

**MUNICIPALITY OF BRIDGEWATER
BRIDGEWATER, SOUTH DAKOTA**

AUDIT REPORT

**FOR THE YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017
AND
FOR THE YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018**

Schoenfish & Co., Inc.

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

MUNICIPALITY OF BRIDGEWATER

MUNICIPAL OFFICIALS
DECEMBER 31, 2018

MAYOR:

Michael Damm

GOVERNING BOARD:

Travis Holthaus, President
Lacey Weber, Vice-President
Bob Anderson
Dallas Furgeson
Jessica Liesinger
Alicen Strombeck

FINANCE OFFICER:

Joan Julson

ATTORNEY:

Robin Eich

Schoenfish & Co., Inc.

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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 Bridgewater
Bridgewater, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Bridgewater, South Dakota (Municipality), as of December 31, 2018 and 2017, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated December 16, 2019.

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 2018-001 to be a material weakness.

Compliance and Other Matters

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

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

Municipality's Response to Findings

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

Purpose of this Report

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



Schoenfish & Co., Inc.
Certified Public Accountants
December 16, 2019

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR OTHER AUDIT FINDINGS:

Finding Number 2016-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2018-001.

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SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2018-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for the revenues. This is a continuing audit comment since 2000.

Criteria:

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

Condition:

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

Effect:

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

Recommendation:

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

Management's Response:

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

CLOSING CONFERENCE

The contents of this report were discussed with the Council President, and the Finance Officer on January 24, 2020.

Schoenfish & Co., Inc.

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Municipality of Bridgewater
Bridgewater, South Dakota

Report on the Financial Statements

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Bridgewater, South Dakota, (Municipality) as of December 31, 2018 and 2017, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, the business-type activities, and each major fund of the Municipality of Bridgewater as of December 31, 2018 and 2017, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019 on our consideration of the Municipality's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality's internal control over financial reporting and compliance.



Schoenfish & Co., Inc.
 Certified Public Accountants
 December 16, 2019

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MUNICIPALITY OF BRIDGEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Our discussion and analysis of the Municipality of Bridgewater's financial performance provides an overview of Bridgewater's financial activities for the two fiscal years ended December 31, 2018 and 2017, within the limitations of Bridgewater's modified cash basis of accounting. Please read it in conjunction with Bridgewater's financial statements.

FINANCIAL HIGHLIGHTS

2018

- Bridgewater's total expenses exceeded total revenue, on the modified cash basis of accounting, by \$139,662 for the year. Most of the decrease can be attributed the two blocks of street improvement (gravel base, curb, gutter & asphalt) on 4th Street and 1 block on Juniper Ave (cement, curb & gutter and gravel base).
- The Municipality's General Fund ended the year with a fund balance of \$433,553.

2017

- Bridgewater's total revenue exceeded total expenses, on the modified cash basis of accounting, by \$107,105 for the year. Most of the increase can be attributed to not as much done for the street repair/asphalting this year.
- The Municipality's General Fund ended the year with a fund balance of \$581,637.

USING THIS ANNUAL REPORT

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

Report Components

This annual report consists of four parts as follows:

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

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

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

Supplementary Information: This Management's Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Long Term Debt represent financial information that may be

presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as “the basic financial statement”).

Basis of Accounting

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

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

Reporting the Municipality as a Whole

The Municipality’s Reporting Entity Presentation

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

The primary government includes the following legal entities:

- The Municipality of Bridgewater

The Government-Wide Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the Municipality's Most Significant Funds

The Fund Financial Statements

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

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

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

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

A FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

Net Position - Modified Cash Basis

2018

Bridgewater's combined net position, resulting from modified cash basis transactions, decreased from approximately \$948,494 to \$808,832 between fiscal years 2017 and 2018. Looking at the net position and net expenses of governmental and business-type activities separately, governmental-type activities had a \$148,030 decrease of net position and business-type activities had a \$8,368 increase of net position.

2017

Bridgewater's combined net position, resulting from modified cash basis transactions, increased from approximately \$841,388 to \$948,494 between fiscal years 2016 and 2017. Looking at the net position of governmental and business-type activities separately, governmental-type activities had a \$109,594 increase of net position and business-type activities had a \$2,488 decrease of net position.

Table 1
Municipality of Bridgewater
Statement of Net Position

	Governmental Activities			Business-Type Activities			Total Governmental and Business-Type Activities		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Assets:									
Cash and									
Cash Equivalents	396,156	505,750	357,720	300,232	297,744	306,112	696,388	803,494	663,832
Investments	80,000	80,000	80,000	65,000	65,000	65,000	145,000	145,000	145,000
Total Assets	476,156	585,750	437,720	365,232	362,744	371,112	841,388	948,494	808,832
Net Position:									
Restricted	4,029	4,113	4,167	14,982	15,483	15,983	19,011	19,596	20,150
Unrestricted	472,127	581,637	433,553	350,250	347,261	355,129	822,377	928,898	788,682
Total Net Position	476,156	585,750	437,720	365,232	362,744	371,112	841,388	948,494	808,832

2018

Net position of Bridgewater's governmental activities decreased 25% to \$437,720. However, \$4,167 (Anniversary Fund) of the net position is restricted for specified purposes. Consequently, unrestricted net position showed \$433,553 at the end of this year.

2017

Net position of Bridgewater's governmental activities increased 23% to \$585,750. However, \$4,113 (Anniversary Fund) of the net position is restricted for specified purposes. Consequently, unrestricted net position showed \$581,637 at the end of this year.

