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OCT 24 2013

FCC Mail Room

REDACTED – FOR PUBLIC INSPECTION

October 14, 2013

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208*

Dear Ms. Dortch:

On behalf of Beresford Municipal Telephone Company (“Beresford”), please find enclosed two copies of Beresford’s FCC Form 481, along with the redacted versions of the Confidential Financial Information.

One copy of the FCC Form 481, containing Confidential Financial Information is being filed under separate cover.

Please do not hesitate to contact me at (402) 441-4315 if you have any questions regarding this submission.

Respectfully submitted,

Jessica Meyer
Consultant
Consortia Consulting, Inc.

No. of Copies rec'd 04
List ABCDE

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0985/OMB Control No. 3060-0819 July 2013
---------------------------------------------------------------------	----------------------------------------------------------------------------------

OCT 24 2013
FCC Mail Room

<010> Study Area Code	391649
<015> Study Area Name	BERESFORD MUNICIPAL
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Judy Christiansen
<035> Contact Telephone Number: Number of the person identified in data line <030>	402-398-0062
<039> Contact Email Address: Email of the person identified in data line <030>	jchristiansen@consortiaconsulting.com

ANNUAL REPORTING FOR ALL CARRIERS	54-313 Completion Required	54-422 Completion Required
------------------------------------------	-------------------------------	-------------------------------

			(check box when complete)	
<100>	Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	
<200>	Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report			
<300>	Unfulfilled Service Requests (voice)		<input checked="" type="checkbox"/>	
<310>	Detail on Attempts (voice)	(attach descriptive document)		
<320>	Unfulfilled Service Requests (broadband)			
<330>	Detail on Attempts (broadband)	(attach descriptive document)		
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	0.0		
<420>	Mobile	0.0		
<430>	Number of Complaints per 1,000 customers (broadband)			
<440>	Fixed			
<450>	Mobile			
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	391649sd510	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	391649sd610	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	(complete attached worksheet)		
<710>	Company Price Offerings (broadband)	(complete attached worksheet)		
<800>	Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)		
<1000>	Voice Services Rate Comparability	(check to indicate certification)		
<1010>		(attach descriptive document)		
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)		
<1110>		(complete attached worksheet)		
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)			
<2005>	(complete attached worksheet)			

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>		
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>		

OCT 24 2013

(100) Service Quality Improvement Reporting
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

FCC Mail Room

<010> Study Area Code 391649

<015> Study Area Name BERESFORD MUNICIPAL

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Judy Christiansen

<035> Contact Telephone Number - Number of person identified in data line <030> 402-398-0062

<039> Contact Email Address - Email Address of person identified in data line <030> jchristiansen@consortiaconsulting.com

<110> Has your company received its ETC certification from the FCC? (yes / no)

If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? (yes / no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>

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**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	391649
<015>	Study Area Name	BERESFORD MUNICIPAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	402-398-0062
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

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**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	391649
<015>	Study Area Name	BERESFORD MUNICIPAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

OCT 24 2013

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481	FCC Mail Room
	OMB Control No. 3060-0986/OMB Control No. 3060-0819	July 2013

<010> Study Area Code	391649
<015> Study Area Name	BERESFORD MUNICIPAL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035> Contact Telephone Number - Number of person identified in data line <030>	402-398-0062
<039> Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 391649sd1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP _____

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

OCT 24 2013

(2000) Price Cap Carrier Additional Documentation	FCC Form 481 - FCC Mail Room
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	July 2013

<010>	Study Area Code	391649
<015>	Study Area Name	BERESFORD MUNICIPAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	402-398-0062
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021> Interim Progress Community Anchor Institutions Name of Attached Document Listing Required Information _____

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0386/OMB Control No. 3060-0819 July 2013
-------------------------------------------------------------------	----------------------------------------------------------------------------------

<010>	Study Area Code	391649
<015>	Study Area Name	BERESFORD MUNICIPAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	402-398-0062
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---------------------------------------------------------	----------------------------------------------------------------------------------

<010> Study Area Code	391649
<015> Study Area Name	BERESFORD MUNICIPAL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035> Contact Telephone Number - Number of person identified in data line <030>	402-398-0062
<039> Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Judy Christiansen</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Judy Christiansen
Name of Reporting Carrier:	BERESFORD MUNICIPAL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Officer:	Todd Hansen
Title or position of Authorized Officer:	General Manager
Telephone number of Authorized Officer:	605-763-2500
Study Area Code of Reporting Carrier:	391649 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	BERESFORD MUNICIPAL
Name of Authorized Agent or Employee of Agent:	Judy Christiansen
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Agent or Employee of Agent:	Judy Christiansen
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	402-398-0062
Study Area Code of Reporting Carrier:	391649 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Attachments

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Beresford Municipal Telephone Company

Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules

Service Quality Standards

The Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.
- Advertises the availability of its services and the charges using media of general distribution and on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone number during normal business hours.
- Directs after hour calls to the Company's voice mail which automatically sends a notification to the technicians.
- Tracks all service orders to ensure they are completed in a timely manner.
- Reviews its service connection and service interruption performance.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information.

