislative	12,540	47,040	46,971	69
Executive	83,241	85,131	61,155	23,976
Elections	1,300	2,066	2,065	1
Financial administration	86,067	95,867	96,003	(136)
Other	81,038	147,723	147,126	597
Public Safety:				
Police	659,145	659,145	651,446	7,699
Fire	53,202	166,277	163,396	2,881
Other protection	1,685	1,685	226	1,459
Public Works:				
Highways and streets	532,739	532,743	307,118	225,625
Sanitation	500	500	--	500
Airport	227,820	227,820	107,555	120,265
Health and Welfare:				
Health	1,400	6,300	5,046	1,254
Hospitals, nursing homes, and rest homes	2,000	2,000	2,000	--
Culture and Recreation:				
Recreation	122,526	122,526	63,101	59,425
Parks	102,300	110,300	102,351	7,949
Libraries	94,997	96,997	97,605	(608)
Auditorium	109,841	123,841	126,922	(3,081)
Museums	5,000	5,000	5,000	--

(Continued on next page)

REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF MOBRIDGE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Conservation and Development: Economic development and assistance (industrial development)	8,121	8,656	8,626	30
Miscellaneous: Liquor operating agreements	<u>150</u>	<u>150</u>	<u>103</u>	<u>47</u>
TOTAL EXPENDITURES	<u>2,185,612</u>	<u>2,441,767</u>	<u>1,993,815</u>	<u>447,952</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(128,626)</u>	<u>(364,781)</u>	<u>111,254</u>	<u>476,035</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	305,000	333,455	992,022	658,567
Long-term debt issued	--	93,575	93,575	--
Sale of municipal property	--	--	2,772	2,772
Transfers out	<u>(273,391)</u>	<u>(402,604)</u>	<u>(947,198)</u>	<u>(544,594)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>31,609</u>	<u>24,426</u>	<u>141,171</u>	<u>116,745</u>
NET CHANGE IN FUND BALANCES	<u>(97,017)</u>	<u>(340,355)</u>	<u>252,425</u>	<u>592,780</u>
FUND BALANCE - BEGINNING	537,116	537,116	537,116	--
PRIOR PERIOD ADJUSTMENT TO CORRECT OPERATING CYCLE ERROR FOR SALES TAX	<u>89,390</u>	<u>89,390</u>	<u>89,390</u>	<u>--</u>
ADJUSTED FUND BALANCE - BEGINNING	<u>626,506</u>	<u>626,506</u>	<u>626,506</u>	<u>--</u>
FUND BALANCE - ENDING	<u>\$ 529,489</u>	<u>\$ 286,151</u>	<u>\$ 878,931</u>	<u>\$ 592,780</u>

REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF MOBRIDGE  
BUDGETARY COMPARISON SCHEDULE  
MAIN STREET PROJECT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental Revenue:				
State grants	\$ 291,175	\$ 326,075	\$ 363,125	\$ 37,050
TOTAL REVENUE	<u>291,175</u>	<u>326,075</u>	<u>363,125</u>	<u>37,050</u>
EXPENDITURES:				
Public Works:				
Highways and streets	739,095	967,823	967,822	<u>1</u>
TOTAL EXPENDITURES	<u>739,095</u>	<u>967,823</u>	<u>967,822</u>	<u>1</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(447,920)</u>	<u>(641,748)</u>	<u>(604,697)</u>	<u>37,051</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	442,000	635,828	577,987	<u>(57,841)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>442,000</u>	<u>635,828</u>	<u>577,987</u>	<u>(57,841)</u>
NET CHANGE IN FUND BALANCES	(5,920)	(5,920)	(26,710)	(20,790)
FUND BALANCE - BEGINNING	<u>(38,141)</u>	<u>(38,141)</u>	<u>(38,141)</u>	<u>--</u>
FUND BALANCE - ENDING	\$ (44,061)	\$ (44,061)	\$ (64,851)	\$ (20,790)
	=====	=====	=====	=====

CITY OF MOBRIDGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A  
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND  
DECEMBER 31, 2006

Note 1 - Budgets and Budgetary Accounting

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

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.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund.

The City did not encumber any amounts at December 31, 2006.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
7. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP).