Changes in Net Position - Modified Cash Basis

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

Table 2
Municipality of Bridgewater
Changes in Net Position

	Governmental Activities			Business-Type Activities			Total		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Revenues									
Program Revenues:									
Charges for Services	96,257	101,838	94,453	302,943	350,790	369,384	399,200	452,628	463,837
Operating Grants and Contributions	82,123	95,754	164,212				82,123	95,754	164,212
General Revenues:									
Property Tax	135,796	147,017	150,846				135,796	147,017	150,846
Sales Tax	126,192	96,107	86,583				126,192	96,107	86,583
State Shared Revenue	4,315	3,601	3,819				4,315	3,601	3,819
Grants and Contributions not Restricted to Specific Programs					117,500		0	117,500	0
Unrestricted Investment Earnings	1,655	2,759	6,523	1,329	1,779	4,439	2,984	4,538	10,962
Miscellaneous	4,402	4,175	4,211	(14,280)	121,000		(9,878)	125,175	4,211
Total Revenues	450,740	451,251	510,647	289,992	591,069	373,823	740,732	1,042,320	884,470
Expenses									
General Government	51,872	73,333	67,001				51,872	73,333	67,001
Public Safety	37,598	45,459	41,572				37,598	45,459	41,572
Public Works	151,790	119,973	449,995				151,790	119,973	449,995
Health and Welfare	66,307	74,529	68,770				66,307	74,529	68,770
Culture and Recreation	28,621	27,350	31,159				28,621	27,350	31,159
Conservation and Development	1,000	1,013	180				1,000	1,013	180
Miscellaneous Expenditures	33,475						33,475	0	0
Water				107,237	355,081	111,792	107,237	355,081	111,792
Sewer				70,291	82,153	84,257	70,291	82,153	84,257
Liquor				101,656	156,323	169,405	101,656	156,323	169,405
Total Expenses	370,663	341,657	658,677	279,184	593,557	365,455	649,847	935,214	1,024,132
Excess (Deficiency) Before Transfers	80,077	109,594	(148,030)	10,808	(2,488)	8,368	90,885	107,106	(139,662)
Transfers	(30,460)			30,460			0	0	0
Increase (Decrease) in Net Position	49,617	109,594	(148,030)	41,268	(2,488)	8,368	90,885	107,106	(139,662)
NET POSITION - ENDING	476,156	585,750	437,720	365,232	362,744	371,112	841,388	948,494	808,832

Governmental Activities

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

2018

For the year ended December 31, 2018, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$658,677. Of these total expenses, taxpayers and

other general revenues funded only \$251,985, while those directly benefiting from the program funded \$164,212 from grants and other contributions and \$94,453 from charges for services.

2017

For the year ended December 31, 2017, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$341,657. Of these total expenses, taxpayers and other general revenues funded only \$253,659, while those directly benefiting from the program funded \$95,754 from grants and other contributions and \$101,838 from charges for services.

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

	(Exhibit II, Column 1)			Total %	Total %
	Total Cost of Services			Change	Change
	2016	2017	2018	2016-2017	2017-2018
General Government	51,872	73,333	67,001	41.4%	-8.6%
Public Safety	37,598	45,459	41,572	20.9%	-8.6%
Public Works	151,790	119,973	449,995	-21.0%	275.1%
Health and Welfare	66,308	74,529	68,770	12.4%	-7.7%
Culture and Recreation	28,621	27,350	31,159	-4.4%	13.9%
Conservation and Development	1,000	1,013	180	1.3%	-82.2%
Miscellaneous	33,475	0	0	-100.0%	0.0%
Total	370,664	341,657	658,677	-7.8%	92.8%

	(Exhibit II, Column 5)			Total %	Total %
	Net Cost of Services			Change	Change
	2016	2017	2018	2016-2017	2017-2018
General Government	51,872	73,333	67,001	41.4%	-8.6%
Public Safety	31,431	39,726	31,873	26.4%	-19.8%
Public Works	70,726	28,746	297,175	-59.4%	933.8%
Health and Welfare	(5,422)	(14,121)	(18,444)	-160.4%	30.6%
Culture and Recreation	28,565	21,895	29,159	-23.4%	-33.2%
Conservation and Development	1,000	1,013	180	1.3%	-82.2%
Miscellaneous	14,111	(6,528)	(6,931)	146.3%	6.2%
Total	192,283	144,064	400,013	-25.1%	177.7%

Business-Type Activities

2018

In reviewing the business-type activities' net (expense)/revenue resulting from modified cash basis transactions, there are certain activities that need to be examined more closely. The sewer service activities reported net revenues of \$10,315. The liquor and water service activities reported net revenues of (\$1,485) and (\$462), respectively.

2017

In reviewing the business-type activities' net (expense)/revenue resulting from modified cash basis transactions, there are certain activities that need to be examined more closely. The sewer service activities reported net revenues of \$10,693. The liquor and water service activities reported net revenues of (\$2,551) and (\$10,631), respectively.

A FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS.

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

2018

- On the modified cash basis of accounting, the General Fund, reported revenues of \$510,594 and expenditures of \$658,677 resulting in a decrease in fund balance of \$148,084. This was due to the street work on Juniper Ave (cemented 1 block) and 4th Street from Poplar to Walnut (asphalt, curb & gutter).

2017

- On the modified cash basis of accounting, the General Fund, reported revenues of \$451,167 and expenditures of \$341,657 resulting in an increase in fund balance of \$109,510.

General Fund Budgetary Highlights

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

	2017		2018	
	Original	Final	Original	Final
Revenue	394,223	394,223	396,302	396,302
Expenditures	386,272	406,402	377,578	715,189
Variance	7,951	(12,179)	18,724	(318,887)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the upcoming fiscal year ending December 31, 2019, Bridgewater's budget is fairly consistent with this year.

CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	357,719.84	306,112.08	663,831.92
Investments	80,000.00	65,000.00	145,000.00
TOTAL ASSETS	437,719.84	371,112.08	808,831.92
 NET POSITION:			
Restricted for:			
Capital Projects Purposes	9,500.00	9,500.00	9,500.00
Debt Service Purposes	6,482.80	6,482.80	6,482.80
City Anniversary Fund	4,166.89	4,166.89	4,166.89
Unrestricted	433,552.95	355,129.28	788,682.23
TOTAL NET POSITION	437,719.84	371,112.08	808,831.92

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	67,000.55				(67,000.55)		(67,000.55)
Public Safety	41,572.46		9,699.41		(31,873.05)		(31,873.05)
Public Works	449,995.48	44,392.79	108,427.90		(297,174.79)		(297,174.79)
Health and Welfare	68,770.02	43,128.72	44,085.00		18,443.70		18,443.70
Culture and Recreation	31,158.80		2,000.00		(29,158.80)		(29,158.80)
Conservation and Development	180.00				(180.00)		(180.00)
Miscellaneous		6,931.00			6,931.00		6,931.00
Total Governmental Activities	658,677.31	94,452.51	164,212.31	0.00	(400,012.49)		(400,012.49)
Business-type Activities:							
Water	111,792.44	110,039.36				(1,753.08)	(1,753.08)
Sewer	84,257.43	91,703.76				7,446.33	7,446.33
Liquor	169,404.60	167,641.29				(1,763.31)	(1,763.31)
Total Business-Type Activities	365,454.47	369,384.41	0.00	0.00		3,929.94	3,929.94
Total Primary Government	1,024,131.78	463,836.92	164,212.31	0.00	(400,012.49)	3,929.94	(396,082.55)
General Revenues:							
Taxes:							
Property Taxes					150,846.28		150,846.28
Sales Taxes					86,583.24		86,583.24
State Shared Revenues					3,819.25		3,819.25
Unrestricted Investment Earnings					6,523.09	4,438.61	10,961.70
Miscellaneous Revenue					4,210.57		4,210.57
Total General Revenues					251,982.43	4,438.61	256,421.04
Change in Net Position							(139,661.51)
Net Position - Beginning							948,493.43
NET POSITION - ENDING					437,719.84	371,112.08	808,831.92

