

**MUNICIPALITY OF BRIDGEWATER  
BRIDGEWATER, SOUTH DAKOTA**

**AUDIT REPORT**

**FOR THE YEAR JANUARY 1, 2013 TO DECEMBER 31, 2013  
AND  
FOR THE YEAR JANUARY 1, 2014 TO DECEMBER 31, 2014**

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

MUNICIPALITY OF BRIDGEWATER

---

MUNICIPAL OFFICIALS  
DECEMBER 31, 2014

ACTING MAYOR:

George Guenther

GOVERNING BOARD:

George Guenther, President  
Bob Anderson, Vice-President  
Zach Guenther  
Phil Heiberger  
Jerry Paweltzki  
Lacey Weber

FINANCE OFFICER:

Joan Julson

ATTORNEY:

Mike Fink

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1-2
Schedule of Prior Audit Findings .....	3
Schedule of Current Audit Findings .....	4
Independent Auditor's Report .....	5-6
Management's Discussion and Analysis (MD&A) .....	7-13
<b>BASIC FINANCIAL STATEMENTS:</b>	
As Of and For the Year Ended December 31, 2014:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis .....	14
Statement of Activities – Modified Cash Basis .....	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet – Modified Cash Basis .....	16
Statement of Revenues, Expenditures, and Changes In Fund Balance – Modified Cash Basis .....	17-18
Proprietary Funds:	
Statement of Net Position – Modified Cash Basis .....	19
Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis .....	20
As of and For the Year Ended December 31, 2013:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis .....	21
Statement of Activities – Modified Cash Basis .....	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet – Modified Cash Basis .....	23
Statement of Revenues, Expenditures, and Changes In Fund Balance – Modified Cash Basis .....	24-25
Proprietary Funds:	
Statement of Net Position – Modified Cash Basis .....	26
Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis .....	27

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS  
(Continued)

Notes to the Modified Cash Basis Financial Statements .....	28-38
Supplementary Information:	
For the Year Ended December 31, 2014:	
Budgetary Comparison Schedules – Budgetary Basis:	
General Fund .....	39-40
Anniversary Fund .....	41
For the Year Ended December 31, 2013:	
Budgetary Comparison Schedules – Budgetary Basis:	
General Fund .....	42-43
Anniversary Fund .....	44
Notes to the Supplementary Information – Budgetary Comparison Schedules .....	45
Schedule of Long-Term Liabilities .....	46-47

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

CERTIFIED PUBLIC ACCOUNTANTS  
Phone: 605-928-7241  
FAX No.: 605-928-1441  
P.O. Box 247  
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

INDEPENDENT AUDITOR'S 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

Governing Board  
Municipality of Bridgewater  
Bridgewater, South Dakota

We have audited, 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, the modified cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Bridgewater, South Dakota (Municipality), as of December 31, 2014 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated June 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Current Audit Findings as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the

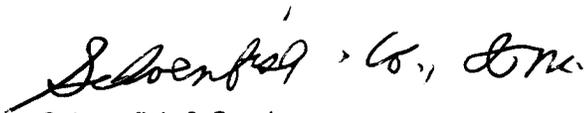
determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Municipality's Response to Findings

The Municipality's response to the findings identified in our audit is described in the accompanying Schedule of Current Audit Findings. The Municipality's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Schoenfish & Co., Inc.  
Certified Public Accountants  
June 8, 2015

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. Box 247  
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR OTHER AUDIT FINDINGS:

Finding Number 2012-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2014-001.

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2014-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for the revenues. This is the eighth consecutive audit in which a similar deficiency has been reported.

Criteria:

Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets.

Condition:

The Finance Officer processes all revenue transactions from beginning to end. The Finance Officer also receives money, issues receipts, records receipts, posts receipts in the accounting records, prepares bank deposits, reconciles bank statements, and prepares financial statements.

Effect:

As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation:

1. We recommend that the Municipality of Bridgewater officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical.

Management's Response:

The Municipality of Bridgewater Mayor, Michael Damm, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Municipality of Bridgewater, which precludes staffing at a level sufficient to provide an ideal environment for internal controls. We are aware of this problem and are attempting to provide compensating controls.

CLOSING CONFERENCE

The contents of this report were discussed with the mayor and the finance officer on June 24, 2015.

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. Box 247  
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

CERTIFIED PUBLIC ACCOUNTANTS  
Phone: 605-928-7241  
FAX No.: 605-928-1441  
P.O. Box 247  
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

INDEPENDENT AUDITOR'S REPORT

Governing Board  
Municipality of Bridgewater  
Bridgewater, South Dakota

Report on the Financial Statements

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Bridgewater, South Dakota, (Municipality) as of December 31, 2014 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Municipality's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, the business-type activities, and each major fund of the Municipality of Bridgewater as of December 31, 2014, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis of Accounting

We draw attention to Note 1.c. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the Municipality's financial statements. The Management's Discussion and Analysis (MD&A), the Budgetary Comparison Schedules, and the Long-Term Liabilities schedule listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2015 on our consideration of the Municipality's internal control over financial reporting and 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* in considering the Municipality's internal control over financial reporting and compliance.



Schoenfish & Co., Inc.  
 Certified Public Accountants  
 June 8, 2015

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
 P.O. Box 247  
 105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

MUNICIPALITY OF BRIDGEWATER  
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2014

Our discussion and analysis of the Municipality of Bridgewater's financial performance provides an overview of Bridgewater's financial activities for the fiscal year ended December 31, 2014, within the limitations of Bridgewater's modified cash basis of accounting. Please read it in conjunction with Bridgewater's financial statements.

## FINANCIAL HIGHLIGHTS

### 2014

- Bridgewater's total revenue exceeded total expenses, on the modified cash basis of accounting, by \$136,355 for the year. Most of the increase can be attributed the street repair/asphalting that didn't get done this year.
- The Municipality's General Fund ended the year with a fund balance of \$479,554.

### 2013

- Bridgewater's total expenses exceeded total revenue, on the modified cash basis of accounting, by \$51,849 for the year. Most of the decrease can be attributed the increased expenses from the 7<sup>th</sup> St grading/repair and the 5<sup>th</sup> St Sewer project & street repair.
- The Sewer Fund received the balance of \$7,760 in SRF Loan funds for the Main Street Sanitary Improvement Project. This made the total for this SRF Loan #3 \$256,273.
- The Municipality's General Fund ended the year with a fund balance of \$375,022.

## USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Municipality's modified cash basis of accounting.

### Report Components

This annual report consists of four parts as follows:

**Government-Wide Financial Statements:** The Statement of Net Position and the Statement of Activities provide information about the activities of the Municipality using a government-wide focus (or "as a whole").

**Fund Financial Statements:** Fund financial statements focus on the individual parts of Municipal government. Fund financial statements also report the Municipality's operations in more detail than the government-wide statements by providing information about the Municipality's most significant ("major") funds. For *governmental activities*, these statements tell how these services were financed in the short term as well as what remains for future spending. For *proprietary activities*, these statements offer financial information about the activities the Municipality operates like businesses, such as water and sewer services.

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Supplementary Information:** This Management’s Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Long Term Debt represent financial information that may be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as “the basic financial statement”).

### **Basis of Accounting**

Bridgewater has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under Bridgewater’s modified cash basis of accounting, revenues and expenses and related assets are recorded when they result from cash transactions, except for the recording of investments.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues, (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

### **Reporting the Municipality as a Whole**

#### ***The Municipality’s Reporting Entity Presentation***

This annual report includes all activities for which the Municipality of Bridgewater City Council is fiscally responsible. These activities, defined as Bridgewater’s reporting entity, are operated within separate legal entities that make up the primary government.

