brookings
SOUTH DAKOTA

Annual

Comprehensive Financial Report

Fiscal Year Ended December 31, 2025

City of Brookings, South Dakota

Annual Comprehensive Financial Report
Year Ended December 31, 2025

City of Brookings, South Dakota

Prepared by the Finance Department

Introductory Section

Year Ended December 31, 2025

City of Brookings, South Dakota

BRING YOUR DREAMS.

June 30, 2026

The Honorable Mayor Ope Niemeyer
Members of the City Council
Citizens of the City of Brookings, South Dakota

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Brookings, South Dakota, for the fiscal year ended December 31, 2025. This report reflects continued financial stability, strategic investment, and organizational progress as the City advanced key initiatives to support long-term growth, service excellence, and community well-being.

This report has been prepared by the City's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Management is responsible for the accuracy and completeness of the data presented, including all disclosures. We believe this report fairly presents the financial position and results of operations of the City in all material respects.

Financial Reporting and Internal Controls

Management maintains a system of internal controls designed to safeguard assets and ensure reliable financial reporting. Because the cost of internal controls should not exceed their benefits, the City provides reasonable, rather than absolute assurance that the financial statements are free from material misstatement.

Independent Audit

The City's financial statements have been audited by Eide Bailly, LLP, a firm of certified public accountants authorized to conduct municipal audits in the State of South Dakota. The audit included an examination of evidence supporting the amounts and disclosures in the financial statements, an assessment of accounting principles used and significant estimates made by management, and an evaluation of overall financial statement presentation. The auditors issued an unmodified opinion on the City's financial statements.

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Brookings for its ACFR for the year ended December 31, 2024. We believe this 2025 report continues to meet the program's requirements and are submitting it for review.

Profile of the City of Brookings

Brookings is located along the I-29 corridor in east-central South Dakota and is home to approximately 24,000 residents, making it the fourth-largest city in the state. The City is known for its high quality of life, strong economy, and excellent education system, including South Dakota State University (SDSU), which had enrollment of over 12,000 students in 2025.

Brookings serves as a regional economic hub, drawing from a market area of more than 70,000 people. The local economy is supported by manufacturing, biosciences, food production, healthcare, and higher education.

Brookings Municipal Utilities

Brookings Municipal Utilities (BMU) provides electric, water, wastewater, and telecommunications services. BMU continues to invest in infrastructure to ensure reliable, efficient, and sustainable service delivery.

Brookings Health System

Brookings Health System is a non-profit, city-owned healthcare provider offering a wide range of medical services, including a 49-bed hospital, skilled nursing, and specialty care. Continued investments in technology and facilities support its role as a regional healthcare leader.

Economic Condition and Outlook

Brookings continues to experience stable economic conditions supported by low unemployment, population growth, and ongoing development activity. Key indicators for 2025 include:

- A labor force of approximately 14,000 with unemployment consistently below state and national averages;
- South Dakota State University enrollment exceeding 12,000 students, reinforcing Brookings' role as a regional education and workforce hub;
- Issuance of 546 building permits, reflecting continued residential, commercial, and industrial investment;
- Ongoing expansion by major employers and development of key commercial areas, including the Marketplace corridor.

Housing development has continued to respond to demand, with substantial new units added in recent years, supporting workforce availability and economic growth. The City remains well-positioned for long-term growth through strategic investments in infrastructure, housing, and economic development initiatives.

Strategic Initiatives and Long-term Planning

The City's 2021–2026 Strategic Plan guides decision-making and resource allocation. The plan focuses on five key priorities:

- Fiscal Responsibility
- Safe, Inclusive, and Connected Community
- Service and Innovation Excellence
- Sustainability
- Economic Growth

Major Accomplishments in 2025

Fiscal Responsibility

- Advanced financial transparency through expansion of the OpenGov platform, including daily budget-to-actual reporting and enhanced public financial reporting tools;
- Strengthened long-term planning by initiating the 10-year Capital Improvement Plan earlier and enhancing revenue trend analysis;
- Improved oversight through comprehensive Tax Increment Financing (TIF) management and integration into the City's accounting system;
- Maintained strong fiscal stewardship by building reserves for public safety facilities, reducing cyber insurance costs, and securing external funding;
- Enhanced operational continuity through improved documentation, cross-training, and modernization of financial processes.

Safe, Inclusive, and Connected Community

- Expanded community engagement through increased outreach, public meetings, and enhanced communication platforms;
- Strengthened public safety through expanded camera systems, access controls, and backup power at critical facilities;
- Improved governance accessibility through implementation of OnBoardGOV and standardized board training;

- Advanced neighborhood quality through downtown incentives, connectivity planning, and expanded housing initiatives;
- Delivered high-quality community services, including expanded library programming and participation.

Service and Innovation Excellence

- Modernized governance through voter-approved City Charter updates aligned with best practices;
- Improved development processes through standardized workflows and coordinated review efforts;
- Enhanced performance management through regular metric updates and supervisor training initiatives;
- Achieved recognition through library accreditation and continued advancement of senior services standards;
- Implemented innovative practices including new street maintenance methods and pilot sustainability programs.

Sustainability

- Expanded environmental programs including food waste collection and increased landfill diversion efforts;
- Advanced infrastructure planning through drainage and transportation planning initiatives;
- Invested in sustainable facilities and equipment to improve operational efficiency;
- Enhanced environmental safety through battery recycling and hazardous waste programs;
- Supported sustainable development through infrastructure improvements in key growth areas.

Economic Growth

- Advanced regional economic development through implementation of the Economic Development Master Plan and formation of the Brookings Regional Growth Alliance;
- Supported downtown revitalization through incentive programs and public space improvements;
- Strengthened development policy through updated TIF and sales tax policies incorporating return-on-investment and triple bottom line principles;
- Facilitated major commercial and industrial development projects, including Marketplace expansion and employer growth;
- Invested in infrastructure supporting long-term economic expansion, including improvements in the Research Park area.

Recognition

Brookings continues to receive recognition for its high quality of life, safety, and community excellence. The City has maintained its designation as a Tree City USA community for the 44th consecutive year and continues to be recognized at the regional and national levels for livability, affordability, and economic vitality.

Recent recognitions include being ranked the #2 Most Affordable College Town in the United States (WalletHub, 2024), the #2 Best Place for Young Professionals in South Dakota (Niche, 2025), and a Top 10 College Town in the Midwest (RentCafe, 2025). In addition, Brookings Health System was named one of the Top 20 Rural Community Hospitals in the United States, reflecting the strength of local healthcare services.

These recognitions reinforce Brookings' reputation as a desirable place to live, work, and invest.

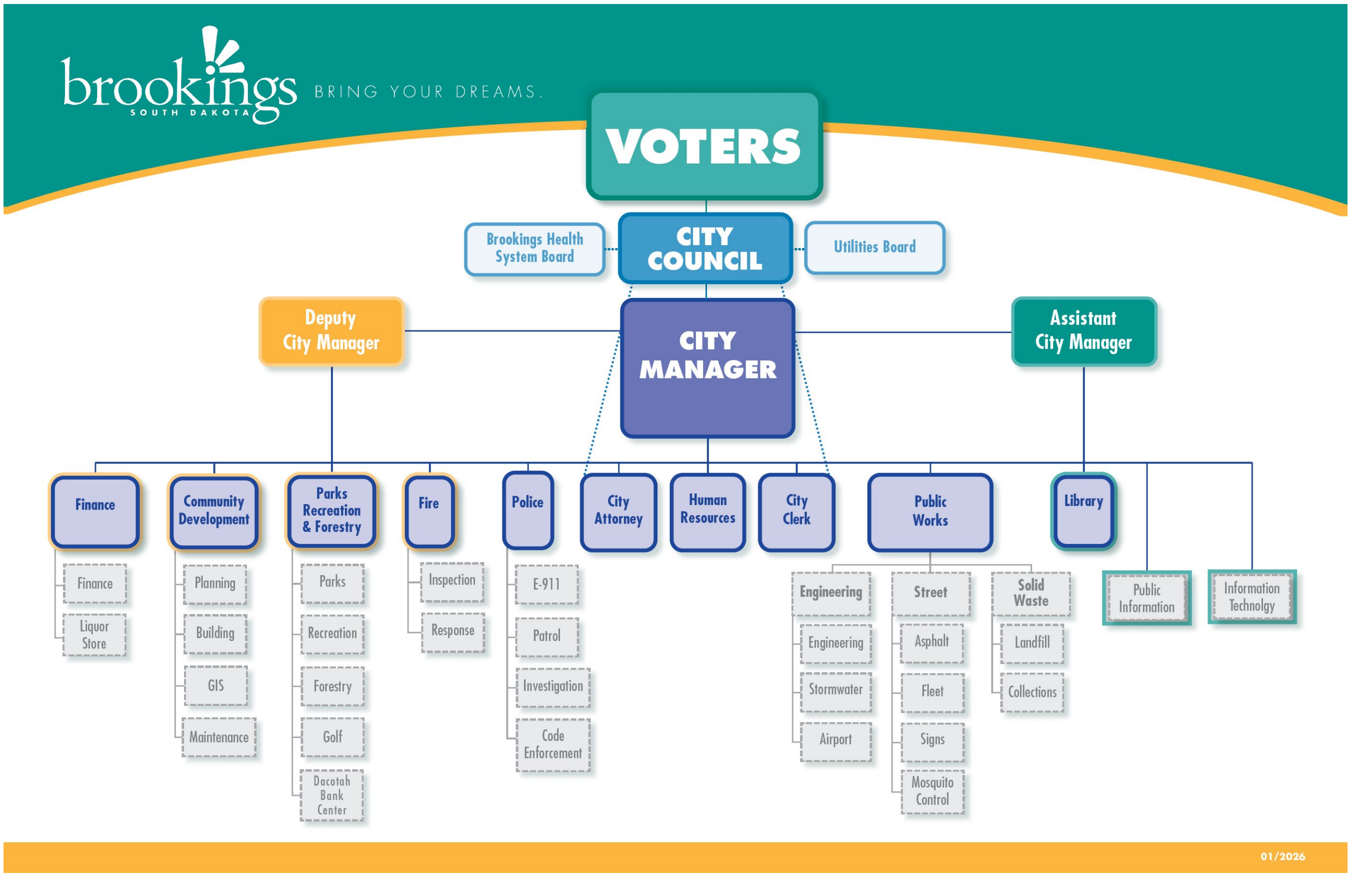
Acknowledgments

Preparation of this report would not have been possible without the dedication of the Finance Department, Brookings Health System, Brookings Municipal Utilities, and all City departments. We also thank the Mayor and City Council for their continued leadership and commitment to fiscal responsibility and good governance.

Paul Briseno, City Manager

Ashley Rentsch, Finance Director

Name	Position	Term Expires
Elected Officials		
Oepke "Ope" Niemeyer	Mayor	December 2027
Nick Wendell	Deputy Mayor	December 2027
Wayne Avery	Council Member	December 2027
Brianna Doran	Council Member	December 2026
Holly Tilton Byrne	Council Member	December 2028
Lisa Hager	Council Member	December 2026
Bonny Specker	Council Member	December 2028
Appointed Officials		
Paul Briseno	City Manager	
Johnny Mays	Deputy City Manager	
Samantha Beckman	Assistant City Manager	
J. Vincent Jones	City Attorney	
Bonnie Foster	City Clerk	
Ashley Rentsch	Finance Director	
John Thompson	Public Works Director	
Mike Struck	Community Development Director	
Casey Bell	Human Resources Director	
Kristin Zimmerman	Parks, Rec, and Forestry Director	
Ashia Gustafson	Library Director	
Sherry Fuller-Bordewyk	Public Information Officer	
Michael Drake	Police Chief	
Troy Hughes	Fire Chief	
Don Goff	IT Manager	
Jason R. Merkley	Health System CEO	
Steve Meyer	Utilities EVP & GM	


brookings
SOUTH DAKOTA
BRING YOUR DREAMS.
VOTERS
Brookings Health System Board
CITY COUNCIL
Utilities Board
Deputy City Manager
CITY MANAGER
Assistant City Manager
Finance
Finance
Liquor Store
Community Development
Planning
Building
GIS
Maintenance
Parks Recreation & Forestry
Parks
Recreation
Forestry
Golf
Dacotah Bank Center
Fire
Inspection
Response
Police
E-911
Patrol
Investigation
Code Enforcement
City Attorney
Human Resources
City Clerk
Public Works
Engineering
Engineering
Stormwater
Airport
Street
Asphalt
Fleet
Signs
Mosquito Control
Solid Waste
Landfill
Collections
Library
Public Information
Information Technolgy
01/2026

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brookings
South Dakota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

Financial Section
Year Ended December 31, 2025

City of Brookings, South Dakota

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Brookings, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Brookings, South Dakota (the City) 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Brookings, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in accordance with 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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, 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 the financial statements in accordance with 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 misstatement, 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'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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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'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 management's discussion and analysis, schedule of changes in the City's total OPEB liability and related ratios, schedule of employer's share of net pension liability (asset), and schedule of employer's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 GAAS, 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 basic financial statements. The combining financial statements and budgetary comparison schedules 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 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 grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Eide Bailly LLP

Fargo, North Dakota
June 29, 2026

This discussion and analysis presents an overview of the financial activities and financial position for the City of Brookings ("the City") for the year ended December 31, 2025. The information presented in this section should be considered in conjunction with that presented in the basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $682,958,286 (net position) for the calendar year reported.
- The City's total ending net position of $682,958,286 reflects an increase of $39,599,002 during the calendar year.
- Total net position is comprised of the following:
  - Net investment in capital assets of $376,318,201 includes property and equipment, net of accumulated depreciation/amortization and reduced for outstanding debt related to the purchase or construction of capital assets.
  - Net position of $4,587,341 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - Net position of $670,746 is restricted for landfill closure and post closure costs.
  - Unrestricted net position of $301,381,998 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental activities reported a total ending net position of $172,770,647 this year reflecting an increase of $4,102,531 during the calendar year. Unrestricted net position of $44,978,513 at December 31, 2025, represents 26.0% of total net position.
- At the end of the current calendar year, unassigned fund balance for the General Fund was $16,450,428 or 68.9% of total General Fund expenditures.
- The City's business-type activities reported an increase in net position of $35,496,471 or 7.5 percent compared to the previous year, ending the current year at $510,187,639. This increase in business-type activities is somewhat similar to what a private business might report as net profit
- The City's total outstanding long-term liabilities increased by $13,335,568, ending the current fiscal year at $104,202,362.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements, which consists of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements. The report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to give users a broad overview of the City's finances, in a manner similar to that of a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, excluding fiduciary funds, with the difference reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The Statement of Activities shows how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event that caused the change occurs, regardless of the timing of the related cash flows. There are revenues and expenses reported in this statement for some items that will only result in cash flows in future fiscal years; examples include uncollected taxes and vacation days that are earned but not used.

The government-wide financial statements distinguish between functions that are mainly supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health & welfare, culture and recreation, conservation and development, and debt service. The business-type activities of the City include the enterprise activities of electric, water, sewer, telephone, hospital, liquor, solid waste, airport, golf course, and the research & technology facility.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained 27 individual governmental funds for 2025. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and 2nd Penny Sales and Use Tax Fund, which is considered a major fund. Data from the other 25 governmental funds are combined into a single aggregated presentation. Fund data for each individual nonmajor governmental fund is provided in the form of combining statements following the required supplementary information.

The City adopts an annual budget for its governmental funds. Budgetary comparison statements have been provided in the basic financial statements for the major governmental funds (General Fund and 2nd Penny Sales and Use Tax Fund) to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two different types of proprietary funds. The first type is enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the electric, wastewater, health system, telephone, and water funds, all of which are considered major funds. Data from the remaining enterprise funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is included in the combining and individual fund section of this report.

Internal service funds are the other type of proprietary funds. Internal service funds are used to accumulate and allocate costs internally among the City's various functions for self-insurance. Because the self-insurance funds predominately benefit the business-type functions, they have been included with the business-type activities portion of the presentation of the government-wide statements. Internal balances reflect an allocation of 35 percent of internal service fund balances to the governmental funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes select pension information and the schedule of changes in the City's total other postemployment benefit liability and related ratios.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position over time serves as a useful indicator of a government's financial position. At the close of 2025, assets and deferred outflows exceeded liabilities and deferred inflows by $682,958,286. This reflects an increase in the City's combined net position of 6.2% between fiscal year 2024 and 2025.

The following table presents condensed financial information on the City's net position for the fiscal years ending December 31, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 57,493,211	$ 62,279,416	$ 279,600,744	$ 258,848,606	$ 337,093,955	$ 321,128,022
Capital assets	138,011,238	134,207,195	335,377,806	306,342,527	473,389,044	440,549,722
Total assets	195,504,449	196,486,611	614,978,550	565,191,133	810,482,999	761,677,744
Deferred Outflows of Resources	3,644,641	3,350,559	10,443,885	9,282,261	14,088,526	12,632,820
Liabilities						
Other liabilities	5,343,692	7,671,294	16,557,677	15,387,619	21,901,369	23,058,913
Long-term liabilities	18,376,490	20,566,487	85,825,872	70,300,307	104,202,362	90,866,794
Total liabilities	23,720,182	28,237,781	102,383,549	85,687,926	126,103,731	113,925,707
Deferred Inflows of Resources	2,658,261	2,931,273	12,851,247	14,094,300	15,509,508	17,025,573
Net Position						
Net investment in capital assets	124,228,132	118,112,144	252,090,069	241,242,980	376,318,201	359,355,124
Restricted	3,564,002	2,016,119	1,694,085	1,266,246	5,258,087	3,282,365
Unrestricted	44,978,513	48,539,853	256,403,485	232,181,942	301,381,998	280,721,795
Total net position	$ 172,770,647	$ 168,668,116	$ 510,187,639	$ 474,691,168	$ 682,958,286	$ 643,359,284

The Statement of Net Position reports all financial and capital resources. The statement presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources in order of relative liquidity. The liabilities with 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 primarily of compensated absences payable, sales tax revenue bonds payable, loans payable, and leases have been reported in this manner on the Statement of Net Position. The difference between the City's assets and deferred outflow of resources, and the liabilities and deferred inflow of resources is equal to its net position.

By far the largest portion (55.1%) of the City's net position is represented by $376.3 million in investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position makes up 0.7% of the total net position. These assets are subject to external restriction on how they may be used.

The remaining unrestricted balance of $301.4 million (44.1%) may be used to meet the government's ongoing obligations to citizens and creditors. Certain balances within the unrestricted net position have internally imposed designations or limitations which may further limit the purpose for which such net position may be used.

Changes in Net Position

The City's net position increased by $39,599,002 in 2025. Of this growth, $4,102,531 was attributable to the governmental activities, and $35,496,471 to the business-type activities. The increase in governmental activities was primarily driven by strong sales tax collections and capital asset growth resulting from major infrastructure investments. These included energy efficiency enhancements, HVAC and lighting upgrades across multiple City facilities, the Pioneer Park Bandshell remodel, the addition of Hillcrest Pickleball Courts, and installation of a dehumidification unit at the Larson Ice Center. Other contributing factors included several large equipment acquisitions and the continuation of the City's annual street maintenance and overlay program. The increase in business-type activities net position was largely due to strong net income across utility funds, along with the water treatment plant construction.

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending December 31, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 4,723,852	$ 4,819,060	$ 169,140,285	$ 162,493,267	$ 173,864,137	$ 167,312,327
Operating grants and contributions	1,189,790	889,344	157,923	134,607	1,347,713	1,023,951
Capital grants and contributions	924,000	1,037,872	2,885,608	12,989,640	3,809,608	14,027,512
General revenues						
Taxes	31,362,504	30,748,604	-	-	31,362,504	30,748,604
Unrestricted state shared revenues	245,382	235,372	-	-	245,382	235,372
Unrestricted investment earnings	1,771,674	2,198,819	12,792,206	13,101,502	14,563,880	15,300,321
Miscellaneous	876,244	1,047,880	473,043	749,473	1,349,287	1,797,353
Total revenues	41,093,446	40,976,951	185,449,065	189,468,489	226,542,511	230,445,440
Expenses						
General government	6,941,366	4,753,253	-	-	6,941,366	4,753,253
Public safety	8,104,790	6,854,226	-	-	8,104,790	6,854,226
Public works	13,440,340	10,010,126	-	-	13,440,340	10,010,126
Health and welfare	349,166	88,239	-	-	349,166	88,239
Culture and recreation	9,164,737	7,206,532	-	-	9,164,737	7,206,532
Conservation and development	1,485,683	1,655,681	-	-	1,485,683	1,655,681
Interest and fiscal charges	565,515	614,296	-	-	565,515	614,296
Electric	-		28,336,307	26,173,810	28,336,307	26,173,810
Health system	-	-	72,397,558	70,717,026	72,397,558	70,717,026
Telephone	-	-	13,186,280	13,300,516	13,186,280	13,300,516
Liquor	-	-	12,402,393	12,910,811	12,402,393	12,910,811
Water	-	-	6,844,712	5,977,228	6,844,712	5,977,228
Wastewater	-	-	6,652,389	6,321,602	6,652,389	6,321,602
Airport	-	-	1,424,892	1,399,895	1,424,892	1,399,895
Golf	-	-	1,094,982	919,496	1,094,982	919,496
Solid waste	-	-	4,415,542	3,618,702	4,415,542	3,618,702
Research and technology	-	-	136,857	131,723	136,857	131,723
Total expenses	40,051,597	31,182,353	146,891,912	141,470,809	186,943,509	172,653,162
Excess Before Transfers	1,041,849	9,794,598	38,557,153	47,997,680	39,599,002	57,792,278
Transfers	3,060,682	1,996,580	(3,060,682)	(1,996,580)	-	-
Change in Net Position	4,102,531	11,791,178	35,496,471	46,001,100	39,599,002	57,792,278
Beginning Net Position	168,668,116	156,876,938	474,691,168	428,690,068	643,359,284	585,567,006
Ending Net Position	$ 172,770,647	$ 168,668,116	$ 510,187,639	$ 474,691,168	$ 682,958,286	$ 643,359,284

Governmental Activities

Revenues for the City's governmental activities were $41,093,446. Taxes accounted for 76.3% of the overall revenues generated in 2025 compared to 75.0% in 2024, reflecting continued strong local economic activity and effective sales tax collections. First and second penny sales tax revenues increased by $251,272 or 1.2% compared to the prior year, reflecting continued stability in local economic activity. Third penny (Bed and Booze) sales tax revenues decreased by 3.8% from 2024. However, 2024 revenues included a one-time sales tax audit settlement of $109,640. Excluding this nonrecurring payment, third penny sales tax collections were generally consistent with expectations.

