MUNICIPALITY OF HARRISBURG
HARRISBURG, SOUTH DAKOTA

AUDIT REPORT

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

MUNICIPAL OFFICIALS
DECEMBER 31, 2014

MAYOR:

Julie Burke-Bowen

GOVERNING BOARD:

Ryan Berg
Robert Handshumaker
Ryan Olson
Allison Sanderson

CITY ADMINISTRATOR:

Andrew Pietrus

FINANCE OFFICER:

Mary McClung

ATTORNEY:

Nathan Schoen

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Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
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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 Harrisburg
Harrisburg, 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Harrisburg, South Dakota (Municipality), as of December 31, 2014 and for the year 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 September 25, 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.

Schoenfish & Co., Inc.
Certified Public Accountants
September 25, 2015

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR OTHER AUDIT FINDINGS:

Finding Number 2013-001:
A material weakness in internal controls was noted due to a lack of proper segregation of duties for the revenue function resulting in decrease reliability of reported financial data and an increased potential for the loss of public assets. This comment has not been corrected and is restated as current audit finding number 2014-001.

SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT OTHER 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 existed for the revenues. This is the twelfth 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 and Assistant Finance Officer process all revenue transactions from beginning to end. The Finance Officer and Assistance Finance Officer also receive 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 Harrisburg 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 Harrisburg Mayor, Julie Burke-Bowen, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Municipality of Harrisburg, 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 officials during the course of the audit and with the City Administrator and Finance Officer on October 15, 2015.

Schoenfish & Co., Inc.

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Municipality of Harrisburg
Harrisburg, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Harrisburg, South Dakota, (Municipality) as of December 31, 2014 and for the year 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 accounting principles generally accepted in the United States of America; this includes 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 of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Harrisburg as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and the Budgetary Comparison Schedules on pages 8 through 17, and 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's financial statements. The combining financial statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 September 25, 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.

Schoenfish & Co., Inc.
Certified Public Accountants
September 25, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Harrisburg's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended on December 31, 2014. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- During the year, the City's total revenues generated from charges for services, taxes and other revenues of the governmental and business-type programs were $1,745,077 more than the $3,666,957 governmental and business-type program expenditures.
- The total cost of the City's programs for the most part stayed the same except for the increase in public safety and a slight increase in culture and recreation improvements. No new programs were added this year.
- The governmental funds reported an increase of $466,509 in the current year due to higher than expected collections of sales and use taxes and licenses and permits and lower than expected expenditures in several general fund programs. The business type activities reported an increase of $1,278,569 in the current year primarily due to the acceptance of a sanitary sewer lift station that was installed and paid for by a private developer.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, including related notes, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short- and long-term financial information about the activities that the City operates like businesses. The City has two proprietary funds – the Water Fund and the Sewer Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

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

Figure A-2

Major Features of the City of Harrisburg's Government-wide and Fund Financial Statements

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The City has two kinds of funds:

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

The City's combined net position is as follows (See Table A-1).

Table A-1
City of Harrisburg
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and Other Assets	3,967,894	4,537,279	3,810,529	4,086,075	7,778,423	8,623,354
Captial Assets	4,914,090	5,974,444	22,652,121	23,923,357	27,566,211	29,897,801
Total Assets	8,881,984	10,511,723	26,462,650	28,009,432	35,344,634	38,521,155
Long-Term Debt Outstanding	641,283	1,780,885	5,354,922	5,745,438	5,996,205	7,526,323
Other Liabilities	19,509	43,137	400,443	296,089	419,952	339,226
Total Liabilities	660,792	1,824,022	5,755,365	6,041,527	6,416,157	7,865,549
Net Position:						
Net Investment in Capital Assets	4,276,616	4,200,409	17,157,347	18,180,985	21,433,963	22,381,394
Restricted for:						
Debt Service Purposes				103,926		103,926
Other Purposes	948,831	1,163,405	182,055	127,551	1,130,886	1,290,956
Unrestricted	2,995,745	3,323,887	3,367,883	3,555,443	6,363,628	6,879,330
Total Net Position	8,221,192	8,687,701	20,707,285	21,967,905	28,928,477	30,655,606
Beginning Net Position	5,533,331	8,221,192	23,120,620	20,707,285	28,653,951	28,928,477
Prior Period Adjustments	(11,296)		(56,185)	(17,949)	(67,481)	(17,949)
Restated Net Position	5,522,035	8,221,192	23,064,435	20,689,336	28,586,470	28,910,528
Change in Net Position	2,699,157	466,509	(2,357,150)	1,278,569	342,007	1,745,078
Percentage of Increase in Net Position	**48.78%**	**5.67%**	**-10.20%**	**6.17%**	**1.19%**	**6.03%**

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

The Municipality's net position reflect its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Municipality uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. The increase in net position invested in capital assets, net of related debt relates primarily to the Municipality's purchase of vehicles and equipment for use by the various programs, continuing construction on the Columbia Basin storm sewer and sanitary sewer projects, completion of the construction of city hall and the acceptance of a sanitary sewer lift station installed by a private developer.

The Municipality's restricted net position represent resources that are subject to external restrictions on how they may be used. These restrictions are normally set by state statute, federal regulations or debt covenants. There was an

increase in restricted net position primarily due to collections of dedicated storm drainage assessments and dedicated water and sewer surcharges in excess of outlays of these resources toward their intended purposes.

The remaining balances of net position are unrestricted and may be used to meet the Municipality's ongoing obligations to citizens and creditors. At the end of the current year, the Municipality is able to report positive balances in all three categories of net position, both for the government as a while, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Changes in Net Position

The City's total revenues (excluding special items) totaled $5,412,035 (See Table A-2.) Approximately percent of the City's revenue came from charges for services and taxes, with 35 cents of every dollar raised coming from charges for services (primarily water and sewer operations) and 35 cents of every dollar raised coming from some type of tax. (See Figure A-3).

The total cost of all programs and services saw an increase in public safety, public works, health and welfare, conservation and development, water and sewer services and a decrease in general government, culture and recreation and public works. The City's expenses cover a range of services, with approximately 69% related to public work services (road maintenance, water system services and sewer system services). (See Figure A-4)