The primary government includes the following legal entities:

- The Municipality of Bridgewater

#### ***The Government-Wide Statement of Net Assets and the Statement of Activities***

One of the most important questions asked about the Bridgewater’s finances is, “Is Bridgewater as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about Bridgewater as a whole and about its activities in a way that helps answer this question. These statements include all of Bridgewater’s assets resulting from the use of the modified cash basis of accounting.

These two statements report Bridgewater’s net position and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of Bridgewater’s net position as one way to measure Bridgewater’s financial health or financial position. Over time, increases or decreases in Bridgewater’s net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in Bridgewater’s sales tax base and the condition of Bridgewater’s roads, to assess the overall health of Bridgewater.

In the Statement of Net Position and the Statement of Activities, we divide Bridgewater into two kinds of activities:

*Governmental activities.* Most of Bridgewater's basic services are reported here, including the ambulance, garbage, liquor, police, fire, general government, streets, and parks. Anniversary Fund is also reported here. Fees, sales taxes, property taxes and state and federal grants finance most of these activities.

*Business-type activities.* The Municipality charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Municipality's water and sewer systems are reported here.

## **Reporting the Municipality's Most Significant Funds**

### ***The Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds-not Bridgewater as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Municipality has two kinds of funds - *governmental and proprietary*.

***Governmental funds*** - Most of Bridgewater's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of Bridgewater's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance Bridgewater's programs. Bridgewater considers the General Fund and the Anniversary Fund to be its significant or major governmental funds. .

***Proprietary funds*** - When the Municipality charges customers for the services it provides, these services are generally reported in proprietary funds. Bridgewater's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements but the fund statements provide more detail and additional information.

The Municipality currently has no fiduciary funds. *Fiduciary funds* are often used to account for assets that are held in a trustee or fiduciary capacity such as pension plan assets, assets held per trust agreements, and similar arrangements.

## A FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

### Net Position - Modified Cash Basis

#### 2014

Bridgewater's combined net position, resulting from modified cash basis transactions, increased from approximately \$630,140 to \$766,494 between fiscal years 2013 and 2014. Looking at the net position and net expenses of governmental and business-type activities separately, governmental-type activities had a \$104,566 increase of net position and business-type activities had a \$31,788 increase of net position.

#### 2013

Bridgewater's combined net position, resulting from modified cash basis transactions, decreased from approximately \$681,989 to \$630,140 between fiscal years 2012 and 2013. Looking at the net position of governmental and business-type activities separately, governmental-type activities had a \$18,002 decrease of net position and business-type activities had a \$33,847 increase of net position.

**Table 1**  
**Municipality of Bridgewater**  
**Statement of Net Position**

	Governmental Activities			Business-Type Activities			Total Governmental and Business-Type Activities		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
<b>Assets:</b>									
Cash and									
Cash Equivalents	296,623	278,621	383,187	220,366	186,519	218,307	516,989	465,140	601,494
Investments	100,000	100,000	100,000	65,000	65,000	65,000	165,000	165,000	165,000
<b>Total Assets</b>	<b>396,623</b>	<b>378,621</b>	<b>483,187</b>	<b>285,366</b>	<b>251,519</b>	<b>283,307</b>	<b>681,989</b>	<b>630,140</b>	<b>766,494</b>
<b>Net Position:</b>									
Restricted	3,585	3,599	3,632	12,983	13,483	13,983	16,568	17,082	17,615
Unrestricted	393,038	375,022	479,555	272,383	238,036	269,324	665,421	613,058	748,879
<b>Total Net Position</b>	<b>396,623</b>	<b>378,621</b>	<b>483,187</b>	<b>285,366</b>	<b>251,519</b>	<b>283,307</b>	<b>681,989</b>	<b>630,140</b>	<b>766,494</b>

#### 2014

Net position of Bridgewater's governmental activities increased 27.6% to \$483,187. However, \$3,632 (Anniversary Fund) of the net position is restricted as to the purposes they can be used for. Consequently, unrestricted net position showed \$479,555 at the end of this year.

#### 2013

Net position of Bridgewater's governmental activities decreased 4.5% to \$378,621. However, \$3,599 (Anniversary Fund) of the net position is restricted as to the purposes they can be used for. Consequently, unrestricted net position showed \$375,022 at the end of this year.

## Changes in Net Position - Modified Cash Basis

Net position of the primary government (resulting from modified cash basis transactions) changed as follows:

Table 2  
Municipality of Bridgewater  
Changes in Net Position

	Governmental Activities			Business-Type Activities			Total		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
<b>Revenues</b>									
Program Revenues:									
Charges for Services	132,776	150,425	150,826	196,152	190,329	191,670	328,928	340,754	342,496
Operating Grants and Contributions	68,697	70,096	82,836				68,697	70,096	82,836
Capital Grants & Contributions				248,513			248,513	0	0
General Revenues:									
Property Tax	126,368	123,625	130,473				126,368	123,625	130,473
Sales Tax	80,797	93,725	100,088				80,797	93,725	100,088
State Shared Revenue	4,811	4,663	5,168				4,811	4,663	5,168
Unrestricted Investment Earnings	1,699	1,678	1,614	1,135	1,001	1,003	2,834	2,679	2,617
Debt Issued					7,760		0	7,760	0
Miscellaneous	10,547	5,185	6,887				10,547	5,185	6,887
<b>Total Revenues</b>	<b>425,695</b>	<b>449,397</b>	<b>477,892</b>	<b>445,800</b>	<b>199,090</b>	<b>192,673</b>	<b>871,495</b>	<b>648,487</b>	<b>670,565</b>
<b>Expenses</b>									
General Government	53,173	65,181	53,977				53,173	65,181	53,977
Public Safety	39,172	42,694	49,353				39,172	42,694	49,353
Public Works	153,178	217,943	119,248				153,178	217,943	119,248
Health and Welfare	54,689	61,542	66,082				54,689	61,542	66,082
Culture and Recreation	29,385	21,884	23,294				29,385	21,884	23,294
Conservation and Development			1,265				0	0	1,265
Miscellaneous Expenditures	72,363	58,155	60,107				72,363	58,155	60,107
Water				75,431	82,196	92,773	75,431	82,196	92,773
Sewer				298,362	150,741	68,111	298,362	150,741	68,111
<b>Total Expenses</b>	<b>401,960</b>	<b>467,399</b>	<b>373,326</b>	<b>373,793</b>	<b>232,937</b>	<b>160,884</b>	<b>775,753</b>	<b>700,336</b>	<b>534,210</b>
<b>Increase (Decrease) in Net Position</b>	<b>23,735</b>	<b>(18,002)</b>	<b>104,566</b>	<b>72,007</b>	<b>(33,847)</b>	<b>31,789</b>	<b>95,742</b>	<b>(51,849)</b>	<b>136,355</b>
<b>NET POSITION - ENDING</b>	<b>396,623</b>	<b>378,621</b>	<b>483,187</b>	<b>285,366</b>	<b>251,519</b>	<b>283,308</b>	<b>681,989</b>	<b>630,140</b>	<b>766,495</b>

## Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenue, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each of the functions on the Municipality's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

For the year ended December 31, 2014, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$373,326. Of these total expenses, taxpayers and other general revenues funded only \$244,231, while those directly benefiting from the program funded \$82,836 from grants and other contributions and \$150,826 from charges for services.

For the year ended December 31, 2013, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$467,399. Of these total expenses, taxpayers and other general revenues funded only \$228,876, while those directly benefiting from the program funded \$70,096 from grants and other contributions and \$150,425 from charges for services.