Beresford Municipal Telephone Company

Functionality in Emergency Situations

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Back-Up Power

The Company can ensure functionality without an external power source. Beresford has a fixed stand-by generator that is equipped with a monitor panel and when commercial power is not present it immediately begins to supply power to the Central Office Equipment. Beresford uses a bank of batteries that would provide power to Central Office Equipment for approximately 8 hours in case of generator failure.

Rerouting of Traffic around Damaged Facilities

Beresford places its EAS and Interexchange carrier switched and special access traffic on a protected ring which allows for diverse routing. Local Loops are a dedicated cable pair from the CO to the customer premise. Repair kits and cable are kept on hand to repair damaged facilities in a timely manner.

Traffic Spikes

Beresford reviews trunk utilization on a monthly basis. On an average we have approximately 40% spare capacity for EAS and Toll traffic, Operator Assistance and LNP trunks. The Company has adequate spare capacity to handle sporadic traffic spikes resulting from emergency situations.

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Beresford Municipal Telephone Company

Lifeline Terms and Conditions

Beresford Municipal Telephone Company offers Lifeline program-supported service to qualified low-income residential consumers for one telephone line per eligible household. The Lifeline program provides discounts to eligible low-income consumers to help them establish and maintain telephone service. Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive \$9.25 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Toll Blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

Lifeline Program Eligibility Information

Program Based Eligibility

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- National School Lunch Program's Free Lunch Program
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year's statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.

Income Based Eligibility

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2013 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$15,512	\$19,373	\$17,861
2	\$20,939	\$26,163	\$24,098
3	\$26,366	\$32,954	\$30,335
4	\$31,793	\$39,744	\$36,572
5	\$37,220	\$46,535	\$42,809
6	\$42,647	\$53,325	\$49,046
7	\$48,074	\$60,116	\$55,283
8	\$53,501	\$66,906	\$61,520
For each additional person, add	\$5,427	\$6,791	\$6,237

OCT 24 2013

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Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return, current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service

Beresford Municipal Telephone Company's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Beresford Municipal Telephone Company's Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

Rates

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by Beresford Municipal Telephone Company. Advertised rates do not include any applicable taxes or surcharges.

Recertification of Lifeline Eligibility

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

Additional Lifeline Program Information

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

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CITY OF BERESFORD

AUDIT REPORT

DECEMBER 31, 2011

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**CITY OF BERESFORD
CITY OFFICIALS
DECEMBER 31, 2011**

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Mayor:

Jim Fedderson

Governing Board:

Gerald Dahlin

Troy Doeden

Tom Erickson

Teresa Kaltenbach

Gary Lambert

Arthur Schott

Finance Officer:

Kathy Moller

City Administrator:

Jerry Zeimetz

**CITY OF BERESFORD
TABLE OF CONTENTS**

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Schedule of Prior and Current Audit Findings	3
Independent Auditor's Report	4
Management's Discussion and Analysis	6
BASIC FINANCIAL STATEMENTS:	
Government - Wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	20
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	24
Balance Sheet - Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets- Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Notes to the Financial Statements	30
Required Supplementary Information:	
Budgetary Basis Comparison Schedules:	
General Fund	51
Additional Sales Tax Fund	53
Notes to the Required Supplementary Information	54
Corrective Plan of Action	55

Received & Inspected

OCT 24 2013

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QUAM & BERGLIN, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
110 WEST MAIN - P.O. BOX 426
ELK POINT, SOUTH DAKOTA 57025

(605) 356-3374

**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**

City Council
City of Beresford
Beresford, South Dakota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beresford, South Dakota, as of December 31, 2011, and for the year then ended, which collectively comprise the City of Beresford's financial statements and have issued our report thereon dated June 29, 2012. A disclaimer of opinion was issued on the aggregate discretely presented component units because the financial data of these components units was not audited. Except as discussed in the preceding sentence, 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Beresford's internal control over financial reporting as a basis for designing our audit procedures 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 City of Beresford's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Beresford's internal control over financial reporting.

