City of Brandon

Independent Auditor's Report
and Financial Statements

For the Year Ended
December 31, 2025

City of Brandon
City Officials
December 31, 2025

Mayor:

Harry Buck

Governing Board:

Barb Fish

Bruce Johnson

David Kull

Kevil Lawrence

Randy Marso

Colin Steen

Finance Officer:

Christina Smith

City Administrator:

Bryan Read

City of Brandon

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the City Council
City of Brandon
Minnehaha County, South Dakota

We have audited, in accordance with the 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 1, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Brandon's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Brandon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brandon'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 City'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Brandon's financial statements are free of 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Current Audit Findings as item 2025-001 that we consider to be a material weakness.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit. The City's response to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record, and its distribution is not limited.

ELO Prof LLC

Yankton, South Dakota
July 1, 2026

Schedule of Prior Audit Findings

The prior audit report contained no written audit comments.

Schedule of Current Audit Findings

Finding Number 2025-001 – Compliance Finding

Material Weakness

There is a material weakness resulting from expenditures exceeding the appropriations for publications, elections, and the health departments in the General Fund.

Criteria: SDCL 9-21-9 requires that the governing body shall not add to the expenditures any sum in excess of the amount provided for in the annual appropriation ordinance specially provided.

Condition: In 2025, the City adopted a budget that did not reflect the means of finance. As a result, the expenditures paid exceeded amounts budgeted in three different functions.

Recommendation: We recommend that when such a situation occurs in the future, a supplemental budget be adopted to utilize unobligated fund balances.

Management's Response: Management agrees with the finding and recommendation.

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Independent Auditor's Report

City Council
City of Brandon
Brandon, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards (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 City of Brandon and to meet our other 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 the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 City of Brandon, South Dakota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the City of Brandon, South Dakota'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 City of Brandon, South Dakota'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 (MD&A), Budgetary Comparison Schedules, the Schedule of the City Proportionate Share of the Net Pension Liability (Asset), and Schedule of the City's Contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basis financial statements. The Combining Nonmajor Fund Financial Statements as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 City'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 City's internal control over financial reporting and compliance.

Yankton, South Dakota
July 1, 2026

Management's Discussion and Analysis

This section of the City of Brandon's annual financial report presents our discussion and analysis of the City of Brandon financial performance during the fiscal year ending December 31, 2025. Please read it in conjunction with the City of Brandon financial statements, which follow this section.

Financial Highlights

During the year, the City of Brandon's net position increased by $3,632,463 leaving an ending net position of $94,819,461, a 3.98% increase from prior year.

Overview of the Financial Statements

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

1. The first two statements are government-wide financial statements that provide both long-term and short-term information about the overall financial status of the City of Brandon.

2. The remaining statements are fund financial statements that focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

    A. The governmental fund statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

    B. Proprietary fund statements offer short- and long-term financial information about the activities that the City operates like businesses. The City has four proprietary funds – the Water Fund, the Sewer Fund, the Golf Course Fund and the Electric Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Figure A-1 summarizes the major features of the City of Brandon's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City of Brandon's Government-wide and Fund Financial Statements

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

Government-Wide Statements

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

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

1. Increases or decreases in the City of Brandon's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

2. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City of Brandon's property tax base and changes in the sales tax revenue base.

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

1. Governmental Activities -- This category includes most of the City of Brandon's basic services, such as police, fire, public works, parks department and general administration. Property taxes, sales taxes, charges for services, state and federal grants finance most of these activities.

2. Business-type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City of Brandon's water, sewer, golf course and electrical accounts are included here.

Fund Financial Statements

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

1. State Law requires some of the funds.

2. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two kinds of funds:

1. Governmental Funds – Most of the City of Brandon's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City of Brandon's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

2. Proprietary Funds – Services for which the City charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The City of Brandon's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Financial Analysis of the City as a Whole

Table A-1
City of Brandon
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2024	2025	2024	2025	2024	2025	2024-2025
Current and Other Assets	$ 15,798,651	$ 18,349,863	$ 13,026,946	$ 8,433,559	$ 28,825,597	$ 26,783,422	-7.08%
Capital Assets (Net of Depreciation)	45,889,674	45,224,482	80,496,300	83,468,741	126,385,974	128,693,223	1.83%
Total Assets	61,688,325	63,574,345	93,523,246	91,902,300	155,211,571	155,476,645	0.17%
Pension Related Deferred Outflows	665,746	786,474	195,359	232,921	861,105	1,019,395	18.38%
Total Deferred Outflows or Resources	665,746	786,474	195,359	232,921	861,105	1,019,395	18.38%
Long-Term Liabilities Outstanding	28,038,244	26,437,301	31,867,986	31,133,317	59,906,230	57,570,618	-3.90%
Other Liabilities	668,750	834,707	3,642,817	2,688,908	4,311,567	3,523,615	-18.28%
Total Liabilities	28,706,994	27,272,008	35,510,803	33,822,225	64,217,797	61,094,233	-4.86%
Other Deferred Inflows	--	--	5,251	--	5,251	--	-100.00%
Pension Related Deferred Inflows	511,428	450,193	151,202	132,153	662,630	582,346	-12.12%
Total Deferred Inflows of Resources	511,428	450,193	156,453	132,153	667,881	582,346	-12.81%
Net Investment in Capital Assets	18,314,536	19,239,912	48,880,750	52,836,707	67,195,286	72,076,619	7.26%
Restricted	3,473,617	3,877,184	621,271	1,259,020	4,094,888	5,136,204	25.43%
Unrestricted	11,347,496	13,521,522	8,549,328	4,085,116	19,896,824	17,606,638	-11.51%
Total Net Position	33,135,649	36,638,618	58,051,349	58,180,843	91,186,998	94,819,461	3.98%
Beginning Net Position	30,779,406	33,135,649	52,414,648	58,051,349	83,194,054	91,186,998	9.61%
Increase (Decrease) in Net Position	$ 2,356,243	$ 3,502,969	$ 5,636,701	$ 129,494	$ 7,992,944	$ 3,632,463	-54.55%
Percentage of Increase (Decrease) in Net Position	7.66%	10.57%	10.75%	0.22%	9.61%	3.98%	

This section explains the differences between the current and prior years' assets, liabilities, and changes in net position.

The Statement of Net position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting of compensated absences payable, sales tax revenue bonds payable, water and revenue bonds payable, state revolving loans, intangible lease liabilities, pension liability, and special assessment bonds with governmental commitment have been reported in this manner on the Statement of Net Position. The difference between the City of Brandon's assets and liabilities is its net position.

Changes in Net Position

The City of Brandon's total revenues (excluding special items) totaled $24,187,095. This was approximately a 6.28% decrease from prior year. Approximately 46% of the City's revenue comes from charges for services, with another 42% from property and other taxes. (See Table A-2).

Table A-2
City of Brandon
Sources of Revenues
Fiscal Year 2025

Charges For Services	$ 11,028,844	45.61%
Taxes	10,232,041	42.30%
Operating Grants & Contributions	721,758	2.98%
Capital Grants and Contributions	1,406,615	5.82%
Unrestricted Investment Earnings	511,406	2.11%
Other General Revenues	44,441	0.18%
State Sources	241,990	1.00%
Total Revenue	$ 24,187,095	100.00%

Total cost of all programs and services increased by approximately 15.37%. The City's expenses totaled $20,554,632. The City's expenses cover a range of services. (See Table A-3).

Table A-3
City of Brandon
Statement of Expenditures
Fiscal Year 2025

General government	$ 1,456,823	7.09%
Public safety	3,045,107	14.81%
Public works	3,878,388	18.87%
Health and welfare	9,560	0.05%
Culture and recreation	1,579,269	7.68%
Conservation and development	132,743	0.65%
Interest on long-term debt	1,094,699	5.33%
Water	3,176,379	15.45%
Electric	318,473	1.55%
Sewer	4,134,218	20.11%
Golf course	1,728,973	8.41%
Total Expenditures	$ 20,554,632	100.00%

Governmental and Business-Type Activities

Table A-4 and the narrative that follows consider the operations of the governmental activities and the business-type activities of the City.

Table A-4
Changes in Net Position

	Government Activities		Business-type Activities		Total		Percentage
	2024	2025	2024	2025	2024	2025	Change
Revenues							
Program Revenues							
Charge for Services	$ 865,892	$ 883,669	$ 9,180,924	$ 10,145,175	$ 10,046,816	$ 11,028,844	9.77%
Operating Grants/Contributions	681,533	601,879	2,018,825	119,879	2,700,358	721,758	-73.27%
Capital Grants and Contributions	1,735,518	1,406,615	--	--	1,735,518	1,406,615	-18.95%
General Revenues							
Taxes	9,734,792	10,232,041	--	--	9,734,792	10,232,041	5.11%
Revenue State Sources	190,263	241,990	--	--	190,263	241,990	27.19%
Other general revenues	70,144	44,441	34,991	--	105,135	44,441	-57.73%
Unrestricted Investment Earnings	351,204	318,054	944,715	193,352	1,295,919	511,406	-60.54%
	13,629,346	13,728,689	12,179,455	10,458,406	25,808,801	24,187,095	-6.28%
Expenses							
General government	1,406,458	1,456,823	--	--	1,406,458	1,456,823	3.58%
Public safety	2,991,516	3,045,107	--	--	2,991,516	3,045,107	1.79%
Public works	3,010,009	3,878,388	--	--	3,010,009	3,878,388	28.85%
Health and welfare	9,852	9,560	--	--	9,852	9,560	-2.96%
Culture and recreation	1,614,970	1,579,269	--	--	1,614,970	1,579,269	-2.21%
Conservation and development	204,798	132,743	--	--	204,798	132,743	-35.18%
Interest on long-term debt	960,566	1,094,699	--	--	960,566	1,094,699	13.96%
Water	--	--	2,761,026	3,176,379	2,761,026	3,176,379	15.04%
Electric	--	--	292,518	318,473	292,518	318,473	8.87%
Sewer	--	--	2,941,347	4,134,218	2,941,347	4,134,218	40.56%
Golf course	--	--	1,622,797	1,728,973	1,622,797	1,728,973	6.54%
	10,198,169	11,196,589	7,617,688	9,358,043	17,815,857	20,554,632	15.37%
Excess (Deficiency) Before Transfers	3,431,177	2,532,100	4,561,767	1,100,363	7,992,944	3,632,463	-54.55%
Transfers	(1,074,934)	970,869	1,074,934	(970,869)	--	--	0.00%
Increase (Decrease) in Net Position	2,356,243	3,502,969	5,636,701	129,494	7,992,944	3,632,463	-54.55%
Beginning Net Position	30,779,406	33,135,649	52,414,648	58,051,349	83,194,054	91,186,998	9.61%
Ending Net Position	$ 33,135,649	$ 36,638,618	$ 58,051,349	$ 58,180,843	$ 91,186,998	$ 94,819,461	3.98%

Governmental Activities

Governmental expenses increased by approximately 8.92% mainly due to increases in general government, public safety, public works, and interest on long-term debt. The increase in the governmental revenues was approximately 0.72%, mainly due to additional taxes and revenue from state sources. Net position of the governmental activities increased by $3,502,969.

