

ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
December 31, 2007

**CITY OF
FORT PIERRE
SOUTH DAKOTA**

Prepared by:
David Page, Finance Officer

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Basic Financial Statements

CITY OF FORT PIERRE
STATEMENT OF NET ASSETS
December 31, 2007

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS:			
Cash and Cash Equivalents	1,335,715.34	-107,567.46	1,228,147.88
Receivables(net)	669,386.45	276,495.18	945,881.63
Due From Other Gov't	139,278.75		139,278.75
Advance to Another Fund	80,000.00		80,000.00
Due From Fund			0.00
Inventory	543,899.69	535,604.36	1,079,504.05
Prepaid Expenses	2,850.00		
Restricted Cash	912,130.41	1,215,944.78	2,128,075.19
Capital Assets:			
Land	965,794.00	163,576.88	1,129,370.88
Construction in Progress	64,911.70	3,088.00	67,999.70
Other Capital Assets Net of Depreciation	5,498,321.09	11,824,200.51	17,322,521.60
TOTAL ASSETS	10,212,287.43	13,911,342.25	24,120,779.68
LIABILITIES AND FUND BALANCES:			
LIABILITIES			
Accounts Payables	32,533.57	99,416.20	131,949.77
Advance from Other Fund	40,000.00	40,000.00	80,000.00
Due to Other Governments			0.00
Customer Deposits		71,301.80	71,301.80
Deferred Revenue	1,705,924.44	8,117.46	1,714,041.90
Long-Term Liabilities			
Portion due or payable within one year	279,327.78	324,328.49	603,656.27
Portion due or payable after one year	1,620,612.31	4,340,347.08	5,960,959.39
TOTAL LIABILITIES	3,678,398.10	4,883,511.03	8,561,909.13
NET ASSETS:			
Invested in capital assets, net of related debt	4,629,086.70	7,424,000.22	12,053,086.92
Restricted	1,536,030.10	1,145,857.80	2,681,887.90
Unrestricted (deficit)	368,772.53	457,973.20	826,745.73
TOTAL NET ASSETS	6,533,889.33	9,027,831.22	15,561,720.55
TOTAL LIABILITIES AND NET ASSETS	10,212,287.43	13,911,342.25	24,123,629.68

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

CITY OF FORT PIERRE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	274,682.21	35,525.43	64,876.55	0.00	-174,280.23		-174,280.23	
Public Safety	312,122.43		2,143.96		-309,978.47		-309,978.47	
Public Works	1,362,251.83	500.00	30,047.11	144,194.22	-1,187,510.50		-1,187,510.50	
Health and Welfare	31,016.13		5,307.50		-25,708.63		-25,708.63	23,933.00
Culture and Recreation	386,767.44		30,530.92	13,841.41	-342,595.11		-342,595.11	
Conservation and Development	258,005.48				-258,005.48		-258,005.48	
Intergovernmental Expenditures	0.00				0.00		0.00	
Miscellaneous Expenditures	0.00		208,597.72		208,597.72		208,597.72	
Depreciation Expense - Unallocated	0.00				0.00		0.00	
Interest on Long-term Debt	105,122.82				-105,122.82		-105,122.82	
Total Governmental Activities	2,729,988.34	36,025.43	336,196.26	163,143.13	-2,194,603.52		-2,194,603.52	23,933.00
Business-type Activities:								
Water	433,580.89	224,394.50				-209,186.39	-209,186.39	
Electric	1,483,453.66	1,872,197.28				388,743.62	388,743.62	
Sanitary Sewer	427,768.84	267,372.21				-160,396.63	-160,396.63	
Total Business-type Activities	2,344,803.39	2,363,963.99	0.00	0.00		19,160.60	19,160.60	
Total Primary Government	5,074,771.73	2,399,989.42	336,196.26	163,143.13	-2,194,603.52	19,160.60	-2,175,442.92	
Component Units:								23,933.00
Fort Pierre Housing and Redevelopment			23,933.00					
Commission								
General Revenues:								
Taxes:								
Property Taxes					621,663.85		621,663.85	0.00
Sales Taxes					876,160.98		876,160.98	0.00
State Shared Revenues					54,984.15		54,984.15	0.00
County Shared Revenue					4,444.00		4,444.00	0.00
Unrestricted Investment Earnings					68,210.09	25,847.34	84,057.43	0.00
Grants and Contributions not Restricted to Specific Programs							0.00	0.00
Miscellaneous Revenue					209,177.80	11,597.03	220,774.83	0.00
Gain on Sale of Fixed Assets					4,925.54		4,925.54	0.00
Special Items					0.00		0.00	0.00
Extraordinary Items					542,113.80		542,113.80	0.00
Transfer Out					-12,215.36		-12,215.36	0.00
Total General Revenues, Special Items, Extraordinary Items and Transfers					2,359,464.85	37,444.37	2,396,909.22	0.00
Change in Net Assets					164,861.33	56,604.97	221,466.30	0.00
Net Assets-Beginning					6,369,028.00	8,978,597.89	15,347,625.89	0.00
Adjustments:								
Prior Period Adjustment					0.00	-7,371.63	-7,371.63	0.00
Adjusted Net Assets-Beginning					6,369,028.00	8,971,226.26	15,340,254.26	0.00
NET ASSETS - ENDING					6,533,889.33	9,027,831.22	15,561,720.55	0.00

**CITY OF FORT PIERRE
BALANCE SHEET
GOVERNMENTAL FUNDS
For the Year Ending 12/31/2007**

	<u>General</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:				
0100 Cash	-\$369,003.93	\$1,703,542.48	\$1,176.79	\$1,335,715.34
0720 Restricted Cash - Debt Reserve	\$817,964.31			\$817,964.31
0760 Restricted Cash - Bond Reserve				\$0.00
0740 Restricted Cash - Park Reserve	\$27,746.39			\$27,746.39
755 Restricted Cash - SD Public Assurance Alliance	\$29,390.19			\$29,390.19
0770 Cemetery Trust Fund			\$31,926.51	\$31,926.51
0780 Restricted Cash - Expo Building	\$5,103.01			\$5,103.01
1100 Taxes Receivable	\$8,264.42			\$8,264.42
1150 Accounts Receivable	\$18,729.62			\$18,729.62
1210 Special Assessments--Current	\$534.85		\$1,774.26	\$10,573.53
1220 Special Assessments--Delinquent	\$32,022.59		\$715.50	\$32,738.09
1230 Special Assessments--Deferred	\$594,308.92		\$4,771.87	\$599,080.79
1320 Due From County Government	\$13,323.79			\$13,323.79
1322 Due From State Government	\$117,634.61		\$8,320.35	\$125,954.96
1330 Advance to Another Fund			\$80,000.00	\$80,000.00
1310 Due From Electric Fund				\$0.00
1410 Inventory of Supplies	\$41,427.97			\$41,427.97
1420 Land Held for Resale	\$502,471.72			\$502,471.72
1430 Prepaid Expenses	\$1,600.00		\$1,250.00	\$2,850.00
TOTAL ASSETS	<u>\$1,841,518.46</u>	<u>\$1,703,542.48</u>	<u>\$129,935.28</u>	<u>\$3,683,260.64</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
2020 Accounts Payable	\$30,850.78		\$0.00	\$30,850.78
2060 Contracts Payable	\$1,194.45	\$443.50		\$1,637.95
2160 Accrued Wages Payable	\$44.84			\$44.84
2360 Advance from Other Fund		\$40,000.00		\$40,000.00
2240 Deferred Revenue	\$635,130.78	\$1,705,924.44	\$7,261.63	\$2,348,316.85
TOTAL LIABILITIES	<u>\$667,220.85</u>	<u>\$1,746,367.94</u>	<u>\$7,261.63</u>	<u>\$2,420,850.42</u>
FUND BALANCES:				
2609 Reserved For Deposits	\$29,390.19			\$29,390.19
2610 Reserved For Advance to Other Fund			\$80,000.00	\$80,000.00
2610 Reserved For Cemetery Trust			\$31,926.51	\$31,926.51
2612 Reserved For Inventory	\$543,899.69			\$543,899.69
2614 Reserved For Debt Service	\$817,964.31			\$817,964.31
2616 Reserved For Park Reserve	\$27,746.39			\$27,746.39
2618 Reserved For Expo Building	\$5,103.01			\$5,103.01
2619 Reserved For Bond Reserve				\$0.00
2620 Unreserved Fund Balance	-\$249,805.98	-\$42,825.46	\$10,747.14	-\$281,884.30
TOTAL FUND BALANCES	<u>\$1,174,297.61</u>	<u>-\$42,825.46</u>	<u>\$122,673.65</u>	<u>\$1,254,145.80</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,841,518.46</u>	<u>\$1,703,542.48</u>	<u>\$129,935.28</u>	<u>\$3,674,996.22</u>