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 over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Prior and Current Audit Findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Prior and Current Audit Findings as item 2011-01 to be a material weakness.

OCT 24 2013

Compliance and Other Matters

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As part of obtaining reasonable assurance about whether the City of Beresford'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*.

The City of Beresford's response to the findings identified in our audit is described in the accompanying Corrective Plan of Action. We did not audit the City's response, and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to the management of the City of Beresford in a separate communication dated June 29, 2012.

This report is intended solely for the information and use of the South Dakota Legislature, state granting agencies, and the governing board and management of the City of Beresford, and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited

Quam and Berglin P.C.

Quam and Berglin, P.C.
 Certified Public Accountants

June 29, 2012

OCT 24 2013

**CITY OF BERESFORD
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
DECEMBER 31, 2011**

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STATUS OF PRIOR AUDIT RECOMMENDATIONS:

The prior audit recommendation 2010-01 has not been corrected and is restated as Current Audit Finding Number 2011-01.

Audit Finding Number 2010-01:

The City of Beresford does not have an adequate segregation of duties for revenues, expenditures and payroll, resulting in decreased reliability of reported financial data and increased potential for the loss of public assets. This finding has not been corrected.

CURRENT AUDIT FINDING:

Audit Finding Number 2011-01:

The City of Beresford does not have an adequate segregation of duties for revenues, expenditures and payroll, resulting in decreased reliability of reported financial data and increased potential for the loss of public assets. This is the fifteenth report in which this finding has appeared.

Criteria:

In order to achieve proper internal control, it is necessary to have a segregation of duties provided between performance, review and record keeping of the tasks related to revenues, expenditures and payroll. Lack of this segregation of duties could adversely affect the organization's ability to record, process, summarize and report financial data consistent with management assertions.

Condition Found:

A material weakness in internal controls was reported due to a lack of adequate segregation of duties for revenues, expenditures and payroll resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Recommendation:

We recommend that the City officials be cognizant of this lack of segregation of duties and attempt to provide compensating controls whenever, and wherever possible and practical.

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OCT 24 2013

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QUAM & BERGLIN, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
110 WEST MAIN - P.O. BOX 426
ELK POINT, SOUTH DAKOTA 57025

(605) 356-3374

INDEPENDENT AUDITOR'S REPORT

City Council
City of Beresford
Beresford, South Dakota

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Beresford, South Dakota, as of December 31, 2011 and for the year then ended, which collectively comprise the basic financial statements of the City of Beresford's primary government, as listed in the Table of Contents. These financial statements are the responsibility of the City of Beresford's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The financial statements of the Beresford Housing and Redevelopment Commission and the Beresford Economic Development have not been audited, and we were not engaged to audit the Beresford Housing and Redevelopment Commission and the Beresford Economic Development's financial statements as part of our audit of the City's financial statements. These two component units mentioned in the previous sentence have financial activities which are included in the City's financial statements as discretely presented component units.

Because the Housing and Redevelopment Commission and the Economic Development's financial statements have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the discretely presented component units of the City of Beresford.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Beresford, South Dakota as of December 31, 2010 and the respective changes in financial position and, where applicable, cash

OCT 24 2013

FCC Mail Room

flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, on our consideration of the City of Beresford '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* and should be considered in assessing the results of our audit.

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



Quam and Berglin, P.C.
 Certified Public Accountants

June 29, 2012

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OCT 24 2013

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**CITY OF BERESFORD, SOUTH DAKOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011**

This section of City of Beresford, South Dakota financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended on December 31, 2011. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City transferred to the General Fund a total of [REDACTED] from the following enterprise funds:
[REDACTED] Telephone - [REDACTED]
The transfers were made to the General Fund to subsidize revenues and to help fund debt repayment.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Figure A-2

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

Government-wide Statements

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

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

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

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

- **Governmental Activities** - This category includes the most of the City's basic services, such as [REDACTED] finance most of these activities.

OCT 24 2013

FCC Mail Room

- Business-type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City's [REDACTED] telephone, [REDACTED] and [REDACTED] are included here.

Fund Financial Statements

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

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

The City has two kinds of funds:

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

OCT 24 2013

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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets

The City's combined net assets changes between fiscal years 2010 and 2011 (See Table A-1).