Business-Type Activities

Business-type activities expenses increased approximately 18.60% while business-type revenues decreased by approximately 16.46%. The decrease in revenues was mostly in part to decreased operating grants/contributions and unrestricted investment earnings. Net position of the City's business-type activities increased approximately by $129,494.

Financial Analysis of the City's Funds

The financial analysis of the City of Brandon funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains twelve governmental funds: the General Fund; six Special Revenue Funds (Revolving Loan Fund, 3rd Cent Sales Tax, Surface Transportation Program Fund, Street Maintenance Fund, and Stormwater Fund); three Debt Service Funds (TIF #5, TIF #6, and TIF #7); and three Capital Projects Funds (Core Area Reconstruction – Phase 2b Project, Ironwood SPA Project Fund, and Rushmore Area – Phase 3 Project Fund).The City has four business type funds - Water; Sewer; Golf Course and Electric.

Overall, the governmental funds have a 3.5 million dollar increase in fund balance over the last year due to increased taxes and revenue from state sources while maintaining expenditures.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget. This amendment was for contingency transfers and supplemental appropriations approved for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of its citizens and to improve the Brandon Community.

Capital Asset Administration

By the end of 2025, the City had invested $128,693,223 (net of depreciation) in a broad range of capital assets, including, land, construction in progress, buildings, improvements, various machinery and equipment, and intangible lease assets. (See Table A-5). This amount represents a net increase (including additions and deductions) of $2,307,249.

Table A-5
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar	Total %
	2024	2025	2024	2025	Change	Change
Land	$ 3,100,109	$ 3,100,109	$ 2,656,829	$ 2,656,829	$ --	0.00%
Construction in progress	5,317,099	1,604,573	31,183,607	32,515,896	(2,380,237)	-6.52%
Buildings & Improvements	35,516,391	38,321,188	45,514,768	46,864,791	4,154,820	5.13%
Machinery & Equipment	1,956,075	2,198,612	1,141,096	1,138,206	239,647	7.74%
Intangible Lease Assets	--	--	--	293,019	293,019	100.00%
Total Capital Assets	$ 45,889,674	$ 45,224,482	$ 80,496,300	$ 83,468,741	$ 2,307,249	100.00%

This year's significant capital asset purchases included the completion of multiple infrastructure projects, new police vehicles, a bathroom upgrade, pool improvements, lighting improvements, a backhoe, and a Reelmaster.

Long-Term Debt

At the end of the year, the City has $57,570,615 in general long-term obligations. This is a decrease of $2,335,615 compared to prior year. See individual balances as shown on Table A-6 below.

Table A-6
Outstanding Debt and Obligations

Governmental Activities	2024	2025	Total Dollar Change	Total % Change
Revenue Bonds	$ 26,010,604	$ 24,535,714	$ (1,474,890)	-5.67%
Plus: Unamortized Premiums	1,564,534	1,448,856	(115,678)	-7.39%
Accrued Compensated Absences - Governmental Funds	463,106	452,731	(10,375)	-2.24%
Total Outstanding Debt	$ 28,038,244	$ 26,437,301	$ (1,600,943)	-5.71%

Business-Type Activities	2024	2025	Total Dollar Change	Total % Change
Revenue Bonds	$ 22,684,174	$ 22,045,062	$ (639,112)	-2.82%
Plus: Unamortized Premiums	1,470,041	1,408,237	(61,804)	-4.20%
State Revolving Loans	7,343,714	7,083,275	(260,439)	-3.55%
Intangible Leases	117,621	325,845	208,224	177.03%
Pension Liability	6,569	6,249	(320)	-4.87%
Accrued Compensated Absences - Governmental Funds	245,867	264,646	18,779	7.64%
Total Outstanding Debt	$ 31,867,986	$ 31,133,314	$ (734,672)	-2.31%

Economic Factors and Next Year's Budgets and Rates

The City of Brandon has adopted a General Fund budget for the 2025 fiscal year which has an increase of 15% in expenditures compared to 2024 budget for a total of $14,251,789.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Brandon's finances and to demonstrate the City of Brandon's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Brandon's Finance Office, PO Box 95-304 S Main Ave, Brandon, SD 57005. City Hall phone number is 605-582-6515.

City of Brandon

Statement of Net Position

December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	$ 15,308,869	$ 5,596,130	$ 20,904,999
Investments	877,137	812,243	1,689,380
Taxes receivable	21,889	--	21,889
Special assessments receivable	1,205,609	--	1,205,609
Accounts receivable, net	253,099	739,607	992,706
Inventories	45,909	118,704	164,613
Other assets	275	2,375	2,650
Restricted assets:			
Cash	432,500	1,154,795	1,587,295
Net pension asset	7,302	9,705	17,007
Notes receivable	197,274	--	197,274
Capital assets:			
Land and construction in process	4,704,682	35,172,725	39,877,407
Other capital assets, net of depreciation	40,519,800	48,296,016	88,815,816
Total Assets	63,574,345	91,902,300	155,476,645
Deferred Outflows of Resources:			
Pension related deferred outflows	786,474	232,921	1,019,395
Liabilities:			
Accounts payable	476,695	740,883	1,217,578
Other current liabilities	311,304	1,752,921	2,064,225
Unearned revenue	46,708	195,104	241,812
Noncurrent liabilities:			
Due within one year	1,821,925	1,082,550	2,904,475
Due in more than one year	24,615,376	30,050,767	54,666,143
Total Liabilities	27,272,008	33,822,225	61,094,233
Deferred Inflows of Resources:			
Pension related deferred inflows	450,193	132,153	582,346
Total Deferred Inflows of Resources	450,193	132,153	582,346
Net Position:			
Net investment in capital assets	19,239,912	52,836,707	72,076,619
Restricted for:			
Debt services	994,398	1,154,795	2,149,193
Capital improvements	2,539,203	--	2,539,203
SDRS pension purposes	343,583	104,225	447,808
Unrestricted	13,521,522	4,085,116	17,606,638
Total Net Position	$ 36,638,618	$ 58,180,843	$ 94,819,461

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon

Statement of Activities

For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	$ 1,456,823	$ 339,352	$ --	$ --	$ (1,117,471)	$ --	$ (1,117,471)
Public safety	3,045,107	5,930	--	--	(3,039,177)	--	(3,039,177)
Public works	3,878,388	263,798	601,879	1,406,515	(1,606,196)	--	(1,606,196)
Health and welfare	9,560	--	--	--	(9,560)	--	(9,560)
Culture and recreation	1,579,269	274,589	--	100	(1,304,580)	--	(1,304,580)
Conservation and development	132,743	--	--	--	(132,743)	--	(132,743)
Interest on long-term debt	1,094,699	--	--	--	(1,094,699)	--	(1,094,699)
Total Governmental Activities	11,196,589	883,669	601,879	1,406,615	(8,304,426)	--	(8,304,426)
Business-type Activities:							
Water	3,176,379	3,839,232	--	--	--	662,853	662,853
Electric	318,473	322,095	--	--	--	3,622	3,622
Sewer	4,134,218	4,098,198	119,879	--	--	83,859	83,859
Golf Course	1,728,973	1,885,650	--	--	--	156,677	156,677
Total Business-Type Activities	9,358,043	10,145,175	119,879	--	--	907,011	907,011
Total Primary Government	$ 20,554,632	$ 11,028,844	$ 721,758	$ 1,406,615	(8,304,426)	907,011	(7,397,415)
General Revenues:							
Taxes:							
Property tax					3,983,417	--	3,983,417
Sales tax					6,248,624	--	6,248,624
State shared revenues					241,990	--	241,990
Unrestricted investment earnings					318,054	193,352	511,406
Miscellaneous revenue					44,441	--	44,441
Transfers					970,869	(970,869)	--
Total General Revenues and Transfers					11,807,395	(777,517)	11,029,878
Change in Net Position					3,502,969	129,494	3,632,463
Net Position-Beginning of Year					33,135,649	58,051,349	91,186,998
Net Position-End of Year					$ 36,638,618	$ 58,180,843	$ 94,819,461