**Table 3**  
**Net Cost of Municipality of Bridgewater's Governmental Activities - Modified Cash Basis**  
**Changes in Net Assets/Net Position**

	(Exhibit II, Column 1)			Total %	Total %
	Total Cost of Services			Change	Change
	2012	2013	2014	2012-2013	2013-2014
General Government	53,173	65,181	53,977	22.6%	-17.2%
Public Safety	39,173	42,694	49,353	9.0%	15.6%
Public Works	153,178	217,943	119,249	42.3%	-45.3%
Health and Welfare	54,689	61,542	66,082	12.5%	7.4%
Culture and Recreation	29,385	21,884	23,294	-25.5%	6.4%
Conservation and Development			1,265		100.0%
Miscellaneous	72,364	58,155	60,106	-19.6%	3.4%
<b>Total</b>	<b>401,962</b>	<b>467,399</b>	<b>373,326</b>	<b>16.3%</b>	<b>-20.1%</b>

	(Exhibit II, Column 5)			Total %	Total %
	Net Cost of Services			Change	Change
	2012	2013	2014	2012-2013	2013-2014
General Government	53,173	65,181	53,977	22.6%	-17.2%
Public Safety	31,251	32,494	41,822	4.0%	28.7%
Public Works	82,843	143,969	40,780	73.8%	-71.7%
Health and Welfare	965	(6,655)	(11,478)	-789.6%	72.5%
Culture and Recreation	29,219	21,884	23,294	-25.1%	6.4%
Conservation and Development			1,265		100.0%
Miscellaneous	3,037	(9,996)	(9,995)	-429.1%	0.0%
<b>Total</b>	<b>200,488</b>	<b>246,877</b>	<b>139,665</b>	<b>23.1%</b>	<b>-43.4%</b>

### **Business-Type Activities**

#### 2014

In reviewing the business-type activities' net (expense)/revenue resulting from modified cash basis transactions, there are certain activities that need to be examined more closely. The water and sewer service activities reported net revenues of \$7,073 and \$24,716 respectively.

#### 2013

In reviewing the business-type activities' net (expense)/revenue resulting from modified cash basis transactions, there are certain activities that need to be examined more closely. The water and sewer service activities reported net revenues of \$15,098 and (\$48,945) respectively.

### **A FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS.**

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

#### 2014

- On the modified cash basis of accounting, the General Fund, reported revenues of \$477,859 and expenditures of \$373,326 resulting in an increase in fund balance of \$104,532. This increase would be from asphaltting/repair on 5<sup>th</sup> & 3<sup>rd</sup>.

2013

- On the modified cash basis of accounting, the General Fund, reported revenues of \$449,383 and expenditures of \$467,399 resulting in a decrease in fund balance of \$18,016 above final appropriations.
- The Sewer Fund reported revenues of \$94,036 and expenses of \$150,741, resulting in a decrease in fund balance of \$48,945 (before \$60,000 transfer to Water Fund.)

**General Fund Budgetary Highlights**

Over the course both years, the City Council revised the General Fund budget at various times. The final adjusted budgets, however, were consistent with the prior year budget.

	2013		2014	
	Original	Final	Original	Final
Revenue	399,921	399,921	420,362	420,362
Expenditures	400,491	490,138	428,495	503,325
Variance	(570)	(90,217)	(8,133)	(82,963)

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

For the upcoming fiscal year ending December 31, 2015, Bridgewater's budget is fairly consistent with this year.

**CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT**

This report is designated to provide our citizens, taxpayers, customers, and creditors with a general overview of Bridgewater's finances and to demonstrate Bridgewater's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Municipal Finance Office at 232 N Main Ave., Municipality of Bridgewater, SD or telephone at (605) 729-2690.

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	383,187.06	218,307.48	601,494.54
Investments	100,000.00	65,000.00	165,000.00
<b>TOTAL ASSETS</b>	<b>483,187.06</b>	<b>283,307.48</b>	<b>766,494.54</b>
<b>NET POSITION:</b>			
Restricted for:			
Capital Projects Purposes		7,500.00	7,500.00
Debt Service Purposes		6,482.80	6,482.80
City Anniversary Fund	3,632.58		3,632.58
Unrestricted	479,554.48	269,324.68	748,879.16
<b>TOTAL NET POSITION</b>	<b>483,187.06</b>	<b>283,307.48</b>	<b>766,494.54</b>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	53,976.72				(53,976.72)		(53,976.72)
Public Safety	49,353.42		7,531.58		(41,821.84)		(41,821.84)
Public Works	119,248.52	45,139.34	33,328.77		(40,780.41)		(40,780.41)
Health and Welfare	66,081.66	35,584.01	41,975.54		11,477.89		11,477.89
Culture and Recreation	23,294.12				(23,294.12)		(23,294.12)
Conservation and Development	1,265.00				(1,265.00)		(1,265.00)
Miscellaneous Expenditures	60,106.87	70,102.24			9,995.37		9,995.37
<b>Total Governmental Activities</b>	<b>373,326.31</b>	<b>150,825.59</b>	<b>82,835.89</b>	<b>0.00</b>	<b>(139,664.83)</b>		<b>(139,664.83)</b>
Business-type Activities:							
Water	92,773.17	99,379.03				6,605.86	6,605.86
Sewer	68,111.07	92,291.16				24,180.09	24,180.09
<b>Total Business-Type Activities</b>	<b>160,884.24</b>	<b>191,670.19</b>	<b>0.00</b>	<b>0.00</b>		<b>30,785.95</b>	<b>30,785.95</b>
<b>Total Primary Government</b>	<b>534,210.55</b>	<b>342,495.78</b>	<b>82,835.89</b>	<b>0.00</b>	<b>(139,664.83)</b>	<b>30,785.95</b>	<b>(108,878.88)</b>
General Revenues:							
Taxes:							
Property Taxes					130,473.43		130,473.43
Sales Taxes					100,088.40		100,088.40
State Shared Revenues					5,168.31		5,168.31
Unrestricted Investment Earnings					1,614.17	1,002.95	2,617.12
Miscellaneous Revenue					6,886.87		6,886.87
<b>Total General Revenues</b>					<b>244,231.18</b>	<b>1,002.95</b>	<b>245,234.13</b>
<b>Change in Net Position</b>					<b>104,566.35</b>	<b>31,788.90</b>	<b>136,355.25</b>
Net Position - Beginning					378,620.71	251,518.58	630,139.29
<b>NET POSITION - ENDING</b>					<b>483,187.06</b>	<b>283,307.48</b>	<b>766,494.54</b>

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

**MUNICIPALITY OF BRIDGEWATER  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2014**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	379,554.48	3,632.58	383,187.06
Investments	100,000.00		100,000.00
<b>TOTAL ASSETS</b>	<u>479,554.48</u>	<u>3,632.58</u>	<u>483,187.06</u>
<b>FUND BALANCES:</b>			
Nonspendable - Security Deposit	5,000.00		5,000.00
Restricted for City Anniversary		3,632.58	3,632.58
Assigned for Ambulance	40,000.00		40,000.00
Assigned for Fire Truck	17,000.00		17,000.00
Unassigned	417,554.48		417,554.48
<b>TOTAL FUND BALANCES</b>	<u>479,554.48</u>	<u>3,632.58</u>	<u>483,187.06</u>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2014**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes:			
General Property Taxes	129,819.42		129,819.42
General Sales and Use Taxes	100,088.40		100,088.40
Amusement Taxes	36.00		36.00
Penalties & Interest on Delinquent Taxes	618.01		618.01
Total Taxes	230,561.83	0.00	230,561.83
Licenses and Permits	1,011.00	0.00	1,011.00
Intergovernmental Revenue:			
State Grants	1,353.00		1,353.00
State Shared Revenue:			
Bank Franchise Tax	972.94		972.94
Motor Vehicle Commercial Prorate	1,914.35		1,914.35
Liquor Tax Reversion	4,195.37		4,195.37
Motor Vehicle Licenses	8,165.19		8,165.19
County Shared Revenue:			
County Road Tax	1,028.28		1,028.28
County Highway & Bridge Reserve Tax	19,158.22		19,158.22
County Wheel Tax	3,062.73		3,062.73
Other Intergovernmental Revenues	35,251.00		35,251.00
Total Intergovernmental Revenue	75,101.08	0.00	75,101.08
Charges for Goods and Services:			
Sanitation	45,139.34		45,139.34
Ambulance	35,584.01		35,584.01
Total Charges for Goods and Services	80,723.35	0.00	80,723.35
Miscellaneous Revenue:			
Investment Earnings	1,600.21	13.96	1,614.17
Rentals	5,190.00		5,190.00
Contributions and Donations from Private Sources	12,903.12		12,903.12
Liquor Operating Agreement Income	63,901.24		63,901.24
Other	6,866.87	20.00	6,886.87
Total Miscellaneous Revenue	90,461.44	33.96	90,495.40
Total Revenue	477,858.70	33.96	477,892.66