Figure A-3, City of Harrisburg, Sources of Revenues for Fiscal Year 2014

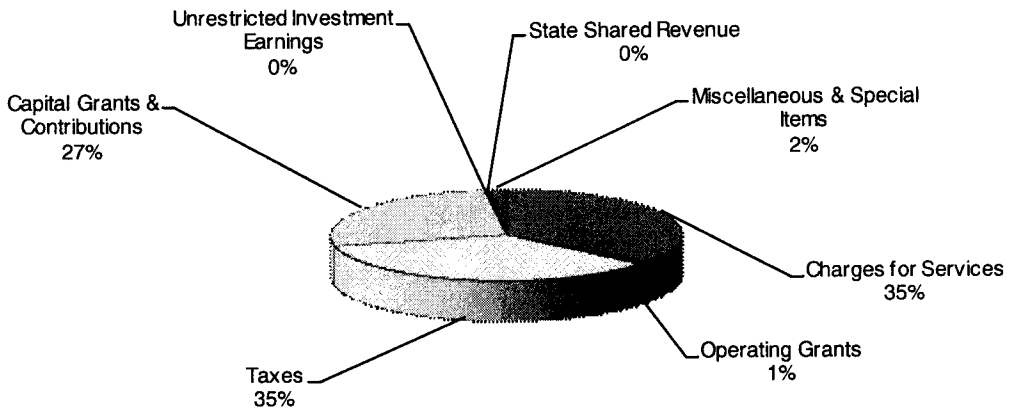

Figure A-4, City of Harrisburg, Functional Expenses for Fiscal Year 2014

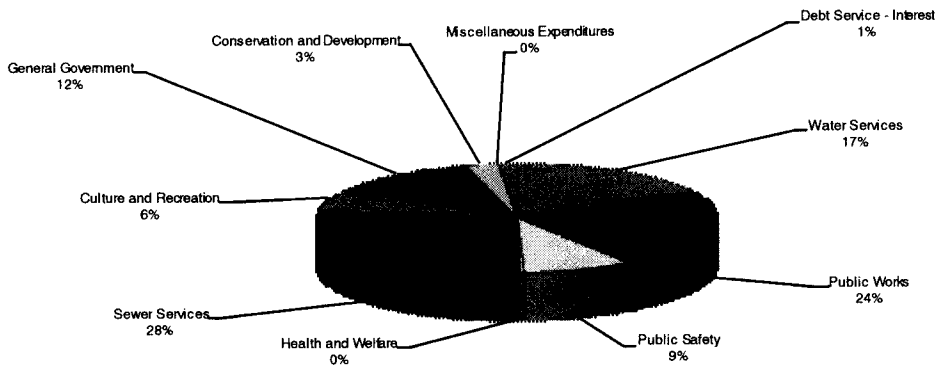

Table A-2
City of Harrisburg
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	**2014**	**2013**	**2014**	**2013**	**2014**
Revenues						
Program Revenues						
Charges for Services	108,628	137,385	1,770,276	1,767,969	1,878,904	1,905,353
Operating Grants	29,506	58,243			29,506	58,243
Capital Grants and Contributions	421,273	328,733	19,715	1,109,757	440,988	1,438,490
General Revenues						
Taxes	1,788,681	1,898,402			1,788,681	1,898,402
Revenue State Sources	10,721	14,886			10,721	14,886
Grants and Contributions not Restricted to Specific Programs	28,085				28,085	-
Unrestricted Investment Earnings	5,158	6,732	7,122	6,513	12,280	13,244
Miscellaneous	56,641	48,914	33,897	34,502	90,538	83,416
Total Revenues	**2,448,693**	**2,493,294**	**1,831,011**	**2,918,741**	**4,279,704**	**5,412,035**
Expenses						
General Government	507,203	446,462			507,203	446,462
Public Safety	301,206	321,687			301,206	321,687
Public Works	905,399	863,328			905,399	863,328
Health and Welfare	4,600	13,843			4,600	13,843
Culture and Recreation	443,080	230,034			443,080	230,034
Conservation and Development	71,212	97,320			71,212	97,320
Miscellaneous Expenditures					-	-
Interest on Long -term Debt	103,675	54,113			103,675	54,113
Water Services			614,592	628,741	614,592	628,741
Sew er Services			986,728	1,011,431	986,728	1,011,431
Total Expenses	**2,336,376**	**2,026,785**	**1,601,320**	**1,640,172**	**3,937,697**	**3,666,957**
Excess (Deficiency) Before Special Items and Transfers	112,317		229,690		342,357	-
Special Items	2,453,670		(2,453,670)		-	-
Transfers	133,170		(133,170)		-	-
Increase (Decrease) in Net Position	**2,699,157**	**466,509**	**(2,356,800)**	**1,278,569**	**342,357**	**1,745,077**
Prior Period Adjustments:						
Adjustments for Trust Deposits	(11,296)		(56,185)	(17,949)		**(17,949)**
Ending Net Position	**8,221,192**	**8,687,701**	**20,707,285**	**21,967,905**	**28,928,477**	**30,655,606**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The financial analysis of the City's funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains four governmental funds – General Fund, Liquor, Lodging and Dining Sales Tax Special Revenue Fund, Storm Drainage Special Revenue Fund and Tax Increment Financing Debt Service Fund and two business type funds – Water and Sewer Funds. The Governmental Activities increased by $466,509 due to higher than expected collections of sales and use taxes and licenses and permits and lower than expected expenses in several General Fund programs. The Water Fund had an increase in net position of $225,514. The Sewer Fund had an increase in net position of $1,053,055. The Water Fund increase was partially due to an increase in actual number of users as well as the collection of new surcharges dedicated to debt repayment. The Sewer Fund increase was due primarily to the collection of a new surcharge dedicated to debt repayment and the acceptance of a sanitary sewer lift station installed by a private developer.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget once. These amendment fell into one category:

- Supplemental appropriations and contingency transfers approved for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of its citizens.

The following were the significant budget changes during the year.

- $25,000 for additional storm drainage professional services and fees, rentals and supplies & materials. Funds used from unobligated general fund balance.
- $20,000 for additional engineering services. Funds used from unobligated general fund balance.
- $10,700 for Planning & Zoning professional services and fees, computer software and books. Funds used from unobligated general fund balance.
- $7,500 for supplies and materials for snow removal. Funds used from unobligated general fund balance.
- $4,700 for additional supplies and materials for West Nile Prevention for engineering services. Funds used from unobligated general fund balance.
- $3,500 for professional services and fees for Economic Development. Funds used from unobligated liquor, lodging and dining sales tax fund balance.
- $3,000 for protective inspection professional services and fees. Funds used from unobligated general fund balance.

	Original	Final
Revenue	1,905,900	1,908,829
Expenses	1,885,668	1,960,518
Variance	20,232	(51,689)

CAPITAL ASSET ADMINISTRATION

By the end of 2014, the City had invested $29,897,801 in a broad range of capital assets including, land, buildings, infrastructure and various machinery and equipment, intangible assets and construction in progress. (See Table A-3.)

Table A-3
City of Harrisburg - Capital Assets
(net of depreciation)

	Governmental Activities		Business - Type Activities			
	2013	2014	2013	2014	2013	2014
Land	$ 377,566	$ 388,066	$ 74,935	$ 75,435	$ 452,501	$ 463,501
Buildings	$ 779,112	$ 1,272,728			$ 779,112	$ 1,272,728
Improvements Other Than Buildings	$ 2,858,789	$ 2,506,769	$ 20,381,530	$ 20,979,783	$ 23,240,319	$ 23,486,552
Machinery and Equipment	$ 348,417	$ 342,681	$ 417,706	$ 342,924	$ 766,123	$ 685,605
Intangible Assets			$ 1,376,676	$ 1,343,919	$ 1,376,676	$ 1,343,919
Construction in Progress	$ 550,207	$ 1,464,200	$ 401,274	$ 1,181,296	$ 951,481	$ 2,645,496
Total Capital Assets (Net)	**$ 4,914,091**	**$ 5,974,444**	**$ 22,652,121**	**$ 23,923,357**	**$ 27,566,212**	**$ 29,897,801**

This year's major capital asset additions included:

- Block 8 Legendary Estates
- 2015 Ford F250 Pickup
- Post Hole Auger
- Cutquick saw 14" with cart
- Kubota ZD331LP-72 Diesel Zero Turn Mower with 72" Deck
- On Site 300 Radar Trailer with Modular Speed Display
- Dump Bed for F700
- ULV – Model 18-20 Mosquito Sprayer
- Sander (Used)
- Library Books
- Sanitary Sewer lift station installed by a private developer
- Progress on Columbia Basin storm drainage and sanitary sewer improvements
- Completion of construction on city hall
- Preliminary design work completed on Willow Street Improvements

LONG-TERM DEBT

At year-end the City had $2,747,525 in Water Revenue Bonds, $497,275 in a note payable for the construction of water main, street improvements and a private rail spur, $2,994,846 in Clean Water Revenue Bond for wastewater improvements, $1,276,760 in a Clean Water Revenue Bond for storm drainage improvements.