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

MUNICIPALITY OF BRIDGEWATER
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2018

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	353,552.95	4,166.89	357,719.84
Investments	80,000.00		80,000.00
TOTAL ASSETS	<u>433,552.95</u>	<u>4,166.89</u>	<u>437,719.84</u>
FUND BALANCES:			
Restricted for City Anniversary		4,166.89	4,166.89
Assigned for Ambulance	60,000.00		60,000.00
Assigned for Fire Truck	37,000.00		37,000.00
Unassigned	336,552.95		336,552.95
TOTAL FUND BALANCES	<u>433,552.95</u>	<u>4,166.89</u>	<u>437,719.84</u>

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General Fund	Anniversary Fund	Total
Revenues:			
Taxes:			
General Property Taxes	148,395.50		148,395.50
General Sales and Use Taxes	86,583.24		86,583.24
Amusement Taxes	60.00		60.00
Penalties & Interest on Delinquent Taxes	2,390.78		2,390.78
Total Taxes	237,429.52	0.00	237,429.52
Licenses and Permits	900.00	0.00	900.00
Intergovernmental Revenue:			
State Grants	72,565.00		72,565.00
State Shared Revenue:			
Bank Franchise Tax	724.75		724.75
Prorate License Fees	1,973.12		1,973.12
Liquor Tax Reversion	3,094.50		3,094.50
Motor Vehicle Licenses	10,787.49		10,787.49
County Shared Revenue:			
County Road Tax	1,028.28		1,028.28
County Highway & Bridge Reserve Tax	18,192.65		18,192.65
County Wheel Tax	3,881.36		3,881.36
Other Intergovernmental Revenues	41,435.00		41,435.00
Total Intergovernmental Revenue	153,682.15	0.00	153,682.15
Charges for Goods and Services:			
Sanitation	44,090.18		44,090.18
Ambulance	43,128.72		43,128.72
Total Charges for Goods and Services	87,218.90	0.00	87,218.90
Fines and Forfeits:			
Other	25.00		25.00
Total Fines and Forfeits	25.00	0.00	25.00
Miscellaneous Revenue:			
Investment Earnings	6,469.51	53.58	6,523.09
Rentals	6,031.00		6,031.00
Special Assessments	302.61		302.61
Contributions and Donations from Private Sources	14,349.41		14,349.41
Other	4,185.57		4,185.57
Total Miscellaneous Revenue	31,338.10	53.58	31,391.68
Total Revenue	510,593.67	53.58	510,647.25

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General Fund	Anniversary Fund	Total
Expenditures:			
General Government:			
Legislative	30,024.45		30,024.45
Elections	622.28		622.28
Financial Administration	24,171.93		24,171.93
Other	12,181.89		12,181.89
Total General Government	67,000.55	0.00	67,000.55
Public Safety:			
Police	25,350.00		25,350.00
Fire	15,972.46		15,972.46
Other Protection	250.00		250.00
Total Public Safety	41,572.46	0.00	41,572.46
Public Works:			
Highways and Streets	418,127.57		418,127.57
Sanitation	31,867.91		31,867.91
Total Public Works	449,995.48	0.00	449,995.48
Health and Welfare:			
Health	5,890.61		5,890.61
Ambulance	62,879.41		62,879.41
Total Health and Welfare	68,770.02	0.00	68,770.02
Culture and Recreation:			
Recreation	2,865.70		2,865.70
Parks	28,293.10		28,293.10
Total Culture and Recreation	31,158.80	0.00	31,158.80
Conservation and Development:			
Economic Development and Assistance (Industrial Development)	180.00		180.00
Total Conservation and Development	180.00	0.00	180.00
Total Expenditures	658,677.31	0.00	658,677.31
Net Change in Fund Balance	(148,083.64)	53.58	(148,030.06)
Fund Balance - Beginning	581,636.59	4,113.31	585,749.90
FUND BALANCE - ENDING	433,552.95	4,166.89	437,719.84

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
December 31, 2018

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Liquor Fund	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	69,770.49	216,204.06	20,137.53	306,112.08
Investments	55,000.00	10,000.00		65,000.00
Total Current Assets	124,770.49	226,204.06	20,137.53	371,112.08
TOTAL ASSETS	124,770.49	226,204.06	20,137.53	371,112.08
NET POSITION:				
Restricted for:				
Revenue Bond Debt Service		6,482.80		6,482.80
Equipment Repair and/or Replacement		9,500.00		9,500.00
Unrestricted	124,770.49	210,221.26	20,137.53	355,129.28
TOTAL NET POSITION	124,770.49	226,204.06	20,137.53	371,112.08

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Liquor Fund	
Operating Revenue:				
Surcharge as Security for Debt	20,163.50	69,268.26		89,431.76
Charges for Goods and Services	89,859.22	22,424.41	155,251.60	267,535.23
Lottery Sales			9,247.58	9,247.58
Miscellaneous	16.64	11.09	3,142.11	3,169.84
Total Operating Revenue	110,039.36	91,703.76	167,641.29	369,384.41
Operating Expenses:				
Personal Services	21,549.14	21,043.65	62,193.61	104,786.40
Other Current Expense	9,117.23	12,294.52	107,210.99	128,622.74
Materials	65,648.10			65,648.10
Capital Assets	9,920.49	15,582.90		25,503.39
Total Operating Expenses	106,234.96	48,921.07	169,404.60	324,560.63
Operating Income (Loss)	3,804.40	42,782.69	(1,763.31)	44,823.78
Nonoperating Revenue (Expense):				
Investment Earnings	1,291.34	2,868.61	278.66	4,438.61
Debt Service (Principal)	(2,875.07)	(22,400.03)		(25,275.10)
Interest Expense	(2,682.41)	(12,936.33)		(15,618.74)
Total Nonoperating Revenue (Expense)	(4,266.14)	(32,467.75)	278.66	(36,455.23)
Change in Net Position	(461.74)	10,314.94	(1,484.65)	8,368.55
Net Position - Beginning	125,232.23	215,889.12	21,622.18	362,743.53
NET POSITION - ENDING	124,770.49	226,204.06	20,137.53	371,112.08