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2014**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
<b>Expenditures:</b>			
General Government:			
Legislative	15,818.70		15,818.70
Elections	545.11		545.11
Financial Administration	26,133.94		26,133.94
Other	11,478.97		11,478.97
Total General Government	53,976.72	0.00	53,976.72
Public Safety:			
Police	24,240.00		24,240.00
Fire	24,645.52		24,645.52
Other Protection	467.90		467.90
Total Public Safety	49,353.42	0.00	49,353.42
Public Works:			
Highways and Streets	72,833.40		72,833.40
Sanitation	46,415.12		46,415.12
Total Public Works	119,248.52	0.00	119,248.52
Health and Welfare:			
Health	11,037.30		11,037.30
Ambulance	55,044.36		55,044.36
Total Health and Welfare	66,081.66	0.00	66,081.66
Culture and Recreation:			
Recreation	3,059.16		3,059.16
Parks	20,234.96		20,234.96
Total Culture and Recreation	23,294.12	0.00	23,294.12
Conservation and Development:			
Economic Development and Assistance (Industrial Development)	1,265.00		1,265.00
Total Conservation and Development	1,265.00	0.00	1,265.00
Miscellaneous:			
Liquor Operating Agreements	60,106.87		60,106.87
Total Miscellaneous	60,106.87	0.00	60,106.87
Total Expenditures	373,326.31	0.00	373,326.31
Net Change in Fund Balance	104,532.39	33.96	104,566.35
Fund Balance - Beginning	375,022.09	3,598.62	378,620.71
FUND BALANCE - ENDING	479,554.48	3,632.58	483,187.06

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**December 31, 2014**

	<b>Enterprise Funds</b>		<b>Totals</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	70,260.84	148,046.64	218,307.48
Investments	55,000.00	10,000.00	65,000.00
Total Current Assets	<u>125,260.84</u>	<u>158,046.64</u>	<u>283,307.48</u>
<b>TOTAL ASSETS</b>	<u>125,260.84</u>	<u>158,046.64</u>	<u>283,307.48</u>
<b>NET POSITION:</b>			
Restricted for:			
Revenue Bond Debt Service		6,482.80	6,482.80
Equipment Repair and/or Replacement		7,500.00	7,500.00
Unrestricted	<u>125,260.84</u>	<u>144,063.84</u>	<u>269,324.68</u>
<b>TOTAL NET POSITION</b>	<u><u>125,260.84</u></u>	<u><u>158,046.64</u></u>	<u><u>283,307.48</u></u>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2014**

	<b>Enterprise Funds</b>		<b>Totals</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	
<b>Operating Revenue:</b>			
Charges for Goods and Services	99,368.72	92,284.29	191,653.01
Miscellaneous	10.31	6.87	17.18
<b>Total Operating Revenue</b>	<b>99,379.03</b>	<b>92,291.16</b>	<b>191,670.19</b>
<b>Operating Expenses:</b>			
Personal Services	23,820.65	21,465.29	45,285.94
Other Current Expense	18,671.72	11,309.42	29,981.14
Materials	50,280.80		50,280.80
<b>Total Operating Expenses</b>	<b>92,773.17</b>	<b>32,774.71</b>	<b>125,547.88</b>
<b>Operating Income (Loss)</b>	<b>6,605.86</b>	<b>59,516.45</b>	<b>66,122.31</b>
<b>Nonoperating Revenue (Expense):</b>			
Investment Earnings	467.26	535.69	1,002.95
Debt Service (Principal)		(19,679.70)	(19,679.70)
Interest Expense		(15,656.66)	(15,656.66)
<b>Total Nonoperating Revenue (Expense)</b>	<b>467.26</b>	<b>(34,800.67)</b>	<b>(34,333.41)</b>
<b>Change in Net Position</b>	<b>7,073.12</b>	<b>24,715.78</b>	<b>31,788.90</b>
<b>Net Position - Beginning</b>	<b>118,187.72</b>	<b>133,330.86</b>	<b>251,518.58</b>
<b>NET POSITION - ENDING</b>	<b>125,260.84</b>	<b>158,046.64</b>	<b>283,307.48</b>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	278,620.71	186,518.58	465,139.29
Investments	100,000.00	65,000.00	165,000.00
<b>TOTAL ASSETS</b>	<b>378,620.71</b>	<b>251,518.58</b>	<b>630,139.29</b>
 <b>NET POSITION:</b>			
Restricted for:			
Capital Projects Purposes		7,000.00	7,000.00
Debt Service Purposes		6,482.80	6,482.80
City Anniversary Fund	3,598.62		3,598.62
Unrestricted	375,022.09	238,035.78	613,057.87
<b>TOTAL NET POSITION</b>	<b>378,620.71</b>	<b>251,518.58</b>	<b>630,139.29</b>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	65,180.87				(65,180.87)		(65,180.87)
Public Safety	42,694.10	40.62	10,159.38		(32,494.10)		(32,494.10)
Public Works	217,942.31	43,988.71	29,984.28		(143,969.32)		(143,969.32)
Health and Welfare	61,541.86	38,244.86	29,952.05		6,655.05		6,655.05
Culture and Recreation	21,884.29				(21,884.29)		(21,884.29)
Miscellaneous Expenditures	58,155.44	68,151.09			9,995.65		9,995.65
Total Governmental Activities	<u>467,398.87</u>	<u>150,425.28</u>	<u>70,095.71</u>	<u>0.00</u>	<u>(246,877.88)</u>		<u>(246,877.88)</u>
Business-type Activities:							
Water	82,195.53	96,739.16				14,543.63	14,543.63
Sewer	150,741.17	93,589.47				(57,151.70)	(57,151.70)
Total Business-Type Activities	<u>232,936.70</u>	<u>190,328.63</u>	<u>0.00</u>	<u>0.00</u>		<u>(42,608.07)</u>	<u>(42,608.07)</u>
Total Primary Government	<u>700,335.57</u>	<u>340,753.91</u>	<u>70,095.71</u>	<u>0.00</u>	<u>(246,877.88)</u>	<u>(42,608.07)</u>	<u>(289,485.95)</u>
General Revenues:							
Taxes:							
Property Taxes					123,625.23		123,625.23
Sales Taxes					93,724.52		93,724.52
State Shared Revenues					4,662.85		4,662.85
Unrestricted Investment Earnings					1,678.43	1,001.09	2,679.52
Debt Issued						7,760.00	7,760.00
Miscellaneous Revenue					5,184.58		5,184.58
Total General Revenues					<u>228,875.61</u>	<u>8,761.09</u>	<u>237,636.70</u>
Change in Net Position					<u>(18,002.27)</u>	<u>(33,846.98)</u>	<u>(51,849.25)</u>
Net Position - Beginning					<u>396,622.98</u>	<u>285,365.56</u>	<u>681,988.54</u>
NET POSITION - ENDING					<u>378,620.71</u>	<u>251,518.58</u>	<u>630,139.29</u>