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon
Balance Sheet – Governmental Funds
December 31, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	$ 12,735,177	$ 2,573,692	$ 15,308,869
Investments-certificates of deposit	689,044	188,093	877,137
Taxes receivable:			
Delinquent	21,889	--	21,889
Accounts receivable	47,605	--	47,605
Special assessments receivable			
Current	--	1,191,173	1,191,173
Delinquent	--	14,436	14,436
Due from county governments	50,929	19,158	70,087
Due from federal governments	135,407	--	135,407
Supply inventory	45,909	--	45,909
Prepaid expense	275	--	275
Restricted investments and deposits	432,500	--	432,500
Note receivable	--	197,274	197,274
Total Assets	$ 14,158,735	$ 4,183,826	$ 18,342,561
Liabilities and Fund Balances:			
Accounts payable	$ 423,251	$ 53,444	$ 476,695
Accrued wages and benefits payable	23,610	--	23,610
Accrued taxes payable	7	--	7
Unearned revenue	46,708	--	46,708
Total Liabilities	493,576	53,444	547,020
Deferred Inflows of Resources:			
Property taxes	21,889	--	21,889
Special Assessments	--	1,205,609	1,205,609
Total Deferred Inflows of Resources	21,889	1,205,609	1,227,498
Fund Balances:			
Nonspendable			
Inventory, prepaid expense, note receivable	46,184	197,274	243,458
Restricted			
Debt Service	432,500	561,898	994,398
Capital improvements	--	1,333,594	1,333,594
Committed			
Street maintenance	--	832,007	832,007
Unassigned	13,164,586	--	13,164,586
Total Fund Balances	13,643,270	2,924,773	16,568,043
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 14,158,735	$ 4,183,826	$ 18,342,561

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025

Total Fund Balances - Government Funds		$ 16,568,043
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset reported in governmental activities is not an available resource and therefore is not reported in the funds.		7,302
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		45,224,482
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.		786,474
Long-term liabilities, including bonds payable and accrued leave payable are not due and payable in the current period and therefore are not reported in the funds.		
Accrued Leave	(452,731)	
Revenue Bonds	(25,984,570)	(26,437,301)
Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are not deferred in the funds.		21,889
Accrued interest payable is not accounted for in the modified accrual basis of accounting, but is accounted for in the statement of net position.		(287,687)
Special assessments receivable reported in governmental activities is not an available resource and therefore not reported in the funds.		1,205,609
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.		(450,193)
Net Position - Governmental Funds		$ 36,638,618

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended December 31, 2025

	General Fund	Capital Projects *Formerly Major Fund* Core Reconstruction Project Phase 2b Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes				
General property taxes	$ 3,874,501	$ --	$ 102,165	$ 3,976,666
General sales taxes	5,881,458	--	367,166	6,248,624
Penalties and interest	3,352	--	2,243	5,595
Licenses and permits	321,003	--	--	321,003
Intergovernmental revenue				
Federal grants	182,711	--	--	182,711
State grants	--	--	419,168	419,168
State shared revenues				
Bank franchise tax	161,490	--	--	161,490
Motor vehicle commercial prorate	6,715	--	--	6,715
Liquor tax reversion	73,785	--	--	73,785
Motor vehicles licenses	78,162	--	--	78,162
Local government highway and bridge	75,199	--	--	75,199
County shared revenues	14,452	--	--	14,452
Charges for goods and services				
General government	18,349	--	--	18,349
Highways and streets	91,342	--	--	91,342
Sanitation	4,643	--	--	4,643
Culture and recreation	274,589	--	--	274,589
Fines and forfeits				
Court fines and costs	5,930	--	--	5,930
Miscellaneous revenue				
Investment earnings	278,070	--	39,984	318,054
Rentals	500	--	--	500
Special maintenance fee	--	--	869,554	869,554
Special assessments	695	--	515,689	516,384
Contributions	100	--	--	100
Other	41,290	--	4,818	46,108
Total Revenue	$ 11,388,336	$ --	$ 2,320,787	$ 13,709,123

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
For the Year Ended December 31, 2025 (Continued)

	General Fund	Capital Projects *Formerly Major Fund* Core Reconstruction Project Phase 2b Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:				
Current:				
General government:				
Legislative	$ 51,758	$ --	$ --	$ 51,758
Publications	31,766	--	--	31,766
Executive administration	280,027	--	--	280,027
Elections	3,233	--	--	3,233
Legal	45,659	--	--	45,659
Financial administration	458,817	--	--	458,817
Planning and zoning	441,217	--	--	441,217
Other	--	--	143,976	143,976
Public safety:				
Police	2,266,021	--	--	2,266,021
Fire	418,775	--	--	418,775
Building inspection	276,145	--	--	276,145
Other protection	143,970	--	--	143,970
Public works:				
Highways and streets	541,894	--	1,194,035	1,735,929
Sanitation	3,379	--	--	3,379
Transit	195,485	--	--	195,485
Health and welfare:				
Health	9,560	--	--	9,560
Culture and recreation:				
Recreation	285,794	--	--	285,794
Parks	764,013	--	--	764,013
Library	47,918	--	--	47,918
Conservation and development:				
Economic development and assistance (industrial development)	138,386	--	--	138,386
Debt service	2,555,029	--	175,023	2,730,052
Capital outlay	1,317,907	--	617,385	1,935,292
Total Expenditures	10,276,753	--	2,130,419	12,407,172
Excess of Revenues Over (Under) Expenditures	1,111,583	--	190,368	1,301,951
Other Financing Sources:				
Transfers in	970,869	--	298,680	1,269,549
Transfers out	(20,959)	--	(277,721)	(298,680)
Sale of fixed assets	9,578	--	--	9,578
Total Other Financing Sources	959,488	--	20,959	980,447
Net Change in Fund Balance	2,071,071	--	211,327	2,282,398
Fund Balances- Beginning of Year, as previously presented	11,572,199	234,690	2,478,756	14,285,645
Change within financial reporting entity - (major to nonmajor fund)	--	(234,690)	234,690	--
Fund Balances- Beginning of Year, as adjusted	11,572,199	--	2,713,446	14,285,645
Fund Balances - End of Year	$ 13,643,270	$ --	$ 2,924,773	$ 16,568,043

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances - Total Government Funds	$ 2,282,398
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	1,935,292
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	(2,588,739)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in the amounts accrued.	76,819
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or a loss is realized.	(11,745)
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets.	1,590,568
Governmental funds report special assessments as revenue when "available", but the statement of activities includes the full amount of special assessments as revenue upon completion of the project at the point when an enforceable claim arises.	21,733
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	186,268
Governmental funds do not reflect the change in accrued leave, but the statement of activities reflects the change in accrued leave through expenditures.	10,375
Change in Net Position of Governmental Activities	$ 3,502,969

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon

Statement of Net Position – Proprietary Funds

December 31, 2025

	Enterprise Funds			Non-Major	
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	Totals
Assets:					
Current Assets:					
Cash and cash equivalents	$ 2,330,601	$ 2,329,425	$ 868,958	$ 67,146	$ 5,596,130
Investments-certificates of deposit	609,666	201,922	--	655	812,243
Accounts receivable, net	296,178	392,229	16,582	34,618	739,607
Supply inventory	55,433	--	63,271	--	118,704
Prepaid expense	--	--	2,375	--	2,375
Total Current Assets	3,291,878	2,923,576	951,186	102,419	7,269,059
Noncurrent Assets:					
Restricted cash and cash equivalents	896,759	258,036	--	--	1,154,795
Capital assets:					
Land	271,732	583,935	1,801,162	--	2,656,829
Buildings	12,075,664	3,747,630	1,441,723	--	17,265,017
Improvements other than buildings	16,068,345	25,987,120	3,208,872	140,553	45,404,890
Machinery and equipment	1,952,383	761,386	1,203,804	--	3,917,573
Intangible assets	--	--	366,274	--	366,274
Accumulated depreciation	(8,629,125)	(7,513,525)	(2,418,573)	(23,260)	(18,584,483)
Accumulated amortization	--	--	(73,255)	--	(73,255)
Construction in Progress	28,970,973	3,544,923	--	--	32,515,896
Total Capital Assets:	50,709,972	27,111,469	5,530,007	117,293	83,468,741
Net pension asset	5,895	--	3,810	--	9,705
Total Noncurrent Assets	51,612,626	27,369,505	5,533,817	117,293	84,633,241
Total Assets	54,904,504	30,293,081	6,485,003	219,712	91,902,300
Deferred Outflows of Resources:					
Pension related deferred outflows	101,037	54,504	77,380	--	232,921
Liabilities:					
Current Liabilities:					
Accounts payable	7,587	728,803	3,128	1,365	740,883
Accrued wages	3,280	1,995	2,679	--	7,954
Accrued interest payable	384,380	72,517	--	--	456,897
Accrued taxes payable	448	248	10,927	--	11,623
Contracts payable--retained percentage	1,276,447	--	--	--	1,276,447
Unearned revenue	8,578	--	186,526	--	195,104
Current portion of long term debt	607,367	379,726	95,457	--	1,082,550
Total Current Liabilities	2,288,087	1,183,289	298,717	1,365	3,771,458
Noncurrent Liabilities:					
Bonds payable:					
Revenue	23,458,433	6,091,051	--	--	29,549,484
Accrued leave payable	103,738	52,424	108,484	--	264,646
Lease liabilities	--	--	230,388	--	230,388
Net pension liability	--	6,249	--	--	6,249
Total Noncurrent Liabilities	23,562,171	6,149,724	338,872	--	30,050,767
Total Liabilities	25,850,258	7,333,013	637,589	1,365	33,822,225
Deferred Inflows of Resources:					
Pension related deferred inflows	62,049	25,201	44,903	--	132,153
Total Deferred Inflows of Resources	62,049	25,201	44,903	--	132,153
Net Position:					
Net investment in capital assets	26,644,172	20,640,692	5,434,550	117,293	52,836,707
Restricted net position restricted for:					
Debt service	896,759	258,036	--	--	1,154,795
SDRS pension purposes	44,883	23,054	36,288	--	104,225
Unrestricted net position	1,507,420	2,067,589	409,053	101,054	4,085,116
Total Net Position	$ 29,093,234	$ 22,989,371	$ 5,879,891	$ 218,347	$ 58,180,843