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

CITY OF FORT PIERRE
Reconciliation of the Governmental funds Balance Sheet to the Statement of Net Assets
For the Year Ending 12/31/07

Total Fund Balances - Governmental Funds	<u>1,254,145.80</u>
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.	<u>6,529,026.79</u>
Long-term liabilities, including bonds payable and accrued leave payable are not due and payables in the current period and therefore are not reported in the funds.	<u>-1,899,940.09</u>
Property Taxes receivable and special assessments are reported in the period to be financed by the property tax levy for both the governmental funds and the statement of net assets, but in the funds statement of net assets, "available" (within a 30 day period) are offset with deferred revenue	<u>650,656.83</u>
Net Assets- Governmental Funds	<u><u>6,533,889.33</u></u>

CITY OF FORT PIERRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ending 12/31/07

	<u>General Fund</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue				
310 Taxes				
311 General Property Taxes	\$620,161.57			\$620,161.57
313 General Sales Taxes	\$815,023.00		\$61,137.98	\$876,160.98
315 Amusement Taxes	\$588.00			\$588.00
319 Penalties & Interest				
On Delinquent Taxes	\$1,502.28			\$1,502.28
Total Taxes	<u>\$1,437,274.85</u>	<u>\$0.00</u>	<u>\$61,137.98</u>	<u>\$1,498,412.83</u>
320 Licenses & Permits	<u>\$35,525.43</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$35,525.43</u>
330 Intergovernmental Revenue				
331 Federal Revenue	\$13,000.00	\$111,694.22		\$124,694.22
334 State Grant	\$24,807.50			\$24,807.50
335 State Shared Revenue				
3351 Bank Franchise Tax	\$1,328.69			\$1,328.69
3352 Motor Vehicle Comm. Prorate	\$5,535.85			\$5,535.85
3353 Liquor Tax Reversion	\$11,317.41			\$11,317.41
3354 Motor Vehicle	\$17,657.41			\$17,657.41
3358 Highway & Bridge	\$18,556.79			\$18,556.79
338 County Shared Taxes				
3381 County Road Tax	\$4,444.00			\$4,444.00
Total Intergovernmental Revenue	<u>\$96,647.65</u>	<u>\$111,694.22</u>	<u>\$0.00</u>	<u>\$208,341.87</u>
340 Charges for Goods & Services				
341 General Government	\$66,546.51			\$66,546.51
343 Highway, Streets, & Roadways	\$25,522.07			\$25,522.07
344 Sanitation	\$1,927.25			\$1,927.25
345 Health	\$474.00			\$474.00
346 Culture & Recreation	\$30,530.92			\$30,530.92
349 Economic Development Activity	\$208,597.72			\$208,597.72
Total Charges for Goods & Services	<u>\$333,598.47</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$333,598.47</u>
350 Fines & Forfeits				
351 Court Fines	\$1,668.96			\$1,668.96
353 Parking Fines	\$475.00			\$475.00
Total Fines & Forfeits	<u>\$2,143.96</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,143.96</u>
360 Miscellaneous Revenue				
361 Interest Earned	\$56,437.94		\$1,772.15	\$58,210.09
363 Special Assessments	\$177,356.31		\$586.20	\$177,942.51
367 Contributions & Donations From Private	\$13,641.41			\$13,641.41
369 Misc. Revenue	\$10,043.20			\$10,043.20
369 T.V. Franchise	\$20,043.59			\$20,043.59
369 Recovery of Prior Year Expenditures	\$1,572.33			\$1,572.33
Total Miscellaneous Revenue	<u>\$279,094.78</u>	<u>\$0.00</u>	<u>\$2,358.35</u>	<u>\$281,453.13</u>
380 Cemetery				
861 Sale of Lots			\$500.00	\$500.00
Total Cemetery Revenue	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$500.00</u>	<u>\$500.00</u>
Total Revenue	<u>\$2,184,285.14</u>	<u>\$111,694.22</u>	<u>\$63,996.33</u>	<u>\$2,359,975.69</u>

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

	<u>General Fund</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Expenditures				
410 General Government				
411 Executive	\$41,167.55			\$41,167.55
413 Elections	\$12.90			\$12.90
414 Legal	\$54,863.58			\$54,863.58
414 Financial Administration	\$146,706.01			\$146,706.01
419 General Gov't Buildings	\$0.00			\$0.00
419 Planning/Zoning & Building Services	\$31,932.17			\$31,932.17
Total General Government	<u>\$274,682.21</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$274,682.21</u>
420 Public Safety				
421 Police	\$215,055.90			\$215,055.90
422 Fire	\$73,039.22			\$73,039.22
423 Building Inspection	\$14,698.06			\$14,698.06
429 Civil Defense	\$295.28			\$295.28
Total Public Safety	<u>\$303,088.46</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$303,088.46</u>
430 Public Works				
430 Shop	\$17,255.23			\$17,255.23
431 Public Works Administration	\$87,748.82			\$87,748.82
431 Highways, Streets, & Roadways	\$861,207.52			\$861,207.52
431 Snow Removal	\$10,067.37			\$10,067.37
432 Sanitation	\$14,575.42	\$42,781.37		\$57,356.79
434 Electric		\$56,367.72		\$56,367.72
432 Solid Waste Disposal	\$9,296.37			\$9,296.37
437 Cemetery			\$497.95	\$497.95
439 Transit	\$32,000.00			\$32,000.00
Total Public Works	<u>\$1,032,150.73</u>	<u>\$99,149.09</u>	<u>\$497.95</u>	<u>\$1,131,797.77</u>
440 Health & Welfare				
441 Public Health	\$31,016.13			\$31,016.13
Total Health & Welfare	<u>\$31,016.13</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$31,016.13</u>
450 Culture & Recreation				
451 Swimming Pool	\$46,043.02			\$46,043.02
451 Community & Youth Involved	\$18,000.00			\$18,000.00
452 Parks	\$203,403.41			\$203,403.41
455 Library	\$4,952.50			\$4,952.50
456 Expo Building	\$6,237.22			\$6,237.22
457 Cultural Arts	\$5,300.00			\$5,300.00
458 Museum	\$3,484.52			\$3,484.52
Total Culture & Recreation	<u>\$287,420.67</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$287,420.67</u>
460 Conservation & Development				
460 Economic Development	\$44,288.11		\$75,680.00	\$119,968.11
461 Teton Island	\$138,037.37			\$138,037.37
Total Conservation & Development	<u>\$182,325.48</u>	<u>\$0.00</u>	<u>\$75,680.00</u>	<u>\$258,005.48</u>
470 Debt Service				
470 Debt Service - Principal	\$254,935.72			\$254,935.72
470 Debt Service - Interest	\$105,122.82			\$105,122.82
Total Conservation & Development	<u>\$360,058.54</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$360,058.54</u>
Capital Outlay	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Expenditures	<u>\$2,470,742.22</u>	<u>\$99,149.09</u>	<u>\$76,177.95</u>	<u>\$2,646,069.26</u>

