

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA,  
A COMPONENT UNIT OF THE CITY OF  
LEMMON, SOUTH DAKOTA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2022**

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA  
A COMPONENT UNIT OF THE CITY OF  
LEMMON, SOUTH DAKOTA**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
The Housing and Redevelopment Commission  
of the City of Lemmon, South Dakota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and each major fund of **The Housing and Redevelopment Commission of the City of Lemmon, South Dakota, a component unit of the City of Lemmon, South Dakota (the Commission)**, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and each major fund of the Commission, as of September 30, 2022, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis of Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Commission's proportionate share of net pension liability/asset, and the schedule of contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 American, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The Commission's Financial Data Schedule (FDS), as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Commission. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole..

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Commission'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 solely 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 effectiveness of the Commission's 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 Commission's internal control over financial reporting and compliance.

*Wohlschlag Ritzman + Co., LLC*

Yankton, South Dakota  
June 27, 2023

# **Lemmon Housing Authority Management's Discussion and Analysis For the Year Ended September 30, 2022**

## **Introduction**

This Management's Discussion and Analysis (MD&A) of the Lemmon Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lemmon Housing Authority for the fiscal year ended September 30, 2022. The Lemmon Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2022, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund and blended component unit encompassing all programs administered by the Lemmon Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has four primary programs. These individual programs comprise the enterprise fund of the Housing Authority. The enterprise method of accounting is similar to the accounting guidelines used by the private sector. The individual programs include:

Low Rent Housing Program - The Low Rent Housing Program consists of 44 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

Capital Fund Program - The Capital Fund program is also funded from HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

Business Activities - The Business Activities manages 4-plex, 1 duplex and several single-family dwelling units developed by the Authority and financed by notes payable through local financial institutions and state agencies. Rent for the units is based on current market rates.

Prairie West Apartments – Prairie West Apartments is a non-profit organization formed to provide affordable housing in Lemmon, South Dakota. The apartment consists of 21 units funded through dwelling rents paid by the tenants and subsidies received through a state agency.

# Management's Discussion and Analysis-Cont.

## **Overview of the Financial Statements**

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

**The Statement of Net Position** presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net position is comprised of three individual components:

- *Net Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted* component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted* component of net position represents the remaining resources available that does not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

**The Statement of Revenues, Expenses, and Changes in Net Position** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended September 30, 2022, to determine the change in net position for the fiscal year.

**The Statement of Cash Flows** reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related to financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended September 30, 2022.

## Management's Discussion and Analysis-Cont.

### **Financial Highlights**

- The Lemmon Housing Authority's net position increased from \$1,057,909 to \$1,772,234, an increase of \$714,325 or 68%. Total assets increased by \$239,080.
- Total revenues increased from \$526,192 to \$783,310, an increase of \$257,118 or 49%.
- Total expenses increased by \$103,955, or 22%, from \$464,672 to \$568,627 for the current year.

### **Housing Authority Activities & Highlights**

The Authority's overall financial position for the past two years is summarized below based on the information in the current and prior financial statements. The table below provides the asset, liability, and net position (equity) comparisons for the year ended September 30, 2022, and September 30, 2021.

#### ***Summary Statement of Net Position as of September 30, 2022 and 2021***

<u>Category</u>	9/30/2022	9/30/2021	Change \$	Change %
Current Assets	\$ 694,575	\$ 364,573	\$ 330,002	91%
Capital Assets (Net of Depreciation)	\$ 1,792,911	\$ 1,858,170	\$ (65,259)	-4%
Net Pension Asset	\$ 360	\$ 26,023	\$ (25,663)	-99%
Total Assets	\$ 2,487,846	\$ 2,248,766	\$ 239,080	11%
Deferred Outflows of Resources	\$ 32,569	\$ 35,247	\$ (2,678)	-8%
Current Liabilities	\$ 76,864	\$ 166,329	\$ (89,465)	-54%
Noncurrent Liabilities	\$ 649,792	\$ 1,009,347	\$ (359,555)	-36%
Total Liabilities	\$ 726,656	\$ 1,175,676	\$ (449,020)	-38%
Deferred Inflows of Resources	\$ 21,525	\$ 50,428	\$ (28,903)	-57%
Net Investment in Capital Assets	\$ 1,131,271	\$ 758,969	\$ 372,302	49%
Restricted Net Position	\$ 18,397	\$ 10,842	\$ 7,555	70%
Unrestricted Net Position	\$ 622,566	\$ 288,098	\$ 334,468	116%
Total Net Position	\$ 1,772,234	\$ 1,057,909	\$ 714,325	68%

#### ***Current Assets***

Current assets increased by \$330,002. Unrestricted cash and investments increased by \$331,464 during the year. The primary reason for this increase is the gain on the sale of rental properties in the Business Activities Program.

#### ***Capital Assets***

Capital assets decreased by \$65,259. See the Capital Asset section for additional details.

## Management's Discussion and Analysis-Cont.

### *Current Liabilities*

Current liabilities decreased by \$89,465 from the previous fiscal year. This was primarily a result of an decrease in the current portion of capital debt/loans.

### *Non-Current Liabilities*

Non-current liabilities decreased from \$1,009,347 in 2021 to \$649,792 in the current year, a decrease of \$359,555 or 36%. This is primarily due to a decrease in long-term notes payable, as a result of the sale of rental property in the Business Activity Program.

### *Deferred Outflow/Inflow Balances of Resources*

Deferred outflow and inflow balances are the result of the Authority's participation in the South Dakota Retirement System. These balances increase or decrease yearly due to various factors including number of employees participating, market conditions, and funding availability.

### *Net Position*

The overall net financial position of the Authority increased by \$714,325 from the previous year.

The Authority's unrestricted component of net position increased from \$288,098 to \$622,566, an increase of \$334,468, or 116% for the current year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines. Individual program balances that comprise the unrestricted component of net position are as follows:

Low Rent Housing Program	\$258,541
Business Activities	\$320,349
Prairie West Apartments	<u>\$ 43,676</u>
Total Unrestricted Net Financial Position	<u>\$622,566</u>

## Management's Discussion and Analysis-Cont.

The table below summarizes the overall operations for the past two years for the years ending September 30, 2022, and September 30, 2021.

### ***Summary Statement of Revenues & Expenses and Changes in Net Position Years Ended September 30, 2022 and 2021***

<u>Category</u>	9/30/2022	9/30/2021	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 308,774	\$ 340,019	\$ (31,245)	-9%
Government Operating Grants	\$ 194,457	\$ 141,110	\$ 53,347	38%
Capital Grants	\$ -	\$ 4,190	\$ (4,190)	-100%
Other Revenue	\$ 280,022	\$ 40,772	\$ 239,250	587%
Interest Income	\$ 57	\$ 101	\$ (44)	-44%
Total Revenue	\$ 783,310	\$ 526,192	\$ 257,118	49%
Expenses				
Administration	\$ 126,754	\$ 91,738	\$ 35,016	38%
Tenant Services	\$ 637	\$ 1,368	\$ (731)	-53%
Utilities	\$ 98,346	\$ 65,869	\$ 32,477	49%
Ordinary Maintenance	\$ 167,684	\$ 125,199	\$ 42,485	34%
Protective Services	\$ 156	\$ 218	\$ (62)	-28%
General/Insurance Expense	\$ 60,278	\$ 47,536	\$ 12,742	27%
Casualty Loss	\$ 4,780	\$ -	\$ 4,780	100%
Depreciation	\$ 83,892	\$ 104,049	\$ (20,157)	-19%
Interest Expense	\$ 26,100	\$ 28,695	\$ (2,595)	-9%
Total Expenses	\$ 568,627	\$ 464,672	\$ 103,955	22%
Excess(Deficiency) Before Special Items	\$ 214,683	\$ 61,520	\$ 153,163	249%
Special Items and PPA	\$ 499,641	\$ -	\$ 499,641	100%
Change in Net Position	\$ 714,324	\$ 61,520	\$ 652,804	1061%
Net Position, Beginning of Year	\$ 1,057,910	\$ 996,389	\$ 61,521	6%
Net Position, End of Year	\$ 1,772,234	\$ 1,057,909	\$ 714,325	68%

### ***Results of Operations***

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue increased by \$257,118 during the current fiscal year as compared to the previous year's amounts. Significant variances between years include the following:

- HUD capital grants decreased by \$4,190 due to a reduction in capital activity during the current year.
- Tenant revenue decreased by \$31,245 primarily due to a decrease in revenue relating to the Business Activity Program, with the sale of rental properties.