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Year Ended December 31, 2025

	Enterprise Funds			Non-Major	
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	Totals
Operating Revenues:					
Charges for goods and services	$ 2,410,015	$ 3,824,771	$ 1,850,526	$ 317,289	$ 8,402,601
Surcharges for debt	1,322,046	193,108	--	--	1,515,154
Other	107,171	80,319	35,124	4,806	227,420
Total Operating Revenues	3,839,232	4,098,198	1,885,650	322,095	10,145,175
Operating Expenses:					
Personal services	543,228	310,832	735,763	--	1,589,823
Other current expense	913,069	2,589,732	540,091	282,968	4,325,860
Materials	--	286,734	99,453	29,472	415,659
Amortization	--	--	73,255	--	73,255
Depreciation	686,869	675,990	257,193	6,033	1,626,085
Total Operating Expenses	2,143,166	3,863,288	1,705,755	318,473	8,030,682
Operating Income (Loss)	1,696,066	234,910	179,895	3,622	2,114,493
Nonoperating Revenues/(Expenses):					
Operating grants	--	119,879	--	--	119,879
Investment earnings	143,776	49,286	--	290	193,352
Interest expense	(997,599)	(270,930)	(23,218)	--	(1,291,747)
Gain (Loss) on disposal of fixed assets	(35,614)	--	--	--	(35,614)
Total Nonoperating Revenue/(Expenses)	(889,437)	(101,765)	(23,218)	290	(1,014,130)
Net Income Before Transfers	806,629	133,145	156,677	3,912	1,100,363
Transfers out	(405,111)	(565,758)	--	--	(970,869)
Net Change in Net Position	401,518	(432,613)	156,677	3,912	129,494
Net Position - Beginning of Year	28,691,716	23,421,984	5,723,214	214,435	58,051,349
Net Position - End of Year	$ 29,093,234	$ 22,989,371	$ 5,879,891	$ 218,347	$ 58,180,843

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon
Statement of Cash Flows – Proprietary Funds
For the Year Ended December 31, 2025

	Water Fund	Sewer Fund	Golf Course Fund	Non-Major Electric Fund	Totals
Cash Flows from Operating Activities:					
Receipt from customers	$ 3,845,576	$ 4,270,272	$ 1,895,909	$ 321,173	$ 10,332,930
Payments to suppliers	(726,725)	(4,006,563)	(657,222)	(312,291)	(5,702,801)
Payments to employees	(583,629)	(327,292)	(747,695)	--	(1,658,616)
Net Cash Provided (Used) by Operating Activities:	2,535,222	(63,583)	490,992	8,882	2,971,513
Cash Flows From Noncapital Financial Activities:					
Transfers (to) other funds	(405,111)	(565,758)	--	--	(970,869)
Net Cash (Used) by Noncapital Financing Activities:	(405,111)	(565,758)	--	--	(970,869)
Cash Flows from Capital and Related Financing Activities:					
Operating grants	--	119,879	--	--	119,879
Purchase of capital assets	(2,659,330)	(1,578,142)	(469,924)	--	(4,707,396)
Proceeds of long term debt	--	--	366,274	--	366,274
Payments on long term debt	(589,315)	(372,039)	(158,047)	--	(1,119,401)
Debt interest paid	(1,004,751)	(269,366)	(25,159)	--	(1,299,276)
Change in restricted cash	(678,538)	86,376	--	(285)	(592,447)
Net Cash (Used) by Capital and Related Financing Activities:	(4,931,934)	(2,013,292)	(286,856)	(285)	(7,232,367)
Cash Flows from Investing Activities:					
Interest earnings	143,776	49,286	--	290	193,352
Net Cash Provided by Investing Activities	143,776	49,286	--	290	193,352
Net Increase (Decrease) in Cash and Cash Equivalents	(2,658,047)	(2,593,347)	204,136	8,887	(5,038,371)
Cash and Cash Equivalents - Beginning of Year	4,988,648	4,922,772	664,822	58,259	10,634,501
Cash and Cash Equivalents - End of Year	$ 2,330,601	$ 2,329,425	$ 868,958	$ 67,146	$ 5,596,130

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Brandon
Statement of Cash Flows – Proprietary Funds
For the Year Ended December 31, 2025 (Continued)

Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by Operating Activities:					
Operating income	$ 1,696,066	$ 234,910	$ 179,895	$ 3,622	$ 2,114,493
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Provided by operating activities:					
Depreciation expense	686,869	675,990	257,193	6,033	1,626,085
Amortization expense	--	--	73,255	--	73,255
(Increase) decrease in:					
Receivables	32,711	172,074	(12,680)	(922)	191,183
Prepaid expenses	--	--	1,845	--	1,845
Inventories	(34,683)	--	(9,862)	--	(44,545)
Increase (decrease) in:					
Accounts and other payables	186,344	(1,125,108)	(19,523)	149	(958,138)
Pension related deferred outflows and inflows	(24,348)	(13,847)	(19,756)	--	(57,951)
Accrued wages and leave payable	(16,053)	(2,613)	7,824	--	(10,842)
Unearned revenue	8,316	(4,989)	32,801	--	36,128
Cash Flows Provided (Used) by Operating Activities	$ 2,535,222	$ (63,583)	$ 490,992	$ 8,882	$ 2,971,513
Noncash Investing, Capital and Financing Activities					
Loss on disposal of capital assets not affecting operating income	$ 35,614	$ --	$ --	$ --	$ 35,614

The accompanying Notes to Financial Statements are an integral part of this statement.

1. Summary of Significant Accounting Policies:

a. Financial Reporting Entity:

The reporting entity of the City of Brandon consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility), those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation:

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

1. Summary of Significant Accounting Policies: (Continued)

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City's financial reporting entity are described below:

Governmental Funds:

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

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

The following Special Revenue Funds are not considered major funds: Third Cent Sales Tax Fund, Street Maintenance Fund, Surface Transportation Program Fund, Revolving Loan Fund, and the Stormwater Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The following Debt Service Funds are not considered major funds: TIF #5 Fund, TIF #6 Fund, TIF #7 Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Capital Projects Funds – capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments).

The following Capital Projects are not considered to be major funds: Rushmore --Phase 3 Project Fund, Core Area Reconstruction – Phase 2b Project, and the Ironwood SPA Project Fund.. These funds are reported on the fund financial statements as part of "Other Governmental Funds" and is detailed in the combining statement section.

1. Summary of Significant Accounting Policies: (Continued)

Proprietary Funds:

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

a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)

b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.

c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Water Fund – financed primarily by user charges, this fund accounts for the construction and operation of the City waterworks system and related facilities (SDCL 9-47-1). This is a major fund.

Sewer Fund – financed primarily by user charges, this fund accounts for the construction and operation of the City sanitary sewer system and related facilities (SDCL 9-48-2). This is a major fund.

Golf Course Fund – financed by user charges, this fund accounts for the operations of the golf course services. This is a major fund.

Electric Fund – financed primarily by user charges, this fund accounts for the operations of electric services. This is not a major fund.

c. Measurement Focus and Basis of Accounting:

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

1. Summary of Significant Accounting Policies: (Continued)

Measurement Focus:

Government-Wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary fund types.

Basis of Accounting:

Government-Wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the City of Brandon is 30 days. The revenues which are accrued at December 31, 2025 are amounts due from other governments, and other receivables due within 30 days.

Under the modified accrual basis of accounting, receivables may be measured but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenues, where asset recognition criteria have been met but for which revenue recognition criteria have not been met, are reported as a deferred inflow of resources.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

1. Summary of Significant Accounting Policies: (Continued)

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns.

e. Deposits and Investments:

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

Investments classified in the financial statements consist primarily of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investments authorized by South Dakota Codified Law (SDCL) 4-5-6.

f. Capital Assets:

Capital assets include land, buildings, improvements other than buildings, furnishings, machinery and equipment, construction in progress, intangible lease assets and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. *Infrastructure assets* are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations, and whether they are reported in government-wide or fund financial statements.

Government-Wide Financial Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their acquisition value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant, and which extend to useful file of a capital asset are also capitalized.

1. Summary of Significant Accounting Policies: (Continued)

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems and lighting systems, acquired prior to January 1, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004 are recorded at cost and classified as “Improvements other than Buildings”.

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP. Capital assets used in business-type activities/proprietary fund operations, construction-period interest is also not capitalized; this is in accordance with USGAAP.

Depreciation/Amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to common use assets for which allocation would be unduly complex, and which reported as Unallocated Depreciation/Amortization, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation/amortization is reported on the government-wide Statement of Net Position and on each proprietary fund’s Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
*Land and land rights	All	N/A	N/A
Improvements other than buildings	$ 5,000	Straight-line	25-75 years
Buildings	25,000	Straight-line	25-75 years
Machinery and equipment	5,000	Straight-line	7-10 years
Intangible assets (Leases & SBITAs)	50,000	Straight-line	> 1 year
Furniture	5,000	Straight-line	7-10 years
Infrastructure	All	Straight-line	25-75 years

*Land, an inexhaustible capital asset, is not depreciated/amortized.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide financial statements.