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

	<u>General Fund</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficiency) of Revenues over Expenditures	-\$286,457.08	\$12,545.13	-\$12,181.62	-\$286,093.57
Other Financing Sources (Uses)				
391.1 Operating Transfers In				\$0.00
511 Operating Transfers Out				\$0.00
367 Contributions From Private Sources		\$0.00		\$0.00
392 Proceeds From Long-Term Liabilities		\$0.00		\$0.00
393 Sale of Gen. Fixed Assets	\$4,925.54			\$4,925.54
394 Compensation for Loss/Damaged	\$30.00			\$30.00
Total Other Financing Sources	<u>\$4,955.54</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$4,955.54</u>
Other Change in Fund Balances:				
Net of Change in Inventory	\$38,713.22	\$0.00	\$0.00	\$38,713.22
Net Change in Fund Balances	-\$242,788.32	-\$19,266.25	-\$12,181.62	-\$281,138.03
Fund Balance January 1, 2007	\$1,417,085.93	-\$23,559.21	\$134,855.27	\$1,528,381.99
Fund Balance December 31, 2007	<u>\$1,174,297.61</u>	<u>-\$42,825.46</u>	<u>\$122,673.65</u>	<u>\$1,254,145.80</u>

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

CITY OF FORT PIERRE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

Net Change in Fund Balances - Total Governmental Funds	<u>-281,138.03</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	<u>268,949.14</u>
In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the disposal of fixed assets is not reflected.	<u>-4,925.54</u>
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>254,935.72</u>
Property Taxes receivable and special assessments are reported in the period to be financed by the property tax levy for both the governmental funds and the statement of net assets, but in the funds statement of net assets, "available" (within a 30 day period) are offset with deferred revenue	<u>-71,536.11</u>
Governmental funds do not reflect the change in accrued leave, but the statement of activities reflects the change in accrued leave through expenditures.	<u>-1,423.85</u>
Change in Net Assets of Governmental Activities	<u><u>164,861.33</u></u>

CITY OF FORT PIERRE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
For the Year Ending 12/31/2007

	Business-type Activities-Enterprise Funds			Totals Current Year
	Water	Electric	Sanitary Sewer	
ASSETS:				
CURRENT ASSETS:				
0100 Cash	-\$56,809.83	-\$50,757.63		-\$107,567.46
1150 Accounts Receivable	\$23,037.54	\$200,406.95	\$26,507.55	\$249,952.04
1151 Accounts Receivable - Surcharge		\$18,296.68		\$18,296.68
1152 NSF Checks Receivables		\$129.00		\$129.00
1230 Special Assessments Receivables	\$8,117.46			\$8,117.46
1350 Interest Receivable				\$0.00
1410 Inventory of Supplies	\$33,233.42	\$494,836.64	\$7,534.30	\$535,604.36
TOTAL CURRENT ASSETS:	\$7,578.59	\$662,911.64	\$34,041.85	\$704,532.08
NONCURRENT ASSETS:				
0710 Restricted Cash - Facility Replacement			\$24,072.18	\$24,072.18
0720 Restricted Cash - Debt Service		\$331,033.15		\$331,033.15
0730 Restricted Cash - Capital Outlay			\$14,847.80	\$14,847.80
0740 Restricted Cash - Bond Reserve		\$774,689.85		\$774,689.85
750 Restricted Cash - Meter Deposits	\$2,250.00	\$69,051.80		\$71,301.80
Capital Assets:				
1600 Land	\$27,587.32	\$115,999.00	\$19,990.56	\$163,576.88
1620 Buildings	\$810,296.25	\$3,802,895.88		\$4,613,192.13
1640 Improvements Other Than Buildings	\$2,279,777.98	\$2,221,579.64	\$6,591,069.70	\$11,092,427.32
1660 Machinery & Equipment	\$72,283.91	\$326,731.29	\$159,696.03	\$558,711.23
Less Accumulated Depreciation	-\$1,338,619.08	-\$1,778,113.72	-\$1,323,397.37	-\$4,440,130.17
1680 Construction in Progress		\$3,088.00		\$3,088.00
TOTAL NONCURRENT ASSETS:	\$1,853,576.38	\$5,866,954.89	\$5,486,278.90	\$13,206,810.17
TOTAL ASSETS	\$1,861,154.97	\$6,529,866.53	\$5,520,320.75	\$13,911,342.25
LIABILITIES				
CURRENT LIABILITIES				
2020 Accounts Payable	\$639.58	\$96,537.33	\$2,104.78	\$99,281.69
2060 Contracts Payable				\$0.00
2160 Accrued Wages Payable	\$44.83	\$44.84	\$44.84	\$134.51
2080 Due to General Fund				\$0.00
2200 Customer Deposits	\$2,250.00	\$69,051.80		\$71,301.80
2240 Deferred Revenue	\$8,117.46			\$8,117.46
2261 Bonds Payable	\$58,824.56	\$207,593.26	\$57,910.67	\$324,328.49
TOTAL CURRENT LIABILITIES	\$69,876.43	\$373,227.23	\$60,060.29	\$503,163.95
NONCURRENT LIABILITIES				
2310 Bonds Payable	\$186,693.41	\$3,297,406.74	\$755,348.53	\$4,239,448.68
2330 Accrued Leave Payable	\$5,527.03	\$17,930.75	\$5,527.03	\$28,984.81
2360 Advance from Another Fund			\$40,000.00	\$40,000.00
2370 Other Long Term Payable		\$71,913.59		\$71,913.59
TOTAL NONCURRENT LIABILITIES	\$192,220.44	\$3,387,251.08	\$800,875.56	\$4,380,347.08
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	\$1,605,808.41	\$1,184,092.09	\$4,634,099.72	\$7,424,000.22
2511 Restricted for Debt Service	\$0.00	\$331,033.15		\$331,033.15
2512 Restricted for Bond Reserve		\$774,689.85		\$774,689.85
2516 Restricted for Facility Replacement	\$0.00		\$25,287.00	\$25,287.00
2519 Restricted for Capital Outlay			\$14,847.80	\$14,847.80
2520 Unrestricted	-\$6,750.31	\$479,573.13	-\$14,849.62	\$457,973.20
TOTAL NET ASSETS	\$1,599,058.10	\$2,769,388.22	\$4,659,384.90	\$9,027,831.22
TOTAL LIABILITIES AND NET ASSETS	\$1,861,154.97	\$6,529,866.53	\$5,520,320.75	\$13,911,342.25

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

CITY OF FORT PIERRE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2007

	Business-type Activities-Enterprise Funds			Totals
	Water Fund	Electric Fund	Sanitary Sewer Fund	
Operating Revenue				
Charges for Goods and Services	\$224,394.50	\$1,872,197.28	\$267,372.21	\$2,363,963.99
Total Operating Revenue	\$224,394.50	\$1,872,197.28	\$267,372.21	\$2,363,963.99
Operating Expenses				
Personal Services	\$133,957.88	\$312,361.19	\$114,240.69	\$560,559.76
Other Current Expense	\$198,848.09	\$58,249.55	\$69,256.80	\$326,354.44
Costs of Goods Sold		\$828,908.98		\$828,908.98
Depreciation	\$97,668.84	\$150,489.04	\$215,202.74	\$463,360.62
Total Operating Expenses	\$430,474.81	\$1,350,008.76	\$398,700.23	\$2,179,183.80
Operating Income (Loss)	-\$206,080.31	\$522,188.52	-\$131,328.02	\$184,780.19
Non-Operating Revenue (Expenses)				
Interest Revenue		\$25,847.34		\$25,847.34
Special Assessment	\$1,937.30			\$1,937.30
Rentals				\$0.00
State Grant				\$0.00
Misc. Non-operating Revenue		\$6,914.84		\$6,914.84
Interest Expense	-\$3,106.08	-\$133,444.90	-\$29,068.61	-\$165,619.59
Sale of Fixed Assets				\$0.00
Compensation for Loss/Damage to Assets	\$214.86	\$2,530.03		\$2,744.89
Total Non-Operating Revenue (Expenses)	-\$953.92	-\$98,152.69	-\$29,068.61	-\$128,175.22
Income (Loss) before Contributions	-\$207,034.23	\$424,035.83	-\$160,396.63	\$56,604.97
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Changes in Net Assets	-\$207,034.23	\$424,035.83	-\$160,396.63	\$56,604.97
Total Net Assets, January 1, 2007	\$1,806,092.33	\$2,352,724.03	\$4,819,781.53	\$8,978,597.89
Adjustments to Retained Earnings	\$0.00	-\$7,371.63	\$0.00	-\$7,371.63
Total Net Assets, December 31, 2007	\$1,599,058.10	\$2,769,388.22	\$4,659,384.90	\$9,027,831.22