Capital grants and contributions decreased by $113,872 compared to the prior year. During 2025, the City received and expended approximately $96,000 through the Lowes Hometown Grant program for library furniture and shelving improvements. In contrast, 2024 capital grant activity included grant funding for park improvement projects and hazard mitigation efforts related to a storm drainage study. The decrease reflects differences in the timing, scope, and funding levels of grant-supported capital projects between years. Operating grants and contributions increased by $300,446 from 2024, due primarily due to increased general government and public safety grant activity and reimbursements recognized during the current year.

Governmental Activities expenses increased by 22.1% or $8,869,244 from 2024 The increase was driven primarily by higher costs associated with infrastructure improvements, facility and park enhancement projects, equipment replacements, and related depreciation expense resulting from the City's continued investment in capital assets and public facilities.

Business-type Activities

Overall revenues of the City's Business-Type Activities decreased 2.1% in 2025. The decrease was primarily attributable to lower capital grants and contributions recognized during the year, reflecting the timing of funding associated with major utility capital projects, including the Water Treatment Plant. Despite the decline in total revenues, charges for services increased $6,647,018, or 4.1%, led primarily by increased patient and resident volumes within the Health System.

Expenses increased by $5,421,103 or 3.8% in 2025 compared to 2024. The increase reflects higher operating costs across several enterprise funds, including personnel, supplies, contracted services, and depreciation associated with the City's continued investment in utility service infrastructure.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by statute while others are established internally to assist management in accounting for certain activities.

Governmental Funds

The accounting focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City's financing activities and abilities. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the primary operating fund of the City. The fund balance decreased by $324,396 or 1.1% from 2024. Despite the decrease, the General Fund maintained a strong financial position due to continued growth in major revenue sources and prudent fiscal management.

In 2025, General Sales and Use Taxes increased by $125,636 and property tax increased by $269,191 reflecting continued positive economic activity, although sales tax growth moderated compared to recent years. Miscellaneous revenue decreased by $104,523 due primarily to the recognition of a gain on the sale of industrial land in 2024. Excluding this one-time item, revenues remained relatively stable year over year. Overall General Fund revenues increased by $463,756, or 2.4% compared to 2024.

General Fund expenditures increased by $2,292,114 or 10.6% compared to 2024. The increase was driven primarily by a $2.27 million economic development incentive grant awarded to Ryan Companies in support of development within the Marketplace area. Excluding this one-time expenditure, General Fund spending remained relatively consistent with prior-year levels.

2nd Penny Sales and Use Tax Fund

The 2nd Penny Sales and Use Tax Fund is used to account for the revenue and expenditures of the 2nd Penny Sales and Use Tax. Proceeds of this tax are committed by the City Council to be used for Capital Improvements which involve the construction and financing of public improvements.

In 2025, 2nd Penny Sales and Use Tax Fund revenues decreased by 7.6% or $902,898. The decrease was primarily attributable to lower grant and contribution revenues associated with park improvement projects and reduced investment earnings resulting from lower reserve balances and declining interest rates. Despite the decrease, sales tax revenues remained stable and continued to provide a strong source of funding for capital improvements.

2nd Penny Sales and Use Tax Fund expenditures increased by $977,015 or 7.5% in 2025. The increase was driven by equipment purchases and ongoing infrastructure investments including annual street maintenance activities and other capital improvement projects throughout the City.

Proprietary (Business-Type) Funds

Electric Fund

The Electric Fund net position increased by $3,554,172 in 2025 compared to an increase of $4,453,634 in 2024. Operating revenues increased by $1,036,496 due to an increase in residential and commercial sales. Operating expenses increased by $2,165,348. The cost of purchased power remains a considerable amount of all operating expenses (71.95%) for 2025. Nonoperating revenues decreased by $161,114 due to a decrease in interest and dividend income. Operating transfers totaling $2,455,000 were made from the Electric Fund to the City of Brookings' General Fund in 2025.

Wastewater Fund

The Wastewater Fund net position increased by $1,569,111 in 2025 compared to an increase of $4,166,476 in 2024. Capital contributions of $782,438 in 2025 and $3,255,270 in 2024 were responsible for 49.9% and 78.1% of the increase in net position, respectively. Operating revenues increased by $374,233 in 2025 compared to 2024. Operating expenses increased by $340,634 in 2025. Interest and dividend income from investments decreased by $169,979 in 2025.

Health System Fund

Total operating revenues, net nonoperating revenues, and capital grants and contributions of $92,791,249 exceeded total expenses of $71,325,622 for an increase in net position of $21,465,627. Ending net position is $159,809,403 which is 15.5% over 2024's net position of $138,343,776. Another strong year for investment markets in 2025 produced $6,953,834 of net investment income, of which $807,769 was attributed to the return on dollars in the operating ICS bank account. Volumes showed strong growth for 2025 across many service lines. There were 1,438 acute admissions and 4,338 acute days, an increase of 5.8% and 2.1%, respectively, over 2024 volumes. This results in an average length of stay of 3.02 for 2025 (3.5% lower than 2024). Greatly contributing to this was obstetrics inpatient days increased greatly with 38 more newborn deliveries than in 2024, an increase of 9.7%. Emergency services and imaging all saw increases over 2024 with 3,109 additional visits in total, an increase of 6.9%.

Telephone Fund

The Telephone Fund net position increased by $5,718,246 in 2025 compared to an increase of $6,063,123 in 2024. Operating revenues decreased by $392,932 and operating expenses decreased by $82,812 over the prior year. Nonoperating revenues decreased by $34,757 due to a decrease in interest income. Operating transfers totaling $200,000 were made from the Telephone Fund to the City of Brookings' General Fund in 2025.

Water Fund

The Water Fund net position increased by $3,228,477 in 2025 and $11,992,743 in 2024. Capital contributions of $856,980 in 2025 and $9,309,540 in 2024 were responsible for 26.5% and 77.6% of the increase, respectively. Operating revenues increased by $518,759 in 2025 compared to 2024. Operating expenses increased by $249,209 in 2025 due to increases in personnel services and depreciation expense. Nonoperating revenues decreased by $581,256 due to an increase in interest expense from the SRF loan advances, partially offset by an increase in interest income.

General Fund Budgetary Highlights

Over the course of the year, the City Council approved ten budget amendments. The final General Fund expenditure budget increased by $5,422,183, primarily due to the carry forward of prior-year appropriations, the approval of an economic development incentive grant to Ryan Companies for Marketplace development, and the acquisition of a downtown parking lot.

Actual General Fund expenditures were $3,033,365 less than the adjusted budget. This favorable variance was primarily attributable to projects and purchases that were carried forward to the subsequent year, as well as savings achieved through conservative budget management and expenditure controls across City departments. Overall, departmental spending remained within adjusted budget appropriations.

Actual General Fund revenues exceeded the adjusted budget by $1,978,924. The favorable revenue variance was driven primarily by stronger than anticipated sales tax collections, investment earnings resulting from higher reserve balances, and favorable interest rates, increased building permit activity, proceeds from the sale of capital assets, and higher than budgeted program revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The carrying value of the City's capital assets for its governmental and business-type activities as of December 31, 2025, amounts to $473,389,044 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, infrastructure, buildings and improvements, equipment, intangible lease assets, and intangible subscription assets.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of December 31, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	$ 11,669,952	$ 11,511,451	$ 13,070,311	$ 11,643,624	$ 24,740,263	$ 23,155,075
Construction in progress	3,399,381	1,902,691	12,858,490	63,601,627	16,257,871	65,504,318
Infrastructure	67,690,763	69,696,941	201,975	215,078	67,892,738	69,912,019
Buildings and improvements	42,416,207	38,425,407	292,826,238	214,976,493	335,242,445	253,401,900
Equipment	12,834,935	12,670,705	12,992,676	12,438,835	25,827,611	25,109,540
Intangible lease assets	-	-	1,686,247	1,523,265	1,686,247	1,523,265
Intangible subscription assets	-	-	1,741,869	1,943,605	1,741,869	1,943,605
Total capital assets	$ 138,011,238	$ 134,207,195	$ 335,377,806	$ 306,342,527	$ 473,389,044	$ 440,549,722

Major activity within the Governmental Activities in 2025 included the following:

- Main Building additions – Ameresco energy efficiency project included lighting replacements in most City-owned buildings, addition of the 5th Street Gym, Dacotah Bank Center bathroom remodel, Engineering and Community Development suite remodel.
- Main Equipment purchased – Playground equipment at Hillcrest, Sarah Renee, and Indian Hills parks, new filters at Hillcrest Aquatic Center, and a new motor grader and two Freightliner trucks for the Street Division.
- Key Infrastructure added – Purchase of downtown parking lot, 32nd Avenue Detention Basin, recreational trail upgrades at Arrowhead Park, 12th Street South and 20th Street South, addition of Capital Street and 32nd Avenue in the Marketplace area.

Major activity in the Business-Type Activities in 2025 included the following:

- The Electric Fund included $4,416,760 for the acquisition and construction of assets in 2025. The purchase of a bucket truck and two service trucks accounted for $357,000. The continued Automated Meter Reading (AMR) and the conversion of street light system to LED resulted in expenditures of $76,000 and $27,000, respectively. The balance was spent on upgrades to the distribution system facilities to meet the needs of customers.
- The Wastewater fund included $2,548,400 for the acquisition and construction of capital assets in 2025. Noncash activities that increased the additions of capital assets include contributed capital of approximately $800,000. A majority of the funds were expended on the construction of a dewatering facility with project costs of approximately $400,000. The balance was spent in the general improvements of structures and equipment.
- In the Health System fund, cash outlay for the purchases of capital assets was $7,900,484 in 2025 The newly constructed Yorkshire Medical Building had construction and equipment/furnishing outlays of $5,773,416. This new building replaced the outdated Yorkshire building that housed the Yorkshire Eye Clinic and Optical and now includes new space for all outpatient therapy visits. The other capital purchases consisted of $373,420 to add an additional chiller specifically for the Operating Room suites; $222,214 in laptop/desktop/network/printer replacements; $152,484 for a new portable X-Ray machine; $142,962 for a new ECHO/Vascular Ultrasound; $129,558 for roof replacement on the older section of the hospital; $69,237 for a new Pulmonary Function Testing device; and other various surgical and medical equipment.

- The Telephone Fund included $921,837 for the acquisition and construction of capital assets in 2025. Upgrades included the continuing deployment of fiber facilities, a variety of electronics and infrastructure improvements, and the continued deployment of broadband services.
- The Water Fund included $24,578,969 in 2025 for the acquisition and construction of assets. Non-cash activities that increased (decreased) the additions of capital assets include the change in accounts payable incurred for the acquisition of capital assets of approximately $(900,000) and additional contributed capital of approximately $900,000. Construction of the new water treatment plant and replacement of pipelines projects accounted for approximately $21,500,000. The balance was spent on the general improvements of structures and equipment.

Additional information on the City's capital assets can be found in Note 7 of this report.

Long Term Liabilities

At the end of the current fiscal year, the City had the following long-term liabilities:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Sales tax revenue bonds	$ 9,486,451	$ 10,729,065	$ -	$ -	$ 9,486,451	$ 10,729,065
State revolving fund bonds	2,342,392	2,551,701	61,654,231	39,904,616	63,996,623	42,456,317
Certificates of participation	-	-	12,746,413	15,001,956	12,746,413	15,001,956
Loans payable	1,833,336	2,750,002	-	-	1,833,336	2,750,002
Direct borrowings	32,628	64,283	235,748	542,617	268,376	606,900
Leases payable	-	-	1,852,965	1,674,866	1,852,965	1,674,866
Subscription-Based IT agreements	-	-	1,833,465	1,972,573	1,833,465	1,972,573
Amounts due under joint operating agreements	-	-	166,849	4,106,579	166,849	4,106,579
Landfill closure/postclosure	-	-	1,347,611	1,254,681	1,347,611	1,254,681
Compensated absences	2,242,445	1,984,017	3,732,359	3,527,946	5,974,804	5,511,963
Total OPEB liability	2,439,238	2,487,419	2,256,231	2,314,473	4,695,469	4,801,892
Total long-term liabilities	$ 18,376,490	$ 20,566,487	$ 85,825,872	$ 70,300,307	$ 104,202,362	$ 90,866,794

The City has outstanding Sales Tax Revenue Bonds in the amount of $10,729,065 at the end of 2025. The bonds are secured by revenue generated from the 2nd Penny Sales & Use Tax Fund. The outstanding balance was issued to fund critical infrastructure projects such as sanitary, sewer and drinking water systems upgrades as well as the Larson Ice arena and Bob Shelden Park; the last of these bonds are scheduled to be retired in 2033.
In addition, the City has the following outstanding commitments:

- State Revolving Fund Bonds in the amounts of $147,882, $149,648, $97,904, $958,078, $268,265, and $720,615. These bonds are secured by Storm Drainage fees assessed to property owners. These bonds were issued to construct storm drainage projects in the Southland addition, Pheasant's Nest addition, Nelson addition, Camelot addition, Division Ave, and State Ave.
- Zero-interest outstanding loan in the amount of $1,833,336. These loans are to be repaid from the 75% Sales and Use Tax and scheduled for completion in 2027.
- Capital acquisition lease for purchase of a scoreboard display to be paid using the Dacotah Bank Center funds in the amount of $32,628.
- State Revolving Fund (SRF) Loan in the amount of $50,143,832. The loan is secured by revenues of the water fund. This loan was issued to construct a new water treatment plant and the construction and replacement of water distribution lines. The interest rate on the loan is 1.875% with final maturity in 2055.
- State Revolving Fund (SRF) Loan in the amount of $11,510,399. The loan is secured by revenues of the water fund. This loan was issued to construct a new water treatment plant and the construction and replacement of water distribution lines. The interest rate on the loan is 1.875% with final maturity in 2056.
- Certificates of Participation for the construction of the skilled nursing facility in the amount of $6,708,907.
- Certificates of Participation for the renovation of the existing hospital in the amount of $6,037,506.
- Lastly, the City is liable for the accrued compensated absences of $2,242,445 within the Governmental Activities and $3,732,359 within the Business-Type Activities payable to all full-time employees who have been employed for more than 6 months.

Economic Factors and Next Year's Budgets and Rates

Sales and Use Tax revenues remained positive in 2025, increasing by 1.2% over the prior year. While growth moderated compared to recent years, collections continued to reflect the strength and stability of the local economy. The City continues to benefit from ongoing residential, commercial, and industrial development, as well as sustained consumer activity. Based on these trends and the City's conservative budgeting philosophy, the 2026 budget assumes a 3.0% increase in 1st and 2nd Penny Sales and Use Tax revenues compared to the 2025 budget.

Property tax revenues will continue to benefit from both inflationary adjustments and new growth. For taxes payable in 2026, the City's levy increased by $209,516, reflecting a Consumer Price Index (CPI) factor of 2.9% and a growth factor of 2.09%, resulting from new construction and development activity.

The City adopted a total 2026 budget of $72.4 million, a decrease of approximately 1.1% from the 2025 adopted budget of $73.2 million. The decrease is primarily due to lower capital expenditures within the enterprise funds, particularly the timing of landfill capital projects associated with implementation of the Solid Waste Master Plan, as well as reduced interfund transfers. The General Fund budget increased to $22.9 million in 2026, an increase of $1.08 million or 4.97% from the 2025 adopted budget. The increase reflects inflationary cost pressures, personnel-related expenditures, equipment replacement needs, and other operating requirements necessary to maintain service levels. The adopted General Fund budget is balanced, with projected revenues equal to planned expenditures.

The 2026 budget continues the City's emphasis on infrastructure investment, economic development, and long-term financial sustainability. Significant activity includes ongoing Tax Increment Financing (TIF) development, including TIF Districts 13 (Marketplace), 14 (Branch Creek), 15 (Trails Head), and 16 (Solventum). Increased TIF activity also includes a planned transfer of $1.05 million from the TIF 11 Debt Service Fund to the Storm Drainage Fund to support infrastructure improvements.

Personnel costs remain a significant component of the City's budget. The 2026 budget includes a 2.5% cost of living adjustment, merit increases of up to 2.0%, and market-based compensation adjustments for leadership positions identified through a salary study. The City is budgeted for 158 full-time employees in 2026 and continues to evaluate staffing needs as positions become vacant to ensure alignment with strategic priorities and operational requirements.

The following table shows the comparison of the 2026 budget with the 2025 budget for all governmental funds.

ALL GOVERNMENTAL FUNDS

	2025 BUDGET	2026 BUDGET	% CHANGE
Personnel & Benefits	$ 16,527,685	$ 17,459,151	5.64%
Operating Expenditure	11,075,696	11,749,461	6.08%
Subsidies/Appropriations	1,764,188	1,506,084	-14.63%
Capital Expenditure	12,012,071	11,936,761	-0.63%
Debt Service	2,751,319	2,899,318	5.38%
Transfers	4,180,102	4,873,001	16.58%

Governmental fund budget changes are driven primarily by personnel costs, operating inflation, equipment replacement, and capital project activity. Personnel and benefits increased by 5.6%, while operating expenditures increased by 6.1%. Capital expenditures remain relatively consistent with the prior year. Debt service increased modestly due to TIF-related activity. Transfers were also impacted by TIFs, as well as capital projects supported by the 2nd Penny Sales Tax Fund.

The following table shows the comparison of the 2026 budget with the 2025 budget for the Liquor, Airport, Solid Waste, Golf, and Research & Technology Funds.

ENTERPRISE FUNDS

Liquor-Airport-SWC-SWD-Golf-R&T Center)	2025 BUDGET	2026 BUDGET	% CHANGE
Personnel & Benefits	$ 2,246,536	$ 2,392,411	6.49%
Operating Expense	16,255,654	15,861,085	-2.43%
Capital	5,224,930	2,737,350	-47.61%
Transfers	1,131,599	983,134	-13.12%

Within the enterprise funds, personnel costs increased consistent with compensation adjustments and staffing needs. Operating expenditures decreased slightly primarily due to decreased liquor operating agreement purchases based on recent trends and actual operating results. Capital expenditures decreased significantly from the prior year due primarily to the timing of landfill capital projects associated with the implementation of the Solid Waste Master Plan. The City also approved a 3.0% increase in landfill fees and solid waste collection rates to support ongoing operations and future capital needs.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the monies it receives. If you have questions about this report or need additional information, contact the City of Brookings Finance Office, 520 3rd Street Suite 230, Brookings, SD 57006.