1. Summary of Significant Accounting Policies: (Continued)

g. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of state revolving loans, revenue bonds, premiums on bonds, intangible lease liabilities, and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide financial statements.

h. Leases:

The City is for a lessee a noncancellable lease of golf carts and a noncancellable lease for golf course equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with initial, individual values of $50,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

1. Summary of Significant Accounting Policies: (Continued)

i. Subscription-Based Information Technology Arrangements:

The City has not entered into subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements if this should happen. This City recognizes subscription liabilities with an initial, individual value of $50,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscription include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

j. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

1. Summary of Significant Accounting Policies: (Continued)

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

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

k. Deferred Inflows and Deferred Outflows of Resources:

In addition to assets, the statement of financial position 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 until the applicable future period.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period.

l. Proprietary Funds Revenue and Expense Classifications:

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

m. Cash and Cash Equivalents:

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

n. Equity Classifications:

Government-Wide Financial Statements:

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

1. Summary of Significant Accounting Policies: (Continued)

1. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisitions, construction or improvement of those assets.

2. Restricted net position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

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

o. Application of Net Position:

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

p. Fund Balance Classification Policies and Procedures:

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

Nonspendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the City Council.

Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

1. Summary of Significant Accounting Policies: (Continued)

The Nonspendable Fund Balance is comprised of the following:

- Amount reported in non-spendable form, such as inventory and prepaid expenses.
- Amount legally or contractually required to be maintained intact, such as notes receivable in the Revolving Loan Fund.

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

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

q. Pensions:

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), 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. City contributions and net pension liability (asset) are recognized on an accrual basis of accounting.

2. Deposits and Investments Fair Value Measurement, Credit Risk, Concentrations of Credit Risk and Interest Rate Risk:

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

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

Investments – In General, SDCL 4-5-6 permits City 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) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

2. Deposits and Investments Fair Value Measurement, Credit Risk, Concentrations of Credit Risk and Interest Rate Risk: (Continued)

As of December 31, 2025, the investments reported in the financial statements consist of only certificates of deposit.

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

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

Deposits are reported at cost, plus interest, if the account is of the add-on type.

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

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

3. Restricted Cash and Investments:

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

Fund	Amount:	Purpose:
General Fund	$ 432,500	Debt Services, by debt covenants
Water Fund	896,759	Debt Services, by debt covenants
Sewer Fund	258,036	Debt Services, by debt covenants
Total	$ 1,587,295	

4. Receivables and Payables:

Receivables and payables are not aggregated in these financial statements. The City expects all receivables to be collected within one year, except for $197,274 of receivables related to economic development loans to qualifying businesses reported in the Brandon Revolving Fund. This is a summary of Economic Development Loans receivable as of December 31, 2025.

Government Activities:

Years Ending Dec. 31,	Dakota Storage Loan		COVID Response Loans		Xtremely Clean	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 6,348	$ --	$ 10,833	$ --	$ 19,341	$ --
2027	6,477	--	--	--	20,392	--
2028	6,607	--	--	--	21,496	--
2029	6,741	--	--	--	12,635	--
2030	6,877	--	--	--	--	--
Thereafter	79,527	--	--	--	--	--
Total	$ 112,577	$ --	$ 10,833	$ --	$ 73,864	$ --

5. Inventory:

Inventory in the General Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Inventory acquired for resale in the proprietary funds is recorded as an asset when acquired. The consumption of inventories held for resale is charged to expense as it is consumed. Inventories held for resale are recorded at the lower of cost or market, on the first-in, first-out cost flow assumption.

Government-Wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, purchases of supply inventory items are recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

6. Property Taxes:

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

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

7. Changes in Capital Assets:

A summary of changes in capital assets for the year ended December 31, 2025 is as follows:

	Balance 12/31/2024	Increases	Decreases	Balance 12/31/2025
Governmental Activities:				
Capital assets, not being depreciated/amortized				
Land	$ 3,100,109	$ --	$ --	$ 3,100,109
Construction in progress	5,317,099	720,086	4,432,612	1,604,573
Total, not being depreciated/amortized	8,417,208	720,086	4,432,612	4,704,682
Capital assets, being depreciated/amortized				
Buildings	5,072,847	40,409	--	5,113,256
Improvements	48,809,669	4,991,415	--	53,801,084
Machinery & Equipment	4,455,749	615,994	88,206	4,983,537
Total, being depreciated/amortized	58,338,265	5,647,818	88,206	63,897,877
Less accumulated depreciation/amortization for:				
Buildings	2,137,622	121,872	--	2,259,494
Improvements	16,228,503	2,105,155	--	18,333,658
Machinery & Equipment	2,499,674	361,712	76,461	2,784,925
Total accumulated depreciation/amortization	20,865,799	2,588,739	76,461	23,378,077
Capital Assets Net	$ 45,889,674	$ 3,779,165	$ 4,444,357	$ 45,224,482

Depreciation/amortization expense was charged to functions as follows:

General government	$ 24,569
Public safety	82,552
Public works	1,955,153
Culture and recreation	494,431
Conservation and Development	32,034
Total Depreciation/Amortization Expense - Governmental Activities	$ 2,588,739

7. Changes in Capital Assets: (Continued)

A summary of changes in capital assets for the year ended December 31, 2025 is as follows: (Continued)

	Balance 12/31/2024	Increases	Decreases	Balance 12/31/2025
Business-Type Activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 2,656,829	$ --	$ --	$ 2,656,829
Construction in progress	31,183,607	4,008,063	2,675,774	32,515,896
Total, not being depreciated/amortized	33,840,436	4,008,063	2,675,774	35,172,725
Capital assets, being depreciated/amortized:				
Buildings	17,257,938	7,079	--	17,265,017
Improvements	42,656,147	2,748,743	--	45,404,890
Machinery & Equipment	3,841,697	253,011	177,135	3,917,573
Intangible Lease Assets	148,297	366,274	148,297	366,274
Total, being depreciated/amortized	63,904,079	3,375,107	325,432	66,953,754
Less accumulated depreciation/amortization for:				
Buildings	3,314,756	342,455	--	3,657,211
Improvements	11,084,561	1,063,344	--	12,147,905
Machinery & Equipment	2,700,601	220,286	141,520	2,779,367
Intangible Lease Assets	148,297	73,255	148,297	73,255
Total accumulated depreciation/amortization	17,248,215	1,699,340	289,817	18,657,738
Capital Assets Net	$ 80,496,300	$ 5,683,830	$ 2,711,389	$ 83,468,741

Depreciation/Amortization expense was charged to functions as follows:

Water	$ 686,869
Electric	6,033
Sewer	675,990
Amortization	73,255
Golf Course	257,193
Total Depreciation/Amortization Expense - Business-Type Activities	$ 1,699,340

7. Changes in Capital Assets: (Continued)

Construction Work in Progress at December 31, 2025 is composed of the following:

Project Name	Project Authorization	Expended thru 12/31/2025	Committed
Governmental Activities			
Ironwood Street Expansion-SPA	$ 2,741,520	$ 126,351	$ 2,615,169
Big Sioux Rec Drainage	1,000,000	921,574	78,426
City Hall	565,000	268,990	296,010
Bluff Tract 5 Shared Use Path	717,670	9,937	707,733
Rushmore Phase 3	565,795	277,721	288,074
Total Governmental Activities	5,589,985	1,604,573	3,985,412
Business-Type Activities			
Water Treatment Plant Expansion	28,981,843	28,970,973	10,870
Dual Forcemain to Sioux Falls	4,780,445	3,480,901	1,299,544
Pool Liftstation Improvements	79,539	45,439	34,100
Bethany Lift Station	20,000	18,583	1,417
Total Business-Type Activities	33,861,827	32,515,896	1,345,931
Total Work in Progress	$ 39,451,812	$ 34,120,469	$ 5,331,343

8. Long-Term Debt:

A summary of changes in long-term debt follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government					
Government Activities:					
Bonds Payable:					
Revenue	$ 26,010,604	$ --	$ 1,474,890	$ 24,535,714	$ 1,706,247
Premiums on bonds	1,564,534	--	115,678	1,448,856	115,678
Total Debt	27,575,138	--	1,590,568	25,984,570	1,821,925
Accrued Leave	463,106	452,731	463,106	452,731	--
Total Governmental Activities	28,038,244	452,731	2,053,674	26,437,301	1,821,925
Business-Type Activities:					
Bonds Payable:					
Revenue	22,684,174	--	639,112	22,045,062	658,220
Premium on Debt	1,470,041	--	61,804	1,408,237	61,804
State Revolving Funds	7,343,714	--	260,439	7,083,275	267,069
Intangible Lease	117,621	366,273	158,049	325,845	95,457
Total Debt	31,615,550	366,273	1,119,404	30,862,419	1,082,550
Pension Liability	6,569	--	320	6,249	--
Accrued Leave	245,867	264,646	245,867	264,646	--
Total Business-Type Activities	31,867,986	630,919	1,365,591	31,133,314	1,082,550
Total Primary Government	$ 59,906,230	$ 1,083,650	$ 3,419,265	$ 57,570,615	$ 2,904,475

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2025, is comprised of the following:

Governmental Activities:

Revenue Bonds:

Sales Tax Revenue Bonds, Series 2019A Fire Department	During March, 2020, the city entered into an agreement to receive sales tax revenue bonds for $780,477 with an interest rate of 3.0%. The final payment is due September, 2035. This debt is serviced by the General Fund.	$ 530,714
Sales Tax Revenue Bonds, Series 2023	During March 2023, the city entered into an agreement to receive sales tax revenue bonds for $4,445,000 with an interest rate of 5.0%. The final payment is due September, 2038. This debt is serviced by the General Fund.	4,110,000
Sales Tax Revenue Bonds, Series 2019B Holly/Main Project	During June, 2020, the city entered into an agreement to receive sales tax revenue bonds for $6,500,000 with an interest rate of 3.0%. The final payment is due December, 2034. This debt is serviced by the General Fund.	4,250,000
Sales Tax Revenue Bonds, Series 2024 - Core 2B	During April, 2024, the city entered into an agreement to receive sales tax revenue bonds for $3,320,000 with an interest rate of 5.0%. The final payment is due June, 2039. This debt is serviced by the General Fund.	3,320,000
Sales Tax Revenue Bonds, Series 2019C Brandon Park	During June, 2020, the city entered into an agreement to receive sales tax revenue bonds for $2,000,000 with an interest rate of 3.0%. The final payment is due December, 2034. This debt is serviced by the General Fund.	1,310,000
Sales Tax Revenue Bonds, Series 2020 Core Phase	During February, 2021, the city entered into an agreement to receive sales tax revenue bonds for $6,475,000 with an interest rate of 3.0%. The final payment is due August, 2040. This debt is serviced by the General Fund.	5,190,000