Table A-1 Condensed Statement of Net Assets (Expressed in Thousands)							
	Governmental Activities		Business type Activities		Total Activities		Total Change December 31, 2010-2011
	December 31, 2011	2010	December 31, 2011	2010	December 31, 2011	2010	
Current and other assets							
Capital assets							
Total assets							
Long-Term Liabilities							
Other Liabilities							
Total Liabilities							
Net Assets							
Invested in capital assets net of related debt							
Restricted							
Unrestricted							
Total net assets							

The Statement of Net Assets presents the assets and liabilities in order of relative liquidity. 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. Long-term liabilities of the City, consisting of compensated [REDACTED]

[REDACTED] have been reported in this manner on the Statement of Net Assets. The difference between the City's assets and liabilities is its net assets.

The City's net assets reflect its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The increase in net assets invested in capital assets, net of related debt relates to the City's work on the light wave network project.

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

The remaining balance of net assets is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in total net asset for both the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

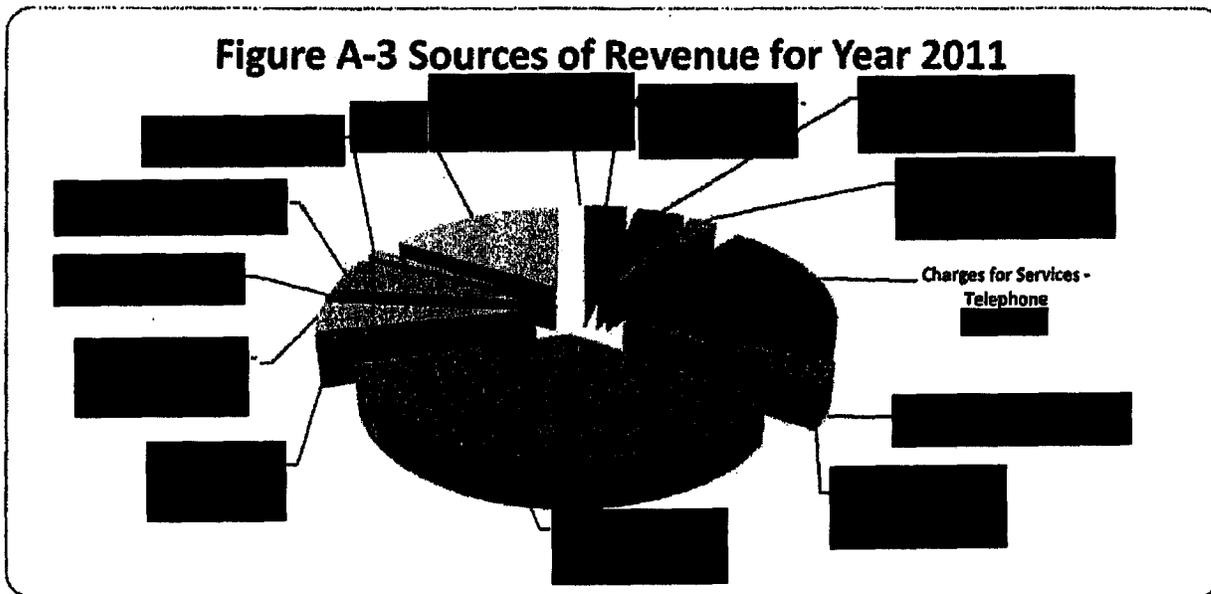
The overall increase in net assets is due to the capital assets completed during the year.