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

**MUNICIPALITY OF BRIDGEWATER  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2013**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	275,022.09	3,598.62	278,620.71
Investments	<u>100,000.00</u>	<u>                    </u>	<u>100,000.00</u>
<b>TOTAL ASSETS</b>	<u><u>375,022.09</u></u>	<u><u>3,598.62</u></u>	<u><u>378,620.71</u></u>
<b>FUND BALANCES:</b>			
Nonspendable - Security Deposit	<u>5,000.00</u>	<u>                    </u>	<u>5,000.00</u>
Restricted for City Anniversary	<u>                    </u>	<u>3,598.62</u>	<u>3,598.62</u>
Assigned for Ambulance	<u>35,000.00</u>	<u>                    </u>	<u>35,000.00</u>
Assigned for Fire Truck	<u>12,000.00</u>	<u>                    </u>	<u>12,000.00</u>
Unassigned	<u>323,022.09</u>	<u>                    </u>	<u>323,022.09</u>
<b>TOTAL FUND BALANCES</b>	<u><u>375,022.09</u></u>	<u><u>3,598.62</u></u>	<u><u>378,620.71</u></u>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes:			
General Property Taxes	123,071.38		123,071.38
General Sales and Use Taxes	93,724.52		93,724.52
Amusement Taxes	24.00		24.00
Penalties & Interest on Delinquent Taxes	529.85		529.85
Total Taxes	217,349.75	0.00	217,349.75
Licenses and Permits	915.00	0.00	915.00
Intergovernmental Revenue:			
Federal Grants	1,418.50		1,418.50
State Grants	157.61		157.61
State Shared Revenue:			
Bank Franchise Tax	756.50		756.50
Motor Vehicle Commercial Prorate	1,801.26		1,801.26
Liquor Tax Reversion	3,906.35		3,906.35
Motor Vehicle Licenses	7,258.98		7,258.98
County Shared Revenue:			
County Road Tax	1,028.28		1,028.28
County Highway & Bridge Reserve Tax	16,844.56		16,844.56
County Wheel Tax	3,051.20		3,051.20
Other Intergovernmental Revenues	29,950.00		29,950.00
Total Intergovernmental Revenue	66,173.24	0.00	66,173.24
Charges for Goods and Services:			
Sanitation	43,988.71		43,988.71
Ambulance	38,244.86		38,244.86
Total Charges for Goods and Services	82,233.57	0.00	82,233.57
Fines and Forfeits:			
Court Fines and Costs	40.62		40.62
Total Fines and Forfeits	40.62	0.00	40.62
Miscellaneous Revenue:			
Investment Earnings	1,664.37	14.06	1,678.43
Rentals	5,347.00		5,347.00
Contributions and Donations			
from Private Sources	8,585.32		8,585.32
Liquor Operating Agreement Income	61,889.09		61,889.09
Other	5,184.58		5,184.58
Total Miscellaneous Revenue	82,670.36	14.06	82,684.42
Total Revenue	449,382.54	14.06	449,396.60

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
<b>Expenditures:</b>			
General Government:			
Legislative	14,201.81		14,201.81
Elections	560.50		560.50
Financial Administration	30,597.11		30,597.11
Other	19,821.45		19,821.45
Total General Government	65,180.87	0.00	65,180.87
Public Safety:			
Police	24,240.00		24,240.00
Fire	16,512.90		16,512.90
Other Protection	1,941.20		1,941.20
Total Public Safety	42,694.10	0.00	42,694.10
Public Works:			
Highways and Streets	174,111.81		174,111.81
Sanitation	43,830.50		43,830.50
Total Public Works	217,942.31	0.00	217,942.31
Health and Welfare:			
Health	5,849.59		5,849.59
Ambulance	55,692.27		55,692.27
Total Health and Welfare	61,541.86	0.00	61,541.86
Culture and Recreation:			
Recreation	3,073.18		3,073.18
Parks	18,811.11		18,811.11
Total Culture and Recreation	21,884.29	0.00	21,884.29
Miscellaneous:			
Liquor Operating Agreements	58,155.44		58,155.44
Total Miscellaneous	58,155.44	0.00	58,155.44
Total Expenditures	467,398.87	0.00	467,398.87
Net Change in Fund Balance	(18,016.33)	14.06	(18,002.27)
Fund Balance - Beginning	393,038.42	3,584.56	396,622.98
FUND BALANCE - ENDING	375,022.09	3,598.62	378,620.71

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**December 31, 2013**

	<b>Enterprise Funds</b>		<b>Totals</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	63,187.72	123,330.86	186,518.58
Investments	55,000.00	10,000.00	65,000.00
Total Current Assets	118,187.72	133,330.86	251,518.58
<b>TOTAL ASSETS</b>	<b>118,187.72</b>	<b>133,330.86</b>	<b>251,518.58</b>
<b>NET POSITION:</b>			
Restricted for:			
Revenue Bond Debt Service		6,482.80	6,482.80
Equipment Repair and/or Replacement		7,000.00	7,000.00
Unrestricted	118,187.72	119,848.06	238,035.78
<b>TOTAL NET POSITION</b>	<b>118,187.72</b>	<b>133,330.86</b>	<b>251,518.58</b>

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

**MUNICIPALITY OF BRIDGEWATER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2013**

	<b>Enterprise Funds</b>		<b>Totals</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	
<b>Operating Revenue:</b>			
Charges for Goods and Services	96,701.57	93,579.41	190,280.98
Miscellaneous	37.59	10.06	47.65
Total Operating Revenue	<b>96,739.16</b>	<b>93,589.47</b>	<b>190,328.63</b>
<b>Operating Expenses:</b>			
Personal Services	21,162.25	21,179.53	42,341.78
Other Current Expense	16,402.08	33,805.10	50,207.18
Materials	44,631.20		44,631.20
Capital Assets		67,122.76	67,122.76
Total Operating Expenses	<b>82,195.53</b>	<b>122,107.39</b>	<b>204,302.92</b>
Operating Income (Loss)	<b>14,543.63</b>	<b>(28,517.92)</b>	<b>(13,974.29)</b>
<b>Nonoperating Revenue (Expense):</b>			
Investment Earnings	554.79	446.30	1,001.09
Debt Service (Principal)		(16,545.36)	(16,545.36)
Interest Expense		(12,088.42)	(12,088.42)
Long-Term Debt Issued		7,760.00	7,760.00
Total Nonoperating Revenue (Expense)	<b>554.79</b>	<b>(20,427.48)</b>	<b>(19,872.69)</b>
Income (Loss) Before Transfers	<b>15,098.42</b>	<b>(48,945.40)</b>	<b>(33,846.98)</b>
Transfers In		60,000.00	60,000.00
Transfers Out	(60,000.00)		(60,000.00)
Change in Net Position	<b>(44,901.58)</b>	<b>11,054.60</b>	<b>(33,846.98)</b>
Net Position - Beginning	163,089.30	122,276.26	285,365.56
<b>NET POSITION - ENDING</b>	<b>118,187.72</b>	<b>133,330.86</b>	<b>251,518.58</b>

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

---

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.c, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have not been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

a. Financial Reporting Entity:

The reporting entity of the Municipality of Bridgewater (Municipality) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); 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.

b. Basis of Presentation:

## Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. 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 Municipality and for each function of the Municipality'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,

-----

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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 Municipality or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 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 5 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 Municipality financial reporting entity are described below:

**Governmental Funds:**

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

Special Revenue Funds – special revenue funds are used to account for the proceeds of special 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.

Anniversary Fund – to account for fund raising activities and expenses related to the celebration of the Municipality's future anniversaries. This is a major fund.

**Proprietary Funds:**

Enterprise Funds – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources.

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fee and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable “solely” from the revenues of the activity.)
- b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

Water Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal waterworks system and related facilities. (SDCL 9-47-1) This is a major fund.

Sewer Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities. (SDCL 9-48-2) This is a major fund.

c. Measurement Focus and Basis of Accounting:

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, regardless of the measurement focus.