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2025, is comprised of the following: (Continued)

Sales Tax Revenue Bonds, Series 2021 Rushmore Phase I	During March, 2022, the city entered into an agreement to receive sales tax revenue bonds for $4,150,000 with an interest rate of 3.0%. The final payment is due September, 2036. This debt is serviced by the General Fund.	3,240,000
Premium on Long Term Debt	The premium on long term debt issued is being amortized. This debt is serviced by the General Fund.	1,448,856
Sales Tax Revenue Bonds, Series 2022 Core Area	During February, 2023, the city entered into an agreement to receive sales tax revenue bonds for $3,000,000 with an interest rate of 5.0%. The final payment is due August, 2037. This debt is serviced by the General Fund.	2,585,000
Total Revenue Bond Debt		25,984,570
Accrued Leave Payable	The liability for accrued leave represents leave benefits earned as of December 31, 2025. This debt is serviced by the General Fund.	452,731
Total Governmental Activities Debt		$ 26,437,301

Business-type Activities:

State Revolving Fund (SRF) Loans:

Series 2020 State Revolving Fund	During fiscal year 2023, the city did another drawdown on this note for $518,884. At the rate of 2.125%, the final payment is January, 2053. This debt will be repaid from the Water Fund.	$ 5,313,085
Series 2018 State Revolving Fund	During fiscal year 2018, the city finalized an agreement to receive $2,598,000 on an SRF loan. At the rate of 3%, the final payment is January, 2038. This debt will be repaid from the Sewer Fund.	1,770,190
Total State Revolving Fund Debt		7,083,275

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2025, is comprised of the following: (Continued)

Revenue Bonds:

Utility Revenue Bonds, Series 2020, Well #8	During December, 2020, the city entered into an agreement for Water Utility Revenue bonds in the amount of $1,000,000. These bonds have a 2.0% fixed rate and the final payment is due December 1, 2029. This debt is serviced by the Water Fund.	415,000
Sewer Revenue Bonds, Series 2024	During October, 2024, the city entered into an agreement for Sewer Utility Revenue bonds in the amount of $3,035,000. (premium of 300,561) These bonds have a 5.0% fixed rate and the final payment is due September 15, 2039. This debt is serviced by the Sewer Fund.	3,170,523
Utility Revenue Bonds, Series 2020, Well #8	During January, 2018, the city entered into an agreement for Utility Revenue bonds in the amount of $2,110,000. These bonds have a 4.56% fixed rate and the final payment is due February, 2038. This debt is serviced by the Sewer Fund.	1,530,063
Water Surcharge Revenue Bonds, Series 2022	During February, 2023, the city entered into an agreement for Water Surcharge Revenue bonds in the amount of $18,080,000. These bonds have a varying rate of 4 to 5% rate and the final payment is due December, 2052. This debt is serviced by the Water Fund.	18,337,713
Total Revenue Bond Debt		23,453,299

Leases Payable:

Huntington National Bank in Plymouth, MN	During January, 2021, the city entered into an agreement to lease GPS equipment for $122,189 with an interest rate of 2.89%. This lease has a final payment due January, 2026. This debt is serviced by the Golf Course Fund.	25,857

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2025, is comprised of the following: (Continued)

Wells Fargo Bank	During April 2025, the City entered into an agreement to lease golf carts for $366,274 with an interest rate of 5%. This lease has a final payment due April, 2029. This debt is serviced by the Golf Course Fund.	299,988
Total Leases Payable		325,845
Pension Liability	Pension Liability	6,249
Accrued Leave Payable	The liability for accrued leave represents leave benefits earned as of December 31, 2025. This debt is serviced by the proprietary fund making the payroll payment.	264,646
Total Business Activity Debt		31,133,314
Grand Total		$ 57,570,615

The annual requirements to amortize all debt outstanding as of December 31, 2025, except for compensated absences are as follows:

Government Activities:

Years Ending Dec. 31,	**Revenue Bonds**	
	Principal	**Interest**
2026	$ 1,821,925	$ 920,381
2027	1,873,322	857,758
2028	1,944,762	792,969
2029	1,996,246	725,436
2030	2,052,774	661,517
2031-2035	10,705,330	2,695,269
2036-2040	5,590,211	479,425
Total	$ 25,984,570	$ 7,132,755

8. Long-Term Debt: (Continued)

The annual requirements to amortize all debt outstanding as of December 31, 2025, except for compensated absences are as follows: (Continued)

Business-Type Activities:

Years Ending Dec. 31,	**Revenue Bonds**		**State Revolving Loans**	
	Principal	**Interest**	**Principal**	**Interest**
2026	$ 720,024	$ 1,085,920	$ 267,069	$ 163,496
2027	759,323	1,056,371	273,873	156,691
2028	783,821	1,025,023	280,856	149,709
2029	818,526	992,468	288,021	142,543
2030	748,449	958,196	136,894	36,322
2031-2035	4,254,394	4,275,579	1,576,438	576,384
2036-2040	4,502,553	3,325,321	1,295,064	381,414
2041-2045	3,733,835	2,457,525	1,022,344	264,398
2046-2050	4,818,835	1,401,400	1,136,629	150,113
2051-2055	2,313,539	185,625	806,087	30,294
Total	$ 23,453,299	$ 16,763,428	$ 7,083,275	$ 2,051,364

Years Ending Dec. 31,	**Leases Payable**		**Total**	
	Principal	**Interest**	**Principal**	**Interest**
2026	$ 95,457	$ 15,747	$ 1,082,550	$ 1,265,163
2027	73,081	11,519	1,106,277	1,224,581
2028	76,735	7,865	1,141,412	1,182,597
2029	80,572	4,029	1,187,119	1,139,040
2030	--	--	885,343	994,518
2031-2035	--	--	5,830,832	4,851,963
2036-2040	--	--	5,797,617	3,706,735
2041-2045	--	--	4,756,179	2,721,923
2046-2050	--	--	5,955,464	1,551,513
2051-2055	--	--	3,119,626	215,919
Total	$ 325,845	$ 39,160	$ 30,862,419	$ 18,853,952

9. Leases:

The City leased golf carts through Wells Fargo Equipment Finance. This equipment had an original cost of $366,274 and accumulated amortization of $73,255 as of December 31, 2025.

10. Wastewater Agreement:

In October 2015, the City of Brandon entered into a 20-year agreement with the City of Sioux Falls to obtain wastewater treatment services. An annual administrative fee of $2,000 is paid by the City of Brandon to the City of Sioux Falls along with a 2022 rate of $4.59 per 1,000 gallons of wastewater discharged from the sewer system of Brandon in to the Sioux Falls Wastewater Treatment Facility. The annual administrative fee is for the role of implementation and enforcement of Industrial Pretreatment Program on industrial users in Brandon. The City of Brandon also pays the rates, surcharges and Regional SDC's as established by the Sioux Falls City Council, and adopted in the Code of Ordinances of Sioux Falls for its Regional Wastewater System. Payments are made from the City's Sewer Fund.

11. Restricted Net Position:

Restricted Net Position for the year ended December 31, 2025 was as follows:

	Governmental Funds	Proprietary Funds	Total
Debt service	$ 994,398	$ 1,154,795	$ 2,149,193
Capital projects	2,539,203	--	2,539,203
SDRS pension purposes	343,583	104,225	447,808
Total	$ 3,877,184	$ 1,259,020	$ 5,136,204

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

12. Interfund Transfers:

Interfund transfers for the year ended December 31, 2025 were as follows:

Transfer from the Street Fund to the Rushmore Project Phase 3 Fund to help fund the project.	$	183,426
Transfer from the General Fund to the Ironwood SPA Project Fund to fund professional services.	$	20,959
Transfer from the Core Area Phase 2B Fund to the Rushmore Project Phase 3 Fund to help fund the project.	$	94,295
Transfer from Water Fund to General Fund for Engineering Fees.	$	405,111
Transfer from Sewer Fund to General Fund for Engineering Fees.	$	565,758

13. Pension Plan:

Plan Information:

All employees, working for more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://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.

13. Pension Plan: (Continued)

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. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

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 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.

13. 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 statue to contribute the following percentages of their salary to the plan; Class A members, 6% of salary; Class B Judicial Members, 9% of salary; and Class B Public Safety Members, 8% of salary. State Statute also requires the employer to contribute an amount equal to the employee's contribution. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2025, 2024, and 2023, equal to the required contributions each year as follows:

2025	$	241,963
2024		218,923
2023		205,633

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:

At June 30, 2025, SDRS is 100.1% 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 City as of this measurement period ending June 30, 2025, and reported by the City as of December 31, 2025 are as follows:

Proportionate share of pension liability	$ 19,307,100
Less proportionate share of total pension restricted for pension benefits	19,317,859
Proportionate share of net pension liability (asset)	$ (10,759)

At December 31, 2025, the City reported an asset of ($17,007) and a liability of $6,248 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025 and the total pension asset used to calculate the net pension asset was based on a projection of the City's share of contributions to the plan relative to the contributions of all participating entities. At June 30, 2025, the City's proportion was 0.126496%, which is an increase of 0.000180% from its proportion measured as of June 30, 2024.