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	505,749.90	297,743.53	803,493.43
Investments	80,000.00	65,000.00	145,000.00
TOTAL ASSETS	585,749.90	362,743.53	948,493.43
NET POSITION:			
Restricted for:			
Capital Projects Purposes		9,000.00	9,000.00
Debt Service Purposes		6,482.80	6,482.80
City Anniversary Fund	4,113.31		4,113.31
Unrestricted	581,636.59	347,260.73	928,897.32
TOTAL NET POSITION	585,749.90	362,743.53	948,493.43

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 For the Year Ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities		Total
						Governmental Activities	Business-Type Activities	
Primary Government:								
Governmental Activities:								
General Government	73,333.03				(73,333.03)			(73,333.03)
Public Safety	45,458.69		5,732.49		(39,726.20)			(39,726.20)
Public Works	119,973.22	47,003.42	44,223.34		(28,746.46)			(28,746.46)
Health and Welfare	74,529.42	48,306.97	40,343.00		14,120.55			14,120.55
Culture and Recreation	27,350.21		5,455.61		(21,894.60)			(21,894.60)
Conservation and Development	1,012.54				(1,012.54)			(1,012.54)
Miscellaneous		6,528.00			6,528.00			6,528.00
Total Governmental Activities	341,657.11	101,838.39	95,754.44	0.00	(144,064.28)			(144,064.28)
Business-type Activities:								
Water	355,081.39	105,351.04				(249,730.35)		(249,730.35)
Sewer	82,152.59	91,760.20				9,607.61		9,607.61
Liquor	156,322.97	153,678.28				(2,644.69)		(2,644.69)
Total Business-Type Activities	593,556.95	350,789.52	0.00	0.00		(242,767.43)		(242,767.43)
Total Primary Government	935,214.06	452,627.91	95,754.44	0.00	(144,064.28)	(242,767.43)		(386,831.71)
General Revenues:								
Taxes:								
Property Taxes					147,016.73			147,016.73
Sales Taxes					96,106.70			96,106.70
State Shared Revenues					3,601.15			3,601.15
Grants and Contributions not Restricted to Specific Programs						117,500.00		117,500.00
Unrestricted Investment Earnings						1,778.52		4,537.78
Debt Issued						121,000.00		121,000.00
Miscellaneous Revenue					4,174.64			4,174.64
Total General Revenues					253,658.48	240,278.52		493,937.00
Change in Net Position					109,594.20	(2,488.91)		107,105.29
Net Position - Beginning					476,155.70	365,232.44		841,388.14
NET POSITION - ENDING					585,749.90	362,743.53		948,493.43

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

**MUNICIPALITY OF BRIDGEWATER
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2017**

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	501,636.59	4,113.31	505,749.90
Investments	80,000.00		80,000.00
TOTAL ASSETS	<u>581,636.59</u>	<u>4,113.31</u>	<u>585,749.90</u>
FUND BALANCES:			
Restricted for City Anniversary		4,113.31	4,113.31
Assigned for Ambulance	55,000.00		55,000.00
Assigned for Fire Truck	32,000.00		32,000.00
Unassigned	494,636.59		494,636.59
TOTAL FUND BALANCES	<u>581,636.59</u>	<u>4,113.31</u>	<u>585,749.90</u>

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	General Fund	Anniversary Fund	Total
Revenues:			
Taxes:			
General Property Taxes	144,411.92		144,411.92
General Sales and Use Taxes	96,106.70		96,106.70
Amusement Taxes	48.00		48.00
Penalties & Interest on Delinquent Taxes	2,556.81		2,556.81
Total Taxes	243,123.43	0.00	243,123.43
Licenses and Permits	423.00	0.00	423.00
Intergovernmental Revenue:			
State Grants	10,000.00		10,000.00
State Shared Revenue:			
Bank Franchise Tax	546.72		546.72
Prorate License Fees	1,897.51		1,897.51
Liquor Tax Reversion	3,054.43		3,054.43
Motor Vehicle Licenses	10,818.06		10,818.06
County Shared Revenue:			
County Road Tax	1,028.28		1,028.28
County Highway & Bridge Reserve Tax	17,315.21		17,315.21
County Wheel Tax	3,164.28		3,164.28
Other Intergovernmental Revenues	40,243.00		40,243.00
Total Intergovernmental Revenue	88,067.49	0.00	88,067.49
Charges for Goods and Services:			
Sanitation	43,541.07		43,541.07
Ambulance	48,306.97		48,306.97
Total Charges for Goods and Services	91,848.04	0.00	91,848.04
Miscellaneous Revenue:			
Investment Earnings	2,737.17	22.09	2,759.26
Rentals	6,105.00		6,105.00
Special Assessments	3,462.35		3,462.35
Contributions and Donations			
from Private Sources	11,288.10		11,288.10
Other	4,112.14	62.50	4,174.64
Total Miscellaneous Revenue	27,704.76	84.59	27,789.35
Total Revenue	451,166.72	84.59	451,251.31
Expenditures:			
General Government:			
Legislative	26,211.44		26,211.44
Elections	574.82		574.82
Financial Administration	28,198.54		28,198.54
Other	18,348.23		18,348.23
Total General Government	73,333.03	0.00	73,333.03

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	<u>General Fund</u>	<u>Anniversary Fund</u>	<u>Total</u>
Expenditures: (Continued)			
Public Safety:			
Police	25,355.00		25,355.00
Fire	19,853.69		19,853.69
Other Protection	250.00		250.00
Total Public Safety	<u>45,458.69</u>	<u>0.00</u>	<u>45,458.69</u>
Public Works:			
Highways and Streets	85,153.23		85,153.23
Sanitation	34,819.99		34,819.99
Total Public Works	<u>119,973.22</u>	<u>0.00</u>	<u>119,973.22</u>
Health and Welfare:			
Health	13,180.61		13,180.61
Ambulance	61,348.81		61,348.81
Total Health and Welfare	<u>74,529.42</u>	<u>0.00</u>	<u>74,529.42</u>
Culture and Recreation:			
Recreation	2,518.41		2,518.41
Parks	24,831.80		24,831.80
Total Culture and Recreation	<u>27,350.21</u>	<u>0.00</u>	<u>27,350.21</u>
Conservation and Development:			
Economic Development and Assistance (Industrial Development)	1,012.54		1,012.54
Total Conservation and Development	<u>1,012.54</u>	<u>0.00</u>	<u>1,012.54</u>
Total Expenditures	<u>341,657.11</u>	<u>0.00</u>	<u>341,657.11</u>
Net Change in Fund Balance	<u>109,509.61</u>	<u>84.59</u>	<u>109,594.20</u>
Fund Balance - Beginning	472,126.98	4,028.72	476,155.70
FUND BALANCE - ENDING	<u>581,636.59</u>	<u>4,113.31</u>	<u>585,749.90</u>