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

**CITY OF FORT PIERRE
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
For the Year Ending December 31, 2007**

	<u>Water</u>	<u>Electric</u>	<u>Sewer</u>	<u>Totals</u>
Cash Flows from Noncapital Financing Activities				
Operating Transfer In (Out)				\$0.00
Cash Flows from Capital and Related Financing Activities				
Capital Contributions				\$0.00
Compensation for Loss/Damage to Assets				\$0.00
Rentals				\$0.00
Sale of Fixed Assets				\$0.00
Agent's Fee				\$0.00
Bond Discount/Premium				\$0.00
Purchase of Equipment				\$0.00
Improvements				\$0.00
Bond Debt Retirement				\$0.00
Other Long-term Debt Retirement				\$0.00
Non-operating Revenue				\$0.00
Adjustment to Retained Earnings				\$0.00
Interest Expense				\$0.00
Cash Flows from Investment Activities				
Interest Received				\$0.00
Net (De) Increase in Cash				
Cash Equivalents During Year	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Cash & Cash Equivalents at Beginning of Year	\$0.00	\$0.00	\$0.00	\$0.00
Cash & Cash Equivalents at End of Year	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities				
Operating Income (Loss)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Cash Flow from Operating Activities				
(In) Decrease in Receivables				\$0.00
(In) Decrease in NSF				\$0.00
(In) Decrease in Notes Receivable				\$0.00
(In) Decrease in Inventory				\$0.00
Depreciation Expense				\$0.00
(De) Increase in Accounts Payables				\$0.00
(De) Increase in Contracts Payable				\$0.00
(De) Increase in Vested Leave				\$0.00
(De) Increase in Other Long-term Debt				\$0.00
(De) Increase in Long-term Debt				\$0.00
(De) Increase in Customer Deposits				\$0.00
(De) Increase in Sales Tax Payable				\$0.00
Net Cash Provided (Used) by Operating Activities	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

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

**CITY OF FORT PIERRE
BALANCE SHEET
FIDUCIARY FUNDS
For the Year Ending 12/31/2007**

	Agency Funds
ASSETS:	
0100 Cash	\$214,535.15
1210 Special Assessments--Current	\$763.54
1220 Special Assessments--Delinquent	\$3,006.73
1230 Special Assessments-Deferred	\$614,125.46
TOTAL ASSETS	\$832,430.88
 LIABILITIES AND FUND BALANCES:	
LIABILITIES	
2180 Amts. Held for Spec. Assess. Debt Service	\$102,615.39
2240 Deferred Revenue	\$617,895.73
TOTAL LIABILITIES	\$720,511.12
 FUND BALANCES:	
2620 Unreserved Fund Balance	\$111,919.76
TOTAL FUND BALANCES	\$111,919.76
TOTAL LIABILITIES AND FUND BALANCES	\$832,430.88

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Notes to the Basic Financial Statements

**CITY OF FORT PIERRE
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity:

The reporting entity of the City of Fort Pierre consists of the primary government; those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The Primary Government Unit is the City of Fort Pierre. The City participates in two cooperative units:

- 1.) Stanley County Law Enforcement (with Stanley County), see Note 19 for specific disclosure.
- 2.) Expo Building (Hughes County, Stanley County, and City of Pierre). See detailed note 20 for specific disclosure.

The City has created a Housing and Redevelopment Commission under the authority of South Dakota Codified Law (SDCL 11-7-7). The City created this Housing and Redevelopment Commission solely for the purpose of abdicating its power or authority to the City of Pierre Housing and Redevelopment Commission.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments.

b. Basis of Presentation:

On June 10, 1999, the Governmental Accounting Standards Board (GASB) issued Statement of Governmental Accounting Standards No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (No. 34). GASB No. 34 amended accounting principles generally accepted in the United States (USGAAP) by establishing a new reporting model for the annual financial reports for state and local governments, including states, cities, towns, villages, counties, school districts and special purpose governments. For the City, GASB No. 34 implementation is first required for the calendar year ending December 31, 2004, but the City elected to early-implement GASB No. 34 for the calendar year ending December 31, 2002. The new reporting model significantly changed the focus of the required financial statements from a focus on fund types to a focus on major funds and on government-wide information.

Government-Wide Statements: The statement of net assets and the statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other no exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and

fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund. The General Fund is the general operating fund of the City. It is used to account for all financial resources of the general government except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes. The BBB Sales and Use Tax, Second One Percent Sales & Use, and Cemetery Funds are the only special revenue funds and are considered minor funds.

Capital Project Funds. Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments). The U.S. Corps of Engineers (COE) Capital Project Fund and Stanley Townsite/Vintage Square are the only capital project funds maintained by the City and are considered minor funds.

Proprietary Funds:

Enterprise funds - enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds:

Agency Funds - agency funds are used to account for resources held by the City in a purely custodial capacity (assets equal liabilities). Since agency funds are custodial in nature they do not involve the measurement of the results of operations. The 5th and 2nd Avenue, Stanley Townsite, and Vintage Square Special Assessment Funds are the only agency fund of the City.

The City reports the following major governmental funds:

General Fund - See above description

The City reports the following major enterprise funds:

Enterprise Funds:

Water Fund - Every City may construct, establish, operate and maintain a system of waterworks and facilities in connection therewith; may regulate the distribution and use of water supplied thereby; may acquire a suitable supply of water, whether within or without the City; may maintain dams, reservoirs, intakes, spillways, conduits, or other devices to gather and store surface, flood or other waters within or without the City either as a direct source of water to the City or as a supply of water from which any other source of the water supply of the City may be replenished or restored; may advantageously dispose of, to districts, subdivisions, and areas, outside the limits of the City to which supply lines may extend, any municipal supply of water, including stored water, not required or used for municipal purposes and any surplus water may be disposed of to any outside district where the water is delivered into a natural watercourse for irrigation purposes; may assess, levy and collect taxes and special assessments for such purposes; and may appropriate funds and levy taxes to accumulate funds for such purposes, as provided by this title. The accumulated funds shall be placed in a separate fund which may not revert at the end of the fiscal year. The amount of the fund may never exceed an amount equivalent to ten dollars per thousand dollars of taxable valuation of all property within the City. The fund shall be established by a resolution adopted pursuant to chapter 9-19. Every City may enter into agreements with the United States, with the state of South Dakota and with any authorized agency, subdivision or unit of government, federal or state, to carry out such purposes. (SDCL 9-47-1)

Electric Fund - Every City shall have power to construct, operate, and maintain any system or part thereof to provide light, heat, and power; to purchase electric current from within the limits of the City; to sell electric current to be transmitted to any point within the City; and to maintain transmission lines for such purposes without the City. (SDCL 9-39-1)

Sewer Fund - Every City may establish and construct main, trunk, and service sewers, and septic or sewage treatment plants, drains, and manholes either within its corporate limits or within ten miles of its corporate limits; may appropriate funds and levy taxes to accumulate funds for such purposes; may establish sewer districts as provided by this title; may acquire any sewer, drain, or system of sewerage and drainage already established and constructed; and may acquire land within or without the City for a septic or sewage treatment plant or outlet to any main sewer, and may assess the cost thereof with cost of any necessary extension or connection of such main sewer to all the property within the sewer district benefited as provided by this title. The proceeds of any taxes levied for the accumulation of funds under this section shall be placed in a separate fund which may not revert at the end of the fiscal year. The amount of the fund may never exceed an amount equivalent to ten dollars per thousand dollars of taxable valuation of all property within the City. The fund shall be established by a resolution adopted pursuant to chapter 9-19. (SDCL 9-48-2)

c. Measurement Focus and Basis of Accounting:

Measurement Focus:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. No exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year which all eligibility requirements have been satisfied.

In the fund financial statements, the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers significant revenues reported in the

governmental funds to be available if the revenues are collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Business-type activities and enterprise funds do not apply any FASB Statements and Interpretations issued after November 30, 1989.