13. Pension Plan: (Continued)

For the year ended December 31, 2025 the City recognized a reduction of pension expense of $244,210. At December 31, 2025, the City 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
Difference between expected and actual experience	$ 368,346	$ --
Changes in assumption	--	571,082
Net Difference between projected and actual earnings on pension plan investments	524,195	--
Changes in proportion and difference between City contributions and proportionate share of contributions	--	11,264
City contributions subsequent to the measurement date	126,854	--
Total Revenues	$ 1,019,395	$ 582,346

$126,854 reported as deferred outflow of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions recognized in pension expense (reduction of pension expense) as follows:

Year Ended December 31:	
2026	$ 241,109
2027	23,673
2028	16,693
2029	28,720
	$ 310,195

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.56%

13. Pension Plan: (Continued)

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, 2025, valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2021.

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

13. Pension Plan: (Continued)

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, 2025 (see discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.9%
Real estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of Liability to Changes in the Discount Rate:

The following presents the City's proportionate share of net pension asset calculated using the discount rate of 6.50 percent, as well as what the City'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:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset)	$ 2,636,723	$ (10,759)	$ (2,179,678)

Pension Plan Fiduciary Net Position:

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

14. Risk Management:

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2025, the City managed its risks as follows:

Employee Health Insurance:

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

The City carries a $1,000 deductible for the automobile collision coverage, $250 deductible for official's liability and $5,000 for Law Enforcement liabilities.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liabilities coverage.

Worker's Compensation:

The City joined the South Dakota City League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of $2,000,000 per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

14. Risk Management: (Continued)

Unemployment Benefits:

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

During the year ended December 31, 2025, no claims were filed for unemployment benefits. At December 31, 2025, no claims were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next year.

15. Implementation of New Accounting Standard:

In 2025, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, paid time off (PTO), and other similar benefits. This Statement supersedes the guidance previously provided in GASB Statement No. 16 and aims to improve the consistency and comparability of financial statements by requiring liabilities for compensated absences to be recognized as the benefits are earned, rather than when they are paid or become due. Under GASB 101, a liability is recognized for leave that accumulates and vests or is reasonably certain of being used. The Statement also provides specific guidance on measurement, recognition timing, and disclosure requirements to improve transparency regarding compensated absences. The implementation of GASB 101 did not result in a restatement of the beginning net position, as the effects of the standard were either immaterial or already consistent with the City's existing accounting practices.

16. Violations of Finance-Related Legal and Contractual Provisions:

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

General Fund	Year Ended 2025
Publications	$ 1,766
Elections	1,283
Health	1,460

Required Supplementary Information

City of Brandon
Budgetary Comparison Schedules-Budgetary Basis – General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Revenue from Local Sources:				
Taxes:				
General property tax	$ 3,890,907	$ 3,890,907	$ 3,874,501	$ (16,406)
General sales and use tax	5,000,000	5,000,000	5,881,458	881,458
Penalties and interest on taxes	3,500	3,500	3,352	(148)
Licenses and permits	246,290	246,290	321,003	74,713
Intergovernmental:				
Federal grants	265,079	265,079	182,711	(82,368)
State grants	34,301	34,301	--	(34,301)
State shared revenues				
Bank franchise tax	105,000	105,000	161,490	56,490
Motor vehicle commercial prorate	6,000	6,000	6,715	715
Liquor tax reversion	70,000	70,000	73,785	3,785
Motor vehicle licenses (5%)	60,000	60,000	78,162	18,162
Local government highway and bridge fund	58,000	58,000	75,199	17,199
County Shared Revenue:				
County wheel tax	11,000	11,000	14,452	3,452
Charges for Goods and Services:				
General government	5,500	5,500	18,349	12,849
Public safety	82,200	82,200	91,342	9,142
Sanitation	1,000	1,000	4,643	3,643
Culture and recreation	228,298	228,298	274,589	46,291
Fines and Forfeits:				
Court fines and costs	3,000	3,000	5,930	2,930
Miscellaneous Revenue:				
Investment earnings	100,000	100,000	278,070	178,070
Rentals	--	--	500	500
Special assessments	--	--	695	695
Contributions and donations	--	--	100	100
Other	15,000	15,000	41,290	26,290
Total Revenues	$ 10,185,075	$ 10,185,075	$ 11,388,336	$ 1,203,261

City of Brandon
Budgetary Comparison Schedules-Budgetary Basis – General Fund
For the Year Ended December 31, 2025 (Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures				
General Government:				
Mayor & council	$ 59,355	$ 59,355	$ 51,758	$ 7,597
Publications	30,000	30,000	31,766	(1,766)
Elections	1,950	1,950	3,233	(1,283)
Executive Admin	293,635	293,635	280,027	13,608
Financial administration	468,538	498,538	458,817	39,721
Legal	68,000	68,000	45,659	22,341
General Government Building	1,062,646	1,062,646	715,875	346,771
Public Safety:				
Police	2,488,491	2,488,491	2,367,071	121,420
Fire	398,831	424,831	418,775	6,056
Building inspection	292,367	292,367	276,145	16,222
Other protection	173,000	173,000	154,720	18,280
Public Works:				
Highways and streets	1,076,315	1,336,315	941,998	394,317
Sanitation	3,500	3,500	3,379	121
Transit	237,271	237,271	195,485	41,786
Health and Welfare:				
Health	8,100	8,100	9,560	(1,460)
Culture and Recreation:				
Recreation	463,763	463,763	425,779	37,984
Parks	1,226,133	1,226,133	1,155,373	70,760
Libraries	55,000	55,000	47,918	7,082
Conservation and Development:				
Economic Development and Assistance	157,345	157,345	138,386	18,959
Debt Service	5,296,549	5,296,549	2,555,029	2,741,520
Contingency	75,000	75,000	--	75,000
Total Expenditures	13,935,789	14,251,789	10,276,753	3,975,036
Excess of Revenues Over Expenditures	(3,750,714)	(4,066,714)	1,111,583	5,178,297
Other Financing Sources:				
Transfers in	945,412	945,412	970,869	25,457
Transfers (out)	--	--	(20,959)	(20,959)
Sale of Municipal Property	--	--	9,578	9,578
Total Other Financing Sources	945,412	945,412	959,488	14,076
Net Changes in Fund Balance	(2,805,302)	(3,121,302)	2,071,071	5,192,373
Fund Balance, Beginning of Year	11,572,199	11,572,199	11,572,199	--
Fund Balance, End of Year	$ 8,766,897	$ 8,450,897	$ 13,643,270	$ 5,192,373

Note 1. Budgets and Budgetary Accounting:

The City follows these procedures in establishing the budgetary data reflected in the schedules:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board/City Commission introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the Governing Board/City Commission, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total City budget and may be transferred by resolution of the Governing Board/City Commission to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpended appropriations lapse at year end unless encumbered by resolution of the Governing Board/City Commission.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP).

Note 2. GAAP/Budgetary Accounting Basis Differences:

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

City of Brandon
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Years Ended December 31,

Calendar Year	City's Proportion of the Net Pension Liability/Asset	City's Proportionate Share of the Net Pension Liability/Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2025	0.126496%	$ (10,759)	$ 3,354,915	-0.32%	100.10%
2024	0.126316%	$ (5,113)	$ 3,165,013	-0.16%	100.00%
2023	0.122734%	$ (11,979)	$ 2,837,389	-0.42%	100.10%
2022	0.114041%	$ (10,778)	$ 2,418,600	-0.45%	100.10%
2021	0.108659%	$ (832,142)	$ 2,203,238	-37.77%	105.52%
2020	0.110488%	$ (4,798)	$ 2,170,841	-0.22%	100.04%
2019	0.113243%	$ (12,001)	$ 2,172,704	-0.55%	100.09%
2018	0.110529%	$ (2,578)	$ 2,145,528	-0.12%	100.02%
2017	0.107469%	$ (9,753)	$ 1,980,543	-0.49%	100.10%
2016	0.113972%	$ 384,987	$ 1,923,651	20.01%	96.89%

*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.

City of Brandon

Schedule of the City's Contributions (SDRS)

As of December 31,

Calendar Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 241,963	$ 241,963	$ --	$ 3,594,853	6.73%
2024	$ 218,923	$ 218,923	$ --	$ 3,252,786	6.73%
2023	$ 205,633	$ 205,633	$ --	$ 3,069,320	6.70%
2022	$ 174,345	$ 174,345	$ --	$ 2,596,208	6.72%
2021	$ 152,290	$ 152,290	$ --	$ 2,258,151	6.74%
2020	$ 146,814	$ 146,814	$ --	$ 2,187,970	6.71%
2019	$ 145,185	$ 145,185	$ --	$ 2,172,704	6.68%
2018	$ 143,439	$ 143,439	$ --	$ 2,145,528	6.69%
2017	$ 132,752	$ 132,752	$ --	$ 1,980,543	6.70%
2016	$ 128,889	$ 128,889	$ --	$ 1,923,651	6.70%

Changes from Prior Valuation

The June 30, 2025, Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2024, Actuarial Valuation.

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

Benefit Provision Changes

During the 2025 Legislative Session no significant SDRS benefit changes were made.

Actuarial Method Changes

No changes in actuarial methods were made since the prior valuation.

Actuarial Assumption Changes

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% 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, 2024, the FVFR, assuming the long-term COLA is equal to the baseline COLA assumption (2.25%), was less than 100% and the July 2025 SDRS COLA was limited to a restricted maximum of 1.71%. For the June 30, 2024, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.71%.

As of June 30, 2025, the FVFR, assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2026 SDRS COLA is limited to a restricted maximum of 1.56%. The July 2026 SDRS COLA will equal inflation, no less than 0% and no greater than 1.56%. For this June 30, 2025, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.56%.

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 changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027, Actuarial Valuation.