CITY OF MOBRIDGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A  
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND  
DECEMBER 31, 2006  
(Continued)

Note 2 - GAAP/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, 2006

	Third Penny Sales Tax Fund	Special Park Gift Project Fund	Railroad Crossing Fund	South Main Extension Fund	Bike Path Trail Fund
ASSETS:					
Cash and cash equivalents	\$ 8,267	\$ 6,340	\$ --	\$ --	\$ --
Accounts receivable, net	9,742	--	--	--	--
Interest receivable	<u>367</u>	<u>90</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL ASSETS	\$18,376 =====	\$6,430 =====	\$ -- =====	\$ -- =====	\$ -- =====
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ --	\$ --	\$ 136	\$ 77	\$ --
Due to General Fund	--	--	167,016	36,621	20,367
Deferred revenue	<u>2,960</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL LIABILITIES	<u>2,960</u>	<u>--</u>	<u>167,152</u>	<u>36,698</u>	<u>20,367</u>
FUND BALANCES:					
Unreserved Fund Balances:					
Undesignated,					
reported in non-major:					
Special Revenue Funds	15,416	6,430	(167,152)	(36,698)	(20,367)
Capital Projects Funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL FUND BALANCES	<u>15,416</u>	<u>6,430</u>	<u>(167,152)</u>	<u>(36,698)</u>	<u>(20,367)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$18,376 =====	\$6,430 =====	\$ -- =====	\$ -- =====	\$ -- =====

(Continued on next page)

CITY OF MOBRIDGE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2006  
 (Continued)

	Auditorium Restoration Fund	Mural Restoration Fund	National Guard Armory Fund	Total Nonmajor Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ --	\$21	\$ --	\$ 14,628
Accounts receivable, net	--	--	--	9,742
Interest receivable	<u>--</u>	<u>--</u>	<u>--</u>	<u>457</u>
TOTAL ASSETS	\$ <u>-----</u>	\$21	\$ <u>-----</u>	\$ 24,827
				=====
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 2,075	\$--	\$ 64,473	\$ 66,761
Due to General Fund	54,860	--	70,305	349,169
Deferred revenue	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,960</u>
TOTAL LIABILITIES	56,935	--	<u>134,778</u>	<u>418,890</u>
FUND BALANCES:				
Unreserved Fund Balances:				
Undesignated,	--	--	--	21,846
reported in non-major:	<u>(56,935)</u>	<u>21</u>	<u>(134,778)</u>	<u>(415,909)</u>
Special Revenue Funds				
Capital Projects Funds	<u>(56,935)</u>	<u>21</u>	<u>(134,778)</u>	<u>(394,063)</u>
TOTAL FUND BALANCES	\$ <u>-----</u>	\$21	\$ <u>-----</u>	\$ 24,827
TOTAL LIABILITIES AND FUND BALANCES				=====

CITY OF MOBRIDGE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2006

	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	\$80,620	\$	\$	\$	\$	\$	\$
Intergovernmental Revenue:							
Federal grants	--	--	--	--	--	--	--
Miscellaneous Revenue:							
Investment earnings	616	--	248	--	--	--	--
Contributions and donations from private sources	--	--	3,210	--	--	--	--
Other	--	--	--	--	--	--	943
TOTAL REVENUE	<u>81,236</u>	<u>3,458</u>	<u>3,458</u>	<u>3,458</u>	<u>3,458</u>	<u>3,458</u>	<u>943</u>
EXPENDITURES:							
General Government:							
Other	--	--	--	--	--	--	--
Public Works:							
Highways and streets	--	--	--	--	--	--	46,254
Sanitation	--	--	--	--	--	--	--
Water	--	--	--	--	--	--	--
Culture and Recreation:							
Parks	--	--	--	--	--	--	--
Auditorium	--	--	3,335	--	--	--	--
Conservation and Development:							
Economic development and assistance (industrial development)	78,000	--	--	--	--	--	--
Debt Service	--	--	--	168,391	--	--	--
TOTAL EXPENDITURES	<u>78,000</u>	<u>3,335</u>	<u>3,335</u>	<u>168,391</u>	<u>168,391</u>	<u>168,391</u>	<u>46,254</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>3,236</u>	<u>123</u>	<u>123</u>	<u>(168,391)</u>	<u>(168,391)</u>	<u>(168,391)</u>	<u>(45,311)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	--	(6,774)	--	126,293	13,522	18,216	--
Transfers out	--	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,774)</u>	<u>(6,774)</u>	<u>(6,774)</u>	<u>126,293</u>	<u>13,522</u>	<u>18,216</u>	<u>(45,311)</u>
NET CHANGE IN FUND BALANCES	3,236	(6,774)	123	(42,098)	13,522	18,216	(45,311)
FUND BALANCE - BEGINNING	<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>
FUND BALANCE - ENDING	<u>\$15,416</u>	<u>\$</u>	<u>\$6,430</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$(167,152)</u>