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

**MUNICIPALITY OF BRIDGEWATER
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
December 31, 2017**

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Liquor Fund	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	70,232.23	205,889.12	21,622.18	297,743.53
Investments	55,000.00	10,000.00		65,000.00
Total Current Assets	125,232.23	215,889.12	21,622.18	362,743.53
TOTAL ASSETS	125,232.23	215,889.12	21,622.18	362,743.53
NET POSITION:				
Restricted for:				
Revenue Bond Debt Service		6,482.80		6,482.80
Equipment Repair and/or Replacement		9,000.00		9,000.00
Unrestricted	125,232.23	200,406.32	21,622.18	347,260.73
TOTAL NET POSITION	125,232.23	215,889.12	21,622.18	362,743.53

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

MUNICIPALITY OF BRIDGEWATER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Liquor Fund	
Operating Revenue:				
Charges for Goods and Services	105,338.36	91,751.74	145,435.32	342,525.42
Lottery Sales			7,650.12	7,650.12
Miscellaneous	12.68	8.46	592.84	613.98
Total Operating Revenue	105,351.04	91,760.20	153,678.28	350,789.52
Operating Expenses:				
Personal Services	26,149.75	20,713.70	51,072.18	97,935.63
Other Current Expense	53,160.42	26,102.53	63,295.29	142,558.24
Materials	63,403.20		39,194.48	102,597.68
Capital Assets	210,506.84		2,761.02	213,267.86
Total Operating Expenses	353,220.21	46,816.23	156,322.97	556,359.41
Operating Income (Loss)	(247,869.17)	44,943.97	(2,644.69)	(205,569.89)
Nonoperating Revenue (Expense):				
Operating Grants	117,500.00			117,500.00
Investment Earnings	599.43	1,085.59	93.50	1,778.52
Debt Service (Principal)	(708.74)	(21,686.58)		(22,395.32)
Interest Expense	(1,152.44)	(13,649.78)		(14,802.22)
Long-Term Debt Issued	121,000.00			121,000.00
Total Nonoperating Revenue (Expense)	237,238.25	(34,250.77)	93.50	203,080.98
Change in Net Position	(10,630.92)	10,693.20	(2,551.19)	(2,488.91)
Net Position - Beginning	135,863.15	205,195.92	24,173.37	365,232.44
NET POSITION - ENDING	125,232.23	215,889.12	21,622.18	362,743.53

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

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

As discussed further in Note 1.c, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Financial Reporting Entity:

The reporting entity of the Municipality of Bridgewater (Municipality) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements:

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

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the Municipality financial reporting entity are described below:

Governmental Funds:

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

Special Revenue Funds – special revenue funds are used to account for the proceeds of special revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

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

Proprietary Funds:

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

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

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.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS

(Continued)

Liquor Fund – to account for the operation of an on-sale and/or off-sale municipal liquor store. (SDCL 35-3-21) This is a major fund.

c. Measurement Focus and Basis of Accounting:

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

During 2017 and 2018, the Municipality used the modified cash basis, which is a basis of accounting other than USGAAP. Under USGAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus:

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

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

Basis of Accounting:

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

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

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

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

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS(Continued)

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

d. Deposits and Investments:

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

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

e. Long-Term Liabilities:

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

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

f. Revenue Received in Advance:

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

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.

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS(Continued)

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

h. Proprietary Funds Revenue and Expense Classifications:

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

i. Cash and Cash Equivalents:

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

j. Equity Classifications:

Government-wide Statements:

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

1. Restricted net position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

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

k. Application of Net Position:

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

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

I. Fund Balance Classification Policies and Procedures:

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

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

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

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

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

Major Special Revenue Fund	Revenue Source
Anniversary Fund	Fundraisers & Donations

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The Municipality is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations:

	Year Ended <u>12/31/17</u>
General Fund:	
Fire	\$ 1,886.69
Ambulance	198.81

The Municipality plans to take the following actions to address these violations: use supplemental budgets when legal authority allows.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

3. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

Deposits – The Municipality's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

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

As of December 31, 2018 and 2017, the Municipality did not have any investments. The investments reported in the financial statements consist only of certificates of deposit.

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

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

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

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

4. PROPERTY TAXES

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

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

5. LONG-TERM COMMITMENT

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

The following are the minimum payments on this commitment:

2019	\$ 6,660.00
2020	6,660.00
2021	6,660.00
2021	6,660.00
2022	6,660.00
2023-2028	33,300.00
2029-2033	33,300.00
2034	6,660.00

6. RESTRICTED NET POSITION

Restricted net position for the years ended December 31, 2017 and 2018 were as follows:

Major Funds:	<u>12/31/2017</u>	<u>12/31/2018</u>
City Anniversaries	\$ 4,113.31	\$ 4,166.89
Sewer Fund - Capital Projects	9,000.00	9,500.00
Sewer Fund - Debt Service	<u>6,482.80</u>	<u>6,482.80</u>
Total Restricted Net Assets/Net Position	<u>\$ 19,596.11</u>	<u>\$ 20,149.69</u>

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS(Continued)7. PENSION PLANPlan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer hybrid defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund members.

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirement benefits that do not meet the above criteria may be payable at a reduced level.

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

Legislation enacted in 2017 established the current COLA process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

- The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2018, 2017, and 2016, were \$10,632.82, \$10,131.64, and \$3,727.17, respectively, equal to the required contributions each year.

Pension Liabilities (Assets):

At June 30, 2018, SDRS is 100.02% funded and accordingly has net pension asset. The proportionate shares of the components of the net pension asset of the South Dakota Retirement System, for the Municipality as of the measurement period ending June 30, 2018 and reported by the Municipality as of December 31, 2018 are as follows:

Proportionate share of pension liability	\$ 385,437.32
Less proportionate share of net pension restricted for pension benefits	<u>\$ 385,510.80</u>
Proportionate share of net pension liability (asset)	<u>\$ (73.48)</u>

The net pension liability (asset) was measured as of June 30, 2018 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2018, the Municipality's proportion was 0.00315070%, which is a decrease of 0.0000009% from its proportion measured as of June 30, 2017.

At June 30, 2017, SDRS is 100.1% funded and accordingly has net pension asset. The proportionate shares of the components of the net pension asset of the South Dakota Retirement System, for the Municipality as of the measurement period ending June 30, 2017 and reported by the Municipality as of December 31, 2017 are as follows:

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

Proportionate share of pension liability	\$ 366,687.51
Less proportionate share of net pension restricted for pension benefits	<u>\$ 366,973.52</u>
Proportionate share of net pension liability (asset)	<u>\$ (286.01)</u>

The net pension liability (asset) was measured as of June 30, 2017 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2017, the Municipality's proportion was 0.00315160%, which is a decrease of 0.0000521% from its proportion measured as of June 30, 2016.

