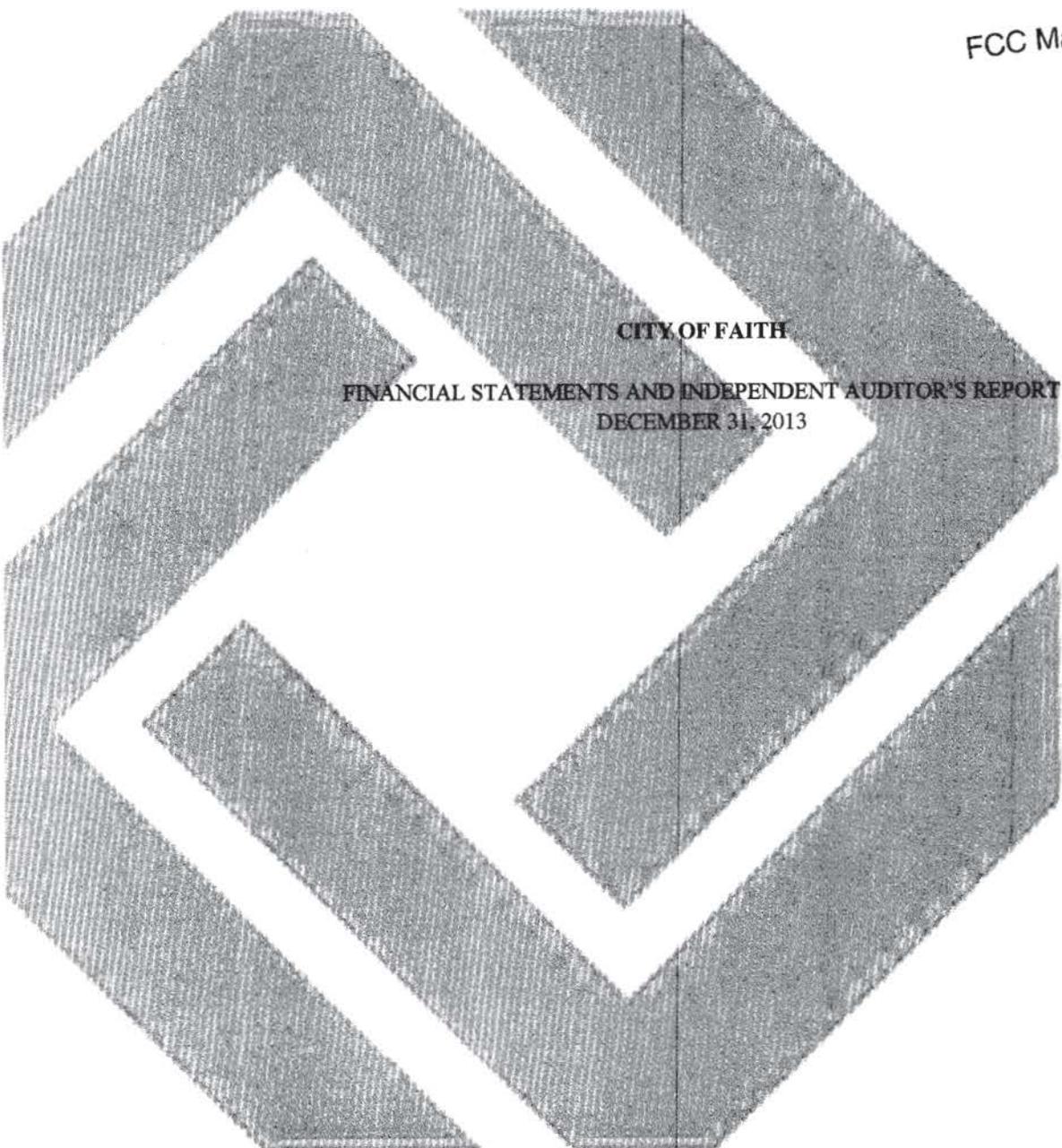


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CITY OF FAITH
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2013



Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants

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CITY OF FAITH

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Faith
Faith, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of **CITY OF FAITH** (the City), Meade County, South Dakota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as 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 also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Qualified Opinions on Governmental Activities and General Fund

We did not observe physical chip inventory at December 31, 2012, stated at [REDACTED]. We were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

City Council
Page Two

Qualified Opinions

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinions paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the changes in financial position of the governmental activities and the General Fund for the year ended December 31, 2013 in conformity with the modified cash basis of accounting described in Note 1(c).

