

**AGENDA
CITY OF MILLER
THURSDAY, DECEMBER 28, 2017
8:00 A.M.**

**Call to Order
Pledge of Allegiance
Approval of Agenda
Approval of Bills**

Public Input

Public Hearing

8:10 Special Event Liquor License – Willie’s Bar & Grill

New Business

1. KBA Annual Report Agreement pgs. 1-5
2. Resolution 2017-10 Contingency Transfer pg. 6
3. Resolution 2017-11 Electric Surcharge Transfer pg. 7
4. Bobcat Sale Update
5. 2018 Council Pay
6. 2018 Sales Tax Review pgs. 8-9

Adjourn



KOHLMAN, BIERSCHBACH & ANDERSON, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

ROY R FAUTH, CPA
WILLIAM J BACHMEIER, CPA

117 E 3RD STREET • PO BOX 127
MILLER, SD 57362
605-853-2744 • 605-853-2745 (FAX)

WITH AN OFFICE IN
MOBRIDGE, SOUTH DAKOTA

December 20, 2017

City Council
City of Miller
120 West 2nd Street
Miller, South Dakota 57362

We are pleased to confirm our acceptance and understanding of the services we are to provide for the year ended December 31, 2017.

You have requested that we prepare the financial statements of the City of Miller, which comprise the statement of net position - modified cash basis, the balance sheet - modified cash basis of the governmental funds and the statement of net position - modified cash basis of the proprietary funds and the related statement of activities - modified cash basis, the statement of revenues, expenditures, and the changes in fund balances - modified cash basis for governmental funds, the statement of revenues, expenses and changes in the net position - modified cash basis for proprietary fund, the budgetary comparison schedule - budgetary basis for the governmental funds, and the schedule of changes in long-term debt for the year ended December 31, 2017 and perform a compilation engagement with respect to those financial statements. These financial statements will not include related notes to the financial statements. The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Such information is the representation of management. The supplementary information will be subject to our compilation engagement. We will not audit or review the supplementary information and will not express an opinion, a conclusion, nor provide any assurance on such information.

We will assist your bookkeeper in adjusting the books of accounts with the objective that she will be able to prepare a working trial balance from which financial statements can be

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prepared. Your bookkeeper will provide us with a detailed trial balance and any supporting schedules we require.

Our Responsibilities

The objective of our engagement is to-

1. prepare financial statements in accordance with the modified cash basis of accounting based on information provided by you and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the modified cash basis of accounting.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with the modified cash basis of accounting and assist you in the presentation of the financial statements in accordance with the modified cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the modified cash basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the modified cash basis of accounting and the inclusion of the modified cash basis of accounting.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the City complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with -
 - . access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - . additional information that we may request from you for the purpose of the compilation engagement.

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. unrestricted access to persons within the City of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the financial statements are prepared in accordance with 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 report will disclose that the City's management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were to be included in the financial statements, they might influence the user's conclusions about the City's assets, liabilities, fund balances, revenues, and expenses. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

You agree to include our accountants' compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

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Other Relevant Information

Roy Fauth is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services are based upon the time required by the individuals involved in the engagement, plus any direct expenses.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any question, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Kohlman, Bierschbach & Anderson, LLP
Kohlman, Bierschbach & Anderson, LLP

ACKNOWLEDGED:

CITY OF MILLER

Signature

Title

Date

RESOLUTION NO. 2017-10
TRANSFER FROM CONTINGENCY FUND

The City of Miller is an equal opportunity employer.

WHEREAS insufficient appropriation was made in the 2017 adopted budget for the following department to discharge just obligations of said appropriations; and

WHEREAS SDCL 9-21-6.1 provides transfers be made by resolution of the board from the contingency appropriation established pursuant to SDCL 9-21-6.1 to other appropriations;

THEREFORE BE IT RESOLVED that the appropriation be transferred from the contingency budget to the following department budget:

101-4111-4340	Council Machinery & Equipment	\$2,200.00
101-4211-4110	Police Salary	\$5,000.00

Adopted this 28th day of December 2017.

APPROVED:

Ronald Blachford, Mayor

(SEAL)

ATTEST:

Sheila Coss, Finance Officer

RESOLUTION NO. 2017-11
ELECTRIC TRANSFER FROM OPERATING REVENUE

The City of Miller is an equal opportunity employer.

WHEREAS insufficient revenue was generated from the electric surcharge for just obligations of Taxable Electric Revenue Bond, Series 2010A due to reduced electric sales; and

WHEREAS the expected IRS Credit - Build America Bonds payment of \$205,632.56 was reduced to \$191,752.37 for a shortfall of \$13,880.19;

THEREFORE BE IT RESOLVED that a transfer of \$25,000.00 be transferred from the electric operating revenue into the 2010A Bond Surcharge account.

Adopted this 28th day of December 2017.

APPROVED:

Ronald Blachford, Mayor

(SEAL)

ATTEST:

Sheila Coss, Finance Officer

I have asked for advice from Dougherty and DGR on the correct wording of this resolution. There may be changes on the resolution that is presented on Thursday.