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service, from 6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense

The total pension liability (asset) in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service, from 6.50% at entry to 3.00%
Discount Rate	6.50% net of plan investment expense

Mortality rates were based on 97% of the RP-2014 Mortality Table, projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, projected generationally with Scale MP-2016.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 and 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	4.8%
Fixed Income	30.0%	1.8%
Real Estate	10.0%	4.6%
Cash	2.0%	0.7%
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of liability (asset) to changes in the discount rate:

At June 30, 2018, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50 percent, as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$55,499.23	\$(73.48)	\$(45,278.86)

At June 30, 2017, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50 percent, as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$52,382.86	\$(286.01)	\$(43,175.60)

Pension Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

8. SIGNIFICANT CONTINGENCIES - LITIGATION

At December 31, 2018 and 2017, the Municipality was not involved in any significant litigation.

9. RISK MANAGEMENT

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2018 and 2017, the Municipality managed its risks as follows:

Employee Health Insurance:

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

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

Liability Insurance:

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

Liability Insurance
Vehicle Insurance

Effective January 1, 2018, the SDPAA revised the method of calculating the amount available to be refunded to a withdrawing member. Upon giving proper written notice to the SDPAA a member may withdraw. Within 120 days following withdrawal, or as soon thereafter as the next Annual Budget is completed, the SDPAA will advise the withdrawing member of its total calculated portion of contributions made to the SDPAA that shall be refunded. Refunds are calculated based on the pool's total contributions, along with the member's total contributions, current losses, unpaid losses, and loss expenses, the member's loss ratio, and number of membership years.

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NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Continued)

A member who withdraws from the SDPAA shall receive a calculated portion of their contributions refunded for unpaid casualty losses, based on the following schedule:

<u>Years</u>	<u>Percentage</u>
1	55%
2	50%
3	40%
4	35%
5	30%
6+	20%

All refunds shall be paid to the withdrawing Member over a five-year term.

The amount available for refund to the Municipality is considered a deposit for financial reporting purposes.

As of December 31, 2018, the Municipality's balance available to be refunded per the SDPAA was \$23,771.00, which was an increase of \$7,183.41 from the previous year.

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

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.

Unemployment Benefits:

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

10. RELATED PARTY TRANSACTIONS

Bob Anderson, a councilperson, works for Anderson Trucking which is owned by his mother. The Municipality, through various projects, transacted approximately \$50,000 worth of business with Anderson Trucking in 2017 and 2018.

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF BRIDGEWATER
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes	148,589.00	148,589.00	148,395.50	(193.50)
General Sales and Use Taxes	81,000.00	81,000.00	86,583.24	5,583.24
Amusement Taxes	25.00	25.00	60.00	35.00
Tax Deed Revenue	100.00	100.00	0.00	(100.00)
Penalties & Interest on Delinquent Taxes	600.00	600.00	2,390.78	1,790.78
Total Taxes	230,314.00	230,314.00	237,429.52	7,115.52
Licenses and Permits	800.00	800.00	900.00	100.00
Intergovernmental Revenue:				
State Grants	0.00	0.00	72,565.00	72,565.00
State Shared Revenue:				
Bank Franchise Tax	800.00	800.00	724.75	(75.25)
Prorate License Fees	1,900.00	1,900.00	1,973.12	73.12
Liquor Tax Reversion	3,000.00	3,000.00	3,094.50	94.50
Motor Vehicle Licenses	7,500.00	7,500.00	10,787.49	3,287.49
County Shared Revenue:				
County Road Tax	1,028.00	1,028.00	1,028.28	0.28
County Road and Bridge Tax	18,000.00	18,000.00	18,192.65	192.65
County Wheel Tax	3,000.00	3,000.00	3,881.36	881.36
Other Intergovernmental Revenues	39,085.00	39,085.00	41,435.00	2,350.00
Total Intergovernmental Revenue	74,313.00	74,313.00	153,682.15	79,369.15
Charges for Goods and Services:				
Sanitation	42,150.00	42,150.00	44,090.18	1,940.18
Ambulance	33,000.00	33,000.00	43,128.72	10,128.72
Total Charges for Goods & Services	75,150.00	75,150.00	87,218.90	12,068.90
Fines and Forfeits:				
Other	0.00	0.00	25.00	25.00
Total Fines and Forfeits	0.00	0.00	25.00	25.00
Miscellaneous Revenue:				
Investment Earnings	1,400.00	1,400.00	6,229.42	4,829.42
Rentals	5,275.00	5,275.00	6,271.09	996.09
Special Assessments	0.00	0.00	302.61	302.61
Contributions and Donations from Private Sources	6,200.00	6,200.00	14,349.41	8,149.41
Other	2,850.00	2,850.00	4,185.57	1,335.57
Total Miscellaneous Revenue	15,725.00	15,725.00	31,338.10	15,613.10
Total Revenue	396,302.00	396,302.00	510,593.67	114,291.67

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF BRIDGEWATER
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General Government:				
Legislative	22,093.00	30,093.00	30,024.45	68.55
Contingency	10,000.00	10,000.00		
Amount Transferred		(1,250.00)		8,750.00
Elections	560.00	630.00	622.28	7.72
Financial Administration	30,430.00	30,430.00	24,171.93	6,258.07
Other	8,333.00	13,633.00	12,181.89	1,451.11
Total General Government	<u>71,416.00</u>	<u>83,536.00</u>	<u>67,000.55</u>	<u>16,535.45</u>
Public Safety:				
Police	25,410.00	25,410.00	25,350.00	60.00
Fire	18,267.00	18,267.00	15,972.46	2,294.54
Other Protection	350.00	350.00	250.00	100.00
Total Public Safety	<u>44,027.00</u>	<u>44,027.00</u>	<u>41,572.46</u>	<u>2,454.54</u>
Public Works:				
Highways and Streets	132,445.00	442,501.00	418,127.57	24,373.43
Sanitation	34,024.00	34,274.00	31,867.91	2,406.09
Total Public Works	<u>166,469.00</u>	<u>476,775.00</u>	<u>449,995.48</u>	<u>26,779.52</u>
Health and Welfare:				
Health	6,338.00	8,838.00	5,890.61	2,947.39
Ambulance	62,600.00	65,100.00	62,879.41	2,220.59
Total Health and Welfare	<u>68,938.00</u>	<u>73,938.00</u>	<u>68,770.02</u>	<u>5,167.98</u>
Culture and Recreation:				
Recreation	2,858.00	2,868.00	2,865.70	2.30
Parks	22,370.00	32,545.00	28,293.10	4,251.90
Total Culture and Recreation	<u>25,228.00</u>	<u>35,413.00</u>	<u>31,158.80</u>	<u>4,254.20</u>
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	1,500.00	1,500.00	180.00	1,320.00
Total Conservation and Development	<u>1,500.00</u>	<u>1,500.00</u>	<u>180.00</u>	<u>1,320.00</u>
Total Expenditures	<u>377,578.00</u>	<u>715,189.00</u>	<u>658,677.31</u>	<u>56,511.69</u>
Net Change in Fund Balances	<u>18,724.00</u>	<u>(318,887.00)</u>	<u>(148,083.64)</u>	<u>170,803.36</u>
Fund Balance - Beginning	581,636.59	581,636.59	581,636.59	0.00
FUND BALANCE - ENDING	<u>600,360.59</u>	<u>262,749.59</u>	<u>433,552.95</u>	<u>170,803.36</u>