Supplementary Information

City of Brandon
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Capital Projects Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	$ 2,529,742	$ --	$ 43,950	$ 2,573,692
Investments-certificates of deposit	188,093	--	--	188,093
Special assessments receivable				
Current	1,191,173	--	--	1,191,173
Delinquent	14,436	--	--	14,436
Due from county governments	17,796	1,362	--	19,158
Notes Receivable	197,274	--	--	197,274
Total Assets	$ 4,138,514	$ 1,362	$ 43,950	$ 4,183,826
Liabilities and Fund Balances:				
Accounts payable	$ 9,494	$ --	$ 43,950	$ 53,444
Total Liabilities	9,494	--	43,950	53,444
Deferred Inflows of Resources:				
Special Assessments	1,205,609	--	--	1,205,609
Total Deferred Inflows of Resources	1,205,609	--	--	1,205,609
Fund Balances:				
Nonspendable - notes receivable	197,274	--	--	197,274
Restricted	1,894,130	1,362	--	1,895,492
Committed	832,007	--	--	832,007
Total Fund Balances	2,923,411	1,362	--	2,924,773
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,138,514	$ 1,362	$ 43,950	$ 4,183,826

City of Brandon
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Capital Projects Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes				
General property taxes	$ --	$ 102,165	$ --	$ 102,165
General sales taxes	367,166	--	--	367,166
Penalties and interest	2,227	16	--	2,243
Intergovernmental revenue				
State grants	419,168	--	--	419,168
Miscellaneous revenue				
Investment earnings	34,016	--	5,968	39,984
Special maintenance fee	869,554	--	--	869,554
Special assessments	515,689	--	--	515,689
Other	4,818	--	--	4,818
Total Revenue	2,212,638	102,181	5,968	2,320,787
Expenditures:				
Current:				
General government:				
Other	143,976	--	--	143,976
Public works:				
Highways and streets	1,192,307	--	1,728	1,194,035
Debt service	18,344	156,679	--	175,023
Capital outlay	174,070	--	443,315	617,385
Total Expenditures	1,528,697	156,679	445,043	2,130,419
Excess of Revenues Over (Under) Expenditures	683,941	(54,498)	(439,075)	190,368
Other Financing Sources:				
Transfers in	--	--	298,680	298,680
Transfers out	(183,426)	--	(94,295)	(277,721)
Total Other Financing Sources	(183,426)	--	204,385	20,959
Net Change in Fund Balance	500,515	(54,498)	(234,690)	211,327
Fund Balances- Beginning of Year, as previously presented	2,422,896	55,860	--	2,478,756
Change within financial reporting entity - (major to nonmajor fund)	--	--	234,690	234,690
Fund Balances- Beginning of Year, as adjusted	2,422,896	55,860	234,690	2,713,446
Fund Balances - End of Year	$ 2,923,411	$ 1,362	$ --	$ 2,924,773

City of Brandon

Combining Balance Sheet

Special Revenue Nonmajor Governmental Funds

December 31, 2025

	Special Revenue					
	Third Cent Sales Tax Fund	Street Maintenance Fund	Surface Transportation Program Fund	Revolving Loan Fund	Stormwater Fund	Total Nonmajor Special Revenue Funds
Assets:						
Cash and cash equivalents	$ 538,416	$ 188,833	$ 777,387	$ 391,085	$ 634,021	$ 2,529,742
Investment-certificates of deposit	9,017	913	3,579	169,451	5,133	188,093
Special assessments receivable						
Current	--	888,386	--	--	302,787	1,191,173
Delinquent	--	12,020	--	--	2,416	14,436
Due from county governments	5,195	8,237	--	--	4,364	17,796
Notes receivable	--	--	--	197,274	--	197,274
Total Assets	$ 552,628	$ 1,098,389	$ 780,966	$ 757,810	$ 948,721	$ 4,138,514
Liabilities and Fund Balances:						
Accounts payable	$ --	$ --	$ --	$ --	$ 9,494	$ 9,494
Total Liabilities	--	--	--	--	9,494	9,494
Deferred Inflows of Resources:						
Special Assessments	--	900,406	--	--	305,203	1,205,609
Total Deferred Inflows of Resources	--	900,406	--	--	305,203	1,205,609
Fund Balances:						
Nonspendable - notes receivable	--	--	--	197,274	--	197,274
Restricted	552,628	--	780,966	560,536	--	1,894,130
Committed	--	197,983	--	--	634,024	832,007
Total Fund Balances	552,628	197,983	780,966	757,810	634,024	2,923,411
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 552,628	$ 1,098,389	$ 780,966	$ 757,810	$ 948,721	$ 4,138,514

City of Brandon

Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Special Revenue Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue					
	Third Cent Sales Tax Fund	Street Maintenance Fund	Surface Transportation Program Fund	Revolving Loan Fund	Stormwater Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Taxes						
General sales taxes	$ 367,166	$ --	$ --	$ --	$ --	$ 367,166
Penalties and interest	--	1,296	--	--	931	2,227
Intergovernmental revenue						
State grants	--	--	419,168	--	--	419,168
Miscellaneous revenue						
Investment earnings	1,078	922	2,193	27,044	2,779	34,016
Special assessments	--	--	--	--	515,689	515,689
Special maintenance fee	--	869,554	--	--	--	869,554
Other	--	4,818	--	--	--	4,818
Total Revenue	368,244	876,590	421,361	27,044	519,399	2,212,638
Expenditures:						
Current:						
General government:						
Other	$ 143,976	$ --	$ --	$ --	$ --	$ 143,976
Public works:						
Highways and streets	--	766,958	--	--	425,349	1,192,307
Debt service	--	--	--	18,344	--	18,344
Capital outlay	--	--	--	--	174,070	174,070
Total Expenditures	143,976	766,958	--	18,344	599,419	1,528,697
Excess of Revenues Over (Under) Expenditures	224,268	109,632	421,361	8,700	(80,020)	683,941
Other Financing Sources:						
Transfers out	--	--	(183,426)	--	--	(183,426)
Total Other Financing Sources	--	--	(183,426)	--	--	(183,426)
Net Change in Fund Balance	224,268	109,632	237,935	8,700	(80,020)	500,515
Fund Balances- Beginning of Year	328,360	88,351	543,031	749,110	714,044	2,422,896
Fund Balances - End of Year	$ 552,628	$ 197,983	$ 780,966	$ 757,810	$ 634,024	$ 2,923,411

City of Brandon
Combining Balance Sheet
Debt Service Nonmajor Governmental Funds
December 31, 2025

	Debt Service			Total Nonmajor Debt Service Funds
	TIF #5 Fund	TIF #6 Fund	TIF #7 Fund	
Assets:				
Due from county governments	$ 804	$ --	$ 558	$ 1,362
Total Assets	$ 804	$ --	$ 558	$ 1,362
Fund Balances:				
Restricted for debt service	$ 804	$ --	$ 558	$ 1,362
Total Fund Balances	$ 804	$ --	$ 558	$ 1,362

City of Brandon
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Debt Service Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Debt Service			Total Nonmajor Debt Service Funds
	TIF #5 Fund	TIF #6 Fund	TIF #7 Fund	
Revenues:				
Taxes:				
General property taxes	$ 13,833	$ 62,385	$ 25,947	$ 102,165
Penalties and interest	--	--	16	16
Total Revenue	13,833	62,385	25,963	102,181
Expenditures:				
Current:				
Debt service	$ 13,029	$ 62,385	$ 81,265	$ 156,679
Total Expenditures	13,029	62,385	81,265	156,679
Net Change in Fund Balance	804	--	(55,302)	(54,498)
Fund Balances- Beginning of Year	--	--	55,860	55,860
Fund Balances - End of Year	$ 804	$ --	$ 558	$ 1,362

City of Brandon

Combining Balance Sheet

Capital Projects Nonmajor Governmental Funds

For the Year Ended December 31, 2025

	Capital Projects			
	Rushmore Project Phase 3 Fund	Core Reconstruction Project Phase 2b Fund	Ironwood SPA Project Fund	Total Nonmajor Capital Projects Funds
Assets:				
Cash and cash equivalents	$ 43,950	$ --	$ --	$ 43,950
Total Assets	$ 43,950	$ --	$ --	$ 43,950
Liabilities and Fund Balances:				
Accounts payable	$ 43,950	$ --	--	$ 43,950
Total Liabilities	43,950	--	--	43,950
Fund Balances:				
Restricted	$ --	$ --	$ --	$ --
Total Fund Balances	$ --	$ --	$ --	$ --

City of Brandon

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Capital Projects Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Capital Projects			
	Rushmore Project Phase 3 Fund	*Formerly Major Fund* Core Reconstruction Project Phase 2b Fund	Ironwood SPA Project Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Miscellaneous revenue				
Investment earnings	$ --	$ 5,968	$ --	$ 5,968
Total Revenue	--	5,968	--	5,968
Expenditures:				
Current:				
Public works:				
Highways and streets	$ --	$ --	$ 1,728	$ 1,728
Capital outlay	277,721	146,363	19,231	443,315
Total Expenditures	277,721	146,363	20,959	445,043
Excess of Revenues Over (Under) Expenditures	(277,721)	(140,395)	(20,959)	(439,075)
Other Financing Sources:				
Transfers in	277,721	--	20,959	298,680
Transfers out	--	(94,295)	--	(94,295)
Total Other Financing Sources	277,721	(94,295)	20,959	204,385
Net Change in Fund Balance	--	(234,690)	--	(234,690)
Fund Balances- Beginning of Year, as previously presented	--	--	--	--
Change within financial reporting entity - (major to nonmajor fund)	--	234,690	--	234,690
Fund Balances- Beginning of year, as adjusted	--	234,690	--	234,690
Fund Balances - End of Year	$ --	$ --	$ --	$ --