OCT 24 2013

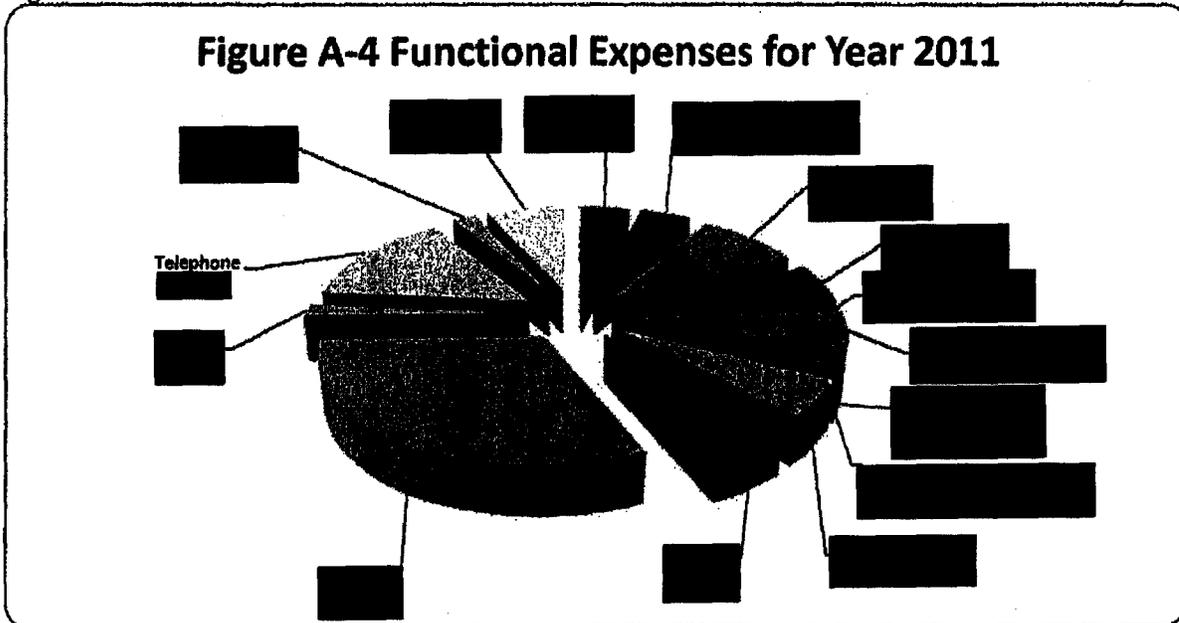
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Changes in Net Assets

The City's revenues totaled [REDACTED] (See Table A-2.) Well over half of the City's revenue comes from [REDACTED] with over [REDACTED] of every dollar raised coming from charges for services (primarily [REDACTED] and telephone operations) and [REDACTED] of every dollar raised coming from some type of [REDACTED] (See Figure A-3). Most of the rest comes from state-shared revenues and interest earnings.



The City's expenses totaled [REDACTED] (See Figure A-2). The total cost of all programs and services have decreased from the prior year. The City's expenses cover a range of services, with [REDACTED] related to public works services ([REDACTED] telephone system, [REDACTED]) (See Figure A-4).



OCT 24 2013

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Governmental Activities

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

Total revenues for the City increased from [REDACTED] in 2010 to [REDACTED] in 2011 largely due to increases in [REDACTED] for the year. The expenses decreased from [REDACTED] in 2010 to [REDACTED] in 2011 due mostly to the decrease in [REDACTED] and [REDACTED] functions.

Table A-2 Changes in Net Assets (Expressed in Thousands)							
	Governmental Activities		Business type Activities		Total Activities		Total Change
	December 31,		December 31,		December 31,		December 31,
	2011	2010	2011	2010	2011	2010	2010-2011
Program Revenue:							
Charges for Service	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Capital Grants and Contributions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General Revenues:							
Taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Revenue State Sources	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Unrestricted Investment Earnings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transfers:							
Total Revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expenses:							
General Government	[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]
Telephone	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Change in Net Assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted Net Assets Beginning	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net Assets Ending	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

OCT 24 2013

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Business-type Activities

Revenues of the City's business-type activities increased from [REDACTED] in 2010 to [REDACTED] in 2011 and expenses increased from [REDACTED] in 2010 to [REDACTED] in 2011 for all business-type activities. The factors contributing to these results included:

- [REDACTED] are down.
- Business-type enterprise funds transferred [REDACTED] to the general fund to subsidize the operation of that fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The financial analyses of the City's funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains seven governmental funds (six major and one non-major) - [REDACTED]

[REDACTED] and [REDACTED] Project Funds. The City maintains eight business type funds - [REDACTED] Telephone, [REDACTED] Funds. The [REDACTED] Fund is a component unit along with being a major fund.

General Fund Budgetary Highlights

Over the course of the year, the City Council adopted [REDACTED]. This resolution authorized transferring funds to increase the [REDACTED] and Telephone accounts, and [REDACTED] and other current expense.

[REDACTED] a Supplemental Appropriation Ordinance, was adopted to supplement the 2011 and for the [REDACTED] to purchase [REDACTED]. Source of funding: [REDACTED] and [REDACTED]

- Supplemental appropriations and contingency transfers approved for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of its citizens.
- Increases in appropriation line items, primarily by contingency transfer, to prevent budget overruns.

There were no significant budget changes during the year.

CAPITAL ASSET ADMINISTRATION

By the end of 2011, the City had invested [REDACTED] in land and [REDACTED] in a broad range of capital assets, including, buildings, construction in progress, various machinery and equipment. The City also had invested [REDACTED] in land and [REDACTED] of business-type activities, which include buildings, machinery and equipment. (See Note 8 in the Notes to the Financial Statements for the actual break down of capital assets.) This amount represents a net decrease (including additions and deductions) of [REDACTED] (net of depreciation), over the last year.