**SUPPLEMENTARY INFORMATION
MUNICIPALITY OF BRIDGEWATER
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ANNIVERSARY FUND
For the Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous Revenue:				
Investment Earnings	20.00	20.00	53.58	33.58
Other	30.00	30.00	0.00	(30.00)
Total Miscellaneous Revenue	50.00	50.00	53.58	3.58
Total Revenue	50.00	50.00	53.58	3.58
Expenditures:				
Culture and Recreation:				
Recreation	50.00	50.00	0.00	50.00
Total Culture and Recreation	50.00	50.00	0.00	50.00
Total Expenditures	50.00	50.00	0.00	50.00
Net Change in Fund Balances	0.00	0.00	53.58	53.58
Fund Balance - Beginning	4,113.31	4,113.31	4,113.31	0.00
FUND BALANCE - ENDING	4,113.31	4,113.31	4,166.89	53.58

**SUPPLEMENTARY INFORMATION
MUNICIPALITY OF BRIDGEWATER
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes	144,610.00	144,610.00	144,411.92	(198.08)
General Sales and Use Taxes	81,000.00	81,000.00	96,106.70	15,106.70
Amusement Taxes	25.00	25.00	48.00	23.00
Tax Deed Revenue	100.00	100.00	0.00	(100.00)
Penalties & Interest on Delinquent Taxes	600.00	600.00	2,556.81	1,956.81
Total Taxes	226,335.00	226,335.00	243,123.43	16,788.43
Licenses and Permits	800.00	800.00	423.00	(377.00)
Intergovernmental Revenue:				
State Grants	0.00	0.00	10,000.00	10,000.00
State Shared Revenue:				
Bank Franchise Tax	800.00	800.00	546.72	(253.28)
Prorate License Fees	1,900.00	1,900.00	1,897.51	(2.49)
Liquor Tax Reversion	3,000.00	3,000.00	3,054.43	54.43
Motor Vehicle Licenses	7,500.00	7,500.00	10,818.06	3,318.06
County Shared Revenue:				
County Road Tax	1,028.00	1,028.00	1,028.28	0.28
County Road and Bridge Tax	18,000.00	18,000.00	17,315.21	(684.79)
County Wheel Tax	3,000.00	3,000.00	3,164.28	164.28
Other Intergovernmental Revenues	39,085.00	39,085.00	40,243.00	1,158.00
Total Intergovernmental Revenue	74,313.00	74,313.00	88,067.49	13,754.49
Charges for Goods and Services:				
Sanitation	47,150.00	47,150.00	43,541.07	(3,608.93)
Ambulance	30,000.00	30,000.00	48,306.97	18,306.97
Total Charges for Goods & Services	77,150.00	77,150.00	91,848.04	14,698.04
Miscellaneous Revenue:				
Investment Earnings	1,300.00	1,300.00	2,737.17	1,437.17
Rentals	5,275.00	5,275.00	6,105.00	830.00
Special Assessments	0.00	0.00	3,462.35	3,462.35
Contributions and Donations from Private Sources	6,200.00	6,200.00	11,288.10	5,088.10
Other	2,850.00	2,850.00	4,112.14	1,262.14
Total Miscellaneous Revenue	15,625.00	15,625.00	27,704.76	12,079.76
Total Revenue	394,223.00	394,223.00	451,166.72	56,943.72

**SUPPLEMENTARY INFORMATION
MUNICIPALITY OF BRIDGEWATER
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General Government:				
Legislative	21,771.00	26,771.00	26,211.44	559.56
Contingency	10,000.00	10,000.00		
Amount Transferred		(3,250.00)		6,750.00
Elections	560.00	575.00	574.82	0.18
Financial Administration	30,430.00	31,355.00	28,198.54	3,156.46
Other	8,333.00	19,808.00	18,348.23	1,459.77
Total General Government	71,094.00	85,259.00	73,333.03	11,925.97
Public Safety:				
Police	25,410.00	25,410.00	25,355.00	55.00
Fire	17,967.00	17,967.00	19,853.69	(1,886.69)
Other Protection	350.00	850.00	250.00	600.00
Total Public Safety	43,727.00	44,227.00	45,458.69	(1,231.69)
Public Works:				
Highways and Streets	124,545.00	124,545.00	85,153.23	39,391.77
Sanitation	48,024.00	48,374.00	34,819.99	13,554.01
Total Public Works	172,569.00	172,919.00	119,973.22	52,945.78
Health and Welfare:				
Health	11,004.00	13,619.00	13,180.61	438.39
Ambulance	61,150.00	61,150.00	61,348.81	(198.81)
Total Health and Welfare	72,154.00	74,769.00	74,529.42	239.58
Culture and Recreation:				
Recreation	2,858.00	2,858.00	2,518.41	339.59
Parks	22,370.00	25,370.00	24,831.80	538.20
Total Culture and Recreation	25,228.00	28,228.00	27,350.21	877.79
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	1,500.00	1,500.00	1,012.54	487.46
Total Conservation and Development	1,500.00	1,500.00	1,012.54	487.46
Total Expenditures	386,272.00	406,902.00	341,657.11	65,244.89
Net Change in Fund Balances	7,951.00	(12,679.00)	109,509.61	122,188.61
Fund Balance - Beginning	472,126.98	472,126.98	472,126.98	0.00
FUND BALANCE - ENDING	480,077.98	459,447.98	581,636.59	122,188.61