## **Management's Discussion and Analysis-Cont.**

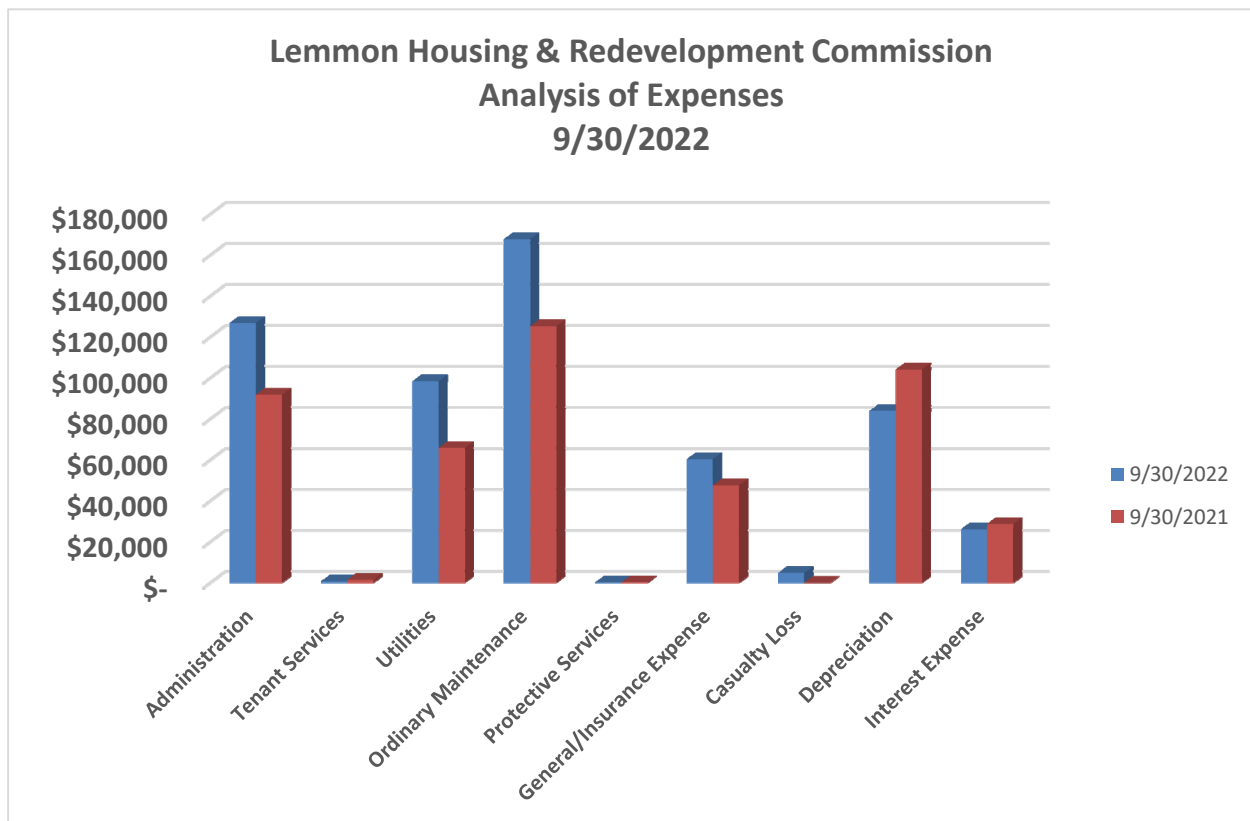
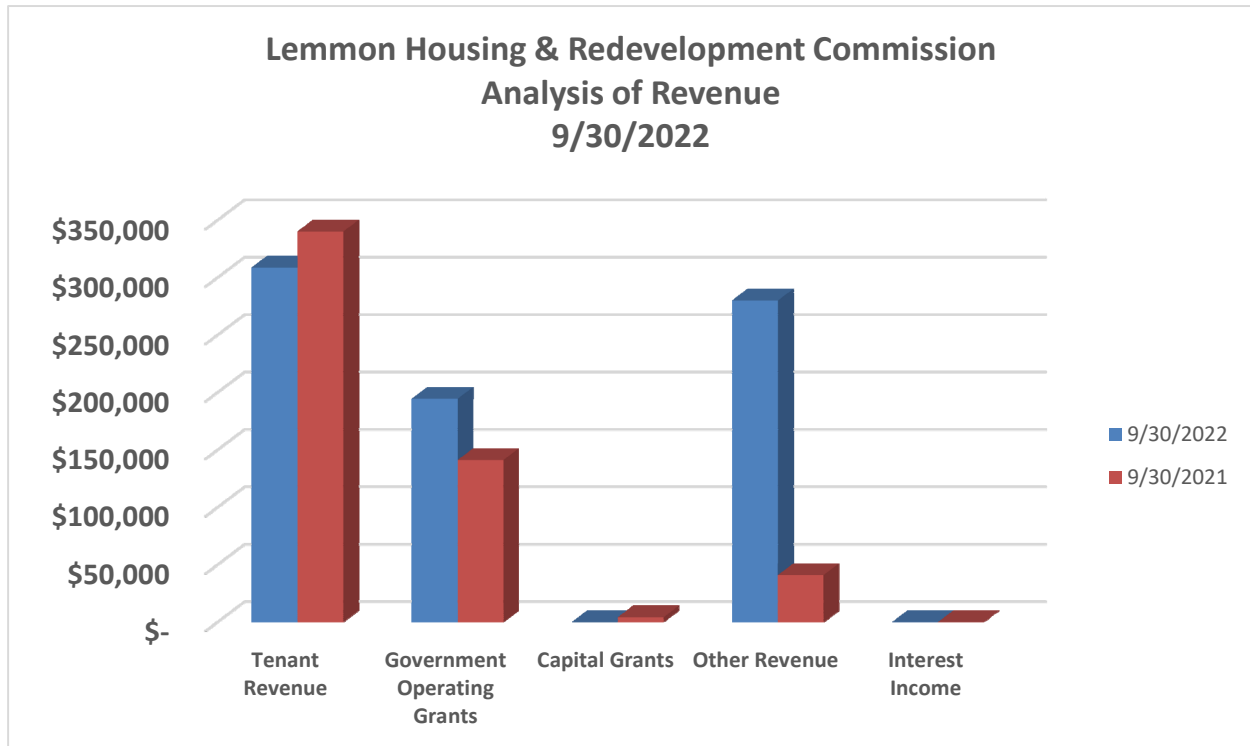
- Interest income decreased due to the lower interest rates paid by banks and lower investment balances.
- A gain on the sale of capital assets was incurred with the sale of property related to the Business Activity Program accounting for the majority of the increase in revenue.

Total expenses increased by \$103,955. Significant differences between the current and previous fiscal years include the following:

- Administration expenses increased by \$35,016 or 38%. This was primarily due to an increase in management fees and office expenses associated with the addition of the Prairie West Apartments.
- Tenant services decreased by \$731 or 53% during the current fiscal year.
- Utilities increased by \$32,477, or 49%. This is primarily due to the addition of the Prairie West Apartments.
- Maintenance increased by 34%, or \$42,485 during the current year. This is primarily a result of increases in labor and materials.
- Other general expenses increased \$12,242 or 27%. This is primarily due to an increase in insurance costs in the amount of \$6,645.
- A non-capital casualty loss was incurred in the current year.
- Interest expense decreased by \$2,595, or 9%, during the current fiscal year due to a decrease in loan balances.

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:

## Management's Discussion and Analysis-Cont.



## Management's Discussion and Analysis-Cont.

### *Capital Assets*

As of September 30, 2022, the Lemmon Housing Authority's total capital assets, net of depreciation was \$1,792,911. This investment includes land, building, equipment, and construction in progress, less related debt, net of accumulated depreciation.

<u>Category</u>	9/30/2022	9/30/2021	Change \$	Change %
Land	\$ 77,489	\$ 78,489	\$ (1,000.00)	-1%
Buildings	\$ 3,604,515	\$ 3,986,647	\$ (382,132)	-10%
Equipment	\$ 104,624	\$ 103,420	\$ 1,204	1%
Construction in progress	\$ 45,998	\$ -	\$ 45,998	100%
Accumulated Depreciation	\$ (2,039,715)	\$ (2,310,386)	\$ 270,671	-12%
Total Net Capital Assets	\$ 1,792,911	\$ 1,858,170	\$ (65,259)	-4%

- The net decrease in buildings is the result of the property sold related to the Business Activity Program during the current fiscal year and the acquisition of the Prairie West Apartments.

### *Long Term Liabilities*

<u>Category</u>	9/30/2022	9/30/2021	Change \$	Change %
Revenue Bonds	\$ -	\$ 328,035	\$ (328,035)	-100%
Notes Payable	\$ 661,640	\$ 741,166	\$ (79,526)	-11%
Compensated Absences	\$ 20,180	\$ 13,708	\$ 6,472	47%
Total Long-Term Liabilities	\$ 681,820	\$ 1,082,909	\$ (401,089)	-37%

At September 30, 2022, the Authority maintained a balance of \$661,640 in outstanding notes payable for the purchase of homes financed through the Business Activity Program. The Revenue Bonds and other notes payable were retired with the sale of properties.

In addition, the Authority classifies a portion of the employee's leave as long-term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$15,741.

### **Subsequent Event**

HUD has estimated the funding levels for the 2023 calendar year. The operating subsidy for the Low Rent Housing Program is estimated to be funded at 100%.