Basis of Accounting:

Fund Financial Statements:

All governmental funds and similar fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the City of Fort Pierre, the length of that cycle is 60 days. The revenues which are accrued at December 31, 2007 are property taxes, sales and use taxes, fines, state shared taxes, and other county collected taxes.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary funds and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.
2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in this manner, expense reductions occur in the General Fund so that expenses are reported only in the function to which they relate.

Noncurrent portions of long-term interfund receivables (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources."

e. Capital Assets:

Capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets, including roads and bridges, are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Interest costs incurred during construction of capital assets are not capitalized along with other capital asset costs.

The total December 31, 2007 balance of capital assets includes approximately 10 percent for which the costs were determined by estimates of the original costs. These estimated original costs were established by appraisals or deflated current replacement cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with *net* capital assets reflected in the Statement of Net Assets. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows: tangible capital-type items shall only be capitalized if they have an estimated useful life of at least two years following the date of acquisition; capitalization thresholds are applied to individual items rather than to groups of similar items (e.g., desks and tables); infrastructure assets shall be treated separately from other capital assets for purposes of establishing capitalization thresholds; the minimum capitalization threshold shall equal \$5,000 for any individual item; the City of Fort Pierre shall exercise control over their non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the departmental level. Capital assets are being depreciated using the straight-line method. Estimated useful lives vary from 5 - 25 years for machinery and Equipment, 20 - 33 years for Buildings and 10 - 50 years for Improvements.

Land, an inexhaustible capital asset, is not depreciated.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition.

Capital assets used in proprietary fund operations are accounted for, on the accrual basis, the same as in the government-wide statements.

f. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of bonds payable and accrued leave payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenues and payment of principle and interest reported as expenditures. The accounting for proprietary fund is on the accrual basis, the same in the fund statement as it is in the government-wide statements.

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the Municipality's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

h. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Activities, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

i. Cash and Cash Equivalents:

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of its/their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

j. Equity Classifications:

Government-wide Statements:

Equity is classified as net assets and is displayed in three components

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Reserved" and "Unreserved" components. Proprietary fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity (except for Agency Funds, which have no fund equity) is reported as net assets held in trust for other purposes.

k. Application of Net Assets:

It is the City's policy to first use restricted net assets, prior to the use of unrestricted net assets, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City is prohibited by statute from spending in excess of appropriated amounts at the department level. The City did not exceed the legally established budget authority.

3. DEFICIT FUND BALANCE/FUND NET ASSETS

As of December 31, 2007, no fund had a deficit fund balance.

4. DEPOSITS AND INVESTMENTS

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by South Dakota Codified Law. These restrictions are summarized below:

Deposits - The municipal deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 110 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota. Deposits are reported at cost, plus interest, if the account is of the add-on type.

State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investments. The City's policy is to credit all income from deposits and investments to the fund making the investment. The actual bank balance at December 31, 2007 was as follows:

Depository / Account	Subtotal	Total
Petty Cash - City Office	\$420.00	\$420.00
American State Bank		
Checking Account	-\$67,161.26	
US Corps of Engineers Account	\$1,673,171.44	
Cemetery Checking Account	\$196.23	
Special Assessment Account	\$81,058.95	\$1,687,265.36
First National Bank - Sioux Falls		
Reserve Account	\$331,033.15	
Bond Account	\$24,689.85	\$355,723.00
Reinke-Gray Wealth Management		
Cemetery Investment Account	\$34,236.86	
City Investment Account	\$691,694.33	
2007 Electric RO Account	\$655,005.71	\$1,380,936.90
Total Cash in Bank Balance		\$3,424,345.26

The carrying amount of deposits on the December 31, 2007 balance sheet was \$3,424,345.26.

Reconciliation of deposits to Government-Wide Statement of Net Assets:

Cash and Cash Equivalent	\$3,459,284.92
Add: Agency Fund Cash	\$214,535.15
Subtract: SD PAA Cash	-\$29,390.19
Subtract: Expo Cash	-\$5,549.47
	\$3,638,880.41

Investments - In general, SDCL 4-5-6 permits municipal funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Investments are reported at fair value.

The entity's investments, except for mutual funds, are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the entity's name.

Investments at December 31, 2007 were as follows:

Mutual Funds:	
Goldman Sachs - Treasury Obligation Fund	24,322.78
Goldman Sachs - Treasury Obligation Fund	9,022.54
Franklin US Gov't FD Fund	34,236.86
TOTAL INVESTMENTS	\$67,582.18

5. RECEIVABLES AND PAYABLES

Business-Type Activities:

Business-type activities receivables are composed of amounts owed the City by municipal residents for water, electric, and sanitary sewer services rendered.

Governmental Activities:

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the City's taxes and remits them to the City.

The City is permitted by state statute to levy the following amounts of taxes per \$1,000 of taxable valuation of the property in the City:

2007 Property Tax Levy	\$683,720.00
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State Statute allows the tax rates to be raised by special election of the voters.

The combined tax rate to finance municipal services including principal and interest on long-term debt for the year ended December 31, 2007 was \$6.175 per \$1,000 of taxable valuation, which is a decrease from \$6.293 in 2006. The tax rate for 2005 equaled \$6.525.

6. INVENTORY

Inventory is valued at the lower of cost or market. The cost valuation method is the first in, first out (FIFO) method. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve that indicates that they do not constitute "available spendable resource" even though they are a component of net current assets.

7. DEFERRED REVENUE

Receivables, such as current taxes receivable, may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

8. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the Governmental Activities for the year ended December 31, 2007 is as follows:

	1/1/2007 Balance	Additions	Deletions	2007 Depreciation	12/31/2007 Balance
Land	\$965,794				\$965,794
Buildings	\$493,640				\$493,640
Accum. Deprec.	-\$160,124			-\$12,131	-\$172,255
Improvements	\$5,272,425	\$553,482			\$5,825,907
Accum. Deprec.	-\$686,677			-\$282,000	-\$968,677
Machine & Equip.	\$517,810	\$22,190			\$540,000
Accum. Deprec.	-\$175,591			-\$44,704	-\$220,296
Const. in Progress	\$32,800	\$32,112			\$64,912
Not Deprec.	\$0				\$0
Total	\$6,260,077	\$607,784	\$0	-\$338,835	\$6,529,026

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$0.00
Public Safety	\$9,033.97
Public Works	\$230,454.06
Culture and Recreation	\$99,346.77
Total Depreciation Expense - Governmental Activities	\$338,834.80

A summary of changes in capital assets for the Business-Type Activities for the year ended December 31, 2007 is as follows:

	1/1/2007 Balance	Additions	Deletions	2007 Depreciation	12/31/2007 Balance
Land	\$163,577	\$0	\$0		\$163,577
Buildings	\$4,613,192	\$0	\$0		\$4,613,192
Accum. Deprec.	-\$1,108,227		\$0	-\$76,403	-\$1,184,629
Machine & Equip.	\$558,711	\$0	\$0		\$558,711
Accum. Deprec.	-\$302,610		\$0	-\$40,004	-\$342,614
Improvements	\$10,821,509	\$270,918	\$0		\$11,092,427
Accum. Deprec.	-\$2,565,933		\$0	-\$346,954	-\$2,912,887
Const. in Progress	\$94,110	\$0	\$0		\$94,110
Not Deprec.	\$0	\$3,088	-\$94,110	\$0	-\$91,022
Total	\$12,274,329	\$274,006	-\$94,110	-\$463,361	\$11,990,865

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Water	\$97,669
Electric	\$150,489
Sanitary Sewer	\$215,203
Total depreciation expense—Business-Type Activities	\$463,361

9. LONG-TERM DEBT

A summary of the changes in long-term debt follows:

	Revenue Bonds	Special Assessment	Transmission Capacity Agreement	Compensated Absences	Financing (Capital Acquisition) Leases	Total
Debt Payable, January 1, 2007						0
New Issues:						0
						0
Change in Compensated Absences						0
Retired						0
DEBT PAYABLE, DEC. 31, 2007	0	\$0	\$0	\$0	\$0	0

(Note: The above numbers have been rounded to the nearest dollar)

Debt payable at December 31, 2007 is comprised of the following:

Revenue Bonds:

Series 2003 Water Revenue Bonds. Interest rate 3.832%, final payment due May 16, 2008. Debt is repaid from Water Fund.	\$ 16,856.17
Series 2004 Special Assessment Bond, interest rate of 3.25%, final payment due November 15, 2009. This debt will be repaid by the proceeds from the sale of lots at the Broken Timber Addition.	\$ 89,108.96
Series 2005 Revenue Obligation Bond, interest rate 3.950%, final payment due November 18, 2010. Debt is repaid from General Fund Sales Tax.	\$ 62,332.94
Series 2005 Revenue Obligation Bond, interest rate 3.950%, final payment due November 18, 2010. Debt is repaid from Water Fund.	\$ 31,161.80
Series 2003 Water Revenue Bonds. Interest rate 4.67%, final payment due August 22, 2012. Debt is repaid from Water Fund.	\$ 125,000.00

Series 2003 Sales Tax Revenue Bond, interest Rate of 4.07%, final payment due May 16, 2013. This debt will be repaid by the sale of lots at the Teton Island Addition. This debt refunded a similar debt.	\$ 436,512.66
Series 2004 Special Assessment Bond, interest rate of 3.85%, final payment due November 1, 2014. This debt will be repaid by the sale of lots at the Teton Island Addition.	\$ 574,067.71
Series 2002 State Revolving Fund (SRF) Sanitary Sewer, maturity date April 1, 2018, 3.5% interest. Debt is repaid from Sanitary Sewer Fund.	\$ 343,615.35
Series 2002 Electric Surcharge. Maturity date December 2018, 4.64% interest. Debt is repaid from the Electric Fund.	\$ 2,755,000.00
Series 2004 State Revolving Fund (SRF) Sanitary Sewer, maturity date June 1, 2026 3.5% interest. Debt is repaid from Sanitary Sewer Fund.	\$ 419,643.85
Series 2006 Sales Tax Revenue Bond, interest Rate of 4.97%, final payment due Nov 20, 2018. Debt will be repaid by the General Sale Tax.	\$ 669,183.57
Series 2007 Electric Revenue Bond. Maturity date October 2019, 4.77% interest. Debt is repaid from the Electric Fund.	\$ 750,000.00

Other:

Transmission Capacity Agreement with West Central Electric Cooperative, maturity date September 2015, 2% interest rate, debt is repaid from Electric Fund.	\$ 43,909.03
Interfund Short Term Loan transfer to subsidize the construction of the East Main Sanitary Sewer Project. This debt will be repaid from the Sanitary Sewer Fund.	\$ 40,000.00
Interfund Short Term Loan transfer to temporarily subsidize the construction of the Rousseau Ave./Vinton Ave. Projects. This debt will be repaid from the respective Cap. Project Fund	\$ 40,000.00

Compensated Absences:

Paid out of the General, Electric, Water and Sanitary Sewer Funds. Payment to be made by the fund that the payroll expenditures are charged to.	\$ 46,856.63
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Financing (Capital Acquisition) Leases:

Street Sweeper - maturity date November 2010, 3.5% interest, repaid from the General Fund.	\$ 55,510.86
Mini-Excavator - maturity date November 2010, 3.5%	\$ 28,010.06

interest, repaid from the Electric Fund.

The annual requirements to maturity for all debt outstanding as of December 31, 2007, excluding compensated absences are as follows:

Business-Type Activities

Yr.	Revenue Bonds		Financing (Capital Acquisition) Leases		Transmission Capacity		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
08	204,953	138,714	9,283	835	5,303	839	219,540	140,387
09	199,097	131,712	9,616	502	5,410	732	214,123	132,945
10	215,132	124,132	9,114	160	5,519	623	229,765	124,915
11	231,203	115,660			5,631	511	236,834	116,172
12	242,313	106,050			5,744	398	248,057	106,448
13	253,462	95,766			5,860	282	259,322	96,048
14	264,652	84,786			5,978	164	270,630	84,950
15	275,885	72,974			4,464	44	280,349	73,018
16	297,161	60,297					297,161	60,297
17	313,483	46,106					313,483	46,106
18	303,130	31,120					303,130	31,120
19	315,000	16,380					315,000	16,380
	3,115,472	1,023,697	28,013	1,497	43,909	3,593	3,187,393	1,028,787

Governmental Activities

Yr	Revenue Bonds		Financing (Capital Acquisition) Leases		Special Assessments		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
08	172,508	38,220	18,397	1,654	121,589	24,998	312,494	64,872
09	179,591	32,137	19,056	995	123,797	20,582	322,445	53,713
10	186,958	23,770	18,063	317	80,402	16,085	285,423	40,172
11	172,143	16,325			81,950	12,989	254,093	29,315
12	179,220	9,248			83,528	9,834	262,748	19,082
13	92,355	1,879			85,136	6,619	177,490	8,498
14					86,774	3,341	86,774	3,341
	982,775	121,580	55,516	2,966	663,177	94,447	1,701,468	218,993

As of December 31, 2007, the City was acting as a fiscal agent for the following special assessment issues:

Special Assessment Bond, Series 1999 2 nd Ave. Curb & Gutter	5.00%	Dec. 29, 2009	\$6,862.86
Special Assessment Bond, Series 2005 Waldron St. Curb & Gutter	3.37%	Jun. 23, 2010	\$39,065.62
Special Assessment Bond, Series 2006 Vintage Square	4.16%	Nov. 15, 2011	\$643,788.24
Special Assessment Bond, Series 2006 Rousseau Avenue	4.52%	Nov. 15, 2016	\$515,628.04
Special Assessment Bond, Series 2006 Vinton Avenue Sewer	4.52%	Nov. 15, 2016	\$140,625.83
Special Assessment Bond, Series 2007 Far West & Buffalo Rd Utilities	3.93%	Sept. 19, 2012	\$122,500.00

The City is liable neither directly nor indirectly for the preceding special assessments.

10. CONDUIT DEBT

As of December 31, 2007, there were no outstanding series of conduit bonds outstanding.

11. OPERATING LEASES

The City is leasing a copy machine through Mid-America Leasing Company. This is a 51-month lease with a final payment to be made in May 2011. Payments are being made from the General Fund with 58% of the cost billed to non-City agencies.

The following is the minimum payment on this operating lease:

<u>Year</u>	<u>General Fund</u>
2008	\$3,571.56
2009	\$3,571.56
2010	\$3,571.56
2011	\$3,571.56

12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

This requirement is effectively met by the statements in this report because all enterprise funds maintained by the City have been reported as major funds, in which the required segment information has already been disclosed in the basic financial statements.

13. INDIVIDUAL FUND INTERFUND RECEIVABLE AND PAYABLE BALANCES

The City established a \$40,000 Interfund Receivable in the Second One Percent Sales Tax Fund in FY 2005 for a loan to the Sanitary Sewer Fund to pay for the cost of the Main Street sanitary sewer project. The City established a \$40,000 Interfund Receivable in the Second One Percent Sales Tax Fund in FY 2007 for a loan to the Vintage Square Stanley Townsite fund to pay for the costs associated with the improvements. The later interfund loan is scheduled for repayment at a later date.

14. PRIOR PERIOD ADJUSTMENT

No prior period adjustments were made in FY 2007.

15. RETIREMENT PLAN

All employees working more than twenty hours per week after the first six months of service participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivors benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3- 12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute six percent of their salary to the plan, while public safety and judicial employees contribute at eight and nine percent. State statute also requires the employer to contribute an

amount equal to the employee's contribution. The City's share of contributions to the SDRS for the fiscal year ended December 31, 2007, 2006 and 2005 were \$41,729.79, \$36,803.48, and \$36,940.93 respectively, equal to the required contributions each year.

16. SIGNIFICANT COMMITMENTS

The City has committed to construct an asphalt surface and storm sewer system, at the city's expense, within the Teton Island and Broken Timber subdivisions after a significant amount of the property has been developed.

17. LITIGATION

As of December 31, 2007, the City Attorney's Office is aware of one pending or potential litigation against the City. Litigation against the City is potential in a matter involving Josh and Tanya Lieberman. Issues relate to a newly-constructed water retention pond near the Fort Pierre Livestock Auction. This matter is being handled on behalf of the City by attorney Zachary Peterson, Richardson, Wyly, Wise, Sauck & Hieb, LLP, Aberdeen, South Dakota.