Sales Tax Comparison

	2017	2016	
January	\$28,271.75	\$28,034.31	
	\$38,297.36	\$43,010.21	
February	\$18,302.51	\$22,529.40	
	\$46,394.38	\$26,132.82	
March	\$17,918.19	\$24,176.22	April's payment received in May.
	\$38,845.19	\$29,807.87	
April	\$17,266.97	\$22,872.30	May's payment received in June.
		\$54,206.00	
	\$40,653.33		
May	\$20,161.74	\$18,074.65	
		\$33,452.71	
	\$38,664.67		July's payment received in August.
June	\$21,356.73	\$25,618.02	
	\$30,666.03	\$24,459.14	
July	\$35,178.38	\$41,992.29	
		\$41,124.68	
	\$50,713.53		
August	\$16,143.24	\$14,856.13	Sept's payment received in October.
	\$38,777.32	\$28,168.23	
September	\$19,044.92	\$32,324.95	
		\$45,958.70	
	\$59,365.30		
October	\$13,108.52	\$22,175.30	
	\$36,178.88	\$36,033.22	
November	\$21,418.96	\$19,485.04	
	\$37,531.24	\$32,503.00	
December	\$21,672.15	\$29,787.86	
	\$34,265.78	\$27,555.66	

Total	\$740,197.07	\$724,338.71	2.19%
	up/down from last year		\$15,858.36

Received \$9,079.92 due to an audit.

Gross Receipts Tax - Split

Fund 211

Month	Current Year			Previous Year		
	Total	City 20%	OHED 80%	Total	City 20%	OHED 80%
JAN	\$2,280.06	\$456.01	\$1,824.05	\$2,204.49	\$440.90	\$1,763.59
	\$1,413.45	\$282.69	\$1,130.76	\$1,908.23	\$381.65	\$1,526.58
FEB	\$1,928.34	\$385.67	\$1,542.67	\$1,278.73	\$255.75	\$1,022.98
	\$1,355.06	\$271.01	\$1,084.05	\$830.43	\$166.09	\$664.34
MAR	\$1,262.77	\$252.55	\$1,010.22	\$1,720.21	\$344.04	\$1,376.17
	\$1,250.08	\$250.02	\$1,000.06	\$1,333.52	\$266.70	\$1,066.82
APR	\$2,344.50	\$468.90	\$1,875.60	\$1,817.07	\$363.41	\$1,453.66
		\$0.00	\$0.00	\$1,598.46	\$319.69	\$1,278.77
MAY	\$1,533.92	\$306.78	\$1,227.14	\$1,591.39	\$318.28	\$1,273.11
	\$1,294.53	\$258.91	\$1,035.62	\$1,244.15	\$248.83	\$995.32
JUN	\$1,588.83	\$317.77	\$1,271.06	\$1,729.00	\$345.80	\$1,383.20
	\$1,665.77	\$333.15	\$1,332.62	\$519.40	\$103.88	\$415.52
JUL	\$1,287.10	\$257.42	\$1,029.68	\$3,310.25	\$662.05	\$2,648.20
	\$2,307.14	\$461.43	\$1,845.71	\$1,628.74	\$325.75	\$1,302.99
AUG	\$2,254.33	\$450.87	\$1,803.46	\$1,904.69	\$380.94	\$1,523.75
	\$1,432.90	\$286.58	\$1,146.32	\$1,403.93	\$280.79	\$1,123.14
SEP	\$1,923.60	\$384.72	\$1,538.88	\$2,469.88	\$493.98	\$1,975.90
	\$1,543.67	\$308.73	\$1,234.94	\$3,197.73	\$639.55	\$2,558.18
OCT	\$2,892.01	\$578.40	\$2,313.61	\$1,746.32	\$349.26	\$1,397.06
	\$576.75	\$115.35	\$461.40	\$1,519.54	\$303.91	\$1,215.63
NOV	\$1,452.73	\$290.55	\$1,162.18	\$1,755.85	\$351.17	\$1,404.68
		\$0.00	\$0.00	\$1,687.70	\$337.54	\$1,350.16
DEC	\$1,797.07	\$359.41	\$1,437.66	\$2,448.07	\$489.61	\$1,958.46
	\$1,429.41	\$285.88	\$1,143.53	\$992.29	\$198.46	\$793.83
	\$2,364.16	\$472.83	\$1,891.33			
	\$1,563.89	\$312.78	\$1,251.11			
	\$41,042.07	\$8,208.41	\$32,833.66	\$41,840.07	\$8,368.01	\$33,472.06

up/down from previous year		
Total	-798.00	-1.91%
City	-159.60	-1.91%
OHED	-638.40	-1.91%

Pay OHED through AP using expense code: 211-4651-4510

OHED 80%

Check # _____

Check Date _____

DEC \$1,891.33

DEC \$1,251.11

\$3,142.44