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Health System Foundation
Assets				
Cash and cash equivalents	$ 44,849,484	$ 97,794,445	$ 142,643,929	$ 406,030
Investments	2,735,176	140,629,057	143,364,233	777,106
Receivables (net of allowance for uncollectibles):				
Interest	170,184	1,095,898	1,266,082	-
Taxes	37	-	37	-
Accounts	331,124	18,097,631	18,428,755	164,322
Special assessments	656,977	-	656,977	-
Intergovernmental	2,768,059	-	2,768,059	-
Leases	-	5,702,331	5,702,331	-
Other	-	4,489,474	4,489,474	-
Internal balances	(77,272)	77,272	-	-
Inventories	192,607	6,702,729	6,895,336	
Prepaid items	257,357	772,608	1,029,965	-
Prepaid bond insurance	8,911	-	8,911	-
Other assets	-	1,326,088	1,326,088	-
Property held for resale	1,664,601	-	1,664,601	-
Net pension asset	31,009	107,005	138,014	-
Restricted assets				
Cash and cash equivalents	3,904,957	2,806,206	6,711,163	-
Capital assets, net of accumulated depreciation/ amortization, where applicable				
Land	11,669,952	13,070,311	24,740,263	-
Construction in progress	3,399,381	12,858,490	16,257,871	-
Infrastructure	67,690,763	201,975	67,892,738	-
Buildings and improvements	42,416,207	292,826,238	335,242,445	-
Machinery and equipment	12,834,935	12,992,676	25,827,611	-
Right to use leased equipment	-	1,686,247	1,686,247	-
Subscription-based IT assets	-	1,741,869	1,741,869	-
Total assets	195,504,449	614,978,550	810,482,999	1,347,458
Deferred Outflows of Resources				
Other postemployment benefits	743,878	357,728	1,101,606	-
Pension plans	2,900,763	10,086,157	12,986,920	-
Total deferred outflows of resources	3,644,641	10,443,885	14,088,526	-

	Primary Government Governmental Activities	Primary Government Business-Type Activities	Primary Government Total	Discretely Presented Component Unit Health System Foundation
Liabilities				
Accounts payable	1,901,436	12,836,412	14,737,848	102
Retainage payable	88,299	-	88,299	-
Accrued taxes payable	-	839,212	839,212	-
Accrued wages payable	605,835	1,352,951	1,958,786	4,369
Accrued interest payable	37,214	357,595	394,809	-
Due to other governments	16,638	-	16,638	-
Claims incurred but not reported	117,332	813,427	930,759	-
Unearned revenue	2,576,938	8,540	2,585,478	-
Customer deposits	-	349,540	349,540	-
Debt				
Due within one year, other than OPEB	4,687,310	7,400,951	12,088,261	-
Due within one year, total OPEB liability	139,568	155,118	294,686	-
Due in more than one year, other than OPEB	11,249,942	76,168,690	87,418,632	-
Due in more than one year, total OPEB liability	2,299,670	2,101,113	4,400,783	-
Total liabilities	23,720,182	102,383,549	126,103,731	4,471
Deferred Inflows of Resources				
Other postemployment benefits	1,002,248	1,553,395	2,555,643	-
Pension plans	1,656,013	5,688,656	7,344,669	-
Lease related	-	5,096,916	5,096,916	-
Proceeds from the sale of future revenues	-	512,280	512,280	-
Total deferred outflows of resources	2,658,261	12,851,247	15,509,508	-
Net Position				
Net investment in capital assets	124,228,132	252,090,069	376,318,201	-
Restricted for				
Debt service and covenants	1,850,000	787,849	2,637,849	-
Other purposes (by donations)	70,020	-	70,020	639,699
SDRS pension purposes	31,009	235,490	266,499	-
Enabling legislation	1,612,973	-	1,612,973	-
Landfill closure and postclosure	-	670,746	670,746	-
Unrestricted	44,978,513	256,403,485	301,381,998	703,288
Total net position	$ 172,770,647	$ 510,187,639	$ 682,958,286	$ 1,342,987

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Discretely Presented Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Health System Foundation
Primary government								
Governmental activities								
General government	$ 6,941,366	$ 1,171,102	$ 622,043	$ -	$ (5,148,221)	$ -	$ (5,148,221)	$ -
Public safety	8,104,790	104,046	499,704	-	(7,501,040)	-	(7,501,040)	-
Public works	13,440,340	434,293	-	-	(13,006,047)	-	(13,006,047)	-
Health and welfare	349,166	35,338	-	-	(313,828)	-	(313,828)	-
Culture and recreation	9,164,737	2,979,073	67,755	924,000	(5,193,909)	-	(5,193,909)	-
Conservation and development	1,485,683	-	288	-	(1,485,395)	-	(1,485,395)	-
Interest	565,515	-	-	-	(565,515)	-	(565,515)	-
Total governmental activities	40,051,597	4,723,852	1,189,790	924,000	(33,213,955)	-	(33,213,955)	-
Business-type activities								
Electric	28,336,307	32,565,111	-	440,504	-	4,669,308	4,669,308	-
Health system	72,397,558	86,585,796	157,923	165,632	-	14,511,793	14,511,793	-
Telephone	13,186,280	16,119,493	-	-	-	2,933,213	2,933,213	-
Liquor	12,402,393	12,451,378	-	-	-	48,985	48,985	-
Water	6,844,712	8,361,644	-	856,980	-	2,373,912	2,373,912	-
Wastewater	6,652,389	7,149,178	-	782,438	-	1,279,227	1,279,227	-
Airport	1,424,892	66,304	-	640,054	-	(718,534)	(718,534)	-
Golf	1,094,982	1,117,835	-	-	-	22,853	22,853	-
Solid waste	4,415,542	4,585,877	-	-	-	170,335	170,335	-
Research and technology	136,857	137,669	-	-	-	812	812	-
Total business-type activities	146,891,912	169,140,285	157,923	2,885,608	-	25,291,904	25,291,904	
Total primary government	$ 186,943,509	$ 173,864,137	$ 1,347,713	$ 3,809,608	(33,213,955)	25,291,904	(7,922,051)	-
Component unit								
Health System Foundation	$ 249,487	$ -	$ 360,083	$ -	-	-	-	110,596
General revenues								
Taxes								
Property taxes					7,029,266	-	7,029,266	-
Sales taxes					22,197,882	-	22,197,882	-
Other taxes					2,135,356	-	2,135,356	-
Unrestricted state shared revenues					245,382	-	245,382	-
Unrestricted investment earnings					1,771,674	12,792,206	14,563,880	-
Miscellaneous					876,244	473,043	1,349,287	-
Transfers					3,060,682	(3,060,682)	-	-
Total general revenue and transfers					37,316,486	10,204,567	47,521,053	-
Change in net position					4,102,531	35,496,471	39,599,002	110,596
Net position - beginning					168,668,116	474,691,168	643,359,284	1,232,391
Net position - ending					$ 172,770,647	$ 510,187,639	$ 682,958,286	$ 1,342,987

	General	2nd Penny Sales and Use Tax	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 25,303,352	$ 8,758,143	$ 9,806,070	$ 43,867,565
Investments	722,676	-	-	722,676
Restricted cash and cash equivalents	-	3,679,957	225,000	3,904,957
Receivables (net of allowance for uncollectibles)				
Interest	67,599	38,956	22,349	128,904
Storm drainage fees	-	-	37	37
Accounts	171,445	-	157,160	328,605
Special assessments	-	-	656,977	656,977
Intergovernmental	1,351,552	1,152,156	264,351	2,768,059
Due from other funds	12,508	249,896	44,227	306,631
Advances to other funds	78,000	36,300	-	114,300
Inventories	155,962	-	36,645	192,607
Prepaid items	220,428	-	36,172	256,600
Property held for resale	1,664,601	-	-	1,664,601
Total assets	$ 29,748,123	$ 13,915,408	$ 11,248,988	$ 54,912,519
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	$ 442,433	$ 1,242,289	$ 211,725	$ 1,896,447
Retainage payable	88,299	-	-	88,299
Advances from other funds	-	93,538	114,300	207,838
Due to other funds	92,356	13,830	184,179	290,365
Accrued payroll	525,780	-	80,055	605,835
Due to other governments	4,815	-	11,823	16,638
Unearned revenue	206,638	1,929,256	441,044	2,576,938
Total liabilities	1,360,321	3,278,913	1,043,126	5,682,360
Deferred Inflows of Resources				
Unavailable revenue	-	-	657,014	657,014
Fund Balance (Deficit)				
Nonspendable	853,991	-	72,817	926,808
Restricted	70,020	-	3,517,076	3,587,096
Committed	3,393,961	10,636,495	4,973,767	19,004,223
Assigned	7,619,402	-	1,285,586	8,904,988
Unassigned	16,450,428	-	(300,398)	16,150,030
Total fund balance (deficit)	28,387,802	10,636,495	9,548,848	48,573,145
Total liabilities, deferred inflows of resources, and fund balances	$ 29,748,123	$ 13,915,408	$ 11,248,988	$ 54,912,519

Total Fund Balances - Governmental Funds	$ 48,573,145
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	138,011,238
Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are unearned in the funds.	657,014
Long-term assets from pensions reported in the governmental activities are not financial resources, and therefore, are not reported in the funds.	31,009
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.	986,380
Prepaid bond insurance costs are recorded as an expenditure in the fund statements, whereas in the statement of net position they are shown as an asset for the life of the bond.	8,911
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities certain internal service funds are included in the governmental activities in the statement of net position.	2,916,654
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(18,413,704)
Net Position of Governmental Activities	$ 172,770,647

	General	2nd Penny Sales and Use Tax	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
General property taxes	$ 4,255,178	$ -	$ 2,774,088	$ 7,029,266
Storm drainage taxes	-	-	1,418,750	1,418,750
General sales and use taxes	10,406,544	10,406,544	1,384,794	22,197,882
Other taxes	-	-	970,384	970,384
Special assessments	-	-	100,742	100,742
Licenses and permits	460,739	-	-	460,739
Intergovernmental	1,140,543	-	246,081	1,386,624
Charges for goods and services	675,923	-	2,451,634	3,127,557
Fines and forfeitures	74,326	-	21,421	95,747
Investment income	1,002,404	542,132	227,138	1,771,674
Miscellaneous	1,639,585	1,184	5,449	1,646,218
Total revenues	19,655,242	10,949,860	9,600,481	40,205,583
Expenditures				
Current				
General government	6,388,950	-	473,449	6,862,399
Public safety	6,054,785	260,923	1,227,063	7,542,771
Public works	4,064,460	3,055,798	585,344	7,705,602
Health and welfare	271,999	-	-	271,999
Culture and recreation	5,363,358	267,960	2,996,981	8,628,299
Conservation and development	1,358,556	184,937	1,250,928	2,794,421
Capital outlay	357,824	7,715,977	1,220,265	9,294,066
Debt service				
Principal	-	2,159,280	240,964	2,400,244
Interest and fiscal charges	-	288,699	70,580	359,279
Total expenditures	23,859,932	13,933,574	8,065,574	45,859,080
Excess (Deficiency) of Revenues over (under) Expenditures	(4,204,690)	(2,983,714)	1,534,907	(5,653,497)
Other Financing Sources (Uses)				
Transfers in	4,579,475	1,434,592	4,969,852	10,983,919
Transfers out	(812,601)	(2,388,334)	(4,722,302)	(7,923,237)
Sale of capital assets	113,420	-	-	113,420
Total other financing sources (uses)	3,880,294	(953,742)	247,550	3,174,102
Net Change in Fund Balance	(324,396)	(3,937,456)	1,782,457	(2,479,395)
Fund Balance, Beginning of Year	28,712,198	14,573,951	7,766,391	51,052,540
Fund Balance, End of Year	$ 28,387,802	$ 10,636,495	$ 9,548,848	$ 48,573,145

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (2,479,395)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. Additionally, the net effect of various miscellaneous transactions involving capital assets such as sales, trade-ins, donations, and transfers between governmental and business-type activities results in a change to net position.	3,804,043
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(53,551)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(258,428)
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(13,422)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	645,372
In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	4,343
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,400,244
Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net revenue of certain internal service funds is reported within the governmental activities.	53,325
Change in Net Position of Governmental Activities	$ 4,102,531

City of Brookings, South Dakota

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	$ 4,239,703	$ 4,239,703	$ 4,255,178	$ 15,475
General sales and use taxes	10,243,779	10,243,779	10,406,544	162,765
Licenses and permits	357,650	357,650	460,739	103,089
Intergovernmental	34,920	34,920	1,140,543	1,105,623
Charges for goods and services	532,500	532,500	675,923	143,423
Fines and forfeitures	65,000	65,000	74,326	9,326
Investment income	346,938	346,938	1,002,404	655,466
Miscellaneous	1,687,280	1,855,828	1,639,585	(216,243)
Total revenues	17,507,770	17,676,318	19,655,242	1,978,924
Expenditures				
Current				
General government	4,796,455	7,640,779	6,388,950	1,251,829
Public safety	5,966,100	6,073,304	6,054,785	18,519
Public works	4,431,085	4,525,113	4,064,460	460,653
Public health and welfare	335,593	335,593	271,999	63,594
Culture and recreation	5,498,513	5,756,213	5,363,358	392,855
Conservation and development	-	1,358,500	1,358,556	(56)
Capital outlay	443,368	1,203,795	357,824	845,971
Total expenditures	21,471,114	26,893,297	23,859,932	3,033,365
Deficiency of Revenues under Expenditures	(3,963,344)	(9,216,979)	(4,204,690)	5,012,289
Other Financing Sources (Uses)				
Transfers in	3,478,845	3,505,197	4,579,475	1,074,278
Transfers out	(512,601)	(812,601)	(812,601)	-
Sale of capital assets	40,000	40,000	113,420	73,420
Total other financing sources (uses)	3,006,244	2,732,596	3,880,294	1,147,698
Net Change in Fund Balances	$ (957,100)	$ (6,484,383)	(324,396)	$ 6,159,987
Fund Balance, Beginning of Year			28,712,198	
Fund Balance, End of Year			$ 28,387,802	

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes				
General sales and use taxes	$ 10,143,779	$ 10,143,779	$ 10,406,544	$ 262,765
Investment income	300,000	300,000	542,132	242,132
Miscellaneous	-	-	1,184	1,184
Total revenues	10,443,779	10,443,779	10,949,860	506,081
Expenditures				
Current				
Conservation and development	420,000	420,000	184,937	235,063
Capital outlay	9,851,482	16,448,574	7,715,977	8,732,597
Debt service				
Principal	2,159,280	2,159,280	2,159,280	-
Interest and fiscal charges	288,645	288,645	288,699	(54)
Total expenditures	12,719,407	19,316,499	13,933,574	5,382,925
Deficiency of Revenues Under Expenditures	(2,275,628)	(8,872,720)	(2,983,714)	5,889,006
Other Financing Sources (Uses)				
Transfers in	1,103,697	1,791,697	1,434,592	(357,105)
Transfers out	(1,309,130)	(1,846,449)	(2,388,334)	(541,885)
Total other financing sources (uses)	(205,433)	(54,752)	(953,742)	(898,990)
Net Change in Fund Balances	$ (2,481,061)	$ (8,927,472)	(3,937,456)	$ 4,990,016
Fund Balance, Beginning of Year			14,573,951	
Fund Balances, End of Year			$ 10,636,495	

City of Brookings, South Dakota
Statement of Net Position
Proprietary Funds
December 31, 2025

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets								
Current Assets								
Cash and cash equivalents	$ 28,218,234	$ 7,300,282	$ 25,809,725	$ 13,083,902	$ 11,261,251	$ 10,297,488	$ 95,970,882	$ 2,805,482
Investments	8,000,000	-	81,861,613	42,029,944	5,000,000	-	136,891,557	5,750,000
Receivables (net of allowance for uncollectibles):								
Interest	103,834	-	-	811,611	60,248	43,542	1,019,235	117,943
Accounts	3,524,721	700,388	11,102,972	1,122,482	907,183	735,208	18,092,954	7,196
Current portion of leases receivable	-	-	-	76,221	23,650	21,662	121,533	-
Due from other funds	180,560	24,071	-	193,111	17,819	242	415,803	-
Current portion of advances to other funds	-	-	-	1,197,019	-	-	1,197,019	-
Inventories	2,001,572	82,528	1,476,892	1,481,418	641,302	1,019,017	6,702,729	-
Prepaid expenses	105,266	23,963	436,843	148,432	23,481	33,216	771,201	2,164
Total current assets	42,134,187	8,131,232	120,688,045	60,144,140	17,934,934	12,150,375	261,182,913	8,682,785
Noncurrent Assets								
Net pension asset	6,778	2,573	73,394	17,018	3,232	4,010	107,005	-
Advances to other funds	-	-	-	27,444,936	-	93,538	27,538,474	-
Leases receivable	-	-	-	3,940,558	1,320,954	319,286	5,580,798	-
Other receivables	-	-	4,489,474	-	-	-	4,489,474	-
Other assets	-	14,936	466,039	843,035	2,078	-	1,326,088	-
Restricted cash and cash equivalents	-	-	560,048	-	227,801	2,018,357	2,806,206	-
Capital assets								
Land	59,042	147,561	2,149,246	331,267	6,238,491	4,144,704	13,070,311	-
Construction in progress	975,921	854,924	228,514	42,079	6,733,595	4,023,457	12,858,490	-
Infrastructure	-	-	-	-	-	327,577	327,577	-
Buildings and other improvements	71,456,123	82,545,623	83,087,965	51,950,664	129,573,546	40,328,671	458,942,592	-
Machinery and equipment	3,556,252	2,031,721	27,493,333	3,948,037	1,125,495	9,708,744	47,863,582	-
Intangible lease assets	-	-	-	253,171	-	1,989,162	2,242,333	-
Intangible subscription assets	32,204	20,688	169,299	2,169,470	20,061	-	2,411,722	-
Less accumulated depreciation/amortization	(34,317,034)	(25,404,391)	(59,643,243)	(45,526,737)	(11,456,578)	(25,990,818)	(202,338,801)	-
Total capital assets, net of accumulated depreciation/amortization	41,762,508	60,196,126	53,485,114	13,167,951	132,234,610	34,531,497	335,377,806	-
Total noncurrent assets	41,769,286	60,213,635	59,074,069	45,413,498	133,788,675	36,966,688	377,225,851	-
Total assets	83,903,473	68,344,867	179,762,114	105,557,638	151,723,609	49,117,063	638,408,764	8,682,785

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Deferred Outflows of Resources								
OPEB related deferred outflows of resources	12,621	7,978	193,751	17,476	6,873	119,029	357,728	-
Pension related deferred outflows of resources	616,281	264,280	6,870,945	1,678,181	281,300	375,170	10,086,157	-
Total deferred outflows of resources	628,902	272,258	7,064,696	1,695,657	288,173	494,199	10,443,885	-
Liabilities								
Current Liabilities								
Accounts payable	2,178,129	118,145	4,240,205	252,138	4,734,711	1,303,819	12,827,147	14,254
Due to other funds	5,285	143,771	56,132	186,593	13,649	26,639	432,069	-
Accrued taxes payable	149,578	315	624,047	24,488	292	40,492	839,212	-
Accrued wages payable	15,388	6,739	1,217,004	20,291	8,487	85,042	1,352,951	-
Accrued interest payable	631	440	69,954	8,912	261,211	16,447	357,595	-
Claims incurred but not reported	-	-	595,524	-	-	-	595,524	335,235
Current portion of advances from other funds	-	1,197,019	-	-	-	-	1,197,019	-
Current portion of loans payable	-	-	-	-	1,371,675	-	1,371,675	-
Current portion of certificates of participation	-	-	2,315,438	-	-	-	2,315,438	-
Current portion of direct borrowings	-	-	235,748	-	-	-	235,748	-
Current portion of lease liabilities	-	-	-	3,907	-	152,411	156,318	-
Current portion of subscription liabilities	11,445	8,106	39,707	201,547	7,898	-	268,703	-
Current portion of compensated absences	349,246	174,081	1,537,857	479,195	184,993	327,697	3,053,069	-
Current portion of total OPEB liability	15,792	2,848	35,396	71,548	7,285	22,249	155,118	-
Unearned revenue	-	-	-	-	-	8,540	8,540	-
Customer deposits	246,895	-	42,788	43,492	-	16,365	349,540	-
Total current liabilities	2,972,389	1,651,464	11,009,800	1,292,111	6,590,201	1,999,701	25,515,666	349,489
Noncurrent Liabilities								
Advances from other funds	-	27,444,936	-	-	-	-	27,444,936	-
Landfill closure costs	-	-	-	-	-	1,347,611	1,347,611	-
Long-term debt, net of current portion								
Loans payable	-	-	-	-	60,282,556	-	60,282,556	-
Certificates of participation	-	-	10,430,975	-	-	-	10,430,975	-
Lease liabilities	-	-	-	236,579	-	1,460,068	1,696,647	-
Subscription liabilities	-	-	-	1,564,762	-	-	1,564,762	-
Compensated absences	201,268	98,683	-	267,337	112,002	-	679,290	-
Amount due under joint operating agreements	-	-	166,849	-	-	-	166,849	-
Total OPEB liability, net of current portion	140,719	25,380	866,166	637,564	64,921	366,363	2,101,113	-
Total noncurrent liabilities	341,987	27,568,999	11,463,990	2,706,242	60,459,479	3,174,042	105,714,739	-
Total liabilities	3,314,376	29,220,463	22,473,790	3,998,353	67,049,680	5,173,743	131,230,405	349,489

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Deferred Inflows of Resources								
OPEB related deferred inflows	183,480	103,524	647,823	371,261	95,302	152,005	1,553,395	-
Pension related deferred inflows	286,691	127,738	3,895,794	1,005,113	159,140	214,180	5,688,656	-
Lease related deferred inflows	-	-	-	3,589,380	1,174,053	333,483	5,096,916	-
Proceeds from the sale of future revenues	55,943	-	-	446,285	10,052	-	512,280	-
Total deferred inflows resources	526,114	231,262	4,543,617	5,412,039	1,438,547	699,668	12,851,247	-
Net Position								
Net investment in capital assets	41,586,443	60,073,754	40,418,080	11,161,156	65,931,618	32,919,018	252,090,069	-
Restricted for:								
Debt service	-	-	560,048	-	227,801	-	787,849	-
SDRS pension purposes	6,778	2,573	73,394	17,018	3,232	132,495	235,490	-
Landfill closure and postclosure	-	-	-	-	-	670,746	670,746	-
Unrestricted	39,098,664	(20,910,927)	118,757,881	86,664,729	17,360,904	10,015,592	250,986,843	8,333,296
Total net position	$ 80,691,885	$ 39,165,400	$ 159,809,403	$ 97,842,903	$ 83,523,555	$ 43,737,851	$ 504,770,997	$ 8,333,296
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time							5,416,642	
Net position of business-type activities							$ 510,187,639	