Table A-4
City of Harrisburg - Outstanding Debt and Obligations

	Governmental Activities		Business-type Activities		TOTAL	
	2013	2014	2013	2014	2013	2014
Note Payable	$ 637,475	$ 497,275			$ 637,475	$ 497,275
Compensated Absences	3,809	6,850	$ 1,291	$ 3,066	5,100	9,916
Storm Drainage Revenue Bonds		1,276,760				1,276,760
Drinking Water Revenue Bonds			2,899,960	2,747,525	2,899,960	2,747,525
Wastewater Revenue Bonds			2,453,670	2,994,846	2,453,670	2,994,846
Total Outstanding Debt and Obligations	**$ 641,284**	**$ 1,780,885**	**$ 5,354,922**	**$ 5,745,437**	**$ 5,996,205**	**$ 7,526,322**

The City has outstanding $251,903 in Water Revenue Bonds. The bonds are secured and paid for from the Water Fund. The City does not anticipate the use of any tax dollars to pay for these bonds. These bonds were used to build the existing water tower in the Industrial Park and will be fully paid off on January 1, 2022.

The City has outstanding $989,049 in Water Revenue Bonds. The bonds are secured and paid for from the Water Fund. The City does not anticipate the use of any tax dollars to pay for these bonds. These bonds were used for the prepayment to Lewis & Clark Regional Water System and costs associated with the upsizing of pipe for the connection to Lewis & Clark, repayment began in 2009 and will be fully paid off October 15, 2028.

The City has outstanding $1,506,573 in Water Revenue Bonds. The bonds are secured and paid for from the Water Fund. The city does not anticipate the use of any tax dollars to pay for these bonds. These bonds were used to build the existing composite water tower by the Harrisburg High School and for the water main loop in the Harrisburg Homesites Addition repayment began in 2011 and will be fully paid off January 15, 2031.

The City has outstanding $2,399,687 in Clean Water Revenue Bonds. The bonds were secured and paid for from city sales tax dollars which was approved by the voters. These bonds were used to construct the force main to the City of Sioux Falls, repayment began in 2012 and will be fully paid off January 1, 2042. In 2013 the city set up a wastewater surcharge and converted the existing sales tax loan to bonds that are now secured and paid for from the Wastewater Fund.

At the end of 2014 the City has outstanding $595,159 in Clean Water Revenue Bonds. The bonds were secured and paid for from Sewer Fund. These bonds were used to improve the Columbia Street sanitary sewer system, the project was not 100% complete at the end of 2014 and additional costs will be incurred. Repayment began in 2014 and will be fully paid off in 2034.

At the end of 2014 the City has outstanding $1,276,760 in Clean Water (Storm Drainage) Revenue Bonds. The bonds were secured and paid for from Storm Sewer Maintenance Fund. These bonds were used to improve the Columbia Street storm sewer system, the project was not 100% complete at the end of 2014. Repayment began in 2014 and will be fully paid off in 2033.

The City has outstanding $497,275 in a note payable to a developer for costs they incurred for the construction of a rail spur, water main and street improvements. This note is being repaid with incremental property taxes collected on affected properties via a tax increment financing district.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's current economic position has shown a slight change. The City experienced an increase in total property valuation of $10,861,168 from the prior year. The increase in property valuation allows the City the ability to increase the amount of revenue generated from property taxes by approximately $54,684. Under the state mandated property tax freeze, property taxes from one year to the next may increase 3% or an amount based on the Consumer Price Index (CPI) whichever is lower and for next year it is 1.4%. The property tax levy request increased due to our growth and CPI by 6.59%.

One of the primary sources of revenue to the City is based on taxable retail sales in the community (sales tax). The city experienced an increase in sales tax revenue of $59,703 or almost 7.25% over the prior year. The City's adopted General Fund budget for the next fiscal year increased to $2,015,187 using nothing from the unassigned fund balance.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Harrisburg's Finance Office, PO Box 26, Harrisburg, SD 57032.

MUNICIPALITY OF HARRISBURG
STATEMENT OF NET POSITION
December 31, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	4,100,175.27	3,716,477.53	7,816,652.80
Accounts Receivable, Net	424,347.92	138,120.55	562,468.47
Restricted Assets:			
Cash and Cash Equivalents		231,476.22	231,476.22
Deposits	12,755.54		12,755.54
Capital Assets:			
Land and Construction Work in Progress	1,852,265.89	1,256,731.17	3,108,997.06
Other Capital Assets, Net of Depreciation	4,122,178.52	22,666,626.18	26,788,804.70
TOTAL ASSETS	10,511,723.14	28,009,431.65	38,521,154.79
LIABILITIES :			
Accounts Payable	10,599.60	15,523.23	26,122.83
Other Current Liabilities	32,537.52	280,565.95	313,103.47
Noncurrent Liabilities:			
Due Within One Year	120,156.26	228,110.00	348,266.26
Due in More than One Year	1,660,728.87	5,517,327.52	7,178,056.39
TOTAL LIABILITIES	1,824,022.25	6,041,526.70	7,865,548.95
NET POSITION:			
Net Investment in Capital Assets	4,200,409.43	18,180,985.35	22,381,394.78
Restricted for:			
Debt Service Purposes		103,925.88	103,925.88
City Promotion/Parks	81,571.34		81,571.34
Storm Sewer Maintenance	1,069,077.29		1,069,077.29
Equipment Repair and Replacement		127,550.34	127,550.34
Cumulative Insurance Reserve	12,755.54		12,755.54
Unrestricted (Deficit)	3,323,887.29	3,555,443.38	6,879,330.67
TOTAL NET POSITION	8,687,700.89	21,967,904.95	30,655,605.84

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

MUNICIPALITY OF HARRISBURG
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position – Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position – Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	446,461.78	23,150.73	1,875.00	10,500.00	(410,936.05)		(410,936.05)
Public Safety	321,687.08	97,149.32		12,976.28	(211,561.48)		(211,561.48)
Public Works	863,327.57		48,414.07	303,256.98	(511,656.52)		(511,656.52)
Health and Welfare	13,842.68	2,018.75	2,929.00		(8,894.93)		(8,894.93)
Culture and Recreation	230,033.75	15,065.84	5,025.00	2,000.00	(207,942.91)		(207,942.91)
Conservation and Development	97,319.75				(97,319.75)		(97,319.75)
*Interest on Long-term Debt	54,112.64				(54,112.64)		(54,112.64)
Total Governmental Activities	2,026,785.25	137,384.64	58,243.07	328,733.26	(1,502,424.28)		(1,502,424.28)
Business-type Activities:							
Water	628,741.38	816,948.83				188,207.45	188,207.45
Sewer	1,011,430.76	951,019.87		1,109,757.22		1,049,346.33	1,049,346.33
Total Business-type Activities	1,640,172.14	1,767,968.70	0.00	1,109,757.22		1,237,553.78	1,237,553.78
Total Primary Government	3,666,957.39	1,905,353.34	58,243.07	1,438,490.48	(1,502,424.28)	1,237,553.78	(264,870.50)
General Revenues:							
Taxes:							
Property Taxes					1,012,126.93		1,012,126.93
Sales Taxes					886,274.71		886,274.71
State Shared Revenues					14,885.78		14,885.78
Unrestricted Investment Earnings					6,731.63	6,512.66	13,244.29
Miscellaneous Revenue					48,913.93	34,502.10	83,416.03
Total General Revenues					1,968,932.98	41,014.76	2,009,947.74
Change in Net Position					466,508.70	1,278,568.54	1,745,077.24
Net Position - Beginning					8,221,192.19	20,707,285.00	28,928,477.19
Adjustments:							
Prior year correction to bring Customer Deposits to actual						(17,948.59)	(17,948.59)
Adjusted Net Position - Beginning					8,221,192.19	20,689,336.41	28,910,528.60
NET POSITION - ENDING					8,687,700.89	21,967,904.95	30,655,605.84