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, of the City as of December 31, 2013, and the respective changes in financial position of the business-type activities and, where applicable, cash flows thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1(c).

Emphasis of Matter Regarding 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The management's discussion and analysis and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The management's discussion and budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 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 City's internal control over financial reporting and compliance.



KETEL THORSTENSON, LLP
Certified Public Accountants

July 16, 2014

CITY OF FAITH

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013**

This section of the City of Faith's (the City) annual financial report presents our discussion and analysis of the City's financial performance during the year ended on December 31, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The total revenues for the City's governmental activities increased in 2013 from 2012 by [REDACTED]. The main reason for this change is due to an increase in sales tax and grant revenue by approximately [REDACTED] and [REDACTED] respectively, and a [REDACTED] increase in charges for goods by approximately [REDACTED].

The City's business-type activities charges for services [REDACTED] by [REDACTED] percent to [REDACTED] revenues [REDACTED] by approximately [REDACTED] due to more usage and rate increases and [REDACTED] revenue [REDACTED] approximately [REDACTED] due to rate [REDACTED]. This was offset by a [REDACTED] increase in [REDACTED] sales of [REDACTED] a [REDACTED] decrease in [REDACTED] sales of [REDACTED] due to usage [REDACTED].

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

CITY OF FAITH

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Basis of Accounting

The City 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 the City'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.

Government-wide Statements

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

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

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

- Governmental Activities – This category includes most of the City's basic services, such as [REDACTED], [REDACTED], [REDACTED] and general administration. Sales taxes, charges for services, state and federal grants, and interest earnings finance the majority of these activities.
- Business-Type Activities – The City charges a fee to customers to help cover the costs of certain services it provides. The City's [REDACTED], [REDACTED], [REDACTED], telephone, and [REDACTED] are included here.
- Component Units – The City does not have any component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. State law requires some of the funds. The City Council establishes other funds to control and manage money for particular purposes or to show that the City is properly using certain taxes and grants.

CITY OF FAITH

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Fund Financial Statements (Continued)

The City has two kinds of funds:

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position [REDACTED] by [REDACTED] percent between the fiscal year 2012 and 2013 – increasing [REDACTED]. (See Table A-1)

The Statement of Net Position – Modified Cash Basis reports all financial and capital resources. This statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The only long-term liability of the City, a capital lease, has been reported in this manner on the Statement of Net Position – Modified Cash Basis. The difference between the City's assets and liabilities is its net position.

CITY OF FAITH

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2013

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (CONTINUED)

Table A-1 Summarized Statement of Net Position - Modified Cash Basis for 2013 and 2012						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$					
Capital Assets						
Total Assets						
Current Liabilities	\$					
Long-Term Debt						
Total Liabilities	\$					
<i>Net Position:</i>						
Net Investment in Capital Assets	\$					
Unrestricted						
Total Net Assets						
Beginning Net Position						
Increase in Net Position	\$					
Percentage of Change in Net Position						

Changes in Net Position

The City's revenues totaled [REDACTED], and the total cost of all programs and services was [REDACTED] for the year ended December 31, 2013. The City's expenses cover a range of services, including [REDACTED], [REDACTED] and [REDACTED] services, and [REDACTED] services. (See Table A-2).

CITY OF FAITH

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2013

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

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

Table A-2 Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$					
Operating Grants and Contributions						
General Revenues						
Taxes						
Revenue State Sources						
Capital Grants						
Grants and Contributions not Program Specific						
Unrestricted Investment Earnings						
Miscellaneous						
Total Revenues						
Expenses						
General Government						
Telephone						
Total Expenses						
Excess (Deficiency) Before Transfers						
Transfers						
Increase in Net Position	\$					
Ending Net Position	\$					

CITY OF FAITH

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2013

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (CONCLUDED)

Governmental Activities

The City experienced a [REDACTED] in expenses in 2013. General Government had a [REDACTED] of approximately [REDACTED] due to buildings being repaired in 2012 due to the hail storm. [REDACTED] [REDACTED] approximately [REDACTED] due to the purchase of a [REDACTED] [REDACTED] [REDACTED] approximately [REDACTED] due to 32 fewer [REDACTED] therefore less salaries, gas, supplies and there was [REDACTED] less in repairs. [REDACTED] and [REDACTED] [REDACTED] mainly due to a new [REDACTED] at th [REDACTED] for [REDACTED] and more [REDACTED] for [REDACTED] by [REDACTED] which included the [REDACTED]. [REDACTED] and [REDACTED] [REDACTED] [REDACTED] due to not having a carnival in 2013 and a smaller donation to the school in 2013.