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues								
Charges for goods and services	$ 31,193,356	$ 7,049,651	$ 84,820,396	$ 14,626,302	$ 8,140,621	$ 18,359,063	$ 164,189,389	$ 4,253,667
Miscellaneous	1,371,755	99,527	1,765,400	1,493,191	221,023	-	4,950,896	-
Total operating revenues	32,565,111	7,149,178	86,585,796	16,119,493	8,361,644	18,359,063	169,140,285	4,253,667
Operating Expenses								
Personnel services	3,480,573	1,942,492	33,000,257	4,884,837	2,026,011	2,292,000	47,626,170	1,213,205
Other current expenses	22,310,071	1,825,896	33,060,410	4,860,029	2,178,803	3,630,608	67,865,817	-
Cost of goods sold	-	-	-	1,527,197	-	11,263,467	12,790,664	-
Insurance claims and expenses, net	-	-	-	-	-	-	-	3,099,811
Amortization	19,770	11,899	33,860	241,833	11,690	170,993	490,045	-
Depreciation	2,507,191	2,261,775	5,231,095	1,484,802	1,510,203	2,044,158	15,039,224	-
Total operating expenses	28,317,605	6,042,062	71,325,622	12,998,698	5,726,707	19,401,226	143,811,920	4,313,016
Operating Income (Loss)	4,247,506	1,107,116	15,260,174	3,120,795	2,634,937	(1,042,163)	25,328,365	(59,349)
Nonoperating Revenues (Expenses)								
Gain (loss) on disposal of assets	(18,035)	(13,513)	(271,102)	(83,405)	(143,941)	114,500	(415,496)	-
Investment income	1,324,960	287,884	6,953,834	2,978,014	708,388	539,126	12,792,206	211,705
Contributions and donations	-	-	157,923	-	-	-	157,923	-
Interest expense and fiscal charges	(667)	(596,814)	(374,064)	(104,177)	(974,064)	(73,440)	(2,123,226)	-
Miscellaneous revenue (expense)	14,904	2,000	(426,770)	7,019	146,177	89,412	(167,258)	-
Total nonoperating revenues (expenses)	1,321,162	(320,443)	6,039,821	2,797,451	(263,440)	669,598	10,244,149	211,705
Income (Loss) before Contributions and Transfers	5,568,668	786,673	21,299,995	5,918,246	2,371,497	(372,565)	35,572,514	152,356
Transfers in	-	-	-	-	-	725,917	725,917	-
Transfers out	(2,455,000)	-	-	(200,000)	-	(1,131,599)	(3,786,599)	-
Capital contributions from other governments	440,504	782,438	165,632	-	856,980	640,054	2,885,608	-
Change in Net Position	3,554,172	1,569,111	21,465,627	5,718,246	3,228,477	(138,193)	35,397,440	152,356
Net Position, Beginning of Year	77,137,713	37,596,289	138,343,776	92,124,657	80,295,078	43,876,044	469,373,557	8,180,940
Net Position, End of Year	$ 80,691,885	$ 39,165,400	$ 159,809,403	$ 97,842,903	$ 83,523,555	$ 43,737,851	$ 504,770,997	$ 8,333,296

Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with the business-type activities.	99,031
Change in net position of business-type activities	$ 35,496,471

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating Activities								
Receipts from customers and users	$ 33,434,644	$ 7,265,222	$ 84,858,156	$ 14,754,661	$ 5,182,912	$ 18,736,168	$ 164,231,763	$ -
Cash received from customers pledged for debt retirement	-	-	-	-	3,283,652	-	3,283,652	-
Receipts from (payments to) other funds for services	1,810,451	176,313	-	2,155,496	171,477	-	4,313,737	4,253,034
Payments to suppliers for goods and services	(24,656,995)	(1,775,431)	(32,192,164)	(6,966,664)	(1,839,282)	(14,212,401)	(81,642,937)	(4,312,255)
Payments to and on behalf of employees	(3,627,793)	(2,026,364)	(34,628,131)	(5,008,245)	(2,097,721)	(2,364,132)	(49,752,386)	-
Other receipts	-	-	1,827,388	-	-	-	1,827,388	-
Net Cash from (Used for) Operating Activities	6,960,307	3,639,740	19,865,249	4,935,248	4,701,038	2,159,635	42,261,217	(59,221)
Noncapital Financing Activities								
Transfers to other funds	(2,455,000)	-	-	(200,000)	-	(1,131,599)	(3,786,599)	-
Transfers from other funds	-	-	-	-	-	725,917	725,917	-
(Payments) receipts for interfund borrowing principal	-	(1,173,548)	-	1,173,548	-	224,653	224,653	-
(Payments) receipts for interfund borrowing interest	-	(596,310)	-	596,310	-	-	-	-
Contributions to foundation	-	-	(236,824)	-	-	-	(236,824)	-
Noncapital grants and programs	-	-	157,923	-	-	-	157,923	-
Net Cash from (Used for) Noncapital Financing Activities	(2,455,000)	(1,769,858)	(78,901)	1,569,858	-	(181,029)	(2,914,930)	-
Capital and Related Financing Activities								
Proceeds from sale of assets	15,531	2,054	4,600	30,607	31,682	114,500	198,974	-
Receipts of lease principal	-	-	-	72,085	87,364	25,724	185,173	-
Receipts of lease interest	-	-	-	223,014	92,109	13,478	328,601	-
Long-term debt proceeds	-	-	-	-	23,173,409	-	23,173,409	-
Acquisition and construction of capital assets	(4,242,924)	(1,679,375)	(7,900,484)	(1,008,409)	(24,862,647)	(4,638,989)	(44,332,828)	-
Debt service								
Principal	(17,286)	(10,917)	(2,599,015)	(191,029)	(1,138,346)	(161,822)	(4,118,415)	-
Interest	(648)	(440)	(388,873)	(104,442)	(1,217,385)	(62,059)	(1,773,847)	-
Intergovernmental capital grants	116,814	-	165,632	-	-	640,054	922,500	-
Interest income on cash restricted for capital activities	-	-	-	-	5,951	-	5,951	-
Net Cash Used for Capital and Related Financing Activities	(4,128,513)	(1,688,678)	(10,718,140)	(978,174)	(3,827,863)	(4,069,114)	(25,410,482)	-

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Investing Activities								
Investments redeemed	8,085,126	-	16,242,053	31,129,871	5,085,126	-	60,542,176	-
Purchase of investments	(8,085,126)	-	(23,552,314)	(42,538,285)	(5,085,126)	-	(79,260,851)	(2,466,435)
Interest and dividends from investments	1,349,573	287,884	3,459,433	1,422,285	627,388	511,821	7,658,384	131,648
Distributions received	-	-	321,633	156,771	-	-	478,404	-
Cash paid to joint operating agreement partner	-	-	(4,403,152)	-	-	-	(4,403,152)	-
Net Cash from (Used for) Investing Activities	1,349,573	287,884	(7,932,347)	(9,829,358)	627,388	511,821	(14,985,039)	(2,334,787)
Change in Cash and Cash Equivalents	1,726,367	469,088	1,135,861	(4,302,426)	1,500,563	(1,578,687)	(1,049,234)	(2,394,008)
Cash and Cash Equivalents, Beginning of Year	26,491,867	6,831,194	26,544,721	17,386,328	9,988,489	13,894,532	101,137,131	5,199,490
Cash and Cash Equivalents, End of Year	$ 28,218,234	$ 7,300,282	$ 27,680,582	$ 13,083,902	$ 11,489,052	$ 12,315,845	$ 100,087,897	$ 2,805,482
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position								
Cash and cash equivalents	$ 28,218,234	$ 7,300,282	$ 25,809,725	$ 13,083,902	$ 11,261,251	$ 10,297,488	$ 95,970,882	$ 2,805,482
Restricted cash and cash equivalents	-	-	560,048	-	227,801	2,018,357	2,806,206	-
Brokerage cash included in investments	-	-	1,310,809	-	-	-	1,310,809	-
Total cash and cash equivalents, end of year	$ 28,218,234	$ 7,300,282	$ 27,680,582	$ 13,083,902	$ 11,489,052	$ 12,315,845	$ 100,087,897	$ 2,805,482

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from (Used for) Operating Activities								
Operating income (loss)	$ 4,247,506	$ 1,107,116	$ 15,260,174	$ 3,120,795	$ 2,634,937	$ (1,042,163)	$ 25,328,365	$ (59,349)
Miscellaneous income	-	-	-	-	-	62,177	62,177	-
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities								
Depreciation/amortization	2,526,961	2,273,674	5,264,955	1,726,635	1,521,893	2,215,151	15,529,269	-
Provision for bad debts	-	-	4,597,466	-	-	-	4,597,466	-
Changes in assets and liabilities								
Accounts receivable	(631,990)	(36,459)	(4,579,586)	417,807	128,145	39,268	(4,662,815)	(633)
Intergovernmental receivables	-	-	-	-	-	201,282	201,282	-
Unbilled receivables	1,110,977	309,484	-	-	313,835	68,367	1,802,663	-
Other receivables	-	-	14,907	-	-	-	14,907	-
Due from other funds	(14,496)	(1,936)	-	(47,919)	19,273	-	(45,078)	-
Inventories	(375,731)	(11,755)	(51,670)	(162,559)	66,109	(60,413)	(596,019)	-
Prepaid expenses	(24,285)	(1,498)	(54,219)	121,200	(844)	(13,796)	26,558	(63)
Net pension asset	(4,945)	(2,233)	(38,111)	(6,381)	(2,393)	(2,012)	(56,075)	-
Other assets	-	640	-	(12,430)	(3)		(11,793)	-
OPEB related deferred outflows	(4,119)	(4,773)	151,586	49,618	(12)	35,702	228,002	-
Pension related deferred outflows	(129,833)	(58,636)	(933,061)	(167,528)	(62,823)	(37,745)	(1,389,626)	-
Accounts payable	215,873	(31,614)	903,131	(31,460)	529,594	668,580	2,254,104	2,031
Due to other funds	49	115,984	7,862	40,724	(435,989)	-	(271,370)	-
Accrued taxes payable	8,746	(25)	(326,070)	(9,337)	142	(5,627)	(332,171)	-
Accrued wages payable	754	(165)	327,217	481	1,370	1,456	331,113	-
Compensated absences	66,860	20,123	24,391	60,995	31,043	1,001	204,413	-
Claims incurred but not reported	-	-	128,013	-	-	-	128,013	(1,207)
Unearned revenue	-	-	-	-	-	886	886	-
Deposits payable	69,350	-	2,090	(381)	-	5,125	76,184	-
Landfill closure accruals	-	-	-	-	-	92,930	92,930	-
Total OPEB liability	7,884	7,153	(21,606)	(44,404)	2,062	(9,331)	(58,242)	-
OPEB related deferred inflows	(41,465)	(26,213)	(273,769)	(57,413)	(22,580)	(23,772)	(445,212)	-
Pension related deferred inflows	(42,357)	(19,127)	(538,451)	(54,653)	(20,495)	(37,431)	(712,514)	-
Proceeds from the sale of future revenues	(25,432)	-	-	(8,542)	(2,226)	-	(36,200)	-
Net cash from (used for) operating activities	$ 6,960,307	$ 3,639,740	$ 19,865,249	$ 4,935,248	$ 4,701,038	$ 2,159,635	$ 42,261,217	$ (59,221)

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Supplemental Schedule of Noncash Investing and Financing Activities								
Acquisition of capital assets through capital contributions and donations	$ -	$ 782,438	$ 165,632	$ -	$ 891,242	$ -	$ 1,839,312	$ -
Acquisition of capital assets through debt	$ 10,170	$ 10,170	$ -	$ 93,142	$ 10,170	$ 343,713	$ 467,365	$ -
Accounts receivable as contributed capital	$ 323,690	$ -	$ -	$ -	$ -	$ -	$ 323,690	$ -
Accounts payable for capital assets	$ 164,620	$ 114,266	$ 45,166	$ -	$ 4,640,863	$ -	$ 4,964,915	$ -

	Custodial Fund
Assets	
Cash and cash equivalents	$ 71,687
Liabilities	
Accounts payable	1,897
Net Position	
Restricted for	
Rural fire department	$ 69,790

	Custodial Fund
Additions	
Investment income	$ 230
Member assessments	14,000
Total additions	14,230
Change in Net Position	14,230
Net Position, Beginning	55,560
Net Position, Ending	$ 69,790

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the City of Brookings, South Dakota (”the City”):

Basis of Presentation

The financial statements of the City have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting. The City follows and implements all applicable GASB standards.

Reporting Entity

The reporting entity of the City of Brookings 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, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); 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.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its Governing Board/City Council appoints a voting majority of another organization’s governing body and is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City.

The Brookings Health System Investment Authority (“the Investment Authority”) is a legally separate, tax-exempt component unit of the City, reported as a blended component unit of the Health System. The Investment Authority was organized during 2018 as an economic development corporation exclusively for charitable purposes and at all times to be operated for the benefit of, to perform the functions of, or provide support to the Health System. The Investment Authority applied for exempt status with the Internal Revenue Service during 2018 and is currently awaiting determination of its exemption. The Health System controls the activities of the Investment Authority through the appointment of a Board of Trustees that is charged with governance over both the Health System and the Investment Authority. Because the Investment Authority’s governing body is substantively the same as that of the Health System, and the Investment Authority provides services entirely to and for the benefit of the Health System, the Investment Authority is considered a blended component unit of the Health System and is presented in the Health System’s financial statements.

The Brookings Health System Foundation (“the Foundation) is reported as a discretely presented component unit. Although the City does not control the timing or amount of receipts from the Foundation, the majority of the resources, or income thereon, are restricted to the activities of the City by the donors. Because these restricted resources held by the Foundation are primarily to be used by, or for the benefit of the City, the Foundation is considered a component unit.

The Foundation is a private not-for-profit organization that reports under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), including ASC Topic 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's statements in the City's financial reporting entity for these differences. The Foundation has a December 31st year end. Separately issued financial statements of the Foundation may be obtained from Brookings Health System Foundation, 300 22nd Avenue, Brookings, SD 57006.

Government-Wide and Fund Financial Statements

The goal of government-wide financial statements is to present a broad overview of a government's finances. The basic statements that form the government-wide financial statements are the statement of net position and the statement of activities. These two statements report information on all nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods or services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the government's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include 1) charges for services and 2) operating or capital grants and contributions that are restricted to a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are prepared for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The accrual period does not exceed one bill-paying cycle, and for the City, the length of that cycle is 45 days. The revenues which are accrued at December 31, 2025, are property taxes, storm drainage fees, and sales taxes.

Under the modified accrual basis of accounting, receivables may be measurable but not available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources, reported as unavailable revenues, are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major 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.

2nd Penny Sales and Use Tax Fund – The 2nd Penny Sales and Use Tax Fund is used to account for the revenue and expenditures of the 2nd penny sales tax. Proceeds of this tax are committed by the City Council to be used for capital improvements which involve the construction and financing of public improvements.

All proprietary and fiduciary 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.

The City reports the following major proprietary funds:

Electric Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal electrical system and related facilities.

Wastewater Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities.

Health System Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal hospital and nursing home and related facilities.

Telephone Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal telephone system and related services.

Water Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal water system and related services.

In addition, the City reports for the following fund types:

Internal Service Funds – Internal service funds account for operations that provide services to other departments or agencies of the City on a cost-reimbursement basis. These include medical insurance, dental insurance, and Section 125 employee benefits. In the government-wide financial statements, the activities of the internal service are allocated as 35% to the governmental activities and 65% to the business-type activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds consist of custodial funds.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial fund:

Rural Fire Fund – to account for deposits and disbursements for the Brookings Rural Volunteer Fire Association.

As a general rule, the City has eliminated the effect of interfund activity from the government-wide financial statements. Exceptions to this rule are when various charges exist between different functions of the government (i.e., water and sewer charges to other various functions of the City). Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include the following: amounts received from those who purchase, use, or directly benefit from a program; amounts received from parties outside the City that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues, including all taxes.

Proprietary funds report operating revenues and expenses separately from nonoperating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. 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 cash and cash equivalents for the purpose of the Statement of Cash Flows. Interest is allocated to the funds based on average cash balances.

The City's investments in money market funds are carried at cost, which approximates fair value. Investments in certificates of deposit are carried at cost. All other investments are carried at fair value, which is determined based on quoted market prices. Investment income consists of interest received and the net change in fair value of investments.

Restricted Cash and Cash Equivalents

Amounts included in restricted cash and cash equivalents represent funds required to be set aside by a covenant in an agreement with a lender for the payment of the loan.

Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds” (current portion) or “advances to/from other funds” (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Property tax levies are established on or before October 1st of each year. Taxes are recorded as receivable, levied, and attached as an enforceable lien on property as of January 1st of each year. Taxes are payable in two installments on or before April 30th and October 31st of that 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.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Inventories and Prepaid Items

Inventory in the General Fund and Dacotah Bank Center Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost using the first-in, first-out (FIFO) method. Inventory within the proprietary funds is generally valued at average cost. Inventories are recorded as an asset at the time of purchase and charged to expenditures or expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The prepayments are charged to expenditures over the period of their economic benefit.

Amounts of governmental fund inventories and vendor prepaid items are offset by a nonspendable fund balance account to indicate that they do not represent “available spendable resources.”

Property Held for Resale

Property held for resale consists of parcels of land available for sale located within the City’s industrial park. The City has committed the proceeds upon sale of certain parcels for further development of the industrial park which is included in committed fund balance of the General Fund. The proceeds upon sale of other parcels may be spent for any purpose and is included in nonspendable fund balance of the General Fund.

Capital Assets

Capital assets include land, buildings, machinery and equipment, 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.

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 at 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 which are significant and extend the useful life of the capital asset are also capitalized.

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, 1980, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 1980, are recorded at cost.

Construction-period interest is not capitalized, in accordance with U.S. generally accepted accounting principles.

Depreciation 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 is reported as unallocated depreciation with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Property, plant and equipment of the government with an historical cost of $5,000 or greater is depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	10-25 years
Buildings	40-99 years
Machinery and equipment	3-25 years
Infrastructure	25-50 years
Utility property and improvements	10-50 years

Land and construction in progress are not depreciated.

Right to use lease assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 25 years.

Right to use subscription-based IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription-based IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription-based IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 10 years.

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 used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the City.

Direct borrowing payables represent the City's obligation to make installment payments arising from the agreement. Direct borrowing payables are recognized at the agreement commencement date based on the present value of future payments expected to be made during the contract term.

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – annual leave and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation Leave

It is the policy of the City to grant vacations with pay to provide regular full-time employees with periods of rest and recreation in recognition of services performed. Vacation leave for eligible employees for each vacation year is based on length of service. Employees may accumulate up to two hundred eighty (280) hours, or thirty-five (35) days of vacation. Upon separation from employment, an employee will be paid for any accumulated vacation at the employee’s current rate of pay. In the event of death, earned but unused vacation will be paid to the employee’s estate. Active employees are not eligible for salary in lieu of vacation.

Sick Leave

Regular full-time employees accrue sick leave. Employees with a hire date prior to January 1, 2013, may accumulate up to a maximum of 260 days (2,080 hours) of sick leave. Employees with a hire date of January 1, 2013, and thereafter may accumulate up to a maximum of 1,500 hours of sick leave. Sick leave benefits not used during the calendar year in which they are earned may be carried over and used during succeeding calendar years. After ten years of service and upon termination of employment other than discharge, any unused accumulated sick leave will be paid at ten percent (10%) of the employee’s current base hourly rate, plus one percent (1%) additional for each year of service beyond ten (10) years, up to 1,500 hours maximum accumulated sick leave. No other monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Other Post-Employment Benefits (OPEB)

The City provides post-employment health insurance benefits. It also provides access to its health insurance program for certain retired employees that meet participation requirements based on age and employment tenure. Benefits are provided until the retiree reaches age of 65. The benefit plan provides access to health benefits, but the premium payments are the responsibility of the retiree. An actuarially determined other postemployment benefit obligation liability and deferred inflows/outflows of resources related to postemployment benefits has been recorded to account for the implicit subsidy provided under the benefit plan. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the Plan.

Pensions

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City's deferred outflows include the following: unrecognized items not yet charged to pension expense and OPEB expense contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows include the following: unavailable revenues, which represent certain receivables recorded by the City which are deferred as they are not received within the City's measurable period of 45 days, and are not considered measurable and available under the modified accrual basis of accounting; unrecognized items having not yet reduced pension or OPEB expense; and proceeds from the sale of future revenues, which represent cash received in advance of the services to be provided. Another item is deferred inflows related to leases, where the City is the lessor and is reported in the statement of net position. The deferred inflows of resources related to leases are recognized as an inflow or resources (revenue) on the straight-line basis over the term of the lease.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements.

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 acquisition, construction, or improvement of those assets. Deferred outflows of resources or deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also should be included in this component of net position. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted net position consists of restricted assets and deferred outflows of resources, reduced by liabilities and deferred inflows of resources related to those assets, 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.

Unrestricted net position consists of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the net investment in capital assets or the restricted component of net position.

Fund Balance

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

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

Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and do not lapse at year-end.

Assigned Fund Balance – amounts the City intends to use for specific purposes that are neither considered restricted nor committed. City Council’s Governance and Ends policy gives the City Manager authority to assign fund balance.

Unassigned Fund Balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Council committed the following fund balances through the Governance and Ends policy:

- Stabilization arrangement where a minimum of $1,000,000 shall be committed and maintained for use in meeting unanticipated needs and or emergencies, such as an urgent event that affects the health, safety, or general welfare of the City, its residents, as well as public and private property. The urgent event could be an extreme blizzard, tornado, fire, flood, terrorist attack, bombing, explosions, train derailments, extreme straight-line winds/severe thunderstorm, hazardous materials incident, water contamination, failure of electrical grid, mass casualty/fatality or health epidemic. Once the City Manager or his/her designee has determined that it is necessary to draw down the fund balance, written communication shall be provided by the City Manager to the City Council, explaining the nature of the unanticipated need and/or emergency which shall require approval of the Council.
- 5% of the annual revenue of the 2nd Penny Sales and Use Tax should be committed for future economic development opportunities until a one million dollar balance is achieved.
- One-time sales of land will be added to the committed fund balance for future land purchases for industrial and economic development.

The City Council committed the following fund balances through City ordinances:

- Ordinance No. 19-016 commits use of 2nd Penny Sales tax for capital improvements which involve the construction and financing of public improvements designated by ordinance or resolution of the city council following a public hearing.
- Ordinance No. 21-10 commits funds to finance public storm drainage infrastructure improvements.
- Ordinance No 23-11 commits funds for retail economic development investment.
- Ordinance No 02-12 commits BID Fee funds to promotion and marketing of the City.

It is the City's policy to first use restricted resources, prior to the use of unrestricted resources, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned and the unassigned amounts.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Health System Net Patient and Resident Service Revenue and Receivables

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Patient and resident receivables are uncollateralized patient, resident, and third-party payor obligations. Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim. The carrying amount of patient and resident receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients, residents, and third-party payors. Management reviews patient and resident receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients and residents due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Management also reviews accounts to determine if classification as charity care is appropriate.