During 2013 and 2014, the Municipality used the modified cash basis, which is a basis of accounting other than USGAAP. Under USGAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used, applied with the limitations of the modified cash basis of accounting.

Basis of Accounting:

In the Government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the cash basis of accounting, the statement of financial position reports only cash and cash equivalents. Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed. The acceptable modification to the cash basis of accounting implemented by the Municipality in these financial statements is:

- a. Recording long-term investments in marketable securities (those with maturities more than 90-days (three months) from the date of acquisition) acquired with cash assets at cost.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Municipality applied USGAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Deposits and Investments:

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments classified in the financial statements consist of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by South Dakota Codified Laws (SDCL) 4-5-6. Under the modified cash basis of accounting, investments are carried at cost.

e. Long-Term Liabilities:

Under the modified cash basis of accounting, cash proceeds from long-term debt issuances is recorded as a receipt, while payments to creditors to reduce long-term debts are recorded as a cost of the program which benefits from the financing. Allocations are made where appropriate. Interest costs are not allocated, but are reported as a separate program cost category. Under the modified cash basis of accounting, all long-term debts arising from cash transactions to be repaid from governmental and business-type resources are not reported as liabilities in the respective columns on the government-wide financial statements.

Long-term debts arising from cash transactions of governmental funds are not reported as liabilities in the fund financial statements. Instead, the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting for long-term debts of proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

f. Revenue Received in Advance:

Under the modified cash basis of accounting, cash may have been received in advance of the Municipality's providing a good or service to a customer. These amounts are reported in the financial statements in the year the cash is received.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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 Revenues, Expenses and Changes in Fund Net Position, 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 and expenses.

i. Cash and Cash Equivalents:

The Municipality pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of 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 position and is displayed in two components.

1. Restricted net position – Consists of net position with constraints placed 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.
2. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements.

k. Application of Net Position:

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

i. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Municipality classifies governmental fund balances as follows:

- Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Finance Officer.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Nonspendable Fund Balance is comprised of the following:

- Amount legally or contractually required to be maintained intact such as Security Deposit.

The Municipality uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Municipality would first use committed, then assigned, and lastly unassigned amounts for unrestricted fund balance when expenditures are made.

The Municipality does not have a formal minimum fund balance policy.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

The purpose of each major special revenue fund and revenue source is listed below:

<b>Major Special Revenue Fund</b>	<b>Revenue Source</b>
Anniversary Fund	Fundraisers & Donations

**2. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK**

The Municipality 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 statutes. These restrictions are summarized below:

**Deposits** – The Municipality's cash 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, and may be in the form of demand or time deposits. 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 100 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.

**Investments** – In general, SDCL 4-5-6 permits Municipality funds to be invested only 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) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to 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.

**Credit Risk** – State law limits eligible investments for the Municipality, as discussed above. The Municipality has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** – The Municipality places no limit on the amount that may be invested in any one issuer.

**Interest Rate Risk** – The Municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Assignment of Investment Income** – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Municipality's policy is to credit all income from deposits and investments to the fund making the investment.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

### 3. PROPERTY TAXES

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property and become due and payable as of January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The Municipality is permitted by several state statutes to levy varying amounts of taxes per \$1,000 of taxable valuation on taxable property in the Municipality.

### 4. LONG-TERM COMMITMENT

The Municipality of Bridgewater entered into a 40-year commitment with Hanson Rural Water System, Inc. to provide water to the Municipality. A monthly charge in the amount of \$555.00 is paid by the Municipality to Hanson Rural Water Systems, Inc. The monthly charge represents a contribution by the Municipality to aid Hanson Rural Water System, Inc. in the construction of the facilities necessary to provide the Municipality with water. The Municipality will not acquire ownership of any of these water facilities through these payments. Payments are made from the Municipality's Water Fund.

The following are the minimum payments on this commitment:

2015	\$ 6,660.00
2016	6,660.00
2017	6,660.00
2018	6,660.00
2019	6,660.00
2020-2024	33,300.00
2025-2029	33,300.00
2030-2034	33,300.00

### 5. RESTRICTED NET POSITION

Restricted net position for the years ended December 31, 2013 and 2014 were as follows:

Major Funds:	<u>12/31/2013</u>	<u>12/31/2014</u>
City Anniversaries	\$ 3,598.62	\$ 3,632.58
Sewer Fund - Capital Projects	7,000.00	7,500.00
Sewer Fund - Debt Service	<u>6,482.80</u>	<u>6,482.80</u>
Total Restricted Net Assets/Net Position	<u>\$ 17,081.42</u>	<u>\$ 17,615.38</u>

These balances are restricted due to federal grant and statutory requirements.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

6. INTERFUND TRANSFERS

Interfund transfers for the two years ended December 31, 2014 were as follows:

<u>Transfers From:</u>	<u>December 31, 2013</u>
	<u>Transfers to:</u>
	<u>Sewer</u>
	<u>Fund</u>
Major Funds:	
Water Fund	<u>\$ 60,000.00</u>

The Municipality typically budgets transfers to conduct the indispensable functions of the Municipality.

7. RETIREMENT PLAN

All employees, except for part-time employees, 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 survivor 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 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2014, 2013, and 2012 were \$3,372.53, \$3,563.13, and \$3,198.38, respectively, equal to the required contributions each year.

8. SIGNIFICANT CONTINGENCIES - LITIGATION

At December 31, 2014, the Municipality was not involved in any significant litigation.

9. RISK MANAGEMENT

The Municipality 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, 2014, the Municipality managed its risks as follows:

See Independent Auditor's Report.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

Employee Health Insurance:

The Municipality joined the South Dakota Municipal League Health Pool of South Dakota. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The Municipality pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage includes a \$2,000,000 lifetime maximum payment per person.

The Municipality does not carry additional health insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:

The Municipality joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The Municipality's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the Municipality. The Municipality pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The Municipality pays an annual premium to the pool to provide coverage for:

Liability Insurance  
Vehicle Insurance

The agreement with the SDPAA provides that the above coverages will be provided to a \$1,000,000 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. A portion of the member premiums are also allocated to a cumulative reserve fund. The Municipality would be eligible to receive a refund for the percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of Municipality's First Full Year	50%
End of Municipality's Second Full Year	60%
End of Municipality's Third Full Year	70%
End of Municipality's Fourth Full Year	80%
End of Municipality's Fifth Full Year	90%
End of Municipality's Sixth Full Year and Thereafter	100%

As of December 31, 2014, the Municipality has vested balance in the cumulative reserve fund of \$16,587.59.

The Municipality carries a \$250 deductible for the liability coverage and \$100/\$250 deductible for the vehicle coverage.

See Independent Auditor's Report.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

The Municipality does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:

The Municipality joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Municipality's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The Municipality pays an annual premium to the pool to provide worker's compensation coverage for its employees, under a retrospectively rated policy and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first \$650,000 of any claim per individual. The pool has reinsurance which covers up to an additional \$2,000,000 per individual per incident.

The Municipality 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 over the past three years.