Business-Type Activities

[REDACTED] expenses [REDACTED] approximately [REDACTED], mainly in cost of goods sold, as sales declined due to construction workers not being in the area as in the prior year. [REDACTED] expenses [REDACTED] due to a [REDACTED] repair for approximately [REDACTED]. [REDACTED] expenses [REDACTED] due to less supplies purchased and a [REDACTED] n labor because of the [REDACTED] in 2012. Telephone expenses [REDACTED] approximately [REDACTED] for equipment purchases and labor to connect the [REDACTED] and [REDACTED] in the fiber. [REDACTED] expenses [REDACTED] due to a [REDACTED] study. [REDACTED] wa [REDACTED] due to digging a new pit and disposing of tires.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The financial analysis of the City's funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City's only governmental fund type is the General Fund. The City also maintains six business type funds – [REDACTED], [REDACTED], [REDACTED], [REDACTED], Telephone, and [REDACTED]

BUDGETARY HIGHLIGHTS

[REDACTED] expenses exceeded the budgeted amount due to the purchase of a [REDACTED] In addition, the City donated [REDACTED] for the purchase of a [REDACTED] These are the main changes to the budget.

CITY OF FAITH

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)
DECEMBER 31, 2013**

CAPITAL ASSET ADMINISTRATION

By the end of 2013, the City had invested [REDACTED] in a broad range of capital assets, including land, buildings, and various machinery and equipment. (See Table A-3).

**Table A-3
Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities	
	2013	2012	2013	2012
Land	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Construction Work in Progress	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Buildings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Improvements Other Than Buildings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Machinery and Equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Capital Assets	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

LONG-TERM DEBT

As of December 31, 2013, the City had [REDACTED] in long-term debt (See Table A-4 below):

Table A-4 Outstanding Debt and Obligations			
	Governmental Activities		
	2013	2012	
Capital Acquisition Lease	\$ [REDACTED]	\$ [REDACTED]	
Total Outstanding Debt and Obligations	\$ [REDACTED]	\$ [REDACTED]	

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City expects business-type activities for 2014 to increase due to rate increases.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Faith's Finance Office, P.O. Box 368, Faith, SD 57626.

CITY OF FAITH

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Investments	\$ [REDACTED]	[REDACTED]	[REDACTED]
Other Current Assets	[REDACTED]	[REDACTED]	[REDACTED]
Joint Venture Investment	[REDACTED]	[REDACTED]	[REDACTED]
Capital Assets:			
Land and Construction Work in Progress	[REDACTED]	[REDACTED]	[REDACTED]
Other Capital Assets, Net of Depreciation	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL ASSETS	\$ [REDACTED]	[REDACTED]	[REDACTED]
LIABILITIES:			
Other Current Liabilities	\$ [REDACTED]	[REDACTED]	[REDACTED]
Non-Current Liability:			
Due Within One Year	[REDACTED]	[REDACTED]	[REDACTED]
Due in More Than One Year	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL LIABILITIES	[REDACTED]	[REDACTED]	[REDACTED]
NET POSITION:			
Net Investment in Capital Assets	[REDACTED]	[REDACTED]	[REDACTED]
Unrestricted	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL NET POSITION	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL LIABILITIES AND NET POSITION	\$ [REDACTED]	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of this statement.