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

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

MUNICIPALITY OF HARRISBURG
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	General Fund	Storm Sewer Maintenance Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	3,124,343.72	895,732.39	78,534.17	4,098,610.28
Cash with Fiscal Agent	1,452.06	112.93		1,564.99
Taxes Receivable--Delinquent	13,860.62			13,860.62
Accounts Receivable, Net	3,947.15			3,947.15
Special Assessments Receivable--Current	128,915.40	181,843.06		310,758.46
Special Assessments Receivable--Delinquent	4,027.00	2,216.63		6,243.63
Due from Other Governments	93,640.57		3,037.17	96,677.74
Deposits	12,755.54			12,755.54
TOTAL ASSETS	3,382,942.06	1,079,905.01	81,571.34	4,544,418.41
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts Payable	10,599.60			10,599.60
Contracts Payable		4,617.35		4,617.35
Contracts Payable--Retained Percentage		6,210.37		6,210.37
Accrued Wages Payable	10,278.05			10,278.05
Accrued Taxes Payable	1,332.56			1,332.56
Total Liabilities	22,210.21	10,827.72	0.00	33,037.93
Deferred Inflows of Resources:				
Unavailable Revenue--Property taxes	13,860.62			13,860.62
Unavailable Revenue--Special Assessments	132,942.40	184,059.69		317,002.09
Other Deferred Inflows of Resources	33,592.05		932.72	34,524.77
Total Deferred Inflows of Resources	180,395.07	184,059.69	932.72	365,387.48
Fund Balances:				
Nonspendable:				
Cumulative Insurance Reserve	12,755.54			12,755.54
Restricted:				
City Promotion/Parks			80,638.62	80,638.62
Storm Sewer Maintenance		885,017.60		885,017.60
Unassigned	3,167,581.24			3,167,581.24
Total Fund Balances	3,180,336.78	885,017.60	80,638.62	4,145,993.00
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	3,382,942.06	1,079,905.01	81,571.34	4,544,418.41

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

MUNICIPALITY OF HARRISBURG
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2014

Total Fund Balances - Governmental Funds	4,145,993.00
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,974,444.41
Long-term liabilities, including bonds payable and accrued leave payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,780,885.13)
Assets such as taxes receivable (delinquent), special assessment receivables (current, delinquent and deferred), and sales tax receivable are not available to pay for current period expenditures and therefore are deferred in the funds.	358,247.80
Interest on general long-term debt is not recognized when incurred in the funds but is rather recognized when due. Accordingly, interest expense accrued but not due is not reported in the funds statements.	(10,099.19)
Net Position - Governmental Activities	8,687,700.89

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

MUNICIPALITY OF HARRISBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	General Fund	Storm Sewer Maintenance Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
General Property Taxes	832,738.13		176,376.12	1,009,114.25
General Sales and Use Taxes	856,112.43		30,522.32	886,634.75
Amusement Taxes	288.00			288.00
Penalties and Interest on Delinquent Taxes	1,969.04			1,969.04
Licenses and Permits	96,723.32			96,723.32
Intergovernmental Revenue:				
Federal Grants	13,083.24			13,083.24
State Grants	4,582.44			4,582.44
State Shared Revenue:				
Bank Franchise Tax	8,262.28			8,262.28
Motor Vehicle Commercial Prorate	2,000.88			2,000.88
Liquor Tax Reversion	6,623.50			6,623.50
Motor Vehicle Licenses	18,496.30			18,496.30
Local Government Highway and Bridge Fund	8,038.03			8,038.03
County Shared Revenue:				
County Highway & Bridge Reserve Tax	1,037.13			1,037.13
County Wheel Tax	4,105.05			4,105.05
Charges for Goods and Services:				
General Government	14,750.73			14,750.73
Sanitation	1,523.75			1,523.75
Culture and Recreation	14,751.35			14,751.35
Fines and Forfeits:				
Court Fines and Costs	176.00			176.00
Parking Meter Fines	250.00			250.00
Library	314.49			314.49
Miscellaneous Revenue:				
Investment Earnings	3,654.65	2,990.63	86.35	6,731.63
Rentals	8,400.00			8,400.00
Maintenance Assessments	105,555.70	171,885.03		277,440.73
Contributions and Donations from Private Sources	6,900.00			6,900.00
Other	46,192.20			46,192.20
Total Revenue	2,056,528.64	174,875.66	206,984.79	2,438,389.09
Expenditures:				
General Government:				
Legislative	24,967.25			24,967.25
Executive	113,998.25			113,998.25
Elections	50.00			50.00
Financial Administration	168,137.94			168,137.94
Other	122,575.61			122,575.61
Total General Government	429,729.05	0.00	0.00	429,729.05

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

MUNICIPALITY OF HARRISBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	General Fund	Storm Sewer Maintenance Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Expenditures (Continued):				
Public Safety:				
Police	220,568.84			220,568.84
Fire	51,771.48			51,771.48
Protective Inspection	43,200.32			43,200.32
Total Public Safety	315,540.64	0.00	0.00	315,540.64
Public Works:				
Highways and Streets	263,291.10			263,291.10
Sanitation	8,585.55			8,585.55
Total Public Works	271,876.65	0.00	0.00	271,876.65
Health and Welfare:				
Health	13,842.68			13,842.68
Total Health and Welfare	13,842.68	0.00	0.00	13,842.68
Culture and Recreation:				
Recreation	10,849.23			10,849.23
Parks	119,007.54			119,007.54
Libraries	54,833.33			54,833.33
Total Culture and Recreation	184,690.10	0.00	0.00	184,690.10
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	63,734.75		33,585.00	97,319.75
Total Conservation and Development	63,734.75	0.00	33,585.00	97,319.75
Debt Service		13,490.41	176,376.12	189,866.53
Capital Outlay	302,973.67	1,408,054.89		1,711,028.56
Total Expenditures	1,582,387.54	1,421,545.30	209,961.12	3,213,893.96
Excess of Revenue Over (Under) Expenditures	474,141.10	(1,246,669.64)	(2,976.33)	(775,504.87)
Other Financing Sources (Uses):				
Sale of Municipal Property	1,238.93			1,238.93
Compensation for Loss or Damage to Capital Assets	1,261.51			1,261.51
Long-Term Debt Issued		1,279,226.00		1,279,226.00
Total Other Financing Sources (Uses)	2,500.44	1,279,226.00	0.00	1,281,726.44
Net Change in Fund Balances	476,641.54	32,556.36	(2,976.33)	506,221.57
Fund Balance - Beginning	2,703,695.24	852,461.24	83,614.95	3,639,771.43
FUND BALANCE - ENDING	3,180,336.78	885,017.60	80,638.62	4,145,993.00