## **Management's Discussion and Analysis-Cont.**

### **Request for Information**

This financial report is designed to provide a general overview of the Authority's financial position as of September 30, 2022, for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Lemmon Housing Authority  
Cathy Evans, Executive Director  
206 6<sup>th</sup> Street  
Lemmon, SD 57638

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

	Housing Authority	Prairie West Apartments	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 592,291	\$ 43,676	\$ 635,967
Cash - restricted	-	6,993	6,993
Cash - tenant security deposits	14,540	3,523	18,063
Accounts receivable - HUD	19,430	-	19,430
Accounts receivable - tenants, less allowance for doubtful accounts of \$1,674	1,473	-	1,473
Accrued interest receivable	3	-	3
Inventory	3,167	-	3,167
Prepaid expenses	9,479	-	9,479
Total current assets	<u>640,383</u>	<u>54,192</u>	<u>694,575</u>
Noncurrent assets:			
Net pension asset	360	-	360
Capital assets:			
Land	67,489	10,000	77,489
Construction in progress	45,998	-	45,998
Buildings and improvements	3,110,938	493,577	3,604,515
Furniture and equipment	104,624	-	104,624
Accumulated depreciation	<u>(2,030,491)</u>	<u>(9,224)</u>	<u>(2,039,715)</u>
Total noncurrent assets	<u>1,298,918</u>	<u>494,353</u>	<u>1,793,271</u>
Total assets	<u>1,939,301</u>	<u>548,545</u>	<u>2,487,846</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	<u>32,569</u>	<u>-</u>	<u>32,569</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable - vendors	7,601	-	7,601
Accrued payroll and payroll liabilities	1,563	-	1,563
Accrued interest payable	743	-	743
Due to other governments	8,900	-	8,900
Tenant security deposits	14,540	3,523	18,063
Unearned revenue	2,505	-	2,505
Other accrued liabilities	5,461	-	5,461
Current portion of noncurrent liabilities:			
Notes payable	27,589	-	27,589
Accrued compensated absences	<u>4,439</u>	<u>-</u>	<u>4,439</u>
Total current liabilities	<u>73,341</u>	<u>3,523</u>	<u>76,864</u>
Noncurrent liabilities:			
Notes payable	634,051	-	634,051
Accrued compensated absences	<u>15,741</u>	<u>-</u>	<u>15,741</u>
Total noncurrent liabilities	<u>649,792</u>	<u>-</u>	<u>649,792</u>
Total liabilities	<u>723,133</u>	<u>3,523</u>	<u>726,656</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows	<u>21,525</u>	<u>-</u>	<u>21,525</u>
<b>NET POSITION</b>			
Net investment in capital assets	636,918	494,353	1,131,271
Restricted	11,404	6,993	18,397
Unrestricted	<u>578,890</u>	<u>43,676</u>	<u>622,566</u>
Total net position	<u>\$ 1,227,212</u>	<u>\$ 545,022</u>	<u>\$ 1,772,234</u>

The accompanying notes are  
an integral part of these financial statements.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
YEAR ENDED SEPTEMBER 30, 2022

	Housing Authority	Prairie West Apartments	Total
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 255,850	\$ 37,863	\$ 293,713
Tenant revenue-other	15,061	-	15,061
Other operating revenue	35,497	1,142	36,639
Total operating revenues	<u>306,408</u>	<u>39,005</u>	<u>345,413</u>
<b>OPERATING EXPENSES</b>			
Administration	102,490	24,264	126,754
Tenant services	637	-	637
Utilities	83,058	15,288	98,346
Maintenance and operations	153,630	14,054	167,684
Protective services	156	-	156
Insurance	27,656	4,475	32,131
Other general expenses	21,462	6,685	28,147
Depreciation	74,668	9,224	83,892
Total operating expenses	<u>463,757</u>	<u>73,990</u>	<u>537,747</u>
Operating income (loss)	<u>(157,349)</u>	<u>(34,985)</u>	<u>(192,334)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
HUD operating grants	114,091	80,366	194,457
Investment income	57	-	57
Gain/(loss) on the disposal of capital assets	243,383	-	243,383
Casualty loss - non-capitalized	(4,780)	-	(4,780)
Interest expense	(26,100)	-	(26,100)
Total nonoperating revenues (expenses)	<u>326,651</u>	<u>80,366</u>	<u>407,017</u>
Income before special items	169,302	45,381	214,683
Special item - donation of capital assets	<u>-</u>	<u>499,541</u>	<u>499,541</u>
Change in net position	169,302	544,922	714,224
Net position - beginning of year	1,057,910	-	1,057,910
Prior period adjustment	<u>-</u>	<u>100</u>	<u>100</u>
Net position - beginning of year (restated)	<u>1,057,910</u>	<u>100</u>	<u>1,058,010</u>
Net position - end of year	<u>\$ 1,227,212</u>	<u>\$ 545,022</u>	<u>\$ 1,772,234</u>

The accompanying notes are  
an integral part of these financial statements.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

STATEMENT OF CASH FLOWS - PAGE 1 OF 2  
YEAR ENDED SEPTEMBER 30, 2022

	Housing Authority	Prairie West Apartments	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 307,644	\$ 39,005	\$ 346,649
Receipts from tenants in escrow	(9,851)	3,523	(6,328)
Payments to employees	(120,512)	-	(120,512)
Payments to others for goods and services	(250,370)	(58,881)	(309,251)
Payments to other governments	(26,000)	(5,885)	(31,885)
Net cash provided by (used in) operating activities	(99,089)	(22,238)	(121,327)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	118,465	80,366	198,831
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisitions of capital assets	(54,467)	(4,036)	(58,503)
Proceeds from the disposal of capital assets	782,795	-	782,795
Casualty loss	(4,780)	-	(4,780)
Proceeds from the issuance of capital debt	44,725	-	44,725
Principal payments on capital debt	(482,286)	-	(482,286)
Interest payments on capital debt	(27,482)	-	(27,482)
Net cash provided by (used in) capital and related financing activities	258,505	(4,036)	254,469
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	57	-	57
Net change in cash	277,938	54,092	332,030
Balances - beginning of the year	328,893	100	328,993
Balances - end of the year	\$ 606,831	\$ 54,192	\$ 661,023
<b>RECONCILIATION OF CASH TO THE BALANCE SHEET</b>			
Cash and cash equivalents	\$ 592,291	\$ 43,676	\$ 635,967
Cash - restricted	-	6,993	6,993
Cash - tenant security deposits	14,540	3,523	18,063
Total cash	\$ 606,831	\$ 54,192	\$ 661,023
<b>Noncash Capital and Related Financing Activities:</b>			
Donation of capital assets	\$ -	\$ 499,541	\$ 499,541

The accompanying notes are an integral part  
of these financial statements.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

STATEMENT OF CASH FLOWS - PAGE 2 OF 2  
YEAR ENDED SEPTEMBER 30, 2022

	Housing Authority	Prairie West Apartments	Total
<b>Reconciliation of operating (loss) to net cash provided by</b>			
<b>(used in) operating activities:</b>			
Operating income (loss)	\$ (157,349)	\$ (34,985)	\$ (192,334)
Adjustments to reconcile operating (loss) to net cash			
(used in) operating activities:			
Depreciation expense	74,668	9,224	83,892
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable - tenants	(135)	-	(135)
Inventory	(1,096)	-	(1,096)
Prepaid expenses	(1,015)	-	(1,015)
Pension related assets	(562)	-	(562)
Increase (decrease) in:			
Accounts payable - vendors	(2,709)	-	(2,709)
Accrued wages/payroll taxes payable	5,141	-	5,141
Accrued compensated absences	6,472	-	6,472
Other accrued liabilities	3,077	-	3,077
Payments in lieu of taxes	(17,101)	-	(17,101)
Unearned revenue	1,371	-	1,371
Tenant security deposits	(9,851)	3,523	(6,328)
Net cash provided by (used in) operating activities	<u>\$ (99,089)</u>	<u>\$ (22,238)</u>	<u>\$ (121,327)</u>

The accompanying notes are an integral part  
of these financial statements.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Housing and Redevelopment Commission of the City of Lemmon, South Dakota (the Commission) was organized in 1968 pursuant to the Municipal Housing and Redevelopment Act of South Dakota as a public housing agency formed to provide financial assistance for low income public housing pursuant to the United States Housing Act of 1937, (42 U.S.C. 1401, et seq.). The mayor and City commissioners appoint the five members of the governing board for five year staggered terms. The public housing authority (PHA) board elects its own chairperson and recruits and employs its management personnel and other workers. The local governing board of the City of Lemmon, South Dakota has the ability to veto or otherwise modify a housing commission's decision to construct a specific project and issue debt.

The primary government is the City of Lemmon, South Dakota.

The Governmental Accounting Standards Board (GASB) establishes the criteria for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the primary government appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Organizations for which the Commission is not financially accountable are also included when doing so is necessary in order to prevent the Commission's financial statements from being misleading.

The Commission has included Prairie West Apartments (Prairie West), a blended component unit, as a major business-type activity fund. Prairie West is a nonprofit corporation established to provide affordable housing in the Lemmon, South Dakota area. The financial records are maintained by the Commission and may be obtained from them.