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF BRIDGEWATER
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ANNIVERSARY FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous Revenue:				
Investment Earnings	20.00	20.00	22.09	2.09
Other	30.00	30.00	62.50	32.50
Total Miscellaneous Revenue	50.00	50.00	84.59	34.59
Total Revenue	50.00	50.00	84.59	34.59
Expenditures:				
Culture and Recreation:				
Recreation	50.00	50.00	0.00	50.00
Total Culture and Recreation	50.00	50.00	0.00	50.00
Total Expenditures	50.00	50.00	0.00	50.00
Net Change in Fund Balances	0.00	0.00	84.59	84.59
Fund Balance - Beginning	4,028.72	4,028.72	4,028.72	0.00
FUND BALANCE - ENDING	4,028.72	4,028.72	4,113.31	84.59

NOTES TO THE SUPPLEMENTARY INFORMATIONSchedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.NOTE 1. Budgets and Budgetary Accounting:

The Municipality followed these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpected appropriations lapse at year end unless encumbered by resolution of the Governing Board.

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

The Municipality did not encumber any amounts at December 31, 2018 or 2017.

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

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

The financial statements prepared in conformity with USGAAP applied within the context of the modified cash basis of accounting present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the budgetary RSI Schedule, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE MUNICIPALITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

Last Four Years*

	2018	2017	2016	2015
Municipality's proportion of the net pension liability/asset	0.0031507%	0.0031516%	0.0032037%	0.0031358%
Municipality's proportionate share of net pension liability (asset)	\$ (73)	\$ (286)	\$ 10,822	\$ (13,300)
Municipality's covered-employee payroll	\$ 149,011	\$ 108,528	\$ 60,251	\$ 57,248
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.05%	0.26%	17.96%	23.23%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.02%	100.10%	96.89%	104.10%

* The amounts presented were determined as of the measurement date of the collective net pension liability (asset) which is 06/30 of previous fiscal year.

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE MUNICIPALITY CONTRIBUTIONS

South Dakota Retirement System

Last Four Years

	2018	2017	2016	2015
Contractually required contribution	\$ 10,633	\$ 10,132	\$ 3,727	\$ 3,509
Contributions in relation to the contractually required contribution	\$ 10,633	\$ 10,132	\$ 3,727	\$ 3,509
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Municipality's covered-employee payroll	\$ 151,917	\$ 155,751	\$ 62,068	\$ 58,489
Contributions as a percentage of covered-employee payroll	7.00%	6.51%	6.01%	6.00%

**Notes to Required Supplementary Information
for the Year Ended December 31, 2018**
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions.

Changes of benefit terms:

No significant changes.

Changes of assumptions:

Legislation enacted in 2017 modified the SDRS COLA. For COLAs first applicable in 2018, the SDRS COLA will equal the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0.5% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. That condition existed as of June 30, 2017 and exists again this year as of June 30, 2018. Future COLAs are assumed to equal the current restricted maximum COLA which was 1.89% as of June 30, 2017 and is 2.03% as of June 30, 2018.

The changes in actuarial assumptions increased the Actuarial Accrued Liability by 1.5% of the Actuarial Accrued Liability based on the 1.89% COLA, reflecting the current and assumed future restricted maximum COLA of 2.03%.

SCHEDULE OF LONG-TERM LIABILITIES

LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government:					
Business-Type Activities:					
Bonds Payable:					
State Revolving Fund Loan - 2005	190,534.25		32,387.51	158,146.74	16,997.19
State Revolving Fund Loan - 2011	237,536.48		11,699.10	225,837.38	6,139.77
State Revolving Fund Loan - 2016	0.00	121,000.00	3,583.81	117,416.19	2,940.30
Total Debt	<u>428,070.73</u>	<u>121,000.00</u>	<u>47,670.42</u>	<u>501,400.31</u>	<u>26,077.26</u>
Total Primary Government	<u>428,070.73</u>	<u>121,000.00</u>	<u>47,670.42</u>	<u>501,400.31</u>	<u>26,077.26</u>

Debt payable at December 31, 2018, is comprised of the following:

State Revolving Fund Loan, Series 2005	\$ 158,146.74
Maturity Date: January 15, 2027	
Interest Rate: 3.25%	
Payments made from the Sewer Fund.	
State Revolving Fund Loan, Series 2011	\$ 225,837.38
Maturity Date: August 15, 2047	
Interest Rate: 3.25%	
Payments made from the Sewer Fund.	
State Revolving Fund Loan, Series 2016	\$ 117,416.19
Maturity Date: April 15, 2043	
Interest Rate: 2.25%	
Payments made from the Water Fund.	

SCHEDULE OF LONG-TERM LIABILITIES

The annual requirements to amortize all debt outstanding as of December 31, 2018, are as follows:

Annual Requirements to Maturity for Long-Term Debt
December 31, 2018

Year Ending December 31,	State Revolving Fund Loan - Series 2005		State Revolving Fund Loan - Series 2011	
	Principal	Interest	Principal	Interest
2019	16,997.19	4,934.01	6,139.77	7,265.39
2020	17,556.37	4,374.83	6,341.76	7,063.40
2021	18,133.93	3,797.27	6,550.39	6,854.77
2022	18,730.52	3,200.68	6,765.88	6,639.28
2023	19,346.71	2,584.49	6,988.48	6,416.68
2024-2028	67,382.02	3,894.30	38,546.03	28,479.77
2029-2033			45,317.66	21,708.14
2034-2038			53,278.88	13,746.92
2039-2043			55,908.53	4,414.69
2044-2048				
Totals	<u>158,146.74</u>	<u>22,785.58</u>	<u>225,837.38</u>	<u>102,589.04</u>

Year Ending December 31,	State Revolving Fund Loan - Series 2016		TOTALS	
	Principal	Interest	Principal	Interest
2019	2,940.30	2,617.18	26,077.26	14,816.58
2020	3,007.01	2,550.47	26,905.14	13,988.70
2021	3,075.25	2,482.23	27,759.57	13,134.27
2022	3,145.03	2,412.45	28,641.43	12,252.41
2023	3,216.40	2,341.08	29,551.59	11,342.25
2024-2028	17,210.37	10,577.03	123,138.42	42,951.10
2029-2033	19,253.59	8,533.81	64,571.25	30,241.95
2034-2038	21,539.39	6,248.01	74,818.27	19,994.93
2039-2043	24,096.54	3,690.86	80,005.07	8,105.55
2044-2048	19,932.31	908.24	19,932.31	908.24
Totals	<u>117,416.19</u>	<u>42,361.36</u>	<u>501,400.31</u>	<u>167,735.98</u>