OCT 24 2013

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

	Governmental Activities		Business-type Activities		Total Dollar Change	Total Percentage Change
	2011	2010	2011	2010		
Land	[REDACTED]					
Buildings						
Improvements Other Than Buildings						
Machinery and Equipment						
Library Books						
Total Capital Assets (Net)						

This year's major capital asset additions and deletions included:

- [REDACTED]
- [REDACTED]
- Transformer and switchgear
- [REDACTED]
- [REDACTED]
- [REDACTED]
- DSLAM units for Internet
- [REDACTED]
- Voice mail system
- Ethernet equipment and FRRPA transmission equipment
- Roof on Telephone Switch building

LONG-TERM DEBT

At the year-end the City had [REDACTED] in [REDACTED], [REDACTED] Notes Payable, Certificates of Participation and other long-term obligations. This is a decrease of [REDACTED] which is due to the payments made by the City.

Table A-3
City of Beresford - Outstanding Debt and Obligations
(Expressed in Thousands)

	Governmental Activities		Business -type Activities		Total Dollar Change	Total Percentage Change
	2011	2010	2011	2010	2010-2011	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital Leases	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Outstanding Debt and Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The City is liable for the [REDACTED] to all [REDACTED] who have been [REDACTED] for more than [REDACTED]. The increase is due to a increase in the amount of [REDACTED] and outstanding at the end of the year.

The City has outstanding [REDACTED]. These [REDACTED] and are paid from the [REDACTED].

The City has outstanding [REDACTED]. These [REDACTED] are [REDACTED] and paid from the [REDACTED]. They were purchased to finance the [REDACTED].

The City has an outstanding [REDACTED]. This agreement is [REDACTED] and paid from the [REDACTED]. This agreement finances the [REDACTED] payments are due annually.

The City has outstanding [REDACTED]. These [REDACTED] are [REDACTED] and paid from the Telephone Fund. They were used to purchase and finance the acquisition of telephone equipment.

The City has outstanding [REDACTED]. These [REDACTED] are [REDACTED] and paid from the [REDACTED]. They were used to [REDACTED] and [REDACTED] the acquisition of [REDACTED].

The City has outstanding [REDACTED]. These [REDACTED] are [REDACTED] and paid from the [REDACTED]. They were used to [REDACTED].

The City has outstanding [REDACTED]. These [REDACTED] are [REDACTED] and paid from the [REDACTED]. They were used to [REDACTED] and [REDACTED] the [REDACTED].

The City has outstanding [REDACTED] for the City's share of the [REDACTED] construction cost. The payments will be made from the [REDACTED].

OCT 24 2013

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's current economic position has shown little change. The City did experience an increase in total [REDACTED] from the prior year. The increase in [REDACTED] allows the City the ability to increase the amount of revenue generated from [REDACTED] however the City Council has chosen not to increase the base amount it levies for [REDACTED]. Under the state mandated [REDACTED] [REDACTED] from one year to the next may increase [REDACTED] or an amount based on the Consumer Price Index (CPI), whichever is lower. One of the primary sources of revenue to the City is based on [REDACTED] [REDACTED] in the community [REDACTED].

The City's adopted [REDACTED] budget for the next fiscal year will increase by [REDACTED]. The City employees' wages [REDACTED], and, only those employees eligible for [REDACTED] will be considered for any [REDACTED].

The City's business-type activities ([REDACTED] telephone and [REDACTED] operations) expect that the results for 2011 will improve based on the past rate increases implemented to cover increasing cost of [REDACTED], costs of [REDACTED].

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Beresford's Finance Office, 101 N. 3rd Street, Beresford, SD 57004-1796.

**CITY OF BERESFORD
STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

OCT 24 2013

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	Primary Government			Unaudited Component Units	
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment	Economic Development
ASSETS:					
Cash and Cash Equivalents					
Investments					
Taxes Receivable					
Accounts Receivable, Net					
Interest Receivable					
Due from Other Governments					
Inventories					
Unamortized Discounts on Bonds Sold					
Restricted Assets:					
Cash and Cash Equivalents					
Investments					
Deposits					
Capital Assets:					
Land					
Other Capital Assets, Net of Depreciation					
Other Assets - Lewis & Clark					
TOTAL ASSETS					
LIABILITIES :					
Accounts Payable					
Internal Balances					
Sales Taxes Payable					
Customer Deposits					
Noncurrent Liabilities:					
Due Within One Year					
Due in More than One Year					
TOTAL LIABILITIES					
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt					
Restricted for:					
Library					
Debt Service					
Unrestricted (Deficit)					
TOTAL NET ASSETS					