As discussed previously, the Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare - During 2009, the Health System began participation in the Centers for Medicare and Medicaid Services (CMS) Rural Community Hospital Demonstration Program (RCHD) as mandated under Section 410A of the Medicare Modernization Act. For inpatient services provided to patients under the RCHD program, the Health System is reimbursed on a cost-based methodology subject to retrospective settlement within prescribed limits compared to their initial year base costs under the program. The RCHD program concluded on September 30, 2015 but was extended for five additional years through federal legislation included in Section 15003 of the Cures Act, enacted on December 13, 2016. The RCHD was extended an additional 5 years in late December 2020 as part of the Consolidated Appropriations Act of 2021. The RCHD program expired in September 2025. Subsequent to September 2025, services are reimbursed under a prospective payment methodology based on diagnostic coding assignments.

The Health System was reimbursed for cost reimbursable services under the RCHD program at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare Administrative Contractor. The Health System's Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended December 31, 2022.

Medicaid - Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a reimbursement methodology based on historical cost. Retroactive settlements are not carried out by the Medicaid program.

Blue Cross - Services rendered to Blue Cross subscribers are reimbursed under a prospectively determined methodology.

Nursing Home - The Health System is reimbursed for resident services at established billing rates which are determined based on historical costs adjusted annually for inflation and subject to certain limitations as prescribed by South Dakota Department of Social Services regulations. These rates are subject to retroactive adjustment by field audit. The Health System also participates in the Medicare program for which payment for resident services is made on a prospectively determined per diem rate which varies based on a case-mix resident classification system.

The Health System has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Health System under these agreements includes prospectively determined rates per discharge and discounts from established charges.

Concentration of gross revenues by major payor accounted for the following percentages of the Health System's patient and resident service revenues for the year ended December 31,2025:

Medicare	44%
Medicaid	8%
Blue Cross	25%
Other third-party payors, patients, and residents	23%
	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient and resident service revenue for the year ended December 31, 2025, increased by approximately $88,000 due to differences between estimated and final settlements, removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations.

Health System Investment in Joint Ventures

The Health System records its interest in investments where the Health System has a fifty percent interest in a corporation under the equity method of accounting. The investment is included in other assets of the Health System fund. Under the equity method, original investments are recorded at cost and adjusted for the Health System's share of undistributed earnings or losses and distributions. The Health System's share of net earnings or losses of the entities is included in nonoperating revenues (expenses). Cash flows related to joint ventures are recorded based on the underlying purpose of the Health System's participation in the joint venture.

Charity Care

The Health System provides care to patients and residents who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient and resident service revenue. The Health System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The amount of charges foregone, based on established rates, was approximately $1,027,000 for the year ended December 31, 2025. The direct and indirect costs related to these foregone charges was $352,000 at December 31, 2025, based on the average ratio of cost to gross charges.

Adoption of New Accounting Standard

As of January 1, 2025, the City adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government – wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Bonds payable	$ 11,828,843
Loans payable	1,833,336
Direct borrowings payable	32,628
Compensated absences	2,242,445
Accrued interest	37,214
Total OPEB liability	2,439,238
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ 18,413,704

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Capital outlays are reported as expenditures in governmental funds. statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. Additionally, the net effect of various miscellaneous transactions involving capital assets such as sales, trade-ins, donations, and transfers between governmental and business-type activities results in a change to net position." The details of this difference are as follows:

Expenditures capitalized	$ 9,294,066	
Plus: assets transferred in from enterprise funds	149,847	
Plus: donated/contributed assets	828,000	
Plus: prior year construction in progress added as asset in current year	1,858,779	
Capital asset increases per Note 6		$ 12,130,692
Less: assets disposed	(943,102)	
Less: prior year construction in progress added as asset in current year	(1,858,779)	
Capital asset decreases per Note 6		(2,801,881)
Depreciation expense	(6,264,304)	
Plus: accumulated depreciation on assets transferred in from enterprise funds	(149,847)	
Accumulated depreciation/amortization increases per Note 6		(6,414,151)
Accumulated depreciation on assets disposed		889,383
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		$ 3,804,043

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this difference are as follows:

Principal payments on bonded debt	$ 1,451,923
Principal payments on loans payable	916,666
Principal payments on financed purchases payable	31,655
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 2,400,244

Note 3 - Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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

1. At the first regular Council meeting in September of each year or within ten days thereafter, the governing board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the governing board, 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 municipal budget and may be transferred by resolution of the governing board 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.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds, debt service funds, and capital projects funds.
7. The Budgetary Comparison Schedules have been prepared on the modified accrual basis of accounting. The Budgetary Comparison Schedule presents expenditures for capital outlay and debt service purposes within each function.

Expenditures in Excess of Appropriation

Expenditures exceeded budget in the following funds by the following amounts:

Nonmajor Funds		
TIF-8 Affordable Housing	$	84,565
TIF-14 Branch Creek		10,579

No remedial action is anticipated or required by the City regarding these excess expenditures. The overexpenditures were funded through a combination of greater than expected revenues and existing fund balances.

Deficit Fund Balance

The following funds had a deficit fund balance at December 31, 2025:

Governmental Funds		
Nonmajor Funds		
Dacotah Bank Center	$	72,967
20th Street Interchange		157,060

These deficits will be eliminated through future revenues, and if necessary, transfers from other funds.

Note 4 - Deposits and Investments

Deposits

The City's cash deposits are made in qualified public depositories as defined by South Dakota Codified Law (SDCL) 4-6A-1, 7-20-1, 7-20-1.1 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 Federal Deposit Insurance Corporation (FDIC) and National Credit Union Share Insurance (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.

As of December 31, 2025, the carrying amount of the City's deposits was $184,696,185 and the bank balance was $187,170,390. The City's deposits were fully secured by FDIC coverage and pledged collateral.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2025, the City's deposits in financial institutions were fully insured or collateralized and were not exposed to custodial credit risk.

Investments

The City maintains pooled cash portfolios used by substantially all City funds using the pooled deposit and investment concept. These pools are governed by an investment policy.

Fair Value Measurement – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025.

As of December 31, 2025, the City had the following investments, maturities, and fair value measurements:

			Maturities (in Years)			
Investment or Cash Equivalent Type	Credit Rating	Fair Value	< 1	1 - 5	> 5 - 10	>10
General City:						
Money Market Fund: U.S Agencies	AAAm	$ 45,459,253	$ 45,459,253	$ -	$ -	$ -
U.S. Government Securities	AAA	1,427,472	1,427,472	-	-	-
		$ 46,886,725	$ 46,886,725	$ -	$ -	$ -
Brookings Health System Investment Authority:						
U.S. Treasury Notes	AAA	$ 5,975,473	$ 5,975,473	$ -	$ -	$ -
Corporate Bonds	*	605,964	199,753	155,688	250,523	-
Municipal Bonds	A	203,054	-	-	203,054	-
Mutual Funds	N/A	32,144,480	32,144,480	-	-	-
Equities	N/A	21,096,761	21,096,761	-	-	-
Emerging Markets	N/A	440,454	440,454	-	-	-
Accrued Income	N/A	746,467	-	-	-	-
		$ 61,212,653	$ 59,856,921	$ 155,688	$ 453,577	$ -

*Corporate bonds are comprised of investments with various corporate issuers having ratings between A1-Aa1

The following table presents the assets measured at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2025:

	Total	Level 1	Level 2	Level 3
General City:				
U.S. Government Securities	$ 1,427,472	$ -	$ 1,427,472	$ -
Brookings Health System Investment Authority:				
U.S. Treasury Notes	$ 5,975,473	$ 5,975,473	$ -	$ -
Corporate Bonds	605,964	-	605,964	-
Municipal Bonds	203,054	-	203,054	-
Equity Mutual Funds	32,144,480	32,144,480	-	-
Equities	21,096,761	21,096,761	-	-
Emerging Markets	440,454	440,454	-	-
	$ 60,466,186	$ 59,657,168	$ 809,018	$ -

Money Market Funds and U.S. Treasury Bills of the Health System are carried at cost, and thus are not included within the fair value hierarchy.

General City Investment Policy

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits eligible investments for the City, as discussed above. The City has an investment policy that does not further limit its investment choices.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of default of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

United States Government Securities, with a fair market value of $1,427,472 are held in a safekeeping account with First Bank & Trust Wealth Management Services in Brookings, South Dakota. First Clearing, LLC (FCC), a non-bank affiliate of Wachovia Corporation, and a registered broker-dealer, a member of the New York Stock Exchange and a member of the National Association of Securities Dealers, Inc., carries the City of Brookings, SD account and acts as its custodian for funds and securities deposited with First Bank & Trust Wealth Management directly by the City.

Money Market Funds, with a fair market value of $45,459,253 are held in a safekeeping account with Wells Fargo Asset Management in Brookings, South Dakota.

Coverage for cash and securities in protected client accounts is provided from two sources. The Securities Investor Protection Corporation (SIPC) protects up to $500,000, of which $250,000 may be cash. Additional protection has been obtained, at no cost to the City of Brookings, SD, for the remaining net equity balance of the cash and securities in the City's account. This coverage does not protect against losses from any change in market values of investments.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in any one issuer. As of December 31, 2025, the City had investments in excess of 5% of the total investment portfolio: 97.0% are in money markets at Wells Fargo Asset Management.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has a formal investment policy that limits investment maturities to less than five years from the date of purchase 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 investments to the fund making the investment.

Brookings Health System Investment Authority Policy

Credit Risk - The investments held by the Brookings Health System Investment Authority are not limited by the provisions of SDCL 4-5-6, and the composition of the portfolio is determined by management and the board of directors of the Authority. The entire investment portfolio of the Health System was held in the name of the Brookings Health System Investment Authority as of December 31, 2025.

Custodial Credit Risk – Deposits – South Dakota statutes require that all municipal deposits are made in qualified public depositories, and that these depositories 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 FDIC and NCUA. As of December 31, 2025, all of the Health System's deposits were secured in accordance with these provisions.

Custodial Credit Risk – Investments – The risk that, in the event of default of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The investments held by the Brookings Health System Investment Authority, with a fair value of $61,212,653 are held by a custodial bank that is an agent of the City, the Health System or the Investment Authority.

Concentration of Credit Risk – The Health System places no limit on the amount it may invest in any one issuer.

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

Deposits and investments are included in the financial statements of the primary government as follows:

Cash and cash equivalents	
Statement of net position	$ 142,643,929
Statement of fiduciary net position	71,687
Investments	
Statement of net position	143,364,233
Restricted cash and cash equivalents	
Statement of net position	6,711,163
	$ 292,791,012
Deposits and cash on hand	$ 102,540,054
Investments classified as cash equivalents	46,886,725
Deposits classified as investments	82,151,580
Investments	61,212,653
	$ 292,791,012

Note 5 - Receivables

Allowances for uncollectible accounts receivable in the Enterprise Funds are calculated based on historical trend data. The other funds receivables are stated at face value. As of December 31, 2025, the allowance for doubtful accounts in the Enterprise Funds were as follows:

Electric	$ 54,200
Wastewater	11,700
Health System	4,874,000
Telephone	10,400
Water	13,900
	$ 4,964,200

Note 6 - Other Assets

Other assets at December 31, 2025, were as follows:

Telephone Fund		
South Dakota Network, LLC	$	330,357
Express Communications, Inc.		11,895
DHE, LLC		69,808
Capital Credits		430,975
Total telephone fund		843,035
Wastewater Fund - Capital Credits		14,936
Water Fund - Capital Credits		2,078
Health System Fund *		466,039
Total other assets	$	1,326,088

*See Note 16 - Investment in Joint Venture

There is an operating agreement between all of the members of South Dakota Network, LLC, (SDN) including the Telephone Fund, which requires a selling member to first offer to other members any units available for sale. The Telephone Fund owns 7.84% of this company. The Telephone Fund received distributions from SDN of $156,771 in 2025. In the course of providing many of its network services, SDN uses the fiber network of its members. The members are compensated for the use of their networks through an agreed upon revenue sharing model. Payments to the Telephone Fund relating to these services were approximately $644,000 in 2025 and are recorded as miscellaneous operating revenues in the statement of revenues, expenses and changes in net position. SDN also provides a variety of telecommunication services to its members. The services are covered by mutually agreed upon pricing and terms. Payments from the Telephone Fund to SDN related to these services were approximately $246,000 in 2025.

There is a buy-sell agreement between all of the shareholders of Express Communications, Inc. including the Telephone Fund, which requires a selling shareholder to first offer to other shareholders any stock available for sale. The Telephone Fund owns 11,368 shares or 10.14% of Express Communications, Inc.

There is an operating agreement between all of the members of DHE, LLC, (DHE), including the Telephone Fund, for the sole and exclusive benefit of the members and no third party shall have any rights under the agreement. The Telephone Fund owns 10.34% of this company as a Class I member.

Capital credits represent each respective Fund's patronage capital allocation resulting from their relationships with cooperative associations.

Note 7 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 11,511,451	$ 158,501	$ -	$ 11,669,952
Construction in progress	1,902,691	3,355,469	1,858,779	3,399,381
Total capital assets, not being depreciated	13,414,142	3,513,970	1,858,779	15,069,333
Capital assets, being depreciated				
Infrastructure	117,471,205	717,906	-	118,189,111
Buildings and improvements	61,985,340	5,615,071	-	67,600,411
Equipment	29,220,235	2,283,745	943,102	30,560,878
Total capital assets, being depreciated	208,676,780	8,616,722	943,102	216,350,400
Less accumulated depreciation for				
Infrastructure	47,774,264	2,724,084	-	50,498,348
Buildings	23,559,933	1,624,271	-	25,184,204
Machinery and equipment	16,549,530	2,065,796	889,383	17,725,943
Total accumulated depreciation	87,883,727	6,414,151	889,383	93,408,495
Total capital assets, being depreciated, net	120,793,053	2,202,571	53,719	122,941,905
Governmental Activities Capital Assets, Net	$ 134,207,195	$ 5,716,541	$ 1,912,498	$ 138,011,238

Depreciation additions include $149,847 of accumulated depreciation on assets transferred from the business-type activities.

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	$ 2,891,267
Public safety	575,426
Public works	608,698
Public health and welfare	35,305
Culture and recreation	2,153,608
Total depreciation expense - governmental activities	$ 6,264,304

Business-type activities capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated/amortized				
Land	$ 11,643,624	$ 1,426,687	$ -	$ 13,070,311
Construction in progress	63,601,627	27,326,495	78,069,632	12,858,490
Total capital assets, not being depreciated/amortized	75,245,251	28,753,182	78,069,632	25,928,801
Capital assets, being depreciated/amortized				
Infrastructure	327,577	-	-	327,577
Buildings and improvements	371,780,620	90,296,294	3,134,322	458,942,592
Equipment	46,048,147	3,838,488	2,023,053	47,863,582
Right to use leased equipment	1,904,996	343,713	6,376	2,242,333
Right to use subscription-based IT assets	2,358,296	123,655	70,229	2,411,722
Total capital assets, being depreciated/ amortized	422,419,636	94,602,150	5,233,980	511,787,806
Less accumulated depreciation/amortization for				
Infrastructure	112,499	13,103	-	125,602
Buildings and improvements	156,804,127	11,978,214	2,665,987	166,116,354
Equipment	33,609,312	3,223,011	1,961,417	34,870,906
Right to use leased equipment	381,731	180,731	6,376	556,086
Right to use subscription-based IT assets	414,691	309,314	54,152	669,853
Total accumulated depreciation/amortization	191,322,360	15,704,373	4,687,932	202,338,801
Total capital assets, being depreciated/ amortized, net	231,097,276	78,897,777	546,048	309,449,005
Business-Type Activities Capital Assets, Net	$ 306,342,527	$ 107,650,959	$ 78,615,680	$ 335,377,806

Depreciation additions include $175,104 of accumulated depreciation on assets transferred from the governmental activities.

Depreciation/amortization expense was charged to functions/programs of the government as follows:

Business-type activities	
Electric	$ 2,526,961
Health System	5,264,955
Telephone	1,726,635
Liquor	126,050
Water	1,521,893
Wastewater	2,273,674
Airport	1,099,927
Golf	176,113
Solid Waste	761,270
Research and Technology Center	51,791
Total depreciation/amortization expense - business-type activities	$ 15,529,269

Note 8 - Leases

Lessor Activities

The City has accrued receivables for various towers, hangars, facilities, and land. The remaining receivable for these leases was $5,702,331 for the year ended December 31, 2025. Interest revenue from leases was $327,976 for the year ended December 31, 2025. Principal revenue of $213,397 was recognized during the fiscal year. The interest rates on the leases range from 5.0% to 6.0%. Final receipt is expected in fiscal year 2055.

The future principal and interest lease receipts as of December 31, 2025, are as follows:

Years Ending December 31,	Business-Type Activities Principal	Business-Type Activities Interest
2026	$ 121,533	$ 335,771
2027	117,072	329,257
2028	94,509	324,442
2029	110,844	317,952
2030	105,960	311,241
2031-2035	776,203	1,435,527
2036-2040	1,321,736	1,126,324
2041-2045	1,825,067	634,608
2046-2050	1,049,039	178,439
2051-2055	180,368	27,745
	$ 5,702,331	$ 5,021,306

Lessee Activities

The City has entered into lease agreements for the use of various building spaces and office equipment. The City is required to make principal and interest payments through 2047. The lease liability was valued using discount rates of 3.0% to 6.0%. For leases with no interest rate stated, the City utilized its incremental borrowing rate for valuing the lease. These leases payable are liquidated by the telephone and liquor funds.

The future principal and interest lease payments as of December 31, 2025, are as follows:

Years Ending December 31,	Business-Type Activities Principal	Business-Type Activities Interest
2026	$ 156,318	$ 79,315
2027	167,868	71,444
2028	180,711	63,172
2029	193,149	53,989
2030	131,331	44,357
2031-2035	818,009	126,353
2036-2040	88,386	22,321
2041-2045	79,658	11,890
2046-2047	37,535	1,091
	$ 1,852,965	$ 473,932

Note 9 - Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into various SBITA contracts for utility and healthcare management platforms. The City is required to make principal and interest payments through 2033. The subscription liability was valued using discount rates between 5.52% and 6.00% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreement. SBITAs payable are liquidated by the electric, wastewater, health system, telephone, and water funds.

The annual amounts due for principal and interest on subscription liabilities are as follows:

Years Ending December 31,	Business-Type Activities Principal	Business-Type Activities Interest
2026	$ 268,703	$ 92,232
2027	198,368	76,714
2028	208,859	66,178
2029	220,315	54,672
2030	232,189	42,747
2031-2033	705,031	50,757
	$ 1,833,465	$ 383,300

Note 10 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Sales tax revenue bonds	$ 10,729,065	$ -	$ 1,242,614	$ 9,486,451	$ 1,280,190
State revolving fund bonds	2,551,701	-	209,309	2,342,392	215,381
Total bonds payable	13,280,766	-	1,451,923	11,828,843	1,495,571
Loans payable	2,750,002	-	916,666	1,833,336	916,666
Direct borrowings	64,283	-	31,655	32,628	32,628
Compensated absences*	1,984,017	258,428	-	2,242,445	2,242,445
	$ 18,079,068	$ 258,428	$ 2,400,244	$ 15,937,252	$ 4,687,310
Business-Type Activities					
State revolving fund bonds payable	$ 39,904,616	$ 23,173,409	$ 1,423,794	$ 61,654,231	$ 1,371,675
Certificates of participation	15,001,956	-	2,255,543	12,746,413	2,315,438
Direct borrowings	542,617	-	306,869	235,748	235,748
Leases payable	1,674,866	343,713	165,614	1,852,965	156,318
Subscription-based IT agreements	1,972,573	123,655	262,763	1,833,465	268,703
Amounts due under joint operating agreement	4,106,579	-	3,939,730	166,849	-
Landfill closure/postclosure	1,254,681	92,930	-	1,347,611	-
Compensated absences*	3,527,946	204,413	-	3,732,359	3,053,069
	$ 67,985,834	$ 23,938,120	$ 8,354,313	$ 83,569,641	$ 7,400,951

*Change in compensated absences is presented as net.

Bonds Payable

At December 31, 2025, the City had the following bond issuances outstanding:

	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
Sales Tax Revenue Bonds				
Series 2014A	12/1/2033	2.65%-3.25%	$ 10,000,000	$ 5,152,019
Series 2019	6/1/2029	2.97%	7,100,000	4,334,432
Total sales tax revenue bonds			17,100,000	9,486,451
South Dakota State Revolving Fund Bonds				
Bond #3	12/1/2033	3.00%	$ 390,519	$ 147,882
Bond #4	4/1/2033	3.00%	335,314	149,648
Bond #5	1/1/2033	3.00%	226,121	97,904
Bond #6	10/1/2032	3.00%	1,972,719	958,078
Bond #9	7/1/2035	3.00%	448,140	268,265
Bond #10	1/1/2042	3.00%	827,241	720,615
Total state revolving loan fund bonds			$ 4,200,054	$ 2,342,392
Total governmental activities			$ 21,300,054	$ 11,828,843
Business-Type Activities				
South Dakota State Revolving Fund Bonds				
Bond #11	1/1/2055	1.88%	$ 50,963,200	$ 50,143,832
Bond #12	1/1/2056	1.88%	11,510,399	11,510,399
Total business-type activities			$ 62,473,599	$ 61,654,231

Sales tax revenue bonds payable are liquidated by the 2nd Penny Sales and Use Tax Fund. State revolving loan fund bonds of the governmental activities are liquidated by the Storm Drainage Fund. State revolving loan fund bonds of the business-type activities are liquidated by the Water Fund.