(Continued on next page)

CITY OF MOBRIDGE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2006  
 (Continued)

	South Main Extension Fund	Trails Fund	Bike Path Trail Fund	Auditorium Restoration Fund	Mural Restoration Fund	National Guard Armory Fund	Total Nonmajor Governmental Funds
REVENUES:							
Taxes:							
General sales and use taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 80,620
Intergovernmental Revenue:							
Federal grants	38,091	30,323	--	6,330	--	--	74,744
Miscellaneous Revenue:							
Investment earnings	--	--	--	5	--	--	869
Contributions and donations from private sources	--	--	--	6,000	20	--	9,230
Other	--	--	--	--	--	--	943
TOTAL REVENUE	<u>38,091</u>	<u>30,323</u>	<u>--</u>	<u>12,335</u>	<u>20</u>	<u>--</u>	<u>166,406</u>
EXPENDITURES:							
General Government:							
Other	--	--	--	--	--	105,562	105,562
Public Works:							
Highways and streets	26,029	--	--	--	--	--	72,283
Sanitation	14,699	--	--	--	--	--	14,699
Water	18,857	--	--	--	--	--	18,857
Culture and recreation:							
Parks	--	30,575	20,367	--	--	--	54,277
Auditorium	--	--	--	68,801	--	--	68,801
Conservation and Development:							
Economic development and assistance (industrial development)	--	--	--	--	--	--	78,000
Debt Service	--	--	--	--	--	--	168,391
TOTAL EXPENDITURES	<u>59,585</u>	<u>30,575</u>	<u>20,367</u>	<u>68,801</u>	<u>--</u>	<u>--</u>	<u>580,870</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(21,494)</u>	<u>(252)</u>	<u>(20,367)</u>	<u>(56,466)</u>	<u>20</u>	<u>(105,562)</u>	<u>(414,464)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	--	(6,841)	--	--	--	--	158,031
Transfers out	--	(6,841)	--	--	--	--	(13,615)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>(13,682)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>144,416</u>
NET CHANGE IN FUND BALANCES	<u>(21,494)</u>	<u>(7,093)</u>	<u>(20,367)</u>	<u>(56,466)</u>	<u>20</u>	<u>(105,562)</u>	<u>(270,048)</u>
FUND BALANCE - BEGINNING	<u>(15,204)</u>	<u>7,093</u>	<u>--</u>	<u>(469)</u>	<u>1</u>	<u>(29,216)</u>	<u>(124,015)</u>
FUND BALANCE - ENDING	<u>\$ (36,698)</u>	<u>\$ --</u>	<u>\$ (20,367)</u>	<u>\$ (56,935)</u>	<u>\$ 21</u>	<u>\$ (134,778)</u>	<u>\$ (394,063)</u>

CITY OF MOBRIDGE  
 COMBINING BALANCE SHEET  
 NONMAJOR ENTERPRISE FUNDS  
 DECEMBER 31, 2006

	Business-Type Activities Nonmajor Enterprise Funds		Totals
	Cemetery Fund	Water and Sewer Main Fund	
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 33,277	\$89,928	\$123,205
Accounts receivable, net	--	114	114
Interest receivable	<u>672</u>	<u>1,299</u>	<u>1,971</u>
Total Current Assets	<u>33,949</u>	<u>91,341</u>	<u>125,290</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	46,621	--	46,621
Capital Assets:			
Land	565	--	565
Machinery and equipment	18,789	--	18,789
Less: accumulated depreciation (credit)	<u>(18,019)</u>	<u>--</u>	<u>(18,019)</u>
Total Noncurrent Assets	<u>47,956</u>	<u>--</u>	<u>47,956</u>
TOTAL ASSETS	\$ 81,905 =====	\$91,341 =====	\$173,246 =====
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ <u>1,222</u>	\$ <u>--</u>	\$ <u>1,222</u>
Total Current Liabilities	<u>1,222</u>	<u>--</u>	<u>1,222</u>
NET ASSETS:			
Invested in capital assets, net of related debt	1,335	--	1,335
Restricted net assets, restricted for:			
Other purposes	46,621	--	46,621
Unrestricted net assets	<u>32,727</u>	<u>91,341</u>	<u>124,068</u>
Total Net Assets	<u>80,683</u>	<u>91,341</u>	<u>172,024</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 81,905 =====	\$91,341 =====	\$173,246 =====