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

MUNICIPALITY OF HARRISBURG
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds	506,221.57
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	1,711,028.56
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	(663,174.87)
The receipt of donated capital assets is not reported on the fund statements, but is reported as a program revenue on the government-wide statements.	12,500.00
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.	142,666.04
The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government-wide statements.	(1,279,226.00)
The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	755.64
Governmental funds report special assessments as revenue when "available", but the statement of activities includes the full amount of special assessments as revenue upon completion of the project at the point when an enforceable legal claim arises.	32,357.93
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	(3,041.53)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	13,332.78
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(6,911.42)
Change in Net Position of Governmental Activities	466,508.70

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

MUNICIPALITY OF HARRISBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	1,772,772.93	1,943,704.60	3,716,477.53
Accounts Receivable, Net	2,789.84	9,469.00	12,258.84
Unbilled Accounts Receivable	55,979.28	69,882.43	125,861.71
Total Current Assets	1,831,542.05	2,023,056.03	3,854,598.08
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	163,612.17	67,864.05	231,476.22
Capital Assets:			
Land	56,250.71	19,183.85	75,434.56
Improvements Other Than Buildings	9,162,592.79	16,122,431.48	25,285,024.27
Machinery and Equipment	200,465.22	707,581.90	908,047.12
Construction Work in Progress		1,181,296.61	1,181,296.61
Less: Accumulated Depreciation	(1,816,210.18)	(3,054,154.48)	(4,870,364.66)
Intangible Assets	1,553,220.95		1,553,220.95
Accumulated Amortization	(209,301.50)		(209,301.50)
Total Noncurrent Assets	9,110,630.16	15,044,203.41	24,154,833.57
TOTAL ASSETS	10,942,172.21	17,067,259.44	28,009,431.65
LIABILITIES:			
Current Liabilities:			
Accounts Payable	11,746.85	3,776.38	15,523.23
Contracts Payable		3,452.35	3,452.35
Contracts Payable--Retained Percentage		4,643.13	4,643.13
Accrued Interest Payable	20,046.24	23,000.96	43,047.20
Accrued Wages Payable	2,078.45	2,078.45	4,156.90
Accrued Taxes Payable	283.71	283.71	567.42
Customer Deposits	224,698.95		224,698.95
Bonds Payable Current:			
Revenue	157,958.24	67,086.24	225,044.48
Total Current Liabilities	416,812.44	104,321.22	521,133.66
Noncurrent Liabilities:			
Bonds Payable:			
Revenue	2,589,567.44	2,927,760.08	5,517,327.52
Accrued Leave Payable	1,532.76	1,532.76	3,065.52
Total Noncurrent Liabilities	2,591,100.20	2,929,292.84	5,520,393.04
TOTAL LIABILITIES	3,007,912.64	3,033,614.06	6,041,526.70
NET POSITION:			
Net Invesment in Capital Assets	6,199,492.31	11,981,493.04	18,180,985.35
Restricted Net Position, Restricted for:			
Revenue Bond Debt Service	103,925.88		103,925.88
Equipment Repair and/or Replacement	59,686.29	67,864.05	127,550.34
Unrestricted Net Position	1,571,155.09	1,984,288.29	3,555,443.38
TOTAL NET POSITION	7,934,259.57	14,033,645.38	21,967,904.95

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

MUNICIPALITY OF HARRISBURG
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Operating Revenue:			
Revenue Dedicated to Servicing Debt	816,948.83	951,019.87	1,767,968.70
Total Operating Revenue	816,948.83	951,019.87	1,767,968.70
Operating Expenses:			
Personal Services	79,081.08	78,854.72	157,935.80
Other Current Expense	87,651.25	454,201.76	541,853.01
Materials (Cost of Goods Sold)	128,343.55		128,343.55
Amortization	32,756.86		32,756.86
Depreciation	204,979.20	391,861.75	596,840.95
Total Operating Expenses	532,811.94	924,918.23	1,457,730.17
Operating Income (Loss)	284,136.89	26,101.64	310,238.53
Nonoperating Revenue (Expense):			
Investment Earnings	2,804.35	3,708.31	6,512.66
Rental Revenue	34,502.10		34,502.10
Interest Expense and Fiscal Charges	(95,929.44)	(86,512.53)	(182,441.97)
Total Nonoperating Revenue (Expense)	(58,622.99)	(82,804.22)	(141,427.21)
Income (Loss) Before Contributions	225,513.90	(56,702.58)	168,811.32
Capital Contributions		1,109,757.22	1,109,757.22
Change in Net Position	225,513.90	1,053,054.64	1,278,568.54
Net Position - Beginning	7,726,694.26	12,980,590.74	20,707,285.00
Adjustments:			
Prior year correction to bring Customer Deposits to actual	(17,948.59)		(17,948.59)
Adjusted Net Position - Beginning	7,708,745.67	12,980,590.74	20,689,336.41
NET POSITION - ENDING	7,934,259.57	14,033,645.38	21,967,904.95

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

MUNICIPALITY OF HARRISBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Receipts from Customers	828,550.02	954,528.54	1,783,078.56
Cash Payments to Employees for Services	(77,362.55)	(77,136.19)	(154,498.74)
Cash Payments to Suppliers of Goods and Services	(214,911.82)	(455,239.09)	(670,150.91)
Net Cash Provided (Used) by Operating Activities	536,275.65	422,153.26	958,428.91
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from Capital Debt		595,159.00	595,159.00
Capital Contributions		9,257.22	9,257.22
Purchase of Capital Assets	(8,186.69)	(925,193.99)	(933,380.68)
Principal Paid on Capital Debt	(152,435.25)	(53,982.88)	(206,418.13)
Interest Paid on Capital Debt	(97,122.87)	(83,447.64)	(180,570.51)
Other Receipts	34,502.10		34,502.10
Net Cash (Used) by Capital and Related Financing Activities	(223,242.71)	(458,208.29)	(681,451.00)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash Received for Interest	2,804.35	3,708.31	6,512.66
Net Cash Provided by Investing Activities	2,804.35	3,708.31	6,512.66
Net Increase (Decrease) in Cash and Cash Equivalents	315,837.29	(32,346.72)	283,490.57
Balances - Beginning	1,620,547.81	2,043,915.37	3,664,463.18
Balances - Ending	1,936,385.10	2,011,568.65	3,947,953.75
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	284,136.89	26,101.64	310,238.53
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	237,736.06	391,861.75	629,597.81
Change in Assets and Liabilities:			
Receivables	4,436.83	3,508.67	7,945.50
Accounts and Other Payables	1,082.98	(1,037.33)	45.65
Accrued Wages Payable	831.22	831.22	1,662.44
Accrued Leave Payable	887.31	887.31	1,774.62
Customer Deposits	7,164.36		7,164.36
Net Cash Provided (Used) by Operating Activities	536,275.65	422,153.26	958,428.91
Noncash Investing, Capital and Financing Activities:			
Capital Assets Installed by Private Developers		1,100,500.00	1,100,500.00

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of the Municipality of Harrisburg (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, 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

Liquor, Lodging and Dining Sales Tax – to account for the collection of a one percent tax on the gross receipts of lodgings, alcoholic beverages, prepared food and admissions which tax shall be used for the purpose of land acquisition, architectural fees, construction costs, payments for civic center, auditorium or athletic facility buildings, including the promotion of advertising of the municipality. (SDCL 10-52-8) This is not a major fund.