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2025, are as follows:

Years Ending	Revenue Bonds		State Revolving Loan Fund Bonds		Total Governmental Activities	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,280,190	$ 252,922	$ 215,381	$ 62,562	$ 1,495,571	$ 315,484
2027	1,315,118	216,169	221,631	56,312	1,536,749	272,481
2028	2,268,268	165,083	228,064	49,879	2,496,332	214,962
2029	1,905,482	113,888	234,687	43,261	2,140,169	157,149
2030	646,447	84,244	241,503	36,441	887,950	120,685
2031-2035	2,070,946	121,125	877,748	329,061	2,948,694	450,186
2036-2040	-	-	258,148	22,135	258,148	22,135
2041-2042	-	-	65,230	1,105	65,230	1,105
	$ 9,486,451	$ 953,431	$ 2,342,392	$ 600,756	$ 11,828,843	$ 1,554,187

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of December 31, 2025, are as follows:

Years Ending December 31,	State Revolving Loan Fund Bonds Principal	State Revolving Loan Fund Bonds Interest
2026	$ 1,371,675	$ 1,049,955
2027	1,614,629	1,118,989
2028	1,645,117	1,088,502
2029	1,676,180	1,057,438
2030	1,707,830	1,025,788
2031-2035	9,035,219	5,162,018
2036-2040	9,921,073	3,747,018
2041-2045	10,893,781	2,774,311
2046-2050	11,961,857	1,706,234
2051-2055	11,453,479	541,295
2056	373,391	3,506
	$ 61,654,231	$ 19,275,054

Loans Payable

The City has entered into a loan agreement with a private citizen. Details of the amount outstanding are as follows:

	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
Loan from private citizen	11/1/2027	0.00%	$ 5,500,000	$ 1,833,336

Payments are made from the Public Improvement Fund.

Annual requirements to amortize the outstanding loan payable are as follows:

Years Ending December 31,	Loans Principal	Loans Interest
2026	$ 916,666	$ -
2027	916,670	-
	$ 1,833,336	$ -

Direct Borrowings

Direct borrowing consists of financing agreements for the purchase of various pieces of machinery and equipment. Direct borrowings of the governmental activities are paid by the Dacotah Bank Center Fund. Direct borrowings payable of the business-type activities are paid by the Health System Fund.

The annual requirements to amortize the financed purchases payable as of December 31, 2025, are as follows:

Years Ending	Governmental Activities		Business-Type Activities	
December 31,	Principal	Interest	Principal	Interest
2026	$ 32,628	$ 1,002	$ 235,748	$ 2,710

Certificates of Participation

The City has issued certificates of participation to finance acquisition, renovation, and expansion of facilities and equipment. Details of certificates of participation outstanding at December 31, 2025, are as follows:

	Final Maturity	Interest Rate	Original Issue	Outstanding
Business-type Activities				
Certificates of Participation, Series 2012	10/1/2036	2.72%-3.19%	$ 10,000,000	$ 6,708,907
Certificates of Participation, Series 2015B	10/1/2028	2.72%	22,000,000	6,037,506
			$ 32,000,000	$ 12,746,413

Certificates of participation are liquidated by the Health System Fund.

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2025, are as follows:

Years Ending	Certificates of Participation	
December 31,	Principal	Interest
2026	$ 2,315,438	$ 317,903
2027	2,377,064	256,277
2028	2,439,884	193,457
2029	642,728	146,176
2030	660,389	128,514
2031-2035	3,537,530	406,988
2036	773,380	15,523
	$ 12,746,413	$ 1,464,838

Leases Payable

Leases payable consists of long-term leases as described in Note 8.

Subscription-Based IT Agreements

Subscription-based IT agreements payable consists of subscription agreements as described in Note 9.

Amounts Due under Joint Operating Agreement

Amounts due under joint operating agreement are liquidated by the Health System Fund.

Landfill Closure/Postclosure

Landfill Closure/Postclosure liability consists of expected future obligations relating to the municipal landfill and is liquidated by the Solid Waste Fund. See Note 19 for additional information.

Compensated Absences

Compensated absences liability includes the amount owed by the City to employees for their accrued annual vacation and sick leave balances as described in Note 1, including the City's share of payroll deductions.

Note 11 - Other Post-Employments Benefit Plan

Plan Description

The City, under the authority of SDCL 9-14-35 and SDCL 6-1-16, operates a single-employer defined benefit healthcare plan that is administered and tracked separately as follows: City General, Brookings Municipal Utilities (BMU) and Brookings Health System (BHS or Health System). The plan provides medical benefits to eligible active and retired employees and their spouses. The plan is self-funded and reported as an internal service fund of the City which is included within the scope of this report; therefore, the plan does not issue a stand-alone financial report nor is it included in the report of another entity. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB 75 in connection with the plan and no separate financial reporting is done by the plan.

City General

For current and retired City General employees hired before January 1, 2010, the City pays 50% of the cost of premiums. For current and retired City General employees hired on or after January 1, 2010, the City pays 0% of the cost of premiums. As the rates being paid by retirees for benefits are typically lower than those had the retirees been rated as a separate group, the difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits in addition to the portion of premiums paid by the City for retired City General employees. Benefit provisions for City General employees represented by a collective bargaining agreement are established and amended through collective bargaining with the recognized bargaining agent for each group. Benefits and eligibility for administrators and those not covered by a collective bargaining agreement are established and amended by the City Council.

Brookings Municipal Utilities

The Brookings Municipal Utilities Board determines the contribution amounts for the plan, which currently require participating members to pay 100% of the premium. The plan also allows an early retiree 50% of the premium up to the maximum of $100 per month provided the employee has been employed by BMU for ten years, is 62 years of age, and begins to draw SDRS retirement benefits. Future amendments to the funding mechanism of the plan are determined by the governing board.

Brookings Health System

The governing board of the Health System determines the contribution amounts for the plan, which currently requires participating members to pay 100% of the group rate premium. Future amendments to the funding mechanism are determined by the governing board.

Funding Policy

At this time the City operates the plan on a pay-as-you-go method and therefore the plan is not funded.

Plan Participation

At December 31, 2025, the following number of current and former employees were covered by the benefit terms:

	City	BMU	BHS	Total
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	17	8	3	28
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-	-	-	-
Active Employees	121	109	348	578
	138	117	351	606

Total OPEB Liability

The City's total OPEB liability of $4,695,469 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increase	Graded scale based on merit and service
Discount Rate	4.08%
Healthcare Cost Trend Rate	6.70% - 3.70% over 49 years

Discount Rate

The discount rate used to measure the total OPEB liability was 4.08%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher as of the measurement date, as based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality Rates

Pub-2010 Mortality Table with generational projection per the MP-2021 ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for Public Safety. This assumption includes a margin for mortality improvement beyond the valuation date.

The plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	City	BMU	BHS	Total
Balance at January 1, 2025	$ 2,885,362	$ 993,362	$ 923,168	$ 4,801,892
Changes from the Prior Year:				
Service cost	184,605	39,125	46,640	270,370
Interest cost	121,222	41,023	38,935	201,180
Assumption changes	(163,647)	(52,881)	(75,857)	(292,385)
Benefit payments	(199,692)	(54,572)	(31,324)	(285,588)
Total Net Changes	(57,512)	(27,305)	(21,606)	(106,423)
Balance at December 31, 2025	$ 2,827,850	$ 966,057	$ 901,562	$ 4,695,469

The total OPEB liability for the City General is comprised of Governmental Activities of $2,439,238 and Business-Type Activities of $2,256,231.

Changes of assumptions reflect a change in the discount rate from 4.08% in 2024 to 4.08% in 2025.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.08%) or 1% higher (5.08%) than the current discount rate.

	City	BMU	BHS	Total
1% Decrease (3.08%)	$ 3,048,617	$ 1,037,213	$ 1,004,328	$ 5,090,158
Current Rate (4.08%)	$ 2,827,850	$ 966,057	$ 901,562	$ 4,695,469
1% Increase (5.08%)	$ 2,626,904	$ 900,192	$ 811,021	$ 4,338,117

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates (current trend rates are 6.70% trending down to 3.70%).

	City	BMU	BHS	Total
1% Decrease (5.70% to 2.70%)	$ 2,520,348	$ 864,459	$ 779,523	$ 4,164,330
Current Rate (6.70% to 3.70%)	$ 2,827,850	$ 966,057	$ 901,562	$ 4,695,469
1% Increase (7.70% to 4.70%)	$ 3,185,115	$ 1,084,902	$ 1,047,538	$ 5,317,555

OPEB Expense (Revenue) and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense (revenue) as follows:

	City	BMU	BHS	Total
OPEB Expense (Revenue)	$ 215,713	$ (79,690)	$ (112,465)	$ 23,558

At December 31, 2025, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources			
	City	BMU	BHS	Total
Differences between expected and actual experience	$ 781,160	$ -	$ 175,176	$ 956,336
Changes in assumptions	81,747	44,948	18,575	145,270
Total deferred outflows of resources	$ 862,907	$ 44,948	$ 193,751	$ 1,101,606

The deferred outflows of resources for City General is comprised of Governmental Activities of $743,878 and Business-Type Activities of $119,029.

	Deferred Inflows of Resources			
	City	BMU	BHS	Total
Differences between expected and actual experience	$ 259,057	$ 343,916	$ 167,903	$ 770,876
Changes in assumptions	895,196	409,651	479,920	1,784,767
Total deferred inflows of resources	$ 1,154,253	$ 753,567	$ 647,823	$ 2,555,643

The deferred inflows of resources for City General is comprised of Governmental Activities of $1,002,249 and Business Type Activities of $152,005.

The amount reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended December 31,	City	BMU	BHS	Total
2026	$ (111,697)	$ (172,920)	$ (191,947)	$ (476,564)
2027	(119,511)	(172,921)	(129,171)	(421,603)
2028	(43,122)	(157,396)	(102,268)	(302,786)
2029	(10,625)	(123,910)	(30,686)	(165,221)
2030	(5,758)	(47,465)	-	(53,223)
Thereafter	(633)	(34,007)	-	(34,640)

Note 12 - Defined Benefit Pension Plans

Plan Information

All employees, working 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 provide retirement, disability, and survivor benefits. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://sdrs.sd.gov/publications.aspx or by writing to the SDRS , P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

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

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirement benefits that do not meet the above criteria may be payable at a reduced level. 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 the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be the increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be the increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

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

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution.

The City's share of contributions to the SDRS for the fiscal years ended December 31, 2025, 2024, and 2023, equal to required contributions each year, were as follows:

Year Ended December 31,	Amount
2025	$ 2,962,518
2024	2,835,279
2023	2,573,226

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, SDRS is 100.0% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of the South Dakota Retirement System, for the City as of the measurement period ending June 30, 2025, and reported by the City as of December 31, 2025, are as follows:

Proportionate share of pension liability	$ 247,673,360
Less proportionate share of net position restricted for pension benefits	(247,811,374)
Proportionate share of net pension liability (asset)	$ (138,014)

At December 31, 2025, the City reported an asset of $138,014 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 pension plan relative to the contributions of all participating entities. At June 30, 2025, the City’s proportion was 1.622703%, which was an increase of 0.010490% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the City recognized pension expense of $2,962,518. 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
Differences between expected and actual experience	$ 4,725,168	$ -
Changes of assumptions	-	7,325,869
Net difference between projected and actual investment earnings on pension plan investments	6,724,399	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	72,411	18,800
City contributions subsequent to the measurement date	1,464,942	-
	$ 12,986,920	$ 7,344,669

The $1,464,942 reported as deferred outflows 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 ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2026	$ 3,228,831
2027	354,279
2028	221,207
2029	372,992

Actuarial Assumptions

The total pension liability (asset) in the July 1, 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
Investment rate of return	6.50%, net of plan investment expense. This is composed of an average inflation rate 2.50% and real returns of 4.00%
Cost-of-living adjustments	1.56%

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 portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 (see the 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%
	100.0%	

Discount Rate

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50%, 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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	$ 33,824,133	$ (138,014)	$ (27,961,127)

Pension Plan Fiduciary Net Position

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

Note 13 - Interfund Activity

Due to/Due from Other Funds

Interfund receivables and payables result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. Amounts due to and from other funds are follows:

	Due to:								
	General Fund	2nd Penny Sales and Use Tax Fund	Nonmajor Governmental Funds	Electric Fund	Wastewater Fund	Telephone Fund	Water Fund	Nonmajor Enterprise Funds	Total
Due from:									
General Fund	$ -	$ -	$ -	$ 75,578	$ 1,904	$ 4,963	$ 9,911	$ -	$ 92,356
2nd Penny Sales and Use Tax Fund	-	-	10,655	3,175	-	-	-	-	13,830
Nonmajor Governmental Funds	-	150,349	33,572	258	-	-	-	-	184,179
Electric Fund	-	-	-	1,326	88	3,700	161	10	5,285
Wastewater Fund	-	99,547	-	40,126	59	1,952	1,951	136	143,771
Health System Fund	6,191	-	-	30,924	4,675	8,893	5,449	-	56,132
Telephone Fund	6,317	-	-	12,877	135	166,993	183	88	186,593
Water Fund	-	-	-	10,846	42	2,589	164	8	13,649
Nonmajor Enterprise Funds	-	-	-	5,450	17,168	4,021	-	-	26,639
	$ 12,508	$ 249,896	$ 44,227	$ 180,560	$ 24,071	$ 193,111	$ 17,819	$ 242	$ 722,434

Interfund Advances

Advances from other funds as of December 31, 2025, were as follows:

	Advanced from:				
	General Fund	2nd Penny Sales and Use Tax Fund	Telephone Fund	Nonmajor Enterprise Funds	Total
Advanced to:					
2nd Penny Sales and Use Tax Fund	$ -	$ -	$ -	$ 93,538	$ 93,538
Nonmajor Governmental Funds	78,000	36,300	-	-	114,300
Wastewater Fund	-	-	28,641,955	-	28,641,955
	$ 78,000	$ 36,300	$ 28,641,955	$ 93,538	$ 28,849,793

Details of the significant advance between the Wastewater and Telephone Funds are as follows:

	Estimated Principal Due in 2025	Noncurrent Interfund Advances	Total Principal
Interfund advances to wastewater fund from:			
Telephone fund 2.0% interest due through 2027	$ 584,189	$ 13,394,138	$ 13,978,327
Telephone fund 2.0% interest due through 2028	612,830	14,050,798	14,663,628
Total interfund advances	$ 1,197,019	$ 27,444,936	$ 28,641,955

Advances from other funds are properly authorized loans with specified repayment requirements. The change in the advances from other funds is as follows for the year ended December 31, 2025:

	Beginning	Advances	Payments	Ending
Interfund advances to wastewater fund from:				
Telephone fund 2.0% interest due through 2027	$ 14,551,062	$ -	$ (572,735)	$ 13,978,327
Telephone fund 2.0% interest due through 2028	15,264,441	-	(600,813)	14,663,628
Total interfund advances	$ 29,815,503	$ -	$ (1,173,548)	$ 28,641,955

The annual amounts due for principal and future interest on advances from other funds are as follows:

	Principal	Interest	Principal and Interest
2026	$ 1,197,019	572,839	$ 1,769,858
2027	14,019,224	481,928	14,501,152
2028	13,425,712	201,386	13,627,098
	$ 28,641,955	$ 1,256,153	$ 29,898,108

Pursuant to SDCL 9-25-12, interfund loans are limited to a maximum period of five years. If it is intended for the note to be paid over a longer period, the note may be renewed at the end of the five years. It is the intention of the City to repay the loan from the Telephone Fund to the Wastewater Fund through 2045.

Interfund Transfers

Transfers are made for funding various projects, meeting debt service requirements, and for capital infrastructure. Interest earned on Debt fund residuals and reported as revenue in the Debt fund is periodically transferred to the General Fund.

The following interfund transfers occurred during the year ended December 31, 2025:

	Transfers In					
	General Fund	2nd Penny Sales and Use Tax	Nonmajor Governmental	Water Fund	Nonmajor Enterprise	Total
Transfers Out						
General Fund	$ -	$ 300,000	$ 512,601	$ -	$ -	$ 812,601
2nd Penny Sales and Use Tax	945,692	-	1,069,612	-	373,030	2,388,334
Nonmajor Governmental Funds	254,886	1,079,777	3,387,639	-	-	4,722,302
Electric	2,455,000	-	-	-	-	2,455,000
Telephone	200,000	-	-	-	-	200,000
Nonmajor Enterprise Funds	723,897	54,815	-	-	352,887	1,131,599
Total	$ 4,579,475	$ 1,434,592	$ 4,969,852	$ -	$ 725,917	$ 11,709,836

Note 14 - Net Position and Fund Balances

Restricted net position at December 31, 2025, consists of the following:

Type	Restricted by	Amount
Governmental Activities:		
Debt service and covenants		
Tif-11	Covenant	$ 1,850,000
Other purposes (by donations)		
Library	Donors	70,020
SDRS pension purposes:		
Governmental funds - pension purposes	Standard	31,009
Enabling legislation		
Enhanced 911	Law	676,855
Library fines	Law	51,542
Bed & booze tax	Law	884,576
Total enabling legislation		1,612,973
Total Governmental Activities Restricted Net Position		$ 3,564,002
Business-type Activities		
Debt service and covenants		
Health system - debt service	Covenant	$ 560,048
Water fund - debt service	Covenant	227,801
Total debt service and covenants		787,849
SDRS pension purposes:		
Enterprise funds - pension purposes	Standard	235,490
Enabling legislation		
Solid waste fund - landfill closure/postclosure	Law	670,746
Total Business-type Activities Restricted Net Position		$ 1,694,085

The City classified fund balances within the governmental funds as follows at December 31, 2025:

	General Fund	2nd Penny Sales and Use Tax Fund	Other Governmental Funds	Total
Fund Balances				
Nonspendable				
Inventories	$ 155,962	$ -	$ 36,645	$ 192,607
Prepaid items	220,428	-	36,172	256,600
Property held for resale	399,601	-	-	399,601
Advances	78,000	-	-	78,000
Total nonspendable	853,991	-	72,817	926,808
Restricted				
Donor purposes	70,020	-	-	70,020
Debt service	-	-	1,904,103	1,904,103
Library	-	-	51,542	51,542
E-911	-	-	676,855	676,855
City promotion	-	-	884,576	884,576
Total restricted	70,020	-	3,517,076	3,587,096
Committed				
Industrial park development	1,265,000	-	-	1,265,000
Proceeds from industrial land	609,127			609,127
Emergency financial stabilization	1,147,404	-	-	1,147,404
Retail development	1,873	-	-	1,873
Police and fire capital and other	-	10,425,562		10,425,562
Economic development	-	210,933		210,933
Promotion and marketing of City	-	-	352,594	352,594
Special assessment projects	-	-	617,574	617,574
Storm drainage	-	-	4,003,599	4,003,599
Public art	370,557	-	-	370,557
Total committed	3,393,961	10,636,495	4,973,767	19,004,223
Assigned				
Capital project carryover	2,215,354	-	1,285,586	3,500,940
Future capital	1,017,368	-	-	1,017,368
Emergency financial stabilization	3,442,212	-	-	3,442,212
Economic development	944,468	-	-	944,468
Total assigned	7,619,402	-	1,285,586	8,904,988
Unassigned	16,450,428	-	(300,398)	16,150,030
Total Fund Balances	$ 28,387,802	$ 10,636,495	$ 9,548,848	$ 48,573,145

Note 15 - Segment Information for Water Fund

The State Revolving Fund Loan was issued by the South Dakota Board of Water and Natural Resources. The proceeds are being used for the construction of a new water treatment plant and the construction and replacement of water distribution lines. The rates and charges relating to the improvements will be in the form of a surcharge for water utility service. The loan is secured by gross revenues derived solely from the revenues of the water surcharge and is not a general obligation of the City of Brookings or any political subdivision.

Segment information for these separately identifiable activities that have debt instruments outstanding with a revenue stream pledged in support of that debt, as well as a requirement to account for the activity's revenues, expenses, gains, and losses, assets, and liabilities apart from other activities within the same fund or in different funds is as follows.

Condensed Statement of Net Position of the Water Fund as of December 31, 2025:

	Unsecured Operations	State Revolving Fund Loan	Total Water Fund
Assets			
Current assets	$ 12,807,551	$ 5,109,564	$ 17,917,115
Due from other funds	17,819	-	17,819
Noncurrent assets, excluding capital assets	1,326,264	227,801	1,554,065
Capital assets	34,866,371	97,368,239	132,234,610
Total assets	49,018,005	102,705,604	151,723,609
Deferred outflows of resources	288,173	-	288,173
Liabilities			
Current liabilities	358,436	6,218,116	6,576,552
Due to other funds	13,649	-	13,649
Noncurrent liabilities	176,923	60,282,556	60,459,479
Total liabilities	549,008	66,500,672	67,049,680
Deferred inflows of resources	1,438,547	-	1,438,547
Net Position			
Net investment in capital assets	34,818,473	31,113,145	65,931,618
Restricted	3,232	227,801	231,033
Unrestricted	12,496,918	4,863,986	17,360,904
Total net position	$ 47,318,623	$ 36,204,932	$ 83,523,555

Condensed Statement of Revenues, Expenses, and Changes in Net Position of the Water Fund for the year ended December 31, 2025:

	Unsecured Operations	State Revolving Fund Loan	Total Water Fund
Operating revenues	$ 5,077,991	$ 3,283,653	$ 8,361,644
Depreciation and amortization expense	(795,594)	(726,299)	(1,521,893)
Other operating expenses	(4,204,814)	-	(4,204,814)
Operating income	77,583	2,557,354	2,634,937
Nonoperating revenue (expense)			
Investment income	702,437	5,951	708,388
Interest expense and fiscal charges	(1,460)	(972,604)	(974,064)
Other	2,236	-	2,236
Transfers in	-		-
Capital contributions	856,980	-	856,980
Change in net position	1,637,776	1,590,701	3,228,477
Beginning net position	45,680,847	34,614,231	80,295,078
Ending net position	$ 47,318,623	$ 36,204,932	$ 83,523,555

Condensed Statement of Cash Flows of the Water Fund for the year ended December 31, 2025:

	Unsecured Operations	State Revolving Fund Loan	Total Water Fund
Net cash provided by (used for)			
Operating activities	$ 1,833,336	$ 2,867,702	$ 4,701,038
Capital and related financing activities	(2,944,066)	(883,797)	(3,827,863)
Investing activities	627,388	-	627,388
Net change	(483,342)	1,983,905	1,500,563
Beginning cash and cash equivalents	6,635,029	3,353,460	9,988,489
Ending cash and cash equivalents	$ 6,151,687	$ 5,337,365	$ 11,489,052

Note 16 - Investment in Joint Venture

The Health System is a 50% investor in Avera Home Medical Equipment of Brookings, LLC (AHME). This investment is included in other assets on the statement of net position. Based on the Health System's ownership percentage, the joint venture investment and allocated earnings for the year ended December 31, 2025, are as follows:

	Investment	Share of Income
Avera Home Medical Equipment of Brookings, LLC	$ 475,923	$ 298,981

The Health System received distributions of $321,633 from AHME in 2025, which are included as cash flows from investing activities in the statements of cash flows.