**Nature of Business**

The Commission administers PAS/LOCCS Project No. SD025-1, under Annual Contribution Contract DEN-569, which consists of 44 conventional low rent units and operates the Prairie West Apartment project.

Additionally, the Commission has four-plex and duplex rental facilities and several single-family rental properties operated in the Business Activities Program. These projects are not low-income housing programs and rental charges are based upon current market rate for similar type housing in the local area.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

**Basis of Presentation**

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. A second proprietary fund is presented to account for Prairie West. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred inflows of resources, liabilities, and deferred outflows of resources (whether current or non-current) are included on the statement of net position and the statement of revenues, expenses and changes in fund net position present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

**Cash and Cash Equivalents**

For purposes of reporting the statement of cash flows, the Commission considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit, regardless of maturity, are considered to be cash equivalents.

**Accounts Receivable**

All tenants accounts receivable are shown net of an allowance for doubtful accounts. The allowance for uncollectible accounts receivable is calculated based on historical trend data.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

**Capital Assets**

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Purchased capital assets are recorded at cost. Donated capital assets are valued at their estimated acquisition value on the date donated. Depreciation is computed principally by the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	15-40
Improvements other than buildings	15
Furniture and equipment	3-5

**Inventories**

Inventories consist of supplies or fuel and are valued at cost. The allowance for obsolete inventory receivable is calculated based on historical trend data.

**Deferred Inflows and Deferred Outflows of Resources**

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources (expenses) until the applicable future period. In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisition of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources (revenue) until the applicable future period.

**Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, the pension expense, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

**Long-Term Liabilities**

Long-term liabilities primarily consist of notes payable and compensated absences. All vested vacation is accrued when incurred and is presented as compensated absences in the financial statements. Payments for vacation leave will be made at rates in effect when the benefits are used.

**Equity Classifications**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by amount of any bonds or mortgage notes that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions of enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Application of Net Position**

It is the Commission’s policy to first use restricted net position (if any), prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the entity. For the Commission, these revenues are charges for dwelling rents. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the entity. Revenues and expenses not meeting these definitions are reported as nonoperating revenue. The primary nonoperating revenue is HUD PHA grants.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

**Budgets**

The Commission is not legally required to adopt a budget, therefore, budgetary data is not included in the required supplementary information. Capital Fund budgets are adopted on a "project length" basis and prepared in accordance with HUD requirements.

2. DEPOSITS AND INVESTMENTS

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

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

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

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

2. DEPOSITS AND INVESTMENTS, continued

**Custodial Credit Risk – Deposits** – The risk that, in the event of a depository failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial risk. As of September 30, 2022, the Commission's deposits were fully insured or collateralized and were not exposed to custodial credit risk.

**Investments** – As of September 30, 2022, the Commission had no investments.

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

**Credit Risk** – State law limits eligible investments for the Commission, as discussed above. The Commission has no investment policy that would further limit its investment choices. As of September 30, 2022, the Commission had no investments.

**Concentration of Credit Risk** – The Commission places no limit on the amount that may be invested in any one issuer. As of September 30, 2022, the Commission had no investments.

3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 78,489	\$ 10,000	\$ (11,000)	\$ 77,489
Construction in progress	-	45,998	-	45,998
Total capital assets not being depreciated	78,489	55,998	(11,000)	123,487
Capital assets being depreciated:				
Buildings and improvements	3,986,647	500,842	(882,974)	3,604,515
Furniture and equipment	103,420	1,204	-	104,624
Total capital assets being depreciated	4,090,067	502,046	(882,974)	3,709,139

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**3. CAPITAL ASSETS, continued**

	Beginning Balances	Increases	Decreases	Ending Balances
Less accumulated depreciation for:				
Buildings and improvements	2,209,731	82,373	(354,563)	1,937,541
Furniture and equipment	100,655	1,519	-	102,174
Total accumulated depreciation	<u>2,310,386</u>	<u>83,892</u>	<u>(354,563)</u>	<u>2,039,715</u>
Total capital assets				
being depreciated, net	1,779,681	418,154	(528,411)	1,669,424
Capital assets, net	<u>\$ 1,858,170</u>	<u>\$ 474,152</u>	<u>\$ (539,411)</u>	<u>\$ 1,792,911</u>

Construction in progress consists of remodeling costs for a duplex in the Business Activities Program. Funding will provided through the South Dakota Housing Development Authority and existing reserves.

**4. SHORT-TERM NOTES PAYABLE**

Changes in short-term notes payable for the year ended September 30, 2022, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Total short-term notes payable	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ (30,000)</u>	<u>\$ -</u>

The \$30,000 loan agreement was paid in full during the year ended September 30, 2022.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**5. LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended September 30, 2022, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One year
Revenue bonds	\$ 328,035	\$ -	\$ (328,035)	\$ -	\$ -
Notes payable	741,166	44,725	(124,251)	661,640	27,589
Total debt payable	1,069,201	44,725	(452,286)	661,640	27,589
Compensated absences	13,708	12,144	(5,672)	20,180	4,439
Total long-term liabilities	<u>\$ 1,082,909</u>	<u>\$ 56,869</u>	<u>\$ (457,958)</u>	<u>\$ 681,820</u>	<u>\$ 32,028</u>

Revenue bonds payable consisted of two issues secured by real estate mortgages on and the assignments of leases and rents on two of the Commission's four-plex projects. The properties were sold during the year ended September 30, 2022 and the bonds were retired in full.

Long-term liabilities as of September 30, 2022, are comprised of the following:

**Notes Payable:**

\$36,000 mortgage note payable – financial institution 5.00% interest rate; \$285 monthly payments; matures 2027; secured by mortgage	\$ 12,656
\$29,600 mortgage note payable – financial institution 5.00% interest rate; \$234 monthly payments; matures 2027; secured by mortgage	12,401
\$97,200 mortgage note payable – financial institution 5.00% interest rate; \$771 monthly payments; matures 2027; secured by mortgage	30,922
\$303,226 mortgage note payable – SDHDA HOF Funding 0.00% interest rate; \$500 monthly payments; matures 2050; secured by mortgage	291,226
\$420,000 mortgage note payable – nonprofit lender Interim construction with permanent take-out financing 3.70% interest rate; interest only payments; matures 2029; secured by mortgage	269,710

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**5. LONG-TERM LIABILITIES, continued**

\$144,991 mortgage note payable – SDHDA HOF Funding  
0.00% interest rate; represents interim and permanent  
funding; no payment is required unless the property  
ceases to be operated and maintained as an affordable  
2-unit multifamily property; secured by mortgage 44,725

Compensated Absences:

Vacation payable to employees 20,180

Total Long-Term Liabilities \$ 681,820

The annual requirements to amortize long-term debt outstanding as of September 30, 2022, except for compensated absences, are as follows:

Year Ending September 30,	Notes Payable		
	Principal	Interest	Total
2023	\$ 27,589	\$ 11,893	\$ 39,482
2024	28,450	11,032	39,482
2025	30,345	10,137	40,482
2026	27,402	9,231	36,633
2027	19,172	8,616	27,788
2028 - 2032	266,731	17,705	284,436
2033 - 2037	52,000	-	52,000
2038 - 2042	101,725	-	101,725
2043 - 2047	67,000	-	67,000
2048 - 2052	41,226	-	41,226
Total	<u>\$ 661,640</u>	<u>\$ 68,614</u>	<u>\$ 730,254</u>

**6. PAYMENTS IN LIEU OF TAXES**

Public housing authorities are not required to pay property taxes based on the normal property value assessment and tax levy procedures on real property owned, but rather make payments in lieu of (property) taxes (PILOT). State law requires that the amount due is the lower of 10% of gross rents less utilities or 5% of gross rents. Payments in lieu of taxes as of September 30, 2022 were \$14,784.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**7. PENSION PLAN**

**Plan Information**

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

**Benefits Provided**

SDRS has four classes of members: Class A general members, Class B public safety and judicial members, Class C Cement Plant Retirement Fund members, and Class D Department of Labor and Regulation members.

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

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

7. PENSION PLAN, continued

**Benefits Provided, continued**

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

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

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

Legislation enacted in 2021 reduced the minimum COLA from 0.5 percent to 0.0 percent.

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

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

7. PENSION PLAN, continued

**Contributions**

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The Commission's share of contributions to the SDRS for the fiscal years ended September 30, 2022, 2021 and 2020 was \$5,586, \$4,979 and \$3,043 respectively, equal to the required contributions each year.