CITY OF FAITH

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
			Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	
Primary Government:							
Governmental Activities:							
[REDACTED]	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest on Long-Term Debt	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Governmental Activities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Business-Type Activities:							
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Telephone	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Business-Type Activities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Primary Government	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Sales Taxes					[REDACTED]	[REDACTED]	[REDACTED]
Gross Receipt Taxes					[REDACTED]	[REDACTED]	[REDACTED]
State Shared Revenues					[REDACTED]	[REDACTED]	[REDACTED]
Grants and Contributions not Restricted to Specific Programs					[REDACTED]	[REDACTED]	[REDACTED]
Unrestricted Investment Earnings					[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous Revenue					[REDACTED]	[REDACTED]	[REDACTED]
Transfers					[REDACTED]	[REDACTED]	[REDACTED]
Total General Revenues and Transfers					[REDACTED]	[REDACTED]	[REDACTED]
Change in Net Position					[REDACTED]	[REDACTED]	[REDACTED]
Net Position - December 31, 2012					[REDACTED]	[REDACTED]	[REDACTED]
Net Position - December 31, 2013	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of this statement.

CITY OF FAITH

**BALANCE SHEET
GOVERNMENTAL FUND - MODIFIED CASH BASIS
DECEMBER 31, 2013**

	<u>General Fund</u>
ASSETS:	
101 Cash and Investments	\$ [REDACTED]
115 Other Current Assets	[REDACTED]
TOTAL ASSETS	\$ [REDACTED]
LIABILITIES AND FUND BALANCE:	
Liabilities:	
216 Other Current Liabilities	[REDACTED]
Total Liabilities	[REDACTED]
Fund Balance:	
263.01 Nonspendable - Inventory	[REDACTED]
265 Committed - Capital Replacement	[REDACTED]
Total Fund Balance	[REDACTED]
 TOTAL LIABILITIES AND FUND BALANCE	 \$ [REDACTED]

The accompanying notes are an integral part of this statement.

CITY OF FAITH

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2013**

Total Fund Balances - Governmental Funds	\$	██████████
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		██████████
Long-term liabilities are not due and payable in the current period and therefore are not included in the funds.		██████████
<hr/> Total Net Position - Governmental Activities	\$	██████████

The accompanying notes are an integral part of this statement.

CITY OF FAITH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

		<u>General Fund</u>
Revenue:		
<i>Taxes:</i>		
313	Sales Taxes	\$ [REDACTED]
314	Gross Receipts Business Taxes	[REDACTED]
315	Amusement Taxes	[REDACTED]
320	Licenses and Permits	[REDACTED]
<i>Intergovernmental Revenue:</i>		
331	Federal Grant	[REDACTED]
334	State Grant	[REDACTED]
335.02	Motor Vehicle Commercial ProRate	[REDACTED]
335.03	[REDACTED] Tax Reversion	[REDACTED]
335.04	[REDACTED]	[REDACTED]
335.08	Local Government [REDACTED] Fund	[REDACTED]
338.01	County Road Tax	[REDACTED]
338.99	Other	[REDACTED]
<i>Charges for Goods and Services:</i>		
341	General Government	[REDACTED]
342	[REDACTED]	[REDACTED]
343	[REDACTED]	[REDACTED]
346	[REDACTED]	[REDACTED]
347	[REDACTED]	[REDACTED]
348	[REDACTED]	[REDACTED]
349	Other	[REDACTED]
<i>Miscellaneous Revenue:</i>		
361	Investment Earnings	[REDACTED]
362	Rentals	[REDACTED]
367	Contributions and Donations From Private Sources	[REDACTED]
369	Other	[REDACTED]
Total Revenue		[REDACTED]

CITY OF FAITH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
 GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

		<u>General Fund</u>
Expenditures:		
<i>General Government:</i>		
411	Legislative	██████████
412	Executive	██████████
413	Elections	██████████
414	Financial Administration	██████████
419	Other	██████████
	██████████:	
421	██████████	██████████
422	██████████	██████████
	██████████	
431	██████████	██████████
435	██████████	██████████
437	██████████	██████████
	██████████	
441	██████████	██████████
446	██████████	██████████
	██████████	
451	██████████	██████████
452	██████████	██████████
454	██████████	██████████
455	██████████	██████████
	██████████	
465	██████████	██████████
465.3	Promoting the City	██████████
466	Economic Opportunity	██████████
470	Debt Service	██████████
485	Capital Outlay	██████████
Total Expenditures		██████████
Other Financing Sources:		
391.01	Transfers In	██████████
391.04	Compensation for Loss or Damage To Capital Assets	██████████
Total Other Financing Sources		██████████
Net Change in Fund Balance		██████████
Fund Balance, December 31, 2012		██████████
Fund Balance, December 31, 2013		\$ ██████████

The accompanying notes are an integral part of this statement.