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

CITY OF BERESFORD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Unaudited Component Units	
				Governmental Activities	Primary Government Business-Type Activities	Total	Housing & Redevelopment	Economic Development
Primary Government:								
Governmental Activities:								
General Government	\$							
Public Safety								
Public Works								
Health and Welfare								
Culture and Recreation								
Conservation and Development								
Miscellaneous								
*Interest on Long-term Debt								
Total Governmental Activities								
17 Business-type Activities:								
[Redacted]								
Telephone								
[Redacted]								
Total Business-type Activities								
Total Primary Government	\$		\$					
Component Unit:								
Housing and Redevelopment	\$						\$	
Economic Development								\$

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

OCT 24 2013

FCC Mail Room

Total Primary Government	[REDACTED]	[REDACTED]
Total Component Units	[REDACTED]	[REDACTED]
General Revenues:		
Taxes:		
Property Taxes	[REDACTED]	[REDACTED]
Sales Taxes	[REDACTED]	[REDACTED]
Gross Receipts Taxes	[REDACTED]	[REDACTED]
State Shared Revenues	[REDACTED]	[REDACTED]
Unrestricted Investment Earnings	[REDACTED]	[REDACTED]
Miscellaneous Revenue	[REDACTED]	[REDACTED]
Transfers:		
Total General Revenues and Transfers	[REDACTED]	[REDACTED]
Change in Net Assets	[REDACTED]	[REDACTED]
Net Assets-Beginning	[REDACTED]	[REDACTED]
NET ASSETS - ENDING	\$ [REDACTED]	[REDACTED]

CITY OF BERESFORD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

OCT 24 2013

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	Major Funds				Nonmajor	Total Governmental Funds
ASSETS:						
Cash and Cash Equivalents	\$	\$	\$	\$	\$	\$
Taxes Receivable—Delinquent						
Accounts Receivable						
Due from Other Governments						
Inventory of Supplies						
Restricted Cash and Cash Equivalents						
Restricted Investments						
TOTAL ASSETS						
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Due to Telephone Fund						
Deferred Revenue						
Total Liabilities						
Fund Balances:						
Nonspendable						
Restricted						
Committed						
Unassigned						
Total Fund Balances						
TOTAL LIABILITIES AND FUND BALANCES	\$					

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

OCT 24 2013

**CITY OF BERESFORD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

500 Mail Room

Total Fund Balances - Governmental Funds

\$ [REDACTED]

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

[REDACTED]

Long-term liabilities, including bonds, notes and financing leases payable and accrued leave payable are not due and payable in the current period and therefore are not reported in the funds.

- Revenue Bonds
- Accrued Leave
- Financing (Capital Acquisition) Lease
- Certificates of Participation

\$ [REDACTED] [REDACTED]

Assets such as taxes receivable (delinquent) and special assessments receivable (current, delinquent and deferred) are not available to pay for current period expenditures and therefore are deferred in the funds.

[REDACTED]

Net Assets- Governmental Funds

\$ [REDACTED]

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

**CITY OF BERESFORD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

OCT 24 2013

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	Major Funds				Nonmajor	Total Governmental Funds
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Revenues:

Taxes:

General Property Taxes
General Sales and Use Taxes
Gross Receipt Taxes
Amusement Taxes
911 Surcharge

Penalties and Interest on
Delinquent Taxes

Licenses and Permits

Intergovernmental Revenue:

Federal Grants

State Shared Revenue:

Bank Franchise Tax

Motor Vehicle Licenses

Local Government Highway and Bridge Fund

Other

County Shared Revenue:

County HBR Tax

County Wheel Tax

Charges for Goods and Services:

Public Safety

Highways and Streets

Culture and Recreation

Fines and Forfeits:

Court Fines and Costs

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Miscellaneous Revenue:
 Investment Earnings
 Rentals
 Special Assessments
 Contributions & Donations
 Other
 Total Revenue

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Expenditures:

General Government:
 Legislative
 Executive
 City Administrator
 Financial Administration
 City Attorney
 Other

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Total General Government

Public Safety:

Police
 Fire
 Dispatch Office

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Total Public Safety

Public Works:

Highways and Streets
 Health and Welfare

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Culture and Recreation:

Recreation
 Parks
 Community Subsidies
 Libraries

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Total Culture and Recreation