HADCO Park Gift Fund – to account for any gift, grant, devise or bequest made by any person, private agency, agency of state government, the federal government, or any of its agencies for park purposes. (SDCL 9-38-12) This is not a major fund.

Storm Drainage Maintenance Fund – to account for the proceeds of the special assessment for the purpose of maintaining the municipal sewers and septic or sewage treatment plants. (SDCL 9-48-21) This is not a major fund.

Debt Service Funds – debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Industrial Park Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. This is not 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 fees 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 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.

Measurement Focus:

Government-wide Financial Statements:

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 on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental funds, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary funds.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Municipality of Harrisburg, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2014 are sales tax revenue and franchise fees.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

d. 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.

e. Capital Assets:

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

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

Government-Wide Statements

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful life of a capital asset are also capitalized.

The total December 31, 2014 balance of capital assets for governmental activities and business-type activities are all valued at original cost.

Infrastructure assets used in general government operations consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 2004, were not required to be capitalized by the Municipality. Infrastructure assets acquired since January 1, 2004 are recorded at cost, and classified as "Improvements Other than Buildings."

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is capitalized in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to common use assets for which allocation would be unduly complex, and which is reported as Unallocated Depreciation, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land and land rights	$ -	- - N/A - -	- - N/A - -
Improvements other than buildings	$ 10,000.00	Straight-line	10-50 yrs.
Buildings	$ 10,000.00	Straight-line	50 yrs.
Machinery & Equipment	$ 1,000.00	Straight-line	5-10 yrs.
Infrastructure	$ 10,000.00	Straight-line	10-50 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as Capital Outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

f. Long-Term Liabilities:

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

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

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

g. Program Revenues:

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

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

h. Deferred Inflows and Deferred Outflows of Resources:

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period.

i. 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.

j. 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.

k. Equity Classifications:

Government-wide Statements:

Equity is classified as net position and is displayed in three components.

1. Net Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted net 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.

3. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

l. 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 position are available.

m. 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 Cumulative Insurance Reserve.

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 of unrestricted fund balance when expenditures are made.

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

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 as follows:

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Investments – In general, SDCL 4-5-6 permits municipal 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.

As of December 31, 2014, the Municipality had the following investments. All investments are in an external investment pool.

Investment	Credit Rating	Fair Value
External Investment Pools:		
SDFIT	Unrated	$ 852,282.11
Total Investments		$ 852,282.11

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine member board with representation from municipalities, school districts and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis.

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.

3. RESTRICTED DEPOSITS

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

Amount:	Purpose:
$12,755.54	Restricted amount on deposit with the South Dakota Public Assurance Alliance

4. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The Municipality expects all receivables to be collected within one year.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. 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 the following 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 statues to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the Municipality.

6. CHANGES IN GENERAL CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2014, is as follows:

Primary Government:	Balance 01/01/2014	Increases	Decreases	Balance 12/31/2014
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	377,566.00	10,500.00		388,066.00
Construction in Progress	550,206.87	1,571,768.60	(657,775.58)	1,464,199.89
Total, not being depreciated	927,772.87	1,582,268.60	(657,775.58)	1,852,265.89
Capital Assets, being depreciated:				
Buildings	907,530.86	522,211.08		1,429,741.94
Improvements Other Than Buildings	8,891,358.26	206,694.23		9,098,052.49
Machinery & Equipment	756,345.56	70,130.23	(7,481.00)	818,994.79
Total, being depreciated	10,555,234.68	799,035.54	(7,481.00)	11,346,789.22
Less Accumulated Depreciation for:				
Buildings	(128,419.10)	(28,594.84)		(157,013.94)
Improvements Other Than Buildings	(6,032,569.29)	(558,713.76)		(6,591,283.05)
Machinery & Equipment	(407,928.44)	(75,866.27)	7,481.00	(476,313.71)
Total Accumulated Depreciation	(6,568,916.83)	(663,174.87)	7,481.00	(7,224,610.70)
Total Capital Assets, being depreciated, net	3,986,317.85	135,860.67	0.00	4,122,178.52
Governmental Activity Capital Assets, Net	4,914,090.72	1,718,129.27	(657,775.58)	5,974,444.41

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 15,350.37
Public Safety	6,103.65
Public Works	598,073.02
Culture and Recreation	43,647.83
Total Depreciation Expense - Governmental Activities	$ 663,174.87

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Balance 01/01/2014	Increases	Decreases	Balance 12/31/2014
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	74,934.56	500.00		75,434.56
Construction Work in Progress	401,273.98	780,022.63		1,181,296.61
Total, not being depreciated	476,208.54	780,522.63	0.00	1,256,731.17
Capital Assets, being depreciated:				
Improvements Other Than Buildings	24,185,024.27	1,100,000.00		25,285,024.27
Machinery & Equipment	887,735.79	20,311.33		908,047.12
Total, being depreciated	25,072,760.06	1,120,311.33	0.00	26,193,071.39
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(3,803,494.37)	(501,747.17)		(4,305,241.54)
Machinery & Equipment	(470,029.34)	(95,093.78)		(565,123.12)
Total Accumulated Depreciation	(4,273,523.71)	(596,840.95)	0.00	(4,870,364.66)
Total Capital Assets, being depreciated, net	20,799,236.35	523,470.38	0.00	21,322,706.73
Business-type Activity Capital Assets, Net	21,275,444.89	1,303,993.01	0.00	22,579,437.90

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water	$ 204,979.20
Sewer	391,861.75
Total Depreciation Expense - Business-Type Activities	$ 596,840.95

Construction Work in Progress at December 31, 2014 is composed of the following:

Project Name	Project Authorization	Expended Thru 12/31/2014	Committed	Required Future Financing
Columbia Sanitary Sewer & Storm Sewer Project	2,631,037.44	2,589,351.50	0.00	41,685.94
Website Development	18,500.00	9,250.00	9,250.00	0.00
Willow Street Improvement	483,155.00	46,895.00	0.00	436,260.00
Total	3,132,692.44	2,645,496.50	9,250.00	477,945.94

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Balance 01/01/2014	Increases	Decreases	Balance 12/31/2014
Business-type Activities:				
Lewis and Clark Water System Payment	1,553,220.95			1,553,220.95
Less Accumulated Amortization	(176,544.64)	(32,756.86)		(209,301.50)
Business-type Activities, Net	1,376,676.31	(32,756.86)	0.00	1,343,919.45

Amortization expense was charged to functions as follows:

Business-Type Activities:	
Water	$ 32,756.86
Total Amortization Expense - Business-Type Activities	$ 32,756.86

7. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Beginning Balance 1/1/2014	Additions	Deletions	Ending Balance 12/31/2014	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
Clean Water Revenue Bond - Series 2014	0.00	1,279,226.00	2,466.16	1,276,759.84	62,638.57
TIF #1 Note Payable	637,475.02		140,199.88	497,275.14	50,667.54
Total Debt	637,475.02	1,279,226.00	142,666.04	1,774,034.98	113,306.11
Accrued Compensated Absences-Governmental Funds	3,808.62	15,578.12	12,536.59	6,850.15	6,850.15
Total Governmental Activities	641,283.64	1,294,804.12	155,202.63	1,780,885.13	120,156.26
Business-Type Activities:					
Bonds Payable:					
Water Revenue, Series 2000	280,059.51		28,156.33	251,903.18	29,590.77
Water Revenue, Series 2007	1,043,999.25		54,949.97	989,049.28	56,757.73
Water System Revenue, Series 2008	1,575,902.17		69,328.95	1,506,573.22	71,609.74
Clean Water Revenue Bonds, Series 2009	2,453,670.20		53,982.88	2,399,687.32	55,758.82
Clean Water Revenue Bonds, Series 2014	0.00	595,159.00		595,159.00	11,327.42
Total Debt	5,353,631.13	595,159.00	206,418.13	5,742,372.00	225,044.48
Accrued Compensated Absences-Business-Type Funds	1,290.90	9,171.16	7,396.54	3,065.52	3,065.52
Total Business-Type Activities	5,354,922.03	604,330.16	213,814.67	5,745,437.52	228,110.00
TOTAL PRIMARY GOVERNMENT	5,996,205.67	1,899,134.28	369,017.30	7,526,322.65	348,266.26