CITY OF FAITH

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balance - Government Funds	\$	████
Amounts reported for governmental activities in the Statement of Activities are different because:		
Government funds report capital outlays as expenditures. However, in the Statement of Activities the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Asset Purchases Capitalized		████
Depreciation Expense		████
<hr/>		
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		████
<hr/>		
Change in Net Position - Governmental Activities	\$	████

The accompanying notes are an integral part of this statement.

CITY OF FAITH

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - MODIFIED CASH BASIS
 DECEMBER 31, 2013

	Fund	Fund	Fund
ASSETS:			
Current Assets:			
101 Cash and Cash Equivalents	\$		
115 Accounts Receivable			
142 Inventory of Supplies Purchased for Resale			
Total Current Assets			
Noncurrent Assets:			
151 Joint Venture Investment (Note 8)			
Capital Assets:			
160 Land			
162 Buildings			
164 Improvements Other Than Buildings			
166 Machinery and Equipment			
Less: Accumulated Depreciation			
Total Noncurrent Assets			
TOTAL ASSETS	\$		
LIABILITIES:			
Current Liabilities:			
216 Other Current Liabilities	\$		
220 Customer Deposits			
Total Current Liabilities			
NET POSITION:			
253.1 Invested in Capital Assets			
253.9 Unrestricted Net Position			
Total Net Position			
TOTAL LIABILITIES AND NET POSITION	\$		

The accompanying notes are an integral part of this statement.

CITY OF FAITH

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

		Fund	Fund	Fund
Operating Revenue:				
380	Charges for Goods and Services	\$		
380.5	Sales			
Total Operating Revenue				
Operating Expenses:				
410	Personal Services			
420	Other Current Expense			
426.2	Materials (Cost of Goods Sold)			
457	Depreciation			
Total Operating Expenses				
Operating Income (Loss)				
Nonoperating Revenue:				
361	Investment Earnings			
Income (Loss) Before Transfers				
391	Compensation for Loss or Damage to Capital Assets			
511	Transfers Out			
Change in Net Position				
Net Position - December 31, 2012				
NET POSITION - DECEMBER 31, 2013		\$		

The accompanying notes are an integral part of this statement.

CITY OF FAITH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Fund	Fund	Fund
Cash Flows from Operating Activities:			
Receipts from Customers	\$ [REDACTED]	[REDACTED]	[REDACTED]
Payments to Suppliers	[REDACTED]	[REDACTED]	[REDACTED]
Payments to Employees	[REDACTED]	[REDACTED]	[REDACTED]
Net Cash Flows Provided by (Used In) Operating Activities	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows From Noncapital Financing Activities:			
Transfers to Other Funds	[REDACTED]	[REDACTED]	[REDACTED]
Net Cash Used in Noncapital Financing Activities:	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows From Capital and Related Financing Activities:			
Purchases of Capital Assets	[REDACTED]	[REDACTED]	[REDACTED]
Compensation for Loss or Damage to Capital Assets	[REDACTED]	[REDACTED]	[REDACTED]
Net Cash Used In Capital and Related Financing Activities	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows From Investing Activities:			
Interest Earnings	[REDACTED]	[REDACTED]	[REDACTED]
Net Cash Provided by Investing Activities	[REDACTED]	[REDACTED]	[REDACTED]
Net Increase (Decrease) in Cash and Investments	[REDACTED]	[REDACTED]	[REDACTED]
Cash and Investments, December 31, 2012	[REDACTED]	[REDACTED]	[REDACTED]
Cash and Investments, December 31, 2013	[REDACTED]	[REDACTED]	[REDACTED]
Cash Flows From Operating Activities:			
Operating Income (Loss)	\$ [REDACTED]	[REDACTED]	[REDACTED]
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used In) Operating Activities:			
Depreciation Expense	[REDACTED]	[REDACTED]	[REDACTED]
Change in Assets and Liabilities:			
Inventories	[REDACTED]	[REDACTED]	[REDACTED]
Customer Deposits	[REDACTED]	[REDACTED]	[REDACTED]
Other Current Liabilities	[REDACTED]	[REDACTED]	[REDACTED]
Net Cash Flows Provided by (Used In) Operating Activities	\$ [REDACTED]	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of this statement.