CITY OF MOBRIDGE  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities Nonmajor Enterprise Funds			Totals
	Cemetery Fund	Solid Waste Fund	Water and Sewer Main Fund	
OPERATING REVENUE:				
Charges for goods and services	\$23,075	\$ 160,178	\$ 9,077	\$ 192,330
Contributions and donations	46,650	--	--	46,650
Miscellaneous	--	1,637	--	1,637
TOTAL OPERATING REVENUE	<u>69,725</u>	<u>161,815</u>	<u>9,077</u>	<u>240,617</u>
OPERATING EXPENSES:				
Other current expense	35,292	105,145	9,871	150,308
TOTAL OPERATING EXPENSES	<u>35,292</u>	<u>105,145</u>	<u>9,871</u>	<u>150,308</u>
OPERATING INCOME (LOSS)	<u>34,433</u>	<u>56,670</u>	<u>(794)</u>	<u>90,309</u>
NONOPERATING REVENUE:				
Investment earnings	2,456	3,093	3,902	9,451
TOTAL NONOPERATING REVENUE	<u>2,456</u>	<u>3,093</u>	<u>3,902</u>	<u>9,451</u>
INCOME BEFORE CONTRIBUTIONS, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS	36,889	59,763	3,108	99,760
TRANSFERS OUT	--	(196,773)	--	(196,773)
CHANGE IN NET ASSETS	36,889	(137,010)	3,108	(97,013)
NET ASSETS - BEGINNING	<u>43,794</u>	<u>137,010</u>	<u>88,233</u>	<u>269,037</u>
NET ASSETS - ENDING	\$80,683 =====	\$ -- =====	\$91,341 =====	\$ 172,024 =====

CITY OF MOBRIDGE  
 COMBINING STATEMENT OF CASH FLOWS--  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities Nonmajor Enterprise Funds			Totals
	Cemetery Fund	Solid Waste Fund	Water and Sewer Main Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 23,075	\$ 161,888	\$ 9,058	\$ 194,021
Other operating cash receipts	46,650	1,637	--	48,287
Cash payments to suppliers of goods and services	<u>(37,318)</u>	<u>(106,782)</u>	<u>(9,870)</u>	<u>(153,970)</u>
Net cash provided (used) by operating activities	<u>32,407</u>	<u>56,743</u>	<u>(812)</u>	<u>88,338</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out	<u>--</u>	<u>(196,773)</u>	<u>--</u>	<u>(196,773)</u>
Net cash used by noncapital financing activities	<u>--</u>	<u>(196,773)</u>	<u>--</u>	<u>(196,773)</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>1,784</u>	<u>3,093</u>	<u>2,603</u>	<u>7,480</u>
Net cash provided by investing activities	<u>1,784</u>	<u>3,093</u>	<u>2,603</u>	<u>7,480</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34,191	(136,937)	1,791	(100,955)
BALANCES - BEGINNING	<u>45,707</u>	<u>136,937</u>	<u>88,137</u>	<u>270,781</u>
BALANCES - ENDING	\$ 79,898 =====	\$ -- =====	\$89,928 =====	\$ 169,826 =====
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 34,433	\$ 56,670	\$ (794)	\$ 90,309
Change in assets and liabilities:				
Receivables	--	1,710	(18)	1,692
Accounts and other payables	<u>(2,026)</u>	<u>(1,637)</u>	<u>--</u>	<u>(3,663)</u>
Net cash provided (used) by operating activities	\$ 32,407 =====	\$ 56,743 =====	\$ (812) =====	\$ 88,338 =====