Unemployment Benefits:

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

**SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF BRIDGEWATER**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes	135,132.00	135,132.00	129,819.42	(5,312.58)
General Sales and Use Taxes	81,000.00	81,000.00	100,088.40	19,088.40
Amusement Taxes	25.00	25.00	36.00	11.00
Tax Deed Revenue	100.00	100.00	0.00	(100.00)
Penalties & Interest on Delinquent Taxes	600.00	600.00	618.01	18.01
Total Taxes	<u>216,857.00</u>	<u>216,857.00</u>	<u>230,561.83</u>	<u>13,704.83</u>
Licenses and Permits	<u>800.00</u>	<u>800.00</u>	<u>1,011.00</u>	<u>211.00</u>
Intergovernmental Revenue:				
State Grants	0.00	0.00	1,353.00	1,353.00
State Shared Revenue:				
Bank Franchise Tax	700.00	700.00	972.94	272.94
Motor Vehicle Commercial Prorate	1,000.00	1,000.00	1,914.35	914.35
Liquor Tax Reversion	3,600.00	3,600.00	4,195.37	595.37
Motor Vehicle Licenses	6,000.00	6,000.00	8,165.19	2,165.19
County Shared Revenue:				
County Road Tax	1,028.00	1,028.00	1,028.28	0.28
County Highway and Bridge Reserve Tax	13,000.00	13,000.00	19,158.22	6,158.22
County Wheel Tax	2,800.00	2,800.00	3,062.73	262.73
Other Intergovernmental Revenues	28,502.00	28,502.00	35,251.00	6,749.00
Total Intergovernmental Revenue	<u>56,630.00</u>	<u>56,630.00</u>	<u>75,101.08</u>	<u>18,471.08</u>
Charges for Goods and Services:				
Sanitation	45,150.00	45,150.00	45,139.34	(10.66)
Ambulance	25,000.00	25,000.00	35,584.01	10,584.01
Total Charges for Goods & Services	<u>70,150.00</u>	<u>70,150.00</u>	<u>80,723.35</u>	<u>10,573.35</u>
Miscellaneous Revenue:				
Investment Earnings	1,125.00	1,125.00	1,600.21	475.21
Rentals	4,950.00	4,950.00	5,190.00	240.00
Contributions and Donations from Private Sources	7,300.00	7,300.00	12,903.12	5,603.12
Liquor Operating Agreement Income	59,600.00	59,600.00	63,901.24	4,301.24
Other	2,950.00	2,950.00	6,866.87	3,916.87
Total Miscellaneous Revenue	<u>75,925.00</u>	<u>75,925.00</u>	<u>90,461.44</u>	<u>14,536.44</u>
Total Revenue	<u>420,362.00</u>	<u>420,362.00</u>	<u>477,858.70</u>	<u>57,496.70</u>

**SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF BRIDGEWATER**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2014**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures:</b>				
General Government:				
Legislative	20,825.00	20,825.00	15,818.70	5,006.30
Contingency	10,000.00	10,000.00		
Amount Transferred		(150.00)		9,850.00
Elections	560.00	560.00	545.11	14.89
Financial Administration	28,370.00	28,370.00	26,133.94	2,236.06
Other	11,448.00	12,273.00	11,478.97	794.03
Total General Government	71,203.00	71,878.00	53,976.72	17,901.28
Public Safety:				
Police	24,240.00	24,240.00	24,240.00	0.00
Fire	18,997.00	24,997.00	24,645.52	351.48
Other Protection	350.00	570.00	467.90	102.10
Total Public Safety	43,587.00	49,807.00	49,353.42	453.58
Public Works:				
Highways and Streets	124,135.00	179,135.00	72,833.40	106,301.60
Sanitation	45,000.00	46,435.00	46,415.12	19.88
Total Public Works	169,135.00	225,570.00	119,248.52	106,321.48
Health and Welfare:				
Health	6,212.00	11,737.00	11,037.30	699.70
Ambulance	55,200.00	56,175.00	55,044.36	1,130.64
Total Health and Welfare	61,412.00	67,912.00	66,081.66	1,830.34
Culture and Recreation:				
Recreation	3,108.00	3,108.00	3,059.16	48.84
Parks	22,030.00	22,030.00	20,234.96	1,795.04
Total Culture and Recreation	25,138.00	25,138.00	23,294.12	1,843.88
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	0.00	1,500.00	1,265.00	235.00
Total Conservation and Development	0.00	1,500.00	1,265.00	235.00
Miscellaneous:				
Liquor Operating Agreements	58,020.00	61,520.00	60,106.87	1,413.13
Total Miscellaneous	58,020.00	61,520.00	60,106.87	1,413.13
Total Expenditures	428,495.00	503,325.00	373,326.31	129,998.69
Net Change in Fund Balances	(8,133.00)	(82,963.00)	104,532.39	187,495.39
Fund Balance - Beginning	375,022.09	375,022.09	375,022.09	0.00
FUND BALANCE - ENDING	366,889.09	292,059.09	479,554.48	187,495.39

**SUPPLEMENTARY INFORMATION  
MUNICIPALITY OF BRIDGEWATER  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
ANNIVERSARY FUND  
For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous Revenue:				
Investment Earnings	20.00	20.00	13.96	(6.04)
Other	30.00	30.00	20.00	(10.00)
Total Miscellaneous Revenue	50.00	50.00	33.96	(16.04)
Total Revenue	50.00	50.00	33.96	(16.04)
<b>Expenditures:</b>				
Culture and Recreation:				
Recreation	50.00	50.00	0.00	50.00
Total Culture and Recreation	50.00	50.00	0.00	50.00
Total Expenditures	50.00	50.00	0.00	50.00
Net Change in Fund Balances	0.00	0.00	33.96	33.96
Fund Balance - Beginning	3,598.62	3,598.62	3,598.62	0.00
FUND BALANCE - ENDING	3,598.62	3,598.62	3,632.58	33.96

**SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF BRIDGEWATER**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes	130,531.00	130,531.00	123,071.38	(7,459.62)
General Sales and Use Taxes	81,000.00	81,000.00	93,724.52	12,724.52
Amusement Taxes	60.00	60.00	24.00	(36.00)
Tax Deed Revenue	100.00	100.00	0.00	(100.00)
Penalties & Interest on Delinquent Taxes	600.00	600.00	529.85	(70.15)
Total Taxes	<u>212,291.00</u>	<u>212,291.00</u>	<u>217,349.75</u>	<u>5,058.75</u>
Licenses and Permits	<u>800.00</u>	<u>800.00</u>	<u>915.00</u>	<u>115.00</u>
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	1,418.50	1,418.50
State Grants	0.00	0.00	157.61	157.61
State Shared Revenue:				
Bank Franchise Tax	700.00	700.00	756.50	56.50
Motor Vehicle Commercial Prorate	750.00	750.00	1,801.26	1,051.26
Liquor Tax Reversion	3,600.00	3,600.00	3,906.35	306.35
Motor Vehicle Licenses	5,600.00	5,600.00	7,258.98	1,658.98
County Shared Revenue:				
County Road Tax	1,028.00	1,028.00	1,028.28	0.28
County Highway and Bridge Reserve Tax	12,500.00	12,500.00	16,844.56	4,344.56
County Wheel Tax	2,800.00	2,800.00	3,051.20	251.20
Other Intergovernmental Revenues	28,502.00	28,502.00	29,950.00	1,448.00
Total Intergovernmental Revenue	<u>55,480.00</u>	<u>55,480.00</u>	<u>66,173.24</u>	<u>10,693.24</u>
Charges for Goods and Services:				
Sanitation	45,150.00	45,150.00	43,988.71	(1,161.29)
Ambulance	25,000.00	25,000.00	38,244.86	13,244.86
Total Charges for Goods & Services	<u>70,150.00</u>	<u>70,150.00</u>	<u>82,233.57</u>	<u>12,083.57</u>
Fines and Forfeits:				
Court Fines and Costs	0.00	0.00	40.62	40.62
Total Fines and Forfeits	<u>0.00</u>	<u>0.00</u>	<u>40.62</u>	<u>40.62</u>
Miscellaneous Revenue:				
Investment Earnings	1,250.00	1,250.00	1,664.37	414.37
Rentals	5,100.00	5,100.00	5,347.00	247.00
Contributions and Donations from Private Sources	7,050.00	7,050.00	8,585.32	1,535.32
Liquor Operating Agreement Income	44,600.00	44,600.00	61,889.09	17,289.09
Other	3,200.00	3,200.00	5,184.58	1,984.58
Total Miscellaneous Revenue	<u>61,200.00</u>	<u>61,200.00</u>	<u>82,670.36</u>	<u>21,470.36</u>
Total Revenue	<u>399,921.00</u>	<u>399,921.00</u>	<u>449,382.54</u>	<u>49,461.54</u>

**SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF BRIDGEWATER**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures:</b>				
General Government:				
Legislative	21,289.00	21,289.00	14,201.81	7,087.19
Contingency	10,000.00	10,000.00		
Amount Transferred		(8,905.00)		1,095.00
Elections	560.00	565.00	560.50	4.50
Financial Administration	27,180.00	31,280.00	30,597.11	682.89
Other	12,203.00	20,103.00	19,821.45	281.55
Total General Government	<b>71,232.00</b>	<b>74,332.00</b>	<b>65,180.87</b>	<b>9,151.13</b>
Public Safety:				
Police	24,240.00	24,240.00	24,240.00	0.00
Fire	18,735.00	18,735.00	16,512.90	2,222.10
Other Protection	350.00	2,046.50	1,941.20	105.30
Total Public Safety	<b>43,325.00</b>	<b>45,021.50</b>	<b>42,694.10</b>	<b>2,327.40</b>
Public Works:				
Highways and Streets	113,835.00	179,335.00	174,111.81	5,223.19
Sanitation	45,000.00	45,000.00	43,830.50	1,169.50
Total Public Works	<b>158,835.00</b>	<b>224,335.00</b>	<b>217,942.31</b>	<b>6,392.69</b>
Health and Welfare:				
Health	3,584.00	6,284.00	5,849.59	434.41
Ambulance	55,680.00	56,880.00	55,692.27	1,187.73
Total Health and Welfare	<b>59,264.00</b>	<b>63,164.00</b>	<b>61,541.86</b>	<b>1,622.14</b>
Culture and Recreation:				
Recreation	2,700.00	3,150.00	3,073.18	76.82
Parks	21,630.00	21,630.00	18,811.11	2,818.89
Total Culture and Recreation	<b>24,330.00</b>	<b>24,780.00</b>	<b>21,884.29</b>	<b>2,895.71</b>
Miscellaneous:				
Liquor Operating Agreements	43,505.00	58,505.00	58,155.44	349.56
Total Miscellaneous	<b>43,505.00</b>	<b>58,505.00</b>	<b>58,155.44</b>	<b>349.56</b>
Total Expenditures	<b>400,491.00</b>	<b>490,137.50</b>	<b>467,398.87</b>	<b>22,738.63</b>
Net Change in Fund Balances	<b>(570.00)</b>	<b>(90,216.50)</b>	<b>(18,016.33)</b>	<b>72,200.17</b>
Fund Balance - Beginning	393,038.42	393,038.42	393,038.42	0.00
FUND BALANCE - ENDING	<b>392,468.42</b>	<b>302,821.92</b>	<b>375,022.09</b>	<b>72,200.17</b>

**SUPPLEMENTARY INFORMATION  
MUNICIPALITY OF BRIDGEWATER  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
ANNIVERSARY FUND  
For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous Revenue:				
Investment Earnings	20.00	20.00	14.06	(5.94)
Other	30.00	30.00	0.00	(30.00)
Total Miscellaneous Revenue	50.00	50.00	14.06	(35.94)
Total Revenue	50.00	50.00	14.06	(35.94)
<b>Expenditures:</b>				
Culture and Recreation:				
Recreation	50.00	50.00	0.00	50.00
Total Culture and Recreation	50.00	50.00	0.00	50.00
Total Expenditures	50.00	50.00	0.00	50.00
Net Change in Fund Balances	0.00	0.00	14.06	14.06
Fund Balance - Beginning	3,584.56	3,584.56	3,584.56	0.00
FUND BALANCE - ENDING	3,584.56	3,584.56	3,598.62	14.06

---

NOTES TO THE 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 Municipality followed 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 municipal 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. Unexpected 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 and special revenue funds.

The Municipality did not encumber any amounts at December 31, 2014 or 2013.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with the modified cash basis of accounting.

NOTE 2. Other Comprehensive Basis of Accounting Modified Cash Basis/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP applied within the context of the modified cash basis of accounting 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.

LONG-TERM LIABILITIES

LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

Long-term debt is not shown on the financial statements as the statements are prepared on the modified cash basis of accounting.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government:					
Governmental Activities:					
Accrued Compensated Absences -					
Governmental Funds	1,338.70	6,818.85	6,366.43	1,791.12	1,791.12
Total Governmental Activities	<u>1,338.70</u>	<u>6,818.85</u>	<u>6,366.43</u>	<u>1,791.12</u>	<u>1,791.12</u>
Business-Type Activities:					
Bonds Payable:					
State Revolving Fund Loan - 2005	249,345.78		28,454.27	220,891.51	14,933.00
State Revolving Fund Loan - 2011	248,513.00	7,760.00	7,770.79	248,502.21	5,394.14
Total Debt	<u>497,858.78</u>	<u>7,760.00</u>	<u>36,225.06</u>	<u>469,393.72</u>	<u>20,327.14</u>
Accrued Compensated Absences -					
Business-Type Funds	1,189.28	5,733.42	5,330.65	1,592.05	1,592.05
Total Business-Type Activities	<u>499,048.06</u>	<u>13,493.42</u>	<u>41,555.71</u>	<u>470,985.77</u>	<u>21,919.19</u>
Total Primary Government	<u>500,386.76</u>	<u>20,312.27</u>	<u>47,922.14</u>	<u>472,776.89</u>	<u>23,710.31</u>

Debt payable at December 31, 2014, is comprised of the following:

State Revolving Fund Loan, Series 2005	\$ 220,891.51
Maturity Date: January 15, 2027	
Interest Rate: 3.25%	
Payments made from the Sewer Fund.	
State Revolving Fund Loan, Series 2011	\$ 248,502.21
Maturity Date: April 15, 2043	
Interest Rate: 3.25%	
Payments made from the Sewer Fund.	
Compensated Absences:	
Payable from General Fund	\$ 1,791.12
Payable from Water Fund	\$ 902.98
Payable from Sewer Fund	\$ 689.07

LONG-TERM LIABILITIES

The annual requirements to amortize all debt outstanding as of December 31, 2014, are as follows:

Annual Requirements to Maturity for Long-Term Debt  
December 31, 2014

Year Ending December 31,	State Revolving Fund Loan - Series 2005		State Revolving Fund Loan - Series 2011	
	Principal	Interest	Principal	Interest
2015	14,933.00	6,998.20	5,394.14	8,011.02
2016	15,424.26	6,506.94	5,571.59	7,833.57
2017	15,931.69	5,999.51	5,754.89	7,650.27
2018	16,455.82	5,475.38	5,944.21	7,460.95
2019	16,997.19	4,934.01	6,139.77	7,265.39
2020-2024	93,750.72	15,905.28	33,864.89	33,160.91
2025-2029	47,398.83	1,946.37	39,814.13	27,211.67
2030-2034			46,808.53	20,217.27
2035-2039			55,031.66	11,994.14
2040-2043			44,178.40	2,739.66
Totals	<u>220,891.51</u>	<u>47,765.69</u>	<u>248,502.21</u>	<u>133,544.85</u>

Year Ending December 31,	TOTALS	
	Principal	Interest
2015	20,327.14	15,009.22
2016	20,995.85	14,340.51
2017	21,686.58	13,649.78
2018	22,400.03	12,936.33
2019	23,136.96	12,199.40
2020-2024	127,615.61	49,066.19
2025-2029	87,212.96	29,158.04
2030-2034	46,808.53	20,217.27
2035-2039	55,031.66	11,994.14
2040-2043	44,178.40	2,739.66
Totals	<u>469,393.72</u>	<u>181,310.54</u>