**Pension Liabilities (Assets), Pension Revenue and Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:**

At June 30, 2022, SDRS is 100.10% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the Commission as of the measurement period ending June 30, 2021 and reported by the Commission as of September 30, 2022 are as follows:

Proportionate share of pension liability	\$ 537,137
Less proportionate share of net pension restricted for pension benefits	<u>537,497</u>
Proportionate share of net pension liability/(asset)	<u><u>\$ (360)</u></u>

At September 30, 2022, the Commission reported a liability/(asset) of \$(360) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of June 30, 2022 and the total pension liability/(asset) used to calculate the net pension liability/(asset) was based on a projection of the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2022, the Commission's proportion was 0.00380500%, which is an increase of 0.0004070% from its proportion measured as of June 30, 2021.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

7. PENSION PLAN, continued

**Pension Liabilities (Assets), Pension Revenue and Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions, continued:**

For the year ended September 30, 2022, the Commission recognized pension expense (reduction of pension expense) of (\$561). At September 30, 2022 the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,845	\$ 23
Changes in assumptions	22,855	20,029
Net difference between projected and actual earnings on pension plan investments	-	862
Changes in proportion and difference between commission's contributions and proportionate share of contributions	1,482	611
Commission contributions subsequent to the measurement date	1,387	-
Total	<u>\$ 32,569</u>	<u>\$ 21,525</u>

\$1,387 reported as deferred outflow of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

Year Ended September 30	
2023	\$ 3,374
2024	5,102
2025	(5,873)
2024	<u>7,054</u>
Total	<u>\$ 9,657</u>

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

7. PENSION PLAN, continued

**Actuarial Assumptions**

The total pension liability/(asset) in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Investment Rate of Return	6.50 % net of pension plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	2.10%

**Mortality Rates:**

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020

**Active and Terminated Vested Members:**

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

**Retired Members:**

Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65

Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above

Public Safety Retirees: PubS-2010, 102% of rates at all ages

**Beneficiaries:**

PubG-2010 contingent survivor mortality table

**Disabled Members:**

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

7. PENSION PLAN, continued

**Actuarial Assumptions, continued**

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	3.7%
Fixed Income	30.0%	1.1%
Real Estate	10.0%	2.6%
Cash	<u>2.0%</u>	0.4%
Total	<u>100%</u>	

**Discount Rate**

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

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

7. PENSION PLAN, continued

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Commission's proportionate share of the net pension liability/(asset)	\$ 74,667	\$ (360)	\$ (61,676)

**Pension Plan Fiduciary Net Position**

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

8. RESTRICTED NET POSITION

The following table shows the net position restrictions for the year ended June 30, 2022:

<u>Major Purpose:</u>	<u>Restricted By</u>	<u>Amount</u>
SDRS Pension	State Law	\$ 11,404
Reserve Deposit	Grantor	6,993
		<u>\$ 18,397</u>

9. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During the period ended September 30, 2022, the Commission managed its risks as follows:

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

9. RISK MANAGEMENT, continued

**Employee Health Insurance**

The Commission purchases health insurance for its employees from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

**Liability Insurance**

The Commission purchases liability insurance risks related to torts, theft, or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

**Worker's Compensation**

The Commission purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

**Unemployment Benefits**

The Commission provides coverage for unemployment benefits by paying into the unemployment compensation fund established by state law and managed by the State of South Dakota.

10. PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2022, the Commission received the Prairie West Apartments through the donation of the previous owners. In order to establish a deposit account, the Commission was required to place an initial \$100 cash deposit. The amount of this deposit is recognized as an increase to the beginning net position of the Prairie West Apartments project.

## REQUIRED SUPPLEMENTARY INFORMATION

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**SCHEDULE OF THE PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY/ASSET**

South Dakota Retirement System

Last 10 Years \*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Commission's proportion of the net pension liability/asset	0.0031772%	0.0036798%	0.0039202%	0.0043377%	0.0046499%
Commission's proportionate share of net pension liability/(asset)	\$ (22,890)	\$ (15,607)	\$ 13,242	\$ (393)	\$ (109)
Commission's covered-employee payroll	\$ 55,563	\$ 67,182	\$ 74,543	\$ 88,134	\$ 96,737
Commission's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	41.20%	23.23%	17.76%	0.45%	0.11%
Plan fiduciary net position as a percentage of the total pension liability/asset	107.30%	104.10%	96.89%	100.10%	100.02%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Commission's proportion of the net pension liability/asset	0.0039285%	0.0021671%	0.0033980%	0.0038050%	
Commission's proportionate share of net pension liability/(asset)	\$ (416)	\$ (94)	\$ (26,023)	\$ (360)	
Commission's covered-employee payroll	\$ 83,538	\$ 47,561	\$ 77,104	\$ 90,859	
Commission's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	0.50%	0.20%	33.75%	0.40%	
Plan fiduciary net position as a percentage of the total pension liability/asset	100.09%	100.04%	105.52%	100.10%	

\* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30. Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

See Independent Auditor's Report

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

SCHEDULE OF CONTRIBUTIONS

**South Dakota Retirement System**

Last 10 Years \*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 3,359	\$ 4,189	\$ 4,619	\$ 5,578	\$ 5,774
Contributions in relation to the contractually required contribution	<u>3,359</u>	<u>\$ 4,189</u>	<u>\$ 4,619</u>	<u>\$ 5,578</u>	<u>\$ 5,774</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 55,991	\$ 69,821	\$ 76,981	\$ 92,963	\$ 96,225
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	6.00%	6.00%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Contractually required contribution	\$ 4,266	\$ 3,043	\$ 4,979	\$ 5,586	
Contributions in relation to the contractually required contribution	<u>4,266</u>	<u>3,043</u>	<u>4,979</u>	<u>5,586</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Commission's covered-employee payroll	\$ 71,104	\$ 50,716	\$ 82,978	\$ 93,107	
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	6.00%	

\* Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

See Independent Auditor's Report

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2022**

**Changes from Prior Valuation**

The June 30, 2022 Actuarial Valuation reflects numerous changes to the actuarial assumptions as a result of an experience analysis completed since the June 30, 2021 Actuarial Valuation. In addition, two changes in actuarial methods have been implemented since the prior valuation.

The details of the changes since the last valuation are as follows:

**Benefit Provision Changes**

During the 2022 Legislative Session no significant SDRS benefit changes were made and gaming enforcement agents became Class B Public Safety Members.

**Actuarial Assumption Changes**

As a result of an experience analysis covering the period from July 1, 2016, to June 30, 2021, and presented to the SDRS Board of Trustees in April and June 2022, significant changes to the actuarial assumptions were recommended by the SDRS Senior Actuary and adopted by the Board of Trustees first effective for this June 30, 2022 actuarial valuation.

The changes to economic assumptions included increasing the price inflation to 2.50% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.50% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%

The demographic assumptions were also reviewed and revised. The mortality assumption was changed to the Pub-2010 amount-weighted tables using separate tables for teachers, general, and public safety retirees, with assumptions for retirees adjusted based on credible experience. The mortality assumption for active and terminated vested members was changed to the unadjusted amount-weighted Pub-2010 tables, again by member classification and the assumption for beneficiaries was changed to the amount-weighted Pub-2010 general contingent survivor table. Adjustments based on experience were also made to the assumptions regarding retirement, termination, disability, age of spouses for married Foundation members, percentage of terminated vested members electing a refund, and benefit commencement age for terminated vested Public Safety members with 15 or more years of service.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2022**

**Actuarial Assumption Changes, continued**

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.

As of June 30, 2021, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was greater than 100% and the full 0% to 3.5% COLA range was payable. For the June 30, 2021, Actuarial Valuation, future COLAs were assumed to equal the baseline COLA assumption of 2.25%.

As of June 30, 2022, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.10%. The July 2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 30, 2022, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027, Actuarial Valuation and any recommended 7 changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027, Actuarial Valuation.

**Actuarial Method Changes**

Actuarial method changes with minor impact were implemented for this valuation after recommendation by Cavanaugh Macdonald Consulting as part of their reviews of prior valuations. As a result, liabilities and normal costs for refund benefits and the Generational Variable Retirement Account are now calculated using the entry age normal cost method with normal costs based on the expected value of these accounts rather than the actual balance.