Note 17 - Risk Management

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

Employee Health Insurance

During the fiscal year 1997, the City of Brookings (City General and BMU) established a Medical Self Insurance Fund (an internal service fund) to account for and finance its health risks of loss. Under this program, the Medical Self Insurance Fund pays the first $100,000 per person and is reinsured for any remaining loss for that person. The Plan also has aggregate stop loss coverage for the group which pays 100% of the group's claims beyond the aggregate limits (125% of expected claims). Settled claims resulting from these risks have not exceeded the liability coverage in any of the past three fiscal years.

The following summarizes the changes in the balance of the claim liability for the past two years:

Year	Beginning Liability	Current Year Net Claims and Changes in Estimates	Claim Payments	Ending Liability
2025	$ 332,184	$ 2,963,495	$ (2,965,590)	$ 330,089
2024	216,756	2,591,043	(2,475,615)	332,184

During the fiscal year 2020, the City of Brookings (City General) established a Dental Self Insurance Fund (an internal service fund) to account for and finance its dental risks of loss. Under this program, the Dental Self Insurance Fund pays up to $1,250 per person per year.

The following summarizes the changes in the balance of the claim liability for the past two years:

Year	Beginning Liability	Current Year Net Claims and Changes in Estimates	Claim Payments	Ending Liability
2025	$ 4,258	$ 135,109	$ (134,221)	$ 5,146
2024	3,533	123,071	(122,346)	4,258

Beginning January 1, 2017, the Health System began partially self-funding its employee health insurance. The Health System provides self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These reserves, which are included in current liabilities on the statements of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

The Health System expenses amounts representing the employer's portion of actual claims paid, adjusted for the estimates of liabilities relating to claims resulted from services provided prior to the year-end not to exceed the annual aggregate expense. These amounts have been estimated based on historical trends and actuarial analysis. Changes in the balance of claims liabilities during the past year are as follows:

Year	Beginning Liability	Current Year Net Claims and Changes in Estimates	Claim Payments	Ending Liability
2025	$ 467,511	$ 2,954,462	$ (2,826,449)	$ 595,524
2024	697,876	2,074,196	(2,304,561)	467,511

Property and Liability Insurance

The City purchases insurance coverage for its boilers, equipment, and property from a commercial insurance carrier. The deductible for this coverage is $25,000 per occurrence except for Electronic Data Processing Equipment (deductible of $10,000).

The City joined the South Dakota Public Assurance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program from 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 guidelines and procedures, and provide them with risk management services, 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 under an occurrence-based 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 for this coverage.

The city does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

The Health System has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $1 million per claim and an annual aggregate limit of $3 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Health System is also insured under a claims-made excess umbrella policy with a limit of $4 million.

Workers' Compensation

The City joined the South Dakota Municipal 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 not exceeded the liability coverage over the past three years.

Unemployment Benefits

The City has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

Unemployment claims are charged back to the appropriate department and are paid as they occur.

During the year ended December 31, 2025, the City did not experience any significant claims or refunds.

Note 18 - Litigation

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. In the opinion of City Counsel and management, such claims against the City not covered by insurance, would not materially affect the financial condition of the City at December 31, 2025.

Note 19 - Commitments and Contingencies

Grants and Grants Receivable

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

Construction Commitments

The City had the following significant project commitments at December 31, 2025, as follows:

Project Description	Authorized	Expended or Accrued as of 12/31/2025	Committed
Governmental Activities			
Skate Park	$ 315,000	$ 175,150	$ 139,850
Arrowhead Park Trails	265,023	236,783	28,240
HAC Pool Filter	494,738	480,351	14,387
Splashpad	688,000	20,408	667,592
12th Street & Main Avenue Intersection	573,319	544,744	28,575
12th Street Shared Use Path	460,000	371,112	88,888
20th Street S Phase I	615,676	581,472	34,204
20th Street S Phase II	365,593	330,382	35,211
Capital St. & 32nd	568,034	545,849	22,185
7th Ave & 15th St S Pond	23,488	13,281	10,207
Village Square Phase I-III	156,506	73,150	83,356
Total governmental activities	$ 4,525,377	$ 3,372,682	$ 1,152,695
Business-type Activities			
Electric Fund			
Old 77 Transmission Rebuild	$ 708,078	$ 8,078	$ 700,000
34th Ave Substation	114,899	64,899	50,000
Wastewater Fund			
Dewatering Facility	3,997,375	497,375	3,500,000
Telephone Fund			
MDU Fiber Extensions	940,600	40,600	900,000
Water Fund			
Well Field Expansion	11,246,227	6,646,227	4,600,000
Phase 6 Water Main	3,547,007	47,007	3,500,000
Airport Fund			
Airport Parallel Taxiway C Extension	1,956,000	1,274,374	681,626
Golf Course Fund			
Water Sourcing	818,000	123,379	694,621
Solid Waste Fund			
Force Main Project	2,622,064	2,496,133	125,931
Total business-type activities	$ 25,950,250	$ 11,198,072	$ 14,752,178

Municipal Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require Municipalities to place a final cover on their municipal landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Municipality reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $1,347,611 reported as landfill closure and post-closure care liability at December 31, 2025, represents the cumulative amount reported to date based on the use of 34.1% of the estimated capacity of the landfill. The Municipality will recognize the remaining estimated cost of closure and post-closure care of $1,347,611 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2025. The Municipality expects to close the landfill in the year of 2061. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The Municipality is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care. The City is in compliance with these requirements; and, at December 31, 2025, cash and cash equivalents of $2,018,357 are held for these purposes. These are reported as restricted assets on the statement of net position. The Municipality expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws and regulations, for example), these costs may need to be covered by increased fees to future landfill users or from future tax revenue.

Required Supplementary Information
December 31, 2025

City of Brookings, South Dakota

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 270,370	$ 290,544	$ 286,575	$ 616,846	$ 386,643	$ 352,995	$ 299,552	$ 329,850
Interest cost	201,180	174,374	185,235	134,513	128,090	190,576	242,003	207,797
Differences between expected and actual experiences	-	-	-	1,409,060	-	(1,370,970)	-	-
Economic/demographic gains (losses)	-	(149,898)	-	-	-	-	-	-
Changes in assumptions	(292,385)	(410,573)	204,826	(3,071,237)	32,354	148,092	756,243	(339,559)
Benefit payments	(285,588)	(319,242)	(302,804)	(316,738)	(262,625)	(272,412)	(322,929)	(289,617)
Net change in total OPEB liability	(106,423)	(414,795)	373,832	(1,227,556)	284,462	(951,719)	974,869	(91,529)
Total OPEB liability, beginning	4,801,892	5,216,687	4,842,855	6,070,411	5,785,949	6,737,668	5,762,799	5,854,328
Total OPEB liability, ending	$ 4,695,469	$ 4,801,892	$ 5,216,687	$ 4,842,855	$ 6,070,411	$ 5,785,949	$ 6,737,668	$ 5,762,799

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Notes to the Schedule of Changes in the City's Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in Benefit Terms

There were no significant changes in benefit terms.

Changes in Assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended December 31, 2025	4.83%
Year ended December 31, 2024	4.08%
Year ended December 31, 2023	3.26%
Year ended December 31, 2022	3.72%
Year ended December 31, 2021	2.12%
Year ended December 31, 2020	2.12%
Year ended December 31, 2019	2.74%
Year ended December 31, 2018	2.12%

2025 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 184,605	$ 39,125	$ 46,640	$ 270,370
Interest cost	121,222	41,023	38,935	201,180
Assumption changes	(163,647)	(52,881)	(75,857)	(292,385)
Benefit payments	(199,692)	(54,572)	(31,324)	(285,588)
Total Net Changes	(57,512)	(27,305)	(21,606)	(106,423)
Balance at December 31, 2025	$ 2,827,850	$ 966,057	$ 901,562	$ 4,695,469
Covered-employee Payroll	$ 11,167,893	$ 10,179,903	$ 24,264,787	$ 45,612,583
Total OPEB Liability as a percentage of covered-employee payroll	25%	9%	4%	10%

2024 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 180,781	$ 49,146	$ 60,617	$ 290,544
Interest cost	88,193	42,294	43,887	174,374
Economic/demographic gains (losses)	288,273	(168,510)	(269,661)	(149,898)
Assumption changes	(94,612)	(137,094)	(178,867)	(410,573)
Benefit payments	(201,988)	(80,715)	(36,539)	(319,242)
Total Net Changes	260,647	(294,879)	(380,563)	(414,795)
Balance at December 31, 2024	$ 2,885,362	$ 993,362	$ 923,168	$ 4,801,892
Covered-employee Payroll	$ 8,442,732	$ 8,398,014	$ 20,353,610	$ 37,194,356
Total OPEB Liability as a percentage of covered-employee payroll	34%	12%	5%	13%

2023 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 177,746	$ 50,930	$ 57,899	$ 286,575
Interest cost	93,252	46,627	45,356	185,235
Assumption changes	102,725	40,659	61,442	204,826
Benefit payments	(154,609)	(103,932)	(44,263)	(302,804)
Total Net Changes	219,114	34,284	120,434	373,832
Balance at December 31, 2023	$ 2,624,715	$ 1,288,241	$ 1,303,731	$ 5,216,687
Covered-employee Payroll	$ 2,098,973	$ 1,314,656	$ 8,618,169	$ 12,031,798
Total OPEB Liability as a percentage of covered-employee payroll	125%	98%	15%	43%

2022 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 380,465	$ 93,043	$ 143,338	$ 616,846
Interest cost	54,785	44,318	35,410	134,513
Differences between expected and actual experience	1,040,951	(346,071)	714,180	1,409,060
Assumption changes	(1,258,575)	(547,453)	(1,265,209)	(3,071,237)
Benefit payments	(181,038)	(95,897)	(39,803)	(316,738)
Total Net Changes	36,588	(852,060)	(412,084)	(1,227,556)
Balance at December 31, 2022	$ 2,405,601	$ 1,253,957	$ 1,183,297	$ 4,842,855
Covered-employee Payroll	$ 9,045,961	$ 9,005,241	$ 20,852,081	$ 38,903,283
Total OPEB Liability as a percentage of covered-employee payroll	27%	14%	6%	12%

2021 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$176,259	$115,814	$94,570	$ 386,643
Interest cost	50,296	44,531	33,263	128,090
Assumption changes	12,422	9,519	10,413	32,354
Benefit payments	(131,639)	(96,615)	(34,371)	(262,625)
Total Net Changes	107,338	73,249	103,875	284,462
Balance at December 31, 2021	$ 2,369,013	$ 2,106,017	$ 1,595,381	$ 6,070,411
Covered-employee Payroll	$ 9,023,616	$ 9,065,861	$ 19,971,193	$ 38,060,670
Total OPEB Liability as a percentage of covered-employee payroll	26%	23%	8%	16%

2020 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 163,297	$ 102,717	$ 86,981	$ 352,995
Interest cost	86,673	59,261	44,642	190,576
Differences between expected and actual experience	(934,861)	(211,525)	(224,584)	(1,370,970)
Assumption changes	17,173	77,660	53,259	148,092
Benefit payments	(140,204)	(110,205)	(22,003)	(272,412)
Total Net Changes	(807,922)	(82,092)	(61,705)	(951,719)
Balance at December 31, 2020	$ 2,261,675	$ 2,032,768	$ 1,491,506	$ 5,785,949
Covered-employee Payroll	$ 8,785,102	$ 10,747,836	$ 19,971,193	$ 39,504,131
Total OPEB Liability as a percentage of covered-employee payroll	26%	19%	7%	15%

2019 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 153,712	$ 83,103	$ 62,737	$ 299,552
Interest cost	110,686	77,654	53,663	242,003
Assumption changes	350,756	201,322	204,165	756,243
Benefit payments	(181,171)	(115,073)	(26,685)	(322,929)
Total Net Changes	433,983	247,006	293,880	974,869
Balance at December 31, 2019	$ 3,069,597	$ 2,114,860	$ 1,553,211	$ 6,737,668
Covered-employee Payroll	$ 8,610,689	$ 10,635,845	$ 19,058,624	$ 38,305,158
Total OPEB Liability as a percentage of covered-employee payroll	36%	20%	8%	18%

2018 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	$ 168,260	$ 91,239	$ 70,351	$ 329,850
Interest cost	95,498	67,064	45,235	207,797
Assumption changes	(156,482)	(93,071)	(90,006)	(339,559)
Benefit payments	(157,664)	(110,376)	(21,577)	(289,617)
Total Net Changes	(50,388)	(45,144)	4,003	(91,529)
Balance at December 31, 2018	$ 2,635,614	$ 1,867,854	$ 1,259,331	$ 5,762,799
Covered-employee Payroll	$ 8,047,014	$ 10,333,541	$ 18,410,492	$ 36,791,047
Total OPEB Liability as a percentage of covered-employee payroll	33%	18%	7%	16%

Schedule of Employer's Share of Net Pension Liability (Asset)
Last 10 Fiscal Years

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered-Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
6/30/2025	1.62%	$ (138,014)	$ 45,659,072	0.30%	100.06%
6/30/2024	1.61%	$ (65,264)	$ 42,794,474	0.15%	100.03%
6/30/2023	1.65%	$ (160,817)	$ 40,455,580	0.40%	100.10%
6/30/2022	1.68%	$ (158,890)	$ 38,263,177	0.42%	100.10%
6/30/2021	1.79%	$ (13,733,502)	$ 38,638,175	35.54%	105.52%
6/30/2020	1.88%	$ (81,555)	$ 39,123,163	0.21%	100.04%
6/30/2019	1.83%	$ (193,879)	$ 36,922,862	0.53%	100.09%
6/30/2018	1.84%	$ (42,978)	$ 36,418,929	0.12%	100.02%
6/30/2017	1.79%	$ 162,889	$ 34,849,490	0.47%	100.10%
6/30/2016	1.85%	$ 6,257,168	$ 33,668,846	18.58%	96.89%

Schedule of Employer's Contributions
Last 10 Fiscal Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
12/31/2025	$ 2,962,518	$ 2,962,518	$ -	$ 46,783,139	6.33%
12/31/2024	$ 2,835,279	$ 2,835,279	$ -	$ 44,708,633	6.34%
12/31/2023	$ 2,573,226	$ 2,573,226	$ -	$ 40,678,088	6.33%
12/31/2022	$ 2,408,742	$ 2,408,742	$ -	$ 39,263,284	6.13%
12/31/2021	$ 2,441,371	$ 2,441,371	$ -	$ 38,051,089	6.42%
12/31/2020	$ 2,493,420	$ 2,493,420	$ -	$ 39,504,131	6.31%
12/31/2019	$ 2,420,753	$ 2,420,753	$ -	$ 38,305,158	6.32%
12/31/2018	$ 2,316,039	$ 2,316,039	$ -	$ 36,791,047	6.30%
12/31/2017	$ 2,235,945	$ 2,235,945	$ -	$ 35,680,103	6.27%
12/31/2016	$ 2,096,488	$ 2,096,488	$ -	$ 34,066,020	6.15%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

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 future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2025 SDRS COLA is limited to a restricted maximum of 1.71%. The July 2025 SDRS COLA will equal inflation, between 0% and 1.71%. For this June 30, 2024 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA 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, between 0% and 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.

Other Supplementary Information
December 31, 2025

City of Brookings, South Dakota

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 6,616,870	$ 1,904,818	$ 1,284,382	$ 9,806,070
Restricted cash and cash equivalents	225,000	-	-	225,000
Receivables (net of allowance for uncollectibles)				
Interest	17,871	-	4,478	22,349
Storm drainage fees	37	-	-	37
Accounts	157,160	-	-	157,160
Special assessments	656,977	-	-	656,977
Intergovernmental	254,487	9,864	-	264,351
Due from other funds	44,227	-	-	44,227
Inventories	36,645	-	-	36,645
Prepaid items	36,172	-	-	36,172
Total assets	$ 8,045,446	$ 1,914,682	$ 1,288,860	$ 11,248,988
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	$ 191,160	$ 10,579	$ 9,986	$ 211,725
Advances from other funds	114,300	-	-	114,300
Due to other funds	33,831	-	150,348	184,179
Accrued payroll	80,055	-	-	80,055
Due to other governments	11,823	-	-	11,823
Unearned revenue	441,044	-	-	441,044
Total liabilities	872,213	10,579	160,334	1,043,126
Deferred Inflows of Resources				
Unavailable revenue	657,014	-	-	657,014
Fund Balance (Deficit)				
Nonspendable	72,817	-	-	72,817
Restricted	1,612,973	1,904,103	-	3,517,076
Committed	4,973,767	-	-	4,973,767
Assigned	-	-	1,285,586	1,285,586
Unassigned	(143,338)	-	(157,060)	(300,398)
Total fund balance (deficit)	6,516,219	1,904,103	1,128,526	9,548,848
Total liabilities, deferred inflows of resources, and fund balances	$ 8,045,446	$ 1,914,682	$ 1,288,860	$ 11,248,988

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	$ -	$ 2,774,088	$ -	$ 2,774,088
Storm drainage taxes	1,418,750	-	-	1,418,750
General sales and use taxes	1,384,794	-	-	1,384,794
Other taxes	970,384	-	-	970,384
Special assessments	100,742	-	-	100,742
Intergovernmental	246,081	-	-	246,081
Charges for goods and services	2,451,634	-	-	2,451,634
Fines and forfeitures	21,421	-	-	21,421
Investment income (loss)	170,165	-	56,973	227,138
Miscellaneous	5,449	-	-	5,449
Total revenues	6,769,420	2,774,088	56,973	9,600,481
Expenditures				
Current				
General government	5,111	344,239	124,099	473,449
Public safety	1,130,179	-	96,884	1,227,063
Public works	509,263	-	76,081	585,344
Culture and recreation	2,996,981	-	-	2,996,981
Conservation and development	1,250,928	-	-	1,250,928
Capital outlay	772,435	-	447,830	1,220,265
Debt service				
Principal	240,964	-	-	240,964
Interest and fiscal charges	70,580	-	-	70,580
Total expenditures	6,976,441	344,239	744,894	8,065,574
Excess (Deficiency) of Revenues over (under) Expenditures	(207,021)	2,429,849	(687,921)	1,534,907
Other Financing Sources (Uses)				
Transfers in	2,909,852	1,500,000	560,000	4,969,852
Transfers out	(625,226)	(4,097,076)	-	(4,722,302)
Total other financing sources (uses)	2,284,626	(2,597,076)	560,000	247,550
Net Change in Fund Balance	2,077,605	(167,227)	(127,921)	1,782,457
Fund Balance, Beginning of Year	4,438,614	2,071,330	1,256,447	7,766,391
Fund Balance, End of Year	$ 6,516,219	$ 1,904,103	$ 1,128,526	$ 9,548,848

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City utilizes the following special revenue funds:

Enhanced 911 Fund – to account for the per phone line surcharge assessed to customers of private phone companies operating within Brookings County. These funds are used to defray the costs incurred by the City in providing emergency dispatch services.

Dacotah Bank Center Fund – to account for the operations and maintenance of the City owned facility. Financing is provided by revenues from events, rentals, and inter-fund transfers.

Library Fines Fund – to account for the revenue derived from library fines and other allowed charges. Expenditures are authorized by the Library Board.

Special Assessment Fund – to account for the revenue and expenditures of projects that may be assessed back to the property owner.

Storm Drainage Fund – to account for the revenue and expenditures from the storm drainage surcharge to property owners and interfund transfers. Proceeds of this surcharge are committed by the City Council to be used to maintain and construct storm drainage facilities.

Bed and Booze Tax Fund – to account for the revenues and expenditures of the special one percent (1%) city gross receipts tax on lodging, alcoholic beverages, prepared food, and admissions. Revenues are restricted by State Law for the purpose of land acquisition; architectural fees; construction costs; payment for civic center, auditorium, or athletic facility buildings (including the maintenance staffing and operations of such facilities); and the promotion and advertising of the City.

Business Improvement District (BID) Fee Fund – to account for the revenues and expenditures of the $2 per night occupancy fee charged to lodging facilities. Revenues are committed by City Council for improvements benefiting the City and its hotels and motels located within the District.