The City does have certain actions pending regarding violations of City ordinances; however, the City is not a defendant in any of these actions, nor have any counterclaims been made. In addition, the Office of the City Attorney is unaware of any potential or threatened litigation as of December 31, 2007. As a governmental entity, the City is always subject to claims brought under Section 1983 of Title 42 of the U.S. Code, but the Office of the City Attorney is unaware of any such threatened suits nor of any practices by the City which should peculiarly expose the City to such claims.

19. STANLEY COUNTY LAW ENFORCEMENT

Stanley County Law Enforcement, a joint venture, is intended to be a separate legal entity pursuant SDCL 1-24-19 and SDCL 9-12-4 for services including the enforcement of state and federal laws, county and city ordinances and regulation. Membership to the Law Enforcement Board includes two Council members. The City has an equity interest of 58% of the net assets. This legally separate corporation is presented as an Agency Fund on these financial statements. As of December 31, 2007, this joint venture had a total equity of \$111,919.76.

20. EXPOSITION BUILDING

The Exposition Building is an undivided interest, or joint operation, between the City of Fort Pierre, City of Pierre, Hughes County, and Stanley County for the construction and operation of a multiple use exposition building, located at the Stanley County Fairgrounds in Fort Pierre, South Dakota. The primary use of the facility during winter months will be for hockey with multiple uses during other times. Construction started in 1998 and was completed in 1999. Interest in the facility is as follows:

- City of Fort Pierre 15%
- City of Pierre 35%
- Hughes County 35%
- Stanley County 15%

The City's interest in this facility as of December 31, 2007 is reported as a Building Capital Asset. Hughes County acted in the capacity of fiscal agent during the construction of the facility, while the City of Fort Pierre acted in the capacity of fiscal agent for parking lot and storm sewer improvements. Financial statements for this joint operation are available from the Hughes County Finance Officer.

21. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2007, the City managed its risks as follows:

Employee Health Insurance:

The City purchases health insurance for its employees from a commercial insurance carrier.

Liability Insurance:

The City joined the South Dakota Public Assurance Alliance, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The City pays an annual premium to the pool to provide coverage for general liability insurance.

The agreement with the South Dakota Public Assurance Alliance provides that the above coverage's will be provided to a \$1,500,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 to the upper limit. The City carries a \$500 deductible for the public officials' liability and \$2,000 deductible for the law enforcement coverage.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

The City has been unable to obtain liability coverage at a cost it considered to be economically justifiable. The City joined the South Dakota Public Assurance Alliance, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota's local government entities. The City pays an annual premium to the pool to provide coverage for general liability, public official liability, property, boiler, and auto physical and liability damage.

The agreement with the South Dakota Public Assurance Alliance provides that the above coverage will be provided to a \$2,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 to the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

The City would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of the City's First Full Year	50%
End of the City's Second Full Year	60%
End of the City's Third Full Year	70%
End of the City's Fourth Full Year	80%
End of the City's Fifth Full Year	90%
End of the City's Sixth Full Year	100%

As of December 31, 2007, the City had a vested balance in the cumulative reserve fund of \$0.00. The City carries a \$250.00 deductible for the auto physical liability coverage. The City does not carry additional insurance to cover claims in excess of the upper limit.

Worker's Compensation:

The City has been unable to obtain workers compensation coverage at a cost it considered to be economically justifiable. The City joined the South Dakota Municipal League Worker's Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The City pays an annual premium to the pool to provide worker's compensation coverage for its employees. Coverage limits are set by state statute. The pool pays the first \$250,000 of any claim per individual. The pool has

reinsurance that covers up to \$1,750,000 per individual per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Unemployment Benefits:

The City provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

22. RESTRICTED NET ASSETS

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
General Fund	SD Public Assurance	\$29,390.19
General Fund	Inventory	\$543,899.69
General Fund	Debt Service	\$817,964.31
General Fund	Park Reserve	\$27,746.39
General Fund	Expo Building	\$5,103.01
Additional Second One Percent Fund	Law	\$80,000.00
Cemetery Care Fund	Law	\$31,926.51
Utility Funds	Bond Covenants	<u>\$1,145,857.80</u>
Total Restricted Net Assets for Other Purposes		<u>\$2,681,887.90</u>

23. SUBSEQUENT EVENTS

Lot 3 of Teton Island, owned by the City of Fort Pierre, was sold at a cost of \$300,000 and developed with a national restaurant chain. The receipt from the sale of the land was placed within general fund reserve to assist with the defeasance of the debt associated with Teton Island.

Required Supplemental Information

**CITY OF FORT PIERRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ending 12/31/2007**

	<u>Special Revenue</u>		<u>Permanent</u>	Total Nonmajor Governmental Funds
	BBB Sales Tax	Second One Percent Sales Tax	Cedar Hills Cemetery	
ASSETS:				
0100 Cash	-\$11,103.75	\$9,773.96	\$2,506.58	\$1,176.79
0770 Cemetery Trust Fund			\$31,926.51	\$31,926.51
1210 Special Assessments--Current		\$1,774.26		\$1,774.26
1220 Special Assessments--Delinquent		\$715.50		\$715.50
1230 Special Assessments-Deferred		\$4,771.87		\$4,771.87
1322 Due From State Government	\$8,320.35			\$8,320.35
1330 Advance to Another Fund		\$80,000.00		\$80,000.00
1430 Prepaid Expenses	\$1,250.00			\$1,250.00
TOTAL ASSETS	<u>-\$1,533.40</u>	<u>\$97,035.59</u>	<u>\$34,433.09</u>	<u>\$129,935.28</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
2020 Accounts Payable				\$0.00
2240 Deferred Revenue		\$7,261.63		\$7,261.63
TOTAL LIABILITIES	<u>\$0.00</u>	<u>\$7,261.63</u>	<u>\$0.00</u>	<u>\$7,261.63</u>
FUND BALANCES:				
2610 Reserved Fund Balance for Advance to Fund		\$80,000.00		\$80,000.00
2617 Fund Balance Reserve for Trust Fund			\$31,926.51	\$31,926.51
2620 Unreserved Fund Balance	-\$1,533.40	\$9,773.96	\$2,506.58	\$10,747.14
TOTAL FUND BALANCES	<u>-\$1,533.40</u>	<u>\$89,773.96</u>	<u>\$34,433.09</u>	<u>\$122,673.65</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>-\$1,533.40</u>	<u>\$97,035.59</u>	<u>\$34,433.09</u>	<u>\$129,935.28</u>

**CITY OF FORT PIERRE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ending 12/31/2007**

	<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>US COE</u>	<u>Stanley Townsite/ Vintage Square</u>	
ASSETS:			
0100 Cash	\$1,706,367.94	-\$2,825.46	\$1,703,542.48
TOTAL ASSETS	<u>\$1,706,367.94</u>	<u>-\$2,825.46</u>	<u>\$1,703,542.48</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES			
2090 Due to Other Government	\$443.50		\$443.50
2240 Deferred Revenue	\$1,705,924.44		\$1,705,924.44
2360 Advance from Another Fund		\$40,000.00	\$40,000.00
TOTAL LIABILITIES	<u>\$1,706,367.94</u>	<u>\$40,000.00</u>	<u>\$1,746,367.94</u>
FUND BALANCES:			
2620 Unreserved Fund Balance		-\$42,825.46	-\$42,825.46
TOTAL FUND BALANCES	<u>\$0.00</u>	<u>-\$42,825.46</u>	<u>-\$42,825.46</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,706,367.94</u>	<u>-\$2,825.46</u>	<u>\$1,703,542.48</u>

CITY OF FORT PIERRE
 COMBINING BALANCE SHEET
 AGENCY FUNDS
 For the Year Ending 12/31/2007