## SUPPLEMENTARY INFORMATION

**THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA**

**FINANCIAL DATA SCHEDULE - BALANCE SHEET  
SEPTEMBER 30, 2022**

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	14.871 Housing Choice Vouchers	14.239 HOME Investment Partnership Program	Business Activities	Blended Component Unit
111	Cash - Unrestricted	\$ 635,967	\$ -	\$ 258,656	\$ -	\$ -	\$ 333,635	\$ 43,676
112	Cash - Restricted - Modernization and Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - Other Restricted	\$ 6,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,993
114	Cash - Tenant Security Deposits	\$ 18,063	\$ -	\$ 7,289	\$ -	\$ -	\$ 7,251	\$ 3,523
115	Cash - Restricted for Payment of Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	<b>Total Cash</b>	<b>\$ 661,023</b>	<b>\$ -</b>	<b>\$ 265,945</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 340,886</b>	<b>\$ 54,192</b>
121	Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-010	Operating Subsidy	\$ 19,430	\$ -	\$ 19,430	\$ -	\$ -	\$ -	\$ -
122-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-030	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122	<b>Accounts Receivable - HUD Other Projects</b>	<b>\$ 19,430</b>	<b>\$ -</b>	<b>\$ 19,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
124	Accounts Receivable - Other Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-060	Other Comments							
125	<b>Accounts Receivable - Miscellaneous</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
126	Accounts Receivable - Tenants	\$ 3,147	\$ -	\$ 3,147	\$ -	\$ -	\$ -	\$ -
126.1	Allowance for Doubtful Accounts - Tenants	\$ (1,674)	\$ -	\$ (1,674)	\$ -	\$ -	\$ -	\$ -
126.2	Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127	Notes, Loans, & Mortgages Receivable - Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	Fraud Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128.1	Allowance for Doubtful Accounts - Fraud	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
129	Accrued Interest Receivable	\$ 3	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ -
120	<b>Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>\$ 20,906</b>	<b>\$ -</b>	<b>\$ 20,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
131	Investments - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
132	Investments - Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	Investments - Restricted for Payment of Current Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	Prepaid Expenses and Other Assets	\$ 9,479	\$ -	\$ 3,894	\$ -	\$ -	\$ 5,585	\$ -
143	Inventories	\$ 3,519	\$ -	\$ 3,519	\$ -	\$ -	\$ -	\$ -
143.1	Allowance for Obsolete Inventories	\$ (352)	\$ -	\$ (352)	\$ -	\$ -	\$ -	\$ -
144	Inter Program Due From	\$ -	\$ (9,737)	\$ 9,737	\$ -	\$ -	\$ -	\$ -
145	Assets Held for Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150	<b>Total Current Assets</b>	<b>\$ 694,575</b>	<b>\$ (9,737)</b>	<b>\$ 303,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 346,471</b>	<b>\$ 54,192</b>
161	Land	\$ 77,489	\$ -	\$ 54,489	\$ -	\$ -	\$ 13,000	\$ 10,000
162	Buildings	\$ 3,604,515	\$ -	\$ 2,220,834	\$ -	\$ -	\$ 890,104	\$ 493,577
163	Furniture, Equipment & Machinery - Dwellings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	Furniture, Equipment & Machinery - Administration	\$ 104,624	\$ -	\$ 104,588	\$ -	\$ -	\$ 36	\$ -
165	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
166	Accumulated Depreciation	\$ (2,039,715)	\$ -	\$ (1,944,026)	\$ -	\$ -	\$ (86,465)	\$ (9,224)
167	Construction in Progress	\$ 45,998	\$ -	\$ 1,500	\$ -	\$ -	\$ 44,498	\$ -
168	Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,792,911</b>	<b>\$ -</b>	<b>\$ 437,385</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 861,173</b>	<b>\$ 494,353</b>
171-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-060	Other Comments							
171	<b>Notes, Loans and Mortgages Receivable - Non-Current</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
172-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-060	Other Comments							
172	<b>Notes, Loans, &amp; Mortgages Receivable - Non Current - Past Due</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
173	Grants Receivable - Non Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEET  
SEPTEMBER 30, 2022

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	14.871 Housing Choice Vouchers	14.239 HOME Investment Partnership Program	Business Activities	Blended Component Unit
174-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-050	Other	\$ 360	\$ -	\$ 312	\$ -	\$ -	\$ 48	\$ -
174-060	Other Comments	Net Pension Asset		Net Pension Asset			Net Pension Asset	
174	Other Assets	\$ 360	\$ -	\$ 312	\$ -	\$ -	\$ 48	\$ -
176-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-060	Other Comments							
176	Investments in Joint Ventures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	<b>Total Non-Current Assets</b>	<b>\$ 1,793,271</b>	<b>\$ -</b>	<b>\$ 437,697</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 861,221</b>	<b>\$ 494,353</b>
190	<b>Total Assets</b>	<b>\$ 2,487,846</b>	<b>\$ (9,737)</b>	<b>\$ 741,346</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,207,692</b>	<b>\$ 548,545</b>
200	<b>Deferred Outflow of Resources</b>	<b>\$ 32,569</b>	<b>\$ -</b>	<b>\$ 28,260</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,309</b>	<b>\$ -</b>
290	<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 2,520,415</b>	<b>\$ (9,737)</b>	<b>\$ 769,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,212,001</b>	<b>\$ 548,545</b>
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	\$ 7,601	\$ -	\$ 6,923	\$ -	\$ -	\$ 678	\$ -
313	Accounts Payable >90 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued Wage/Payroll Taxes Payable	\$ 1,563	\$ -	\$ 1,563	\$ -	\$ -	\$ -	\$ -
322	Accrued Compensated Absences - Current Portion	\$ 4,439	\$ -	\$ 3,707	\$ -	\$ -	\$ 732	\$ -
324	Accrued Contingency Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
325	Accrued Interest Payable	\$ 743	\$ -	\$ -	\$ -	\$ -	\$ 743	\$ -
331-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-030	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331	<b>Accounts Payable - HUD PHA Programs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
332	Account Payable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333	Accounts Payable - Other Government	\$ 8,900	\$ -	\$ 4,516	\$ -	\$ -	\$ 4,384	\$ -
341	Tenant Security Deposits	\$ 18,063	\$ -	\$ 7,289	\$ -	\$ -	\$ 7,251	\$ 3,523
342-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342-030	Other	\$ 2,505	\$ -	\$ 2,505	\$ -	\$ -	\$ -	\$ -
342	<b>Unearned Revenue</b>	<b>\$ 2,505</b>	<b>\$ -</b>	<b>\$ 2,505</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
343-010	CFFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343-020	Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343	<b>Current Portion of Long-term Debt - Capital Projects/Mortgage</b>	<b>\$ 27,589</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,589</b>	<b>\$ -</b>
344	Current Portion of Long-term Debt - Operating Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
345	Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
346	Accrued Liabilities - Other	\$ 5,461	\$ -	\$ 5,461	\$ -	\$ -	\$ -	\$ -
347	Inter Program - Due To	\$ -	\$ (9,737)	\$ -	\$ -	\$ -	\$ 9,737	\$ -
348-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-060	Other Comments							
348	<b>Loan Liability - Current</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
310	<b>Total Current Liabilities</b>	<b>\$ 76,864</b>	<b>\$ (9,737)</b>	<b>\$ 31,964</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,114</b>	<b>\$ 3,523</b>
351-010	CFFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351-020	Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ 634,051	\$ -	\$ -	\$ -	\$ -	\$ 634,051	\$ -
352	Long-term Debt, Net of Current - Operating Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353	Non-current Liabilities - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
354	Accrued Compensated Absences - Non Current	\$ 15,741	\$ -	\$ 13,144	\$ -	\$ -	\$ 2,597	\$ -
355-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEET  
SEPTEMBER 30, 2022

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	14.871 Housing Choice Vouchers	14.239 HOME Investment Partnership Program	Business Activities	Blended Component Unit
355-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-060	Other Comments							
355	<b>Loan Liability - Non Current</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
356	FASB 5 Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357-010	Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357-020	OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357	Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357	Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
350	<b>Total Non-Current Liabilities</b>	\$ 649,792	\$ -	\$ 13,144	\$ -	\$ -	\$ 636,648	\$ -
300	<b>Total Liabilities</b>	\$ 726,656	\$ (9,737)	\$ 45,108	\$ -	\$ -	\$ 687,762	\$ 3,523
400	<b>Deferred Inflow of Resources</b>	\$ 21,525	\$ -	\$ 18,677	\$ -	\$ -	\$ 2,848	\$ -
508.1	Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
511.1	Restricted Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.1	Unrestricted Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
513	<b>Total Equity/Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
509.2	Fund Balance Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
511.2	Unreserved, Designated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.2	Unreserved, Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
513	<b>Total Equity/Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.3	Nonspendable Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
509.3	Restricted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
510.3	Committed Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
511.3	Assigned Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.3	Unassigned Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
513	<b>Total Equity/Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4	Net Investment in Capital Assets	\$ 1,131,271	\$ -	\$ 437,385	\$ -	\$ -	\$ 199,533	\$ 494,353
511.4	Restricted Net Position	\$ 18,397	\$ -	\$ 9,895	\$ -	\$ -	\$ 1,509	\$ 6,993
512.4	Unrestricted Net Position	\$ 622,566	\$ -	\$ 258,541	\$ -	\$ -	\$ 320,349	\$ 43,676
513	<b>Total Equity - Net Assets / Position</b>	\$ 1,772,234	\$ -	\$ 705,821	\$ -	\$ -	\$ 521,391	\$ 545,022
600	<b>Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position</b>	\$ 2,520,415	\$ (9,737)	\$ 769,606	\$ -	\$ -	\$ 1,212,001	\$ 548,545

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENT  
YEAR ENDED SEPTEMBER 30, 2022