Compensated absences for governmental activities typically have been liquidated from the General Fund.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Revenue Bonds:

Sales Tax Revenue Bonds - Series 2009 3.25 Percent Interest, Final Maturity Date of January 2042, Retired by the Sewer Fund.	2,399,687.32
Water Improvement Revenue Bonds SRF - Series 2000 5.0 Percent Interest, Final Maturity Date of January 2022, Retired by the Water Enterprise Fund.	251,903.18
Water Improvement Revenue Bonds SRF - Series 2007 3.25 Percent Interest, Final Maturity Date of October 2028, Retired by the Water Enterprise Fund.	989,049.28
Water System Revenue Bonds SRF - Series 2008 3.25 Percent Interest, Final Maturity Date of January 2031, Retired by the Water Enterprise Fund.	1,506,573.22
Clean Water Revenue Bonds SRF - Series 2014 3.00 Percent Interest, Final Maturity Date of October 2034, Retired by the Sewer Enterprise Fund.	595,159.00
Clean Water Revenue Bonds SRF - Series 2014 3.00 Percent Interest, Final Maturity Date of October 2033, Retired by the Storm Sewer Maintenance Fund.	1,276,759.84

Notes Payable:

Harrisburg Tax Increment District # 1 Note Payable to L.G. Everist, Inc. 6.0 Percent Interest, Final Maturity Date of June 1, 2023, unless paid sooner. Retired by the Industrial Park Improvement Debt Service Fund.	497,275.14

Compensated Absences:

Compensated Absences Accrued at Year End,
Payable from the Fund that the payroll is incurred.

General Fund	6,850.15
Water Fund	1,532.76
Sewer Fund	1,532.76

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

Year Ending	Sales Tax Revenue Bonds - Series 2009		Water Improvement Revenue Bond, Series 2000		Water Improvement Revenue Bond, Series 2007	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2015	55,758.82	77,314.86	29,590.77	12,046.07	56,757.73	31,457.03
2016	57,593.19	75,480.49	31,098.27	10,538.57	58,624.96	29,589.80
2017	59,487.90	73,585.78	32,682.59	8,954.25	60,553.61	27,661.15
2018	61,444.95	71,628.73	34,347.61	7,289.23	62,545.73	25,669.03
2019	63,466.38	69,607.30	36,097.47	5,539.37	64,603.36	23,611.40
2020-2024	350,059.02	315,309.38	88,086.47	5,596.42	356,330.26	84,743.54
2025-2029	411,556.03	253,812.37			329,633.63	23,225.41
2030-2034	483,856.59	181,511.81				
2035-2039	568,858.64	96,509.76				
2040-2044	287,605.80	11,809.98				
Totals	2,399,687.32	1,226,570.46	251,903.18	49,963.91	989,049.28	245,957.36

Year Ending	Water System Revenue Bond, Series 2008		TIF #1 Note Payable		Clean Water Revenue Bond, Series 2014	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2015	71,609.74	48,096.78	62,638.57	28,910.81	11,327.42	8,885.06
2016	73,965.59	45,740.93	66,453.26	25,096.13	23,169.04	17,255.92
2017	76,398.92	43,307.60	70,500.26	21,049.12	23,871.97	16,552.99
2018	78,912.31	40,794.21	74,793.73	16,755.66	24,596.23	15,828.73
2019	81,508.39	38,198.13	79,348.66	12,200.72	25,342.46	15,082.50
2020-2024	449,572.61	148,959.99	143,540.66	9,610.15	138,722.61	63,402.19
2025-2029	528,551.79	69,980.81			161,082.51	41,042.30
2030-2034	146,053.87	3,579.28			187,046.76	15,078.35
2035-2039						
2040-2044						
Totals	1,506,573.22	438,657.73	497,275.14	113,622.59	595,159.00	193,128.04

Year Ending	Clean Water Revenue Bond, Series 2014		Totals	
December 31,	Principal	Interest	Principal	Interest
2015	50,667.54	37,736.34	338,350.59	244,446.95
2016	52,204.76	36,199.12	363,109.07	239,900.96
2017	53,788.60	34,615.28	377,283.85	225,726.17
2018	55,420.51	32,983.37	392,061.07	210,948.96
2019	57,101.92	31,301.96	407,468.64	195,541.38
2020-2024	312,571.44	129,447.96	1,838,883.07	757,069.63
2025-2029	362,952.99	79,066.41	1,793,776.95	467,127.30
2030-2034	332,052.08	21,563.65	1,149,009.30	221,733.09
2035-2039			568,858.64	96,509.76
2040-2044			287,605.80	11,809.98
Totals	1,276,759.84	402,914.09	7,516,406.98	2,670,814.18

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. OPERATING LEASES

The Municipality leases a copy, print, scan, fax machine for office use. Monthly lease payments of $182.07 are made from the General Fund.

The following are the minimum payments required for existing leases:

Year:	
2015	$2,184.84
2016	2,184.84
2017	2,184.84
2018	2,184.84
2019	182.07

9. RESTRICTED NET POSITION

Restricted net position for the year ended December 31, 2014 was as follows:

	Restricted By	12/31/2014
City Promotion/Parks	Law	$ 81,571.34
Storm Sewer Maintenance	Law	1,069,077.29
Cumulative Insurance Reserve	Insurance Agreement	12,755.54
Water Fund - Debt Service	Loan Agreement	103,925.88
Water Fund - Equipment Repair/Replacement	Loan Agreement	59,686.29
Sewer Fund - Equipment Repair/Replacement	Loan Agreement	67,864.05
Total Restricted Net Position		$ 1,394,880.39

10. 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 provide 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 provision 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 statue 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 $24,279.85, $21,441.07, and $16,444.63, respectively, equal to the required contributions each year.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. SIGNIFICANT CONTINGENCIES – LITIGATION

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

12. 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:

Employee Health Insurance:
The Municipality purchases health insurance for its employees from a commercial insurance carrier. 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 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 member based on their exposure or type of coverage. The Municipality pays an annual premium to the pool to provide coverage for: General Liability, Vehicle Coverage, Property and Building Coverage, Errors and Omissions of Officials and Employees Coverage.

The agreement with the South Dakota Public Assurance Alliance provides that the above coverage's will be provided to a $2,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The Municipality would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of 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 $12,755.54.

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 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 not exceeded the liability coverage over the past three years.