	Agency Funds				Total Agency Funds
	5th/2nd Ave. Spec Assessment	Stanley Townsite Spec Assessment	Vintage Square Spec Assessment	Stanley County Law Enforcement	
ASSETS:					
0100 Cash	\$3,105.82	\$70,869.69	\$28,639.88	\$111,919.76	\$214,535.15
1210 Special Assessments--Current	\$763.54				\$763.54
1220 Special Assessments--Delinquent	\$3,006.73				\$3,006.73
1230 Special Assessments-Deferred	\$501.94	\$499,802.44	\$113,821.08		\$614,125.46
TOTAL ASSETS	<u>\$7,378.03</u>	<u>\$570,672.13</u>	<u>\$142,460.96</u>	<u>\$111,919.76</u>	<u>\$832,430.88</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES					
2180 Amts. Held for Spec. Assess. Debt Service	\$3,105.82	\$70,869.69	\$28,639.88		\$102,615.39
2240 Deferred Revenue	<u>\$4,272.21</u>	<u>\$499,802.44</u>	<u>\$113,821.08</u>		<u>\$617,895.73</u>
TOTAL LIABILITIES	<u>\$7,378.03</u>	<u>\$570,672.13</u>	<u>\$142,460.96</u>	<u>\$0.00</u>	<u>\$720,511.12</u>
FUND BALANCES:					
2620 Unreserved Fund Balance				\$111,919.76	\$111,919.76
TOTAL FUND BALANCES	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$111,919.76</u>	<u>\$111,919.76</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$7,378.03</u>	<u>\$570,672.13</u>	<u>\$142,460.96</u>	<u>\$111,919.76</u>	<u>\$832,430.88</u>

CITY OF FORT PIERRE
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ending 12/31/2007

	<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>US COE</u>	<u>Stanley Townsite/ Vintage Square</u>	
Revenue			
332 Intergovernmental Revenue			
3320 US COE Grant	\$111,694.22		\$111,694.22
Total Grants	<u>\$111,694.22</u>	<u>\$0.00</u>	<u>\$111,694.22</u>
Total Revenue	<u>\$111,694.22</u>	<u>\$0.00</u>	<u>\$111,694.22</u>
Expenditures			
432 Sanitary Sewer			
432 Sanitary Sewer	\$55,326.50	-\$12,545.13	\$42,781.37
Total Sanitary Sewer	<u>\$55,326.50</u>	<u>-\$12,545.13</u>	<u>\$42,781.37</u>
434 Electric			
434 Electric	\$56,367.72		\$56,367.72
Total Electric	<u>\$56,367.72</u>	<u>\$0.00</u>	<u>\$56,367.72</u>
Capital Outlay	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Expenditures	<u>\$111,694.22</u>	<u>-\$12,545.13</u>	<u>\$99,149.09</u>
Excess (deficiency) of Revenues over Expenditures	<u>\$0.00</u>	<u>\$12,545.13</u>	<u>\$12,545.13</u>
Other Financing Sources (Uses)			
367 Contribution From Private Sources			\$0.00
391.1 Operating Transfers In			\$0.00
392 Proceeds From Long-term Liabilities			\$0.00
511 Operating Transfers Out		-\$12,215.36	-\$12,215.36
Total Other Financing Sources	<u>\$0.00</u>	<u>-\$12,215.36</u>	<u>-\$12,215.36</u>
Other Change in Fund Balances:	-\$19,596.02	\$0.00	-\$19,596.02
Net Change in Fund Balances	-\$19,596.02	\$329.77	-\$19,266.25
Fund Balance January 1, 2007	\$19,596.02	-\$43,155.23	-\$23,559.21
Fund Balance December 31, 2007	<u>\$0.00</u>	<u>-\$42,825.46</u>	<u>-\$42,825.46</u>

CITY OF FORT PIERRE
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ending 12/31/2007

	<u>Special Revenue</u>		<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>BBB Sales Tax</u>	<u>Second One Percent Sales Tax</u>	<u>Cedar Hills Cemetery</u>	
Revenue				
310 Taxes				
313 Sales & Use Tax	\$61,137.98	-		\$61,137.98
Total Taxes	<u>\$61,137.98</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$61,137.98</u>
360 Miscellaneous Revenue				
361 Interest Earned			\$1,772.15	\$1,772.15
363 Special Assessments		\$162.37		\$162.37
367 Special Assessments		\$423.83		\$423.83
Total Miscellaneous Revenue	<u>\$0.00</u>	<u>\$586.20</u>	<u>\$1,772.15</u>	<u>\$2,358.35</u>
380 Sales of Goods & Services				
861 Sale of Cemetery Lots			\$500.00	\$500.00
Total Miscellaneous Revenue	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$500.00</u>	<u>\$500.00</u>
Total Revenue	<u>\$61,137.98</u>	<u>\$586.20</u>	<u>\$2,272.15</u>	<u>\$63,996.33</u>
Expenditures				
437 Cemetery				
437 Cemetery			\$497.95	\$497.95
Total Cemetery	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$497.95</u>	<u>\$497.95</u>
460 Conservation & Development				
460 Economic Development	\$75,680.00			\$75,680.00
Total Conservation & Development	<u>\$75,680.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$75,680.00</u>
Capital Outlay	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Expenditures	<u>\$75,680.00</u>	<u>\$0.00</u>	<u>\$497.95</u>	<u>\$76,177.95</u>
Excess (deficiency) of Revenues over Expenditures	<u>-\$14,542.02</u>	<u>\$586.20</u>	<u>\$1,774.20</u>	<u>-\$12,181.62</u>
Other Financing Sources (Uses)				
391.1 Operating Transfers In				\$0.00
511 Operating Transfers Out				\$0.00
Total Other Financing Sources	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Other Change in Fund Balances:		\$0.00		\$0.00
Net Change in Fund Balances	-\$14,542.02	\$586.20	\$1,774.20	-\$12,181.62
Fund Balance January 1, 2007	\$13,008.62	\$89,187.76	\$32,658.89	\$134,855.27
Fund Balance December 31, 2007	<u><u>-\$1,533.40</u></u>	<u><u>\$89,773.96</u></u>	<u><u>\$34,433.09</u></u>	<u><u>\$122,673.65</u></u>

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Budgetary Comparisons for the General Fund And for each major Special Revenue Fund with a legally required budget.

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 City Council meeting in August of each year, the Finance Officer, under direction of the Mayor, shall submit to the City Council a proposed budget for the ensuing fiscal year. To implement the adopted budget of the ensuing fiscal year, the City Council shall, no later than its first regular meeting in September of each year or within 10 days thereafter, introduce the annual appropriation ordinance for the ensuing fiscal year, in which it shall appropriate the sums of money necessary to meet all lawful expenses and liabilities of the City. It is not necessary to appropriate revenue to be expended from an enterprise or trust and agency fund if the fund is not supported or subsidized by revenue derived from the annual appropriated tax levy. However, an annual budget for these funds shall be developed and published no later than the 1st day of December of each 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 four, five, or six below.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent (5.0%) of the total municipal budget and may be transferred by resolution of the governing board to any other budget category that is deemed insufficient during the year. A contingency line-item was not budgeted for in Fiscal Year 2007.
4. If during the fiscal year the finance officer certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council by ordinance may make supplemental appropriations for the year up to the amount of such excess revenues.
5. If at any time during the fiscal year it appears probable to the finance officer that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the finance officer shall report to the City Council without delay, indicating the estimated amount of the deficit, and recommendations as to any other steps to be taken. The Council shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may by ordinance reduce one or more appropriations.
6. At any time during the fiscal year the City Council may by resolution transfer part or all of the unencumbered appropriation balance from one department or major organizational unit to the appropriation for other departments or major organizational units. The finance officer, with approval of the Council, may transfer part or all of any unencumbered appropriation balances among programs within a department or organizational unit and shall report such transfers to the Council in writing prior to the next Council meeting.
7. A supplemental budget was adopted by the governing board during Fiscal Year 2007:

Ordinance No. 885
8. Unexpended appropriations lapse at year-end unless encumbered by resolution of the governing board. The City did not encumber appropriations at December 31, 2007.

9. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue service funds, and capital projects funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
10. Budgets for the General Fund, special revenue funds, and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2. EXPENDITURES IN EXCESS OF APPROPRIATIONS:

The City did not have a fund with a deficit fund balance.