				14.850	14.872		
Line Item No.	Description	Total Programs	Eliminations	Low Rent	Capital Fund Program	Business Activities	Blended Component Unit
70300	Net Tenant Rental Revenue	\$ 293,713	\$ -	\$ 159,473	\$ -	\$ 96,377	\$ 37,863
70400	Tenant Revenue - Other	\$ 15,061	\$ -	\$ 11,571	\$ -	\$ 3,490	\$ -
<b>70500</b>	<b>Total Tenant Revenue</b>	<b>\$ 308,774</b>	<b>\$ -</b>	<b>\$ 171,044</b>	<b>\$ -</b>	<b>\$ 99,867</b>	<b>\$ 37,863</b>
<b>70600</b>	<b>HUD PHA Operating Grants</b>	<b>\$ 194,457</b>	<b>\$ -</b>	<b>\$ 110,115</b>	<b>\$ 3,976</b>	<b>\$ -</b>	<b>\$ 80,366</b>
<b>70610</b>	<b>Capital Grants</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
70710	Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70720	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70730	Book Keeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70740	Front Line Service Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70750	Other Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>70700</b>	<b>Total Fee Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
70800	Other Government Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71100	Investment Income - Unrestricted	\$ 57	\$ -	\$ 54	\$ -	\$ 3	\$ -
71200	Mortgage Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71300	Proceeds from Disposition of Assets Held for Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71310	Cost of Sale of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400	Fraud Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400-010	Fraud Recovery - Housing Assistance Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400-020	Fraud Recovery - Administrative Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71500	Other Revenue	\$ 36,639	\$ -	\$ 29,498	\$ -	\$ 5,999	\$ 1,142
71600	Gain or Loss on Sale of Capital Assets	\$ 243,383	\$ -	\$ -	\$ -	\$ 243,383	\$ -
72000	Investment Income - Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>70000</b>	<b>Total Revenue</b>	<b>\$ 783,310</b>	<b>\$ -</b>	<b>\$ 310,711</b>	<b>\$ 3,976</b>	<b>\$ 349,252</b>	<b>\$ 119,371</b>
91100	Administrative Salaries	\$ 46,529	\$ -	\$ 37,223	\$ -	\$ 9,306	\$ -
91200	Auditing Fees	\$ 9,737	\$ -	\$ 8,179	\$ -	\$ 1,558	\$ -
91300-010	To PHA Administered Program (i.e., COCC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91300-020	To a Third Party/Outside Entity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>91300</b>	<b>Management Fee</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
91300	Management Fee	\$ 9,881	\$ -	\$ -	\$ -	\$ -	\$ 9,881
91310	Book-keeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91400	Advertising and Marketing	\$ 1,341	\$ -	\$ 738	\$ -	\$ 15	\$ 588
91500	Employee Benefit contributions - Administrative	\$ 12,891	\$ -	\$ 10,436	\$ -	\$ 2,455	\$ -
91600	Office Expenses	\$ 16,954	\$ -	\$ 8,699	\$ -	\$ 2,174	\$ 6,081
91700	Legal Expense	\$ 4,937	\$ -	\$ -	\$ -	\$ 2,366	\$ 2,571
91800	Travel	\$ 4,839	\$ -	\$ 3,873	\$ -	\$ 662	\$ 304
91810	Allocated Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91900	Other	\$ 19,645	\$ -	\$ 10,044	\$ -	\$ 4,762	\$ 4,839
<b>91000</b>	<b>Total Operating - Administrative</b>	<b>\$ 126,754</b>	<b>\$ -</b>	<b>\$ 79,192</b>	<b>\$ -</b>	<b>\$ 23,298</b>	<b>\$ 24,264</b>
92000	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100	Tenant Services - Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92200	Relocation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92300	Employee Benefit Contributions - Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92400	Tenant Services - Other	\$ 637	\$ -	\$ 637	\$ -	\$ -	\$ -
<b>92500</b>	<b>Total Tenant Services</b>	<b>\$ 637</b>	<b>\$ -</b>	<b>\$ 637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
93100	Water	\$ 21,817	\$ -	\$ 12,575	\$ -	\$ 3,059	\$ 6,183
93200	Electricity	\$ 49,374	\$ -	\$ 41,943	\$ -	\$ 829	\$ 6,602
93300	Gas	\$ 14,417	\$ -	\$ 11,322	\$ -	\$ 3,095	\$ -
93400	Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93500	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93600	Sewer	\$ 12,738	\$ -	\$ 8,526	\$ -	\$ 1,709	\$ 2,503
93700	Employee Benefit Contributions - Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93800	Other Utilities Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>93000</b>	<b>Total Utilities</b>	<b>\$ 98,346</b>	<b>\$ -</b>	<b>\$ 74,366</b>	<b>\$ -</b>	<b>\$ 8,692</b>	<b>\$ 15,288</b>

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENT  
YEAR ENDED SEPTEMBER 30, 2022

				14.850	14.872		
Line Item No.	Description	Total Programs	Eliminations	Low Rent	Capital Fund Program	Business Activities	Blended Component Unit
94100	Ordinary Maintenance and Operations - Labor	\$ 47,822	\$ -	\$ 43,812	\$ -	\$ 4,010	\$ -
94200	Ordinary Maintenance and Operations - Materials and Other	\$ 53,082	\$ -	\$ 19,679	\$ -	\$ 30,461	\$ 2,942
94300-010	Garbage and Trash Removal Contracts	\$ 4,564	\$ -	\$ 916	\$ -	\$ 2,009	\$ 1,639
94300-020	Heating & Cooling Contracts	\$ 4,299	\$ -	\$ 4,021	\$ -	\$ 191	\$ 87
94300-030	Snow Removal Contracts	\$ 2,175	\$ -	\$ -	\$ -	\$ -	\$ 2,175
94300-040	Elevator Maintenance Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-050	Landscape & Grounds Contracts	\$ 6,410	\$ -	\$ 3,520	\$ -	\$ 140	\$ 2,750
94300-060	Unit Turnaround Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-070	Electrical Contracts	\$ 4,308	\$ -	\$ 2,956	\$ -	\$ 1,352	\$ -
94300-080	Plumbing Contracts	\$ 3,676	\$ -	\$ 2,674	\$ -	\$ 302	\$ 700
94300-090	Extermination Contracts	\$ 915	\$ -	\$ 622	\$ -	\$ -	\$ 293
94300-100	Janitorial Contracts	\$ 3,989	\$ -	\$ 2,449	\$ -	\$ 220	\$ 1,320
94300-110	Routine Maintenance Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-120	Miscellaneous Contracts	\$ 25,363	\$ -	\$ 15,435	\$ -	\$ 7,780	\$ 2,148
<b>94300</b>	<b>Ordinary Maintenance and Operations Contracts</b>	<b>\$ 55,699</b>	<b>\$ -</b>	<b>\$ 32,593</b>	<b>\$ -</b>	<b>\$ 11,994</b>	<b>\$ 11,112</b>
94500	Employee Benefit Contributions - Ordinary Maintenance	\$ 11,081	\$ -	\$ 9,195	\$ -	\$ 1,886	\$ -
<b>94000</b>	<b>Total Maintenance</b>	<b>\$ 167,684</b>	<b>\$ -</b>	<b>\$ 105,279</b>	<b>\$ -</b>	<b>\$ 48,351</b>	<b>\$ 14,054</b>
95100	Protective Services - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Protective Services - Other Contract Costs	\$ 156	\$ -	\$ 156	\$ -	\$ -	\$ -
95300	Protective Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95500	Employee Benefit Contributions - Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>95000</b>	<b>Total Protective Services</b>	<b>\$ 156</b>	<b>\$ -</b>	<b>\$ 156</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
96110	Property Insurance	\$ 25,034	\$ -	\$ 9,657	\$ -	\$ 11,349	\$ 4,028
96120	Liability Insurance	\$ 1,595	\$ -	\$ -	\$ -	\$ 1,148	\$ 447
96130	Workmen's Compensation	\$ 4,145	\$ -	\$ 1,893	\$ -	\$ 2,252	\$ -
96140	All Other Insurance	\$ 1,357	\$ -	\$ 1,016	\$ -	\$ 341	\$ -
<b>96100</b>	<b>Total Insurance Premiums</b>	<b>\$ 32,131</b>	<b>\$ -</b>	<b>\$ 12,566</b>	<b>\$ -</b>	<b>\$ 15,090</b>	<b>\$ 4,475</b>
96200	Other General Expenses	\$ 883	\$ -	\$ 83	\$ -	\$ -	\$ 800
96210	Compensated Absences	\$ 12,144	\$ -	\$ 10,273	\$ -	\$ 1,871	\$ -
96300	Payments in Lieu of Taxes	\$ 14,784	\$ -	\$ 4,515	\$ -	\$ 4,384	\$ 5,885
96400	Bad debt - Tenant Rents	\$ 336	\$ -	\$ 336	\$ -	\$ -	\$ -
96500	Bad debt - Mortgages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600	Bad debt - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600-100	Bad debt - Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600-200	Bad debt - Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96800	Severance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>96000</b>	<b>Total Other General Expenses</b>	<b>\$ 28,147</b>	<b>\$ -</b>	<b>\$ 15,207</b>	<b>\$ -</b>	<b>\$ 6,255</b>	<b>\$ 6,685</b>
96710	Interest of Mortgage (or Bonds) Payable	\$ 26,100	\$ -	\$ -	\$ -	\$ 26,100	\$ -
96720	Interest on Notes Payable (Short and Long Term)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96730	Amortization of Bond Issue Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>96700</b>	<b>Total Interest Expense and Amortization Cost</b>	<b>\$ 26,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,100</b>	<b>\$ -</b>
<b>96900</b>	<b>Total Operating Expenses</b>	<b>\$ 479,955</b>	<b>\$ -</b>	<b>\$ 287,403</b>	<b>\$ -</b>	<b>\$ 127,786</b>	<b>\$ 64,766</b>
<b>97000</b>	<b>Excess of Operating Revenue over Operating Expenses</b>	<b>\$ 303,355</b>	<b>\$ -</b>	<b>\$ 23,308</b>	<b>\$ 3,976</b>	<b>\$ 221,466</b>	<b>\$ 54,605</b>
97100	Extraordinary Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97200	Casualty Losses - Non-capitalized	\$ 4,780	\$ -	\$ 4,780	\$ -	\$ -	\$ -
97300	Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97350	HAP Portability-In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97400	Depreciation Expense	\$ 83,892	\$ -	\$ 49,497	\$ 448	\$ 24,723	\$ 9,224
97500	Fraud Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97600	Capital Outlays - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97700	Debt Principal Payment - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97800	Dwelling Units Rent Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENT  
YEAR ENDED SEPTEMBER 30, 2022