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes	840,416.00	840,416.00	832,738.13	(7,677.87)
General Sales and Use Taxes	790,000.00	790,000.00	856,112.43	66,112.43
Amusement Taxes	325.00	325.00	288.00	(37.00)
Penalties and Interest on Delinquent Taxes	1,000.00	1,000.00	1,969.04	969.04
Licenses and Permits	51,400.00	51,400.00	96,723.32	45,323.32
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	13,083.24	13,083.24
State Grants	0.00	2,929.00	4,582.44	1,653.44
State Shared Revenue:				
Bank Franchise Tax	5,000.00	5,000.00	8,262.28	3,262.28
Motor Vehicle Commercial Prorate	1,350.00	1,350.00	2,000.88	650.88
Liquor Tax Reversion	6,000.00	6,000.00	6,623.50	623.50
Motor Vehicle Licenses	12,000.00	12,000.00	18,496.30	6,496.30
Local Government Highway and Bridge Fund	6,500.00	6,500.00	8,038.03	1,538.03
County Shared Revenue:				
County Highway and Bridge ReserveTax	1,000.00	1,000.00	1,037.13	37.13
County Wheel Tax	6,500.00	6,500.00	4,105.05	(2,394.95)
Charges for Goods and Services:				
General Government	4,850.00	4,850.00	14,750.73	9,900.73
Sanitation	0.00	0.00	1,523.75	1,523.75
Culture and Recreation	15,000.00	15,000.00	14,751.35	(248.65)
Fines and Forfeits:				
Court Fines and Costs	0.00	0.00	176.00	176.00
Parking Meter Fines	350.00	350.00	250.00	(100.00)
Library	0.00	0.00	314.49	314.49
Miscellaneous Revenue:				
Investment Earnings	2,500.00	2,500.00	3,654.65	1,154.65
Rentals	8,500.00	8,500.00	8,400.00	(100.00)
Maintenance Assessments	105,709.00	105,709.00	105,555.70	(153.30)
Contributions and Donations from Private Sources	5,000.00	5,000.00	6,900.00	1,900.00
Other	42,500.00	42,500.00	46,192.20	3,692.20
Total Revenue	1,905,900.00	1,908,829.00	2,056,528.64	147,699.64
Expenditures:				
General Government:				
Legislative	28,289.00	28,289.00	24,967.25	3,321.75
Contingency	30,000.00	30,000.00		
Amount Transferred		(6,000.00)		24,000.00
Executive	160,486.00	160,486.00	123,248.25	37,237.75
Elections	800.00	800.00	50.00	750.00
Financial Administration	176,454.00	176,454.00	168,137.94	8,316.06
Other	348,550.00	368,550.00	271,237.61	97,312.39
Total General Government	744,579.00	758,579.00	587,641.05	170,937.95

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures (Continued):				
Public Safety:				
Police	220,558.00	221,058.00	220,568.84	489.16
Fire	50,948.00	51,948.00	51,771.48	176.52
Protective Inspection	38,858.00	44,858.00	43,200.32	1,657.68
Total Public Safety	310,364.00	317,864.00	315,540.64	2,323.36
Public Works:				
Highways and Streets	357,403.00	389,903.00	351,695.47	38,207.53
Sanitation	18,685.00	19,985.00	8,585.55	11,399.45
Total Public Works	376,088.00	409,888.00	360,281.02	49,606.98
Health and Welfare:				
Health	21,068.00	26,518.00	22,837.68	3,680.32
Total Health and Welfare	21,068.00	26,518.00	22,837.68	3,680.32
Culture and Recreation:				
Recreation	81,830.00	81,830.00	10,849.23	70,980.77
Parks	220,229.00	220,229.00	147,482.93	72,746.07
Libraries	72,456.00	72,456.00	69,116.74	3,339.26
Total Culture and Recreation	374,515.00	374,515.00	227,448.90	147,066.10
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	59,054.00	73,154.00	68,638.25	4,515.75
Total Conservation and Development	59,054.00	73,154.00	68,638.25	4,515.75
Total Expenditures	1,885,668.00	1,960,518.00	1,582,387.54	378,130.46
Excess of Revenue Over (Under) Expenditures	20,232.00	(51,689.00)	474,141.10	525,830.10
Other Financing Sources (Uses):				
Sale of Municipal Property	0.00	0.00	1,238.93	1,238.93
Compensation for Loss or Damage to Capital Assets	0.00	0.00	1,261.51	1,261.51
Total Other Financing Sources (Uses)	0.00	0.00	2,500.44	2,500.44
Net Change in Fund Balances	20,232.00	(51,689.00)	476,641.54	528,330.54
Fund Balance - Beginning	2,703,695.24	2,703,695.24	2,703,695.24	0.00
FUND BALANCE - ENDING	2,723,927.24	2,652,006.24	3,180,336.78	528,330.54

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF HARRISBURG
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
STORM SEWER MAINTENANCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Taxes:				
Penalties and Interest on Delinquent Taxes	750.00	750.00	0.00	(750.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	2,990.63	2,990.63
Maintenance Assessments	172,428.00	172,428.00	171,885.03	(542.97)
Total Revenue	173,178.00	173,178.00	174,875.66	1,697.66
Expenditures:				
Public Works:				
Highways and Streets	1,783,760.00	1,783,760.00	1,408,054.89	375,705.11
Total Public Works	1,783,760.00	1,783,760.00	1,408,054.89	375,705.11
Debt Service	80,074.00	80,074.00	13,490.41	66,583.59
Total Expenditures	1,863,834.00	1,863,834.00	1,421,545.30	442,288.70
Excess of Revenue Over (Under) Expenditures	(1,690,656.00)	(1,690,656.00)	(1,246,669.64)	443,986.36
Other Financing Sources (Uses):				
Long-Term Debt Issued	1,783,760.00	1,783,760.00	1,279,226.00	(504,534.00)
Total Other Financing Sources (Uses)	1,783,760.00	1,783,760.00	1,279,226.00	(504,534.00)
Net Change in Fund Balances	93,104.00	93,104.00	32,556.36	(60,547.64)
Fund Balance - Beginning	852,461.24	852,461.24	852,461.24	0.00
FUND BALANCE - ENDING	945,565.24	945,565.24	885,017.60	(60,547.64)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Note 1. Budgets and Budgetary Accounting

The 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.

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 accounting principles generally accepted in the United States (USGAAP).

NOTE 2. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenue, 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.

MUNICIPALITY OF HARRISBURG
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Liquor, Lodging & Dining Sales Tax Spec. Rev. Fund
ASSETS:	
Cash and Cash Equivalents	78,534.17
Due from Other Government	3,037.17
TOTAL ASSETS	81,571.34
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:	
Deferred Inflows of Resources:	
Other Deferred Inflows of Resources	932.72
Total Deferred Inflows of Resources	932.72
Fund Balances:	
Restricted	80,638.62
Total Fund Balances	80,638.62
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	81,571.34

MUNICIPALITY OF HARRISBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Liquor, Lodging, & Dining Sales Tax Spec. Rev. Fund	Industrial Park TIF Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes:			
General Property Taxes		176,376.12	176,376.12
General Sales and Use Taxes	30,522.32		30,522.32
Miscellaneous Revenue:			
Investment Earnings	86.35		86.35
Total Revenue	30,608.67	176,376.12	206,984.79
Expenditures:			
Conservation and Development:			
Economic Development and Assistance (Industrial Development)	33,585.00		33,585.00
Total Conservation and Development	33,585.00	0.00	33,585.00
Debt Service	0.00	176,376.12	176,376.12
Total Expenditures	33,585.00	176,376.12	209,961.12
Net Change in Fund Balances	(2,976.33)	0.00	(2,976.33)
Fund Balance - Beginning	83,614.95	0.00	83,614.95
FUND BALANCE - ENDING	80,638.62	0.00	80,638.62