Received & Inspected

OCT 24 2013

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**CITY OF BERESFORD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Major Funds					Nonmajor	Total Governmental Funds
Conservation and Development:							
Economic Development and Assistance (Industrial Development)							
Debt Service							
Capital Outlay							
Total Expenditures							
Excess of Revenue Over (Under) Expenditures							
Other Financing Sources (Uses):							
Transfers In							
Transfers Out							
Total Other Financing Sources (Uses)							
Net Change in Fund Balances							
Fund Balance- Beginning							
FUND BALANCE- ENDING							

23

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

**CITY OF BERESFORD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Net Change in Fund Balances - Total Governmental Funds \$ [REDACTED]

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

[REDACTED]

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

[REDACTED]

Governmental funds do not reflect the change in accrued leave, but the Statement of Activities reflects the change in accrued leave through expenditures.

[REDACTED]

Change in Net Assets of Governmental Activities \$ [REDACTED]

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

CITY OF BERESFORD
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Enterprise Funds				Telephone Fund	Component Unit		Totals
ASSETS:								
Current Assets:								
Cash and Cash Equivalents	\$							
Accounts Receivable, Net								
Interest Receivable on Investments								
Due from [REDACTED]								
Due from [REDACTED]								
Due from [REDACTED]								
Due from [REDACTED]								
Inventory of Supplies								
Inventory of Stores Purchased for Resale								
Investments								
Total Current Assets								
Noncurrent Assets:								
Restricted Cash and Cash Equivalents								
Restricted Investments								
Deposits								
Unamortized Discounts on Bonds Sold								
Capital Assets:								
Land								
Buildings								
Improvements Other Than Buildings								
Machinery and Equipment								
Outside Plant								
Head End Equipment								
General Support Assets								
Central Office Switching								
Central Office Transmission								
Origination and Termination								
Cable and Wire								
Less: Accumulated Depreciation								
Other Assets - Lewis & Clark								
Total Noncurrent Assets								
TOTAL ASSETS	\$							

OCT 24 2013

LIABILITIES:

Current Liabilities:

Accounts Payable	\$	[REDACTED]												
Sales Tax Payable		[REDACTED]												
Due to Telephone Fund		[REDACTED]												
Customer Deposits		[REDACTED]												
Accrued Leave Payable		[REDACTED]												
Bonds Payable Current: Revenue		[REDACTED]												
Total Current Liabilities		[REDACTED]												

Noncurrent Liabilities:

Bonds Payable:		[REDACTED]												
Revenue		[REDACTED]												

NET ASSETS:

Invested in Capital Assets, Net of Related Debt		[REDACTED]												
Restricted Net Assets, Restricted for:		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]
Debt Service		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]
Unrestricted Net Assets		[REDACTED]												
Total Net Assets		[REDACTED]												
TOTAL LIABILITIES AND NET ASSETS	\$	[REDACTED]												

REDACTED - FOR PUBLIC INSPECTION

Received & Inspected

OCT 24 2013

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CITY OF BERESFORD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Funds		Component Unit	
		Telephone Fund		Totals
Operating Revenue:				
Charges for Goods and Services	\$			
(Revenue Securing Bond Issues)				
Lottery Sales				
Miscellaneous				
Total Operating Revenue				
Operating Expenses:				
Personal Services				
Other Current Expense				
Materials (Cost of Goods Sold)				
Amortization				
Depreciation				
Total Operating Expenses				
Operating Income (Loss)				
Nonoperating Revenue (Expense):				
Investment Earnings				
Interest Expense and Fiscal Charges				
Total Nonoperating Revenue (Expense)				
Income (Loss) Before Transfers and Contributions				
Transfers In				
Transfers (Out)				
Change in Net Assets				
Net Assets - Beginning				
NET ASSETS - ENDING	\$			

27

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

OCT 24 2013

CITY OF BERESFORD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

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	Enterprise Funds		Component Unit	Totals
		Telephone Fund		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Receipts from Customers	\$			
Internal Activity-Receipts from Other Funds				
Cash Payments to Employees for Services				
Cash Payments to Suppliers of Goods and Services				
Cash Payments for Interfund Services				
Other Cash Receipts				
Net Cash Provided (Used) by Operating Activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Loans				
Operating Transfers In				
Operating Transfers Out				
Net Cash (Used) by Noncapital Financing Activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets				
Principal Paid on Capital Debt				
Interest Paid on Capital Debt				
Net Cash (Used) by Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings				
Net Cash Provided by Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	\$			

28