				14.850	14.872		
Line Item No.	Description	Total Programs	Eliminations	Low Rent	Capital Fund Program	Business Activities	Blended Component Unit
90000	<b>Total Expenses</b>	\$ 568,627	\$ -	\$ 341,680	\$ 448	\$ 152,509	\$ 73,990
10010	Operating Transfer In	\$ -	\$ (3,976)	\$ 3,976	\$ -	\$ -	\$ -
10020	Operating transfer Out	\$ -	\$ 3,976	\$ -	\$ (3,976)	\$ -	\$ -
10030-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-060	Other Comments						
10030	<b>Operating Transfers from/to Primary Government</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10040	Operating Transfers from/to Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10050	Proceeds from Notes, Loans and Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10060	Proceeds from Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10070	Extraordinary Items, Net Gain/Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10080	Special Items (Net Gain/Loss)	\$ 499,541	\$ -	\$ -	\$ -	\$ -	\$ 499,541
10091	Inter Project Excess Cash Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10092	Inter Project Excess Cash Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10093	Transfers between Program and Project - In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10094	Transfers between Project and Program - Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10100	<b>Total Other financing Sources (Uses)</b>	\$ 499,541	\$ -	\$ 3,976	\$ (3,976)	\$ -	\$ 499,541
10000	<b>Excess (Deficiency) of Total Revenue Over (Under) Total</b>	\$ 714,224	\$ -	\$ (26,993)	\$ (448)	\$ 196,743	\$ 544,922
11020	Required Annual Debt Principal Payments	\$ 27,589	\$ -	\$ -	\$ -	\$ 27,589	\$ -
11030	Beginning Equity	\$ 1,057,910	\$ -	\$ 726,768	\$ 6,494	\$ 324,648	\$ -
11040-010	Prior Period Adjustments and Correction of Errors	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 100
11040-020	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-030	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-040	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-050	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-060	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-070	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-080	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-090	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-100	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-110	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040	<b>Prior Period Adjustments, Equity Transfers and Correction of</b>	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 100
11050	Changes in Compensated Absence Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11060	Changes in Contingent Liability Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11070	Changes in Unrecognized Pension Transition Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11080	Changes in Special Term/Severance Benefits Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11100	Changes in Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170	Administrative Fee Equity						
11170-001	Administrative Fee Equity - Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-010	Administrative Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-020	Hard to House Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-021	FSS Coordinator Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-030	Audit Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-040	Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-045	Fraud Recovery Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-050	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-051	Comment for Other Revenue						
11170-060	Total Admin Fee Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-080	Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-090	Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-095	Housing Assistance Payment Portability In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-100	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENT  
YEAR ENDED SEPTEMBER 30, 2022

				14.850	14.872		
Line Item No.	Description	Total Programs	Eliminations	Low Rent	Capital Fund Program	Business Activities	Blended Component Unit
11170-101	Comment for Other Expenses						
11170-110	Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-002	Net Administrative Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-003	Administrative Fee Equity - Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-005	Pre-2004 Administrative Fee Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-006	Post-2003 Administrative Fee Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180	Housing Assistance Payments Equity						
11180-001	Housing Assistance Payments Equity - Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-010	Housing Assistance Payment Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-015	Fraud Recovery Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-020	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-021	Comments for Other Revenue						
11180-025	Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-030	Total Housing Assistance Payments Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-080	Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-090	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-091	Comments for Other Expenses						
11180-100	Total Housing Assistance Payments Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-002	Net Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-003	Housing Assistance Payments Equity - Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190	Unit Months Available						
11190-210	Total ACC HCV Units	801	-	528	-	84	189
11190-220	Unfunded Units	-	-	-	-	-	-
11190-230	Other Adjustments	-	-	-	-	-	-
11190	Unit Months Available	801	-	528	-	84	189
11210	Number of Unit Months Leased	733	-	506	-	84	143
11270	Excess Cash	\$ 240,629	\$ -	\$ 240,629	\$ -	\$ -	\$ -
11610	Land Purchases	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ -	\$ -
11620	Building Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11630	Furniture & Equipment - Dwelling Purchases	\$ 1,203	\$ -	\$ 1,203	\$ -	\$ -	\$ -
11640	Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11650	Leasehold Improvements Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11660	Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510	CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13901	Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information  
Year Ended September 30, 2022

Financial Statements		
Element	Description	Value
G3000-005	Financial Statements Using Basis Other Than GAAP	NO
G3000-010	Fund Opinion(s)	Single Fund
-	Modified Opinion	NO
-	Unmodified Opinion	YES
-	Adverse Opinion	NO
-	Disclaimer Opinion	NO
G3000-020	"Going Concern" Indicator	NO
G3000-030	Significant Deficiency Indicator	NO
G3000-230	Does the Deficiency relate to the Low Rent or Capital Fund?	N/A
G3000-240	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	N/A
G3000-040	Material Weakness Indicator	NO
G3000-250	Does the material weakness relate to the Low Rent or Capital Fund Program?	N/A
G3000-260	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-050	Material Noncompliance Indicator	NO
G3000-270	Does the non-compliance relate to the Low Rent or Capital Fund Program?	N/A
G3000-280	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-060	Fraud	NO
G3000-290	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-300	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-070	Illegal Acts	NO
G3000-310	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-320	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-080	Abuse	N/A
G3000-330	Does the activity relate to the Low Rent or Capital Fund Program?	NO
G3000-340	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information  
Year Ended September 30, 2022

Financial Statement Fund Opinion Details		
Element	Description	Details
G3000-200	Fund Type of the fund containing the listed program	MAJOR
G3000-210	Fund Opinion of the fund containing the listed program	UNMODIFIED
G3000-220	Is the departure or qualification related to the Capital Fund or Low Rent Programs?	N/A

Federal Programs		
Element	Description	Value
G4000-020	Dollar Threshold Used to Distinguish Type A and Type B Programs	-
G4000-030	Low-Risk Auditee Indicator	-
G4000-040	Indicator-Any Audit Findings Disclosed that are Required to be Reported	-
G4000-080	Was a Schedule of Prior Audit Findings prepared?	-
G4100-040	Total Federal Awards Expended (This cell is populated by G4100-030 from the "Federal Award Details" Tab)	-

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information  
Year Ended September 30, 2022

Federal Award Details		
Element	Description	Details
G4100-030	Amount Expended	-
G4200-010	Major Federal Program Indicator	-
G4200-050	Type of Opinion on Major Federal Program	-
G4200-060	Number of Single Audit Compliance Audit Findings	-
G4200-100	Significant Deficiency Indicator	-
G4200-200	Number of Significant Deficiencies	-
G4200-110	Material Weakness Indicator	-
G4200-210	Number of Material Weaknesses	-
G4200-120	Material Noncompliance Indicator	-
G4200-220	Number of Material Noncompliance	-
G4200-070	Audit Finding Reference Number	-
G4200-090	Are Awards Received Directly from a Federal Agency?	-
G4100-050	Total Amount of Questioned Costs	-

Supplementary Information		
Element	Description	Value
G3100-040	SAS 29 "in relation to" opinion on the Financial Data Schedule	FAIRLY STATED
G3100-050	Is MD&A omitted ?	NO
G3100-060	Is other supplementary information omitted?	NO

See Independent Auditor's Report

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
The Housing and Redevelopment Commission  
of the City of Lemmon, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of **The Housing and Redevelopment Commission of the City of Lemmon, South Dakota, a component unit of the City of Lemmon, South Dakota (the Commission)** as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 27, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

## **Purpose of this Report**

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

*Wohlschlag Ritzman + Co., LLC*

Yankton, South Dakota  
June 27, 2023

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
SEPTEMBER 30, 2022**

**SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no financial statement audit findings reported.

**THE HOUSING AND REDEVELOPMENT COMMISSION  
OF THE CITY OF LEMMON, SOUTH DAKOTA**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

**SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**

There are no financial statement audit findings reported.