	Enhanced 911	Dacotah Bank Center	Library Fines	Special Assessment
Assets				
Cash and cash equivalents	$ 619,692	$ 371,141	$ 51,661	$ 651,488
Restricted cash and cash equivalents	25,000	-	-	-
Receivables (net of allowance for uncollectibles)				
Interest	2,160	-	-	2,386
Storm drainage fees	-	-	-	-
Accounts	-	143,096	-	-
Special assessments	-	-	-	656,977
Intergovernmental	102,338	-	-	-
Due from other funds	-	44,227	-	-
Inventories	-	36,236	-	-
Prepaid items	1,379	34,135	-	-
Total assets	$ 750,569	$ 628,835	$ 51,661	$ 1,310,851
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	$ 12,314	$ 150,642	$ 119	$ -
Advances from other funds	-	78,000	-	36,300
Due to other funds	259	-	-	-
Accrued payroll	59,762	20,293	-	-
Due to other governments	-	11,823	-	-
Unearned revenue	-	441,044	-	-
Total liabilities	72,335	701,802	119	36,300
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	656,977
Fund Balance (Deficit)				
Nonspendable	1,379	70,371	-	-
Restricted	676,855	-	51,542	-
Committed	-	-	-	617,574
Unassigned	-	(143,338)	-	-
Total fund balance (deficit)	678,234	(72,967)	51,542	617,574
Total liabilities, deferred inflows of resources, and fund balances	$ 750,569	$ 628,835	$ 51,661	$ 1,310,851

	Storm Drainage	Bed and Booze Tax	BID Fee	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	$ 4,000,295	$ 684,892	$ 237,701	$ 6,616,870
Restricted cash and cash equivalents	-	100,000	100,000	225,000
Receivables (net of allowance for uncollectibles)				
Interest	10,109	2,387	829	17,871
Storm drainage fees	37	-	-	37
Accounts	-	-	14,064	157,160
Special assessments	-	-	-	656,977
Intergovernmental	5,917	146,232	-	254,487
Due from other funds	-	-	-	44,227
Inventories	409	-	-	36,645
Prepaid items	658	-	-	36,172
Total assets	$ 4,017,425	$ 933,511	$ 352,594	$ 8,045,446
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	$ 12,722	$ 15,363	$ -	$ 191,160
Advances from other funds	-	-	-	114,300
Due to other funds	-	33,572	-	33,831
Accrued payroll	-	-	-	80,055
Due to other governments	-	-	-	11,823
Unearned revenue	-	-	-	441,044
Total liabilities	12,722	48,935	-	872,213
Deferred Inflows of Resources				
Unavailable revenue	37	-	-	657,014
Fund Balance (Deficit)				
Nonspendable	1,067	-	-	72,817
Restricted	-	884,576	-	1,612,973
Committed	4,003,599	-	352,594	4,973,767
Unassigned	-	-	-	(143,338)
Total fund balance (deficit)	4,004,666	884,576	352,594	6,516,219
Total liabilities, deferred inflows of resources, and fund balances	$ 4,017,425	$ 933,511	$ 352,594	$ 8,045,446

	Enhanced 911	Dacotah Bank Center	Library Fines	Special Assessment
Revenues				
Taxes				
Storm drainage taxes	$ -	$ -	$ -	$ -
General sales and use taxes	-	-	-	-
Other taxes	716,606	-	-	-
Special assessments	-	-	-	100,742
Intergovernmental	246,081	-	-	-
Charges for goods and services	-	2,451,634	-	-
Fines and forfeits	-	-	21,421	-
Investment income	18,068	-	52	21,370
Miscellaneous	5,449	-	-	-
Total revenues	986,204	2,451,634	21,473	122,112
Expenditures				
Current				
General government	-	-	-	-
Public safety	1,130,179	-	-	-
Public works	-	-	-	32,947
Culture and recreation	-	2,981,171	15,810	-
Conservation and development	-	-	-	-
Capital outlay	-	537,680	-	-
Debt service				
Principal	-	31,655	-	-
Interest and fiscal charges	-	1,944	-	-
Total expenditures	1,130,179	3,552,450	15,810	32,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	(143,975)	(1,100,816)	5,663	89,165
Other Financing Sources (Uses)				
Transfers in	462,601	1,233,184	-	55,524
Transfers out	-	-	-	-
Total other financing sources (uses)	462,601	1,233,184	-	55,524
Net Change in Fund Balances	318,626	132,368	5,663	144,689
Fund Balance, Beginning of Year	359,608	(205,335)	45,879	472,885
Fund Balances, End of Year	$ 678,234	$ (72,967)	$ 51,542	$ 617,574

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2025

	Storm Drainage	Bed and Booze Tax	BID Fee	Total Nonmajor Special Revenue Funds
Revenues				
Taxes				
Storm drainage taxes	$ 1,418,750	$ -	$ -	$ 1,418,750
General sales and use taxes	-	1,384,794	-	1,384,794
Other taxes	-	-	253,778	970,384
Special assessments	-	-	-	100,742
Intergovernmental	-	-	-	246,081
Charges for goods and services	-	-	-	2,451,634
Fines and forfeits	-	-	-	21,421
Investment income	92,493	26,598	11,584	170,165
Miscellaneous	-	-	-	5,449
Total revenues	1,511,243	1,411,392	265,362	6,769,420
Expenditures				
Current				
General government	-	-	5,111	5,111
Public safety	-	-	-	1,130,179
Public works	476,316	-	-	509,263
Culture and recreation	-	-	-	2,996,981
Conservation and development	-	987,928	263,000	1,250,928
Capital outlay	234,755	-	-	772,435
Debt service				
Principal	209,309	-	-	240,964
Interest and fiscal charges	68,636	-	-	70,580
Total expenditures	989,016	987,928	268,111	6,976,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	522,227	423,464	(2,749)	(207,021)
Other Financing Sources (Uses)				
Transfers in	1,108,543	50,000	-	2,909,852
Transfers out	(54,815)	(570,411)	-	(625,226)
Total other financing sources (uses)	1,053,728	(520,411)	-	2,284,626
Net Change in Fund Balances	1,575,955	(96,947)	(2,749)	2,077,605
Fund Balance, Beginning of Year	2,428,711	981,523	355,343	4,438,614
Fund Balances, End of Year	$ 4,004,666	$ 884,576	$ 352,594	$ 6,516,219

	Enhanced 911				Dacotah Bank Center			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
Other taxes	$ 554,000	$ 554,000	$ 716,606	$ 162,606	$ -	$ -	$ -	$ -
Intergovernmental	246,081	246,081	246,081	-	-	-	-	-
Charges for goods and services	-	-	-	-	4,150,160	4,150,160	2,451,634	(1,698,526)
Investment income	2,000	2,000	18,068	16,068	-	-	-	-
Miscellaneous	-	-	5,449	5,449	-	-	-	-
Total revenues	802,081	802,081	986,204	184,123	4,150,160	4,150,160	2,451,634	(1,698,526)
Expenditures								
Current								
Public safety	1,245,182	1,245,182	1,130,179	115,003	-	-	-	-
Culture and recreation	-	-	-	-	4,540,160	4,540,160	2,981,171	1,558,989
Capital outlay	19,500	19,500	-	19,500	671,761	922,728	537,680	385,048
Debt service								
Principal	-	-	-	-	-	-	31,655	(31,655)
Interest and fiscal charges	-	-	-	-	-	-	1,944	(1,944)
Total expenditures	1,264,682	1,264,682	1,130,179	134,503	5,211,921	5,462,888	3,552,450	1,910,438
Deficiency of Revenues under Expenditures	(462,601)	(462,601)	(143,975)	318,626	(1,061,761)	(1,312,728)	(1,100,816)	211,912
Other Financing Sources								
Transfers in	462,601	462,601	462,601	-	1,061,761	1,373,829	1,233,184	(140,645)
Net Change in Fund Balances	$ -	$ -	318,626	$ 318,626	$ -	$ 61,101	132,368	$ 71,267
Fund Balance, Beginning of Year			359,608				(205,335)	
Fund Balances, End of Year			$ 678,234				$ (72,967)	

	Library Fines				Special Assessment			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Special assessments	$ -	$ -	$ -	$ -	$ 121,000	$ 121,000	$ 100,742	$ (20,258)
Fines and forfeits	35,000	35,000	21,421	(13,579)	-	-	-	-
Investment income	-	-	52	52	4,621	4,621	21,370	16,749
Total revenues	35,000	35,000	21,473	(13,527)	125,621	125,621	122,112	(3,509)
Expenditures								
Current								
Culture and recreation	30,000	30,000	15,810	14,190	-	-	-	-
Capital outlay	-	-	-	-	215,000	215,000	-	215,000
Total expenditures	30,000	30,000	15,810	14,190	215,000	215,000	32,947	182,053
Excess (Deficiency) of Revenues over (under) Expenditures	5,000	5,000	5,663	663	(89,379)	(89,379)	89,165	178,544
Other Financing Sources								
Transfers in	-	-	-	-	24,469	24,469	55,524	31,055
Net Change in Fund Balances	$ 5,000	$ 5,000	5,663	$ 663	$ (64,910)	$ (64,910)	144,689	$ 209,599
Fund Balance, Beginning of Year			45,879				472,885	
Fund Balances, End of Year			$ 51,542				$ 617,574	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2025

	Storm Drainage				Bed and Booze Tax			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
Storm drainage taxes	$ 1,352,783	$ 1,352,783	$ 1,418,750	$ 65,967	$ -	$ -	$ -	$ -
General sales and use taxes	-	-	-	-	1,321,740	1,321,740	1,384,794	63,054
Investment income	28,569	28,569	92,493	63,924	12,009	12,009	26,598	14,589
Total revenues	1,381,352	1,381,352	1,511,243	129,891	1,333,749	1,333,749	1,411,392	77,643
Expenditures								
Current								
Public works	461,276	473,376	476,316	(2,940)	-	-	-	-
Conservation and development	-	-	-	-	907,600	1,169,600	987,928	181,672
Capital outlay	794,660	995,660	234,755	760,905	-	-	-	-
Debt service								
Principal	209,309	209,309	209,309	-	-	-	-	-
Interest and fiscal charges	68,635	68,635	68,636	(1)	-	-	-	-
Total expenditures	1,533,880	1,746,980	989,016	757,964	907,600	1,169,600	987,928	181,672
Excess (Deficiency) of Revenues over (under) Expenditures	(152,528)	(365,628)	522,227	887,855	426,149	164,149	423,464	259,315
Other Financing Sources (Uses)								
Transfers in	9,411	9,411	1,108,543	1,099,132	50,000	50,000	50,000	-
Transfers out	(54,815)	(54,815)	(54,815)	-	(498,839)	(597,940)	(570,411)	27,529
Total other financing sources (uses)	(45,404)	(45,404)	1,053,728	1,099,132	(448,839)	(547,940)	(520,411)	27,529
Net Change in Fund Balances	$ (197,932)	$ (411,032)	1,575,955	$ 1,986,987	$ (22,690)	$ (383,791)	(96,947)	$ 286,844
Fund Balance, Beginning of Year			2,428,711				981,523	
Fund Balances, End of Year			$ 4,004,666				$ 884,576	

	BID Fee			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes				
Other taxes	$ 500,000	$ 500,000	$ 253,778	$ (246,222)
Investment income	4,518	4,518	11,584	7,066
Total revenues	504,518	504,518	265,362	(239,156)
Expenditures				
Current				
General government	5,260	5,260	5,111	149
Conservation and development	263,000	263,000	263,000	-
Total expenditures	268,260	268,260	268,111	149
Net Change in Fund Balances	$ 236,258	$ 236,258	(2,749)	$ (239,007)
Fund Balance, Beginning of Year			355,343	
Fund Balances, End of Year			$ 352,594	

Debt service funds are used to account for financial resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

TIF-1 Innovation Campus Fund – To account for the revenues and expenditures of the Tax Increment District (TID) # 1. This TID was created to capture the incremental tax revenue generated by development of the Innovation Campus area and to pay for the debt incurred on the infrastructure improvements.

TIF-5 32nd Ave Fund - To account for the revenue and expenditures of the Tax Increment District (TID) #5. This TID was created to capture the incremental tax revenue generated by development of the area along 32nd Ave and to pay for the debt incurred by the City on the infrastructure improvements.

TIF-6 Digester Fund – To account for the revenues and expenditures of the Tax Increment District (TID) #6. This TID was created to capture the incremental tax revenue generated by development of the Bel Cheese plant area to pay for the debt incurred by the City on the digester.

TIF-7 S. Main Ave Fund – To account for the revenues and expenditures of the Tax Increment District (TID) #7. This TID was created to capture the incremental tax revenue generated by development around the new elementary school area to pay for the debt incurred by the City on the infrastructure improvements.

TIF-8 Affordable Housing Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #8. TID was created to capture the incremental tax revenue generated by the development of affordable housing lots in the area of West 16th Avenue. This debt is developer guaranteed.

TIF-9 Industrial Park Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #9. This TID was created to capture the incremental tax generated by an industrial park in the north portion of the community to expand the street network and infrastructure within the district and to pay the debt incurred on the infrastructure improvements.

TIF-10 15th & 7th Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #10. This TID was created to capture the incremental tax generated by a workforce housing development at 15th Street South and 7th Avenue South and to pay the debt incurred on the infrastructure improvements.

TIF-11 Tallgrass & Sweetgrass Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #11. This TID was created to capture the incremental tax generated by commercial development north and west of Tallgrass Parkway and Sweetgrass Drive and to pay the debt incurred on the infrastructure improvements.

TIF-14 Branch Creek - To account for the revenues and expenditures of the Tax Increment District (TID) #14. This TID was created to capture the incremental tax generated by residential development of approximately 17 acres within the City of Brookings for affordable and workforce housing to pay back the debt incurred on infrastructure improvements.

	TIF-1 Innovation Campus	TIF-5 32nd Ave	TIF-6 Digester	TIF-7 S. Main Ave	TIF-8 Affordable Housing
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ 37,926	$ 6,313
Intergovernmental	-	-	-	6,278	1,996
Total assets	$ -	$ -	$ -	$ 44,204	$ 8,309
Liabilities and Fund Balance					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Fund Balance					
Restricted	-	-	-	44,204	8,309
Total liabilities and fund balances	$ -	$ -	$ -	$ 44,204	$ 8,309

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2025

	TIF-9 Industrial Park	TIF-10 15th & 7th	TIF-11 Tallgrass & Sweetgrass	TIF-14 Branch Creek	Total Nonmajor Debt Service Funds
Assets					
Cash and cash equivalents	$ -	$ -	$ 1,850,000	$ 10,579	$ 1,904,818
Intergovernmental	-	1,590	-	-	9,864
Total assets	$ -	$ 1,590	$ 1,850,000	$ 10,579	$ 1,914,682
Liabilities and Fund Balance					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 10,579	$ 10,579
Fund Balance					
Restricted	-	1,590	1,850,000	-	1,904,103
Total liabilities and fund balances	$ -	$ 1,590	$ 1,850,000	$ 10,579	$ 1,914,682

	TIF-1 Innovation Campus	TIF-5 32nd Ave	TIF-6 Digester	TIF-7 S. Main Ave	TIF-8 Affordable Housing
Revenues					
Taxes					
General property taxes	$ (5,880)	$ -	$ 380,603	$ 1,934,078	$ 275,637
Expenditures					
Current					
General government	-	-	-	-	133,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,880)	-	380,603	1,934,078	141,977
Other Financing Uses					
Transfers in	-	-	-	-	-
Transfers out	-	(29,539)	(380,603)	(3,370,244)	(136,116)
Total other financing sources (uses)	-	(29,539)	(380,603)	(3,370,244)	(136,116)
Net Change in Fund Balances	(5,880)	(29,539)	-	(1,436,166)	5,861
Fund Balance, Beginning of Year	5,880	29,539	-	1,480,370	2,448
Fund Balances, End of Year	$ -	$ -	$ -	$ 44,204	$ 8,309

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2025

	TIF-9 Industrial Park	TIF-10 15th & 7th	TIF-11 Tallgrass & Sweetgrass	TIF-14 Branch Creek	Total Nonmajor Debt Service Funds
Revenues					
Taxes					
General property taxes	$ 95,152	$ 83,919	$ -	$ 10,579	$ 2,774,088
Expenditures					
Current					
General government	-	-	200,000	10,579	344,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,152	83,919	(200,000)	-	2,429,849
Other Financing Uses					
Transfers in	-	-	1,500,000	-	1,500,000
Transfers out	(95,152)	(85,422)	-	-	(4,097,076)
Total other financing sources (uses)	(95,152)	(85,422)	1,500,000	-	(2,597,076)
Net Change in Fund Balances	-	(1,503)	1,300,000	-	(167,227)
Fund Balance, Beginning of Year	-	3,093	550,000	-	2,071,330
Fund Balances, End of Year	$ -	$ 1,590	$ 1,850,000	$ -	$ 1,904,103

	TIF-1 Innovation Campus				TIF-5 32nd Ave.			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	$ -	$ -	$ (5,880)	$ (5,880)	$ -	$ -	$ -	$ -
Other Financing Uses								
Transfers out	-	-	-	-	-	-	(29,539)	(29,539)
Net Change in Fund Balances	$ -	$ -	(5,880)	$ (5,880)	$ -	$ -	(29,539)	$ (29,539)
Fund Balance, Beginning of Year			5,880				29,539	
Fund Balances, End of Year			$ -				$ -	

	TIF-6 Digester				TIF-7 S. Main Ave.			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	$ 386,016	$ 386,016	$ 380,603	$ (5,413)	$ 1,558,956	$ 1,558,956	$ 1,934,078	$ 375,122
Expenditures								
Current								
General government	-	-	-	-	250,000	250,000	-	250,000
Excess of Revenues over Expenditures	386,016	386,016	380,603	(5,413)	1,308,956	1,308,956	1,934,078	625,122
Other Financing Uses								
Transfers out	(386,016)	(386,016)	(380,603)	5,413	(1,308,956)	(1,308,956)	(3,370,244)	(2,061,288)
Net Change in Fund Balances	$ -	$ -	-	$ -	$ -	$ -	(1,436,166)	$ (1,436,166)
Fund Balance, Beginning of Year			-				1,480,370	
Fund Balances, End of Year			$ -				$ 44,204	

	TIF-8 Affordable Housing				TIF-9 Industrial Park			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	$ 98,190	$ 98,190	$ 275,637	$ 177,447	$ 23,005	$ 23,005	$ 95,152	$ 72,147
Expenditures								
Current								
General government	49,095	49,095	133,660	(84,565)	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	49,095	49,095	141,977	92,882	23,005	23,005	95,152	72,147
Other Financing Uses								
Transfers out	(49,095)	(49,095)	(136,116)	(87,021)	(23,005)	(23,005)	(95,152)	(72,147)
Total other financing sources (uses)	(49,095)	(49,095)	(136,116)	(87,021)	(23,005)	(23,005)	(95,152)	(72,147)
Net Change in Fund Balances	$ -	$ -	5,861	$ 5,861	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			2,448				-	
Fund Balances, End of Year			$ 8,309				$ -	

	TIF-10 15th & 7th				TIF-11 Tallgrass & Sweetgrass			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	$ 37,645	$ 37,645	$ 83,919	$ 46,274	$ -	$ -	$ -	$ -
Expenditures								
Current								
General government	-	-	-	-	200,000	200,000	200,000	-
Excess (Deficiency) of Revenues over (under) Expenditures	37,645	37,645	83,919	46,274	(200,000)	(200,000)	(200,000)	-
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	750,000	750,000	1,500,000	750,000
Transfers out	(37,645)	(37,645)	(85,422)	(47,777)	-	(650,000)	-	650,000
Total other financing sources (uses)	(37,645)	(37,645)	(85,422)	(47,777)	750,000	100,000	1,500,000	1,400,000
Net Change in Fund Balances	$ -	$ -	(1,503)	$ (1,503)	$ 550,000	$ (100,000)	1,300,000	$ 1,400,000
Fund Balance, Beginning of Year			3,093				550,000	
Fund Balances, End of Year			$ 1,590				$ 1,850,000	

	TIF-14 Branch Creek			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes				
General property taxes	$ -	$ -	$ 10,579	$ 10,579
Expenditures				
Current				
General government	-	-	10,579	(10,579)
Net Change in Fund Balances	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			-	
Fund Balances, End of Year			$ -	

Capital projects funds are used to account for financial resources used for the acquisition or construction of capital facilities.

TIF 1 Innovation Project Fund - to account for the resources received and expenditures to upgrade stormwater and street infrastructure on University Boulevard.

Gateway Project Fund - to account for the resources received and expenditures to purchase and put in place stone signage throughout the City identifying various parks and entrances to the City. Resources are derived mainly from private donations.

Marketplace Fund - to account for the financial resources used for roof repairs and other costs associated with the former Armory building on Main Avenue.

Bob Shelden Complex Fund – to account for the financial resources used for redesign and replacement of the grandstand building, fencing, lighting, signage, parking, landscaping and updating the exterior appearance of other existing buildings at the Complex.

20th Street Interchange Fund - to account for the financial resources used for design and construction of the Interstate 29 Exit 130 at 20th Street South.

15th & 7th Fund - to account for the financial resources used for the design and construction of infrastructure upgrades at the intersection of 15th Street and 7th Avenue.

Public Safety Center Fund - to account for the financial resources used for design and construction of either upgrading the existing Police and E-911 facility or a new facility.

Armory Upgrades Fund - to account for the financial resources used for roof repairs and other costs associated with the former Armory building on Main Avenue.

TIF 9 Detention Basin - to account for the financial resources used to construct a detention basin to benefit storm drainage in an industrial park located in the north portion of the community.

Fire Facility Fund - to account for the financial resources used to construct a detention basin to benefit storm drainage in an industrial park located in the north portion of the community.

	TIF 1 Project Innovation	Gateway	Marketplace	Bob Shelden	20th Street Interchange
Assets					
Cash and cash equivalents	$ 352,810	$ 18	$ 21,097	$ 9	$ -
Receivables (net of allowance for uncollectibles)					
Interest	1,230	-	74	-	-
Total assets	$ 354,040	$ 18	$ 21,171	$ 9	$ -
Liabilities and Fund Balance					
Liabilities					
Accounts payable	$ -	$ -	$ 720	$ -	$ 6,712
Due to other funds	-	-	-	-	150,348
Total liabilities	-	-	720	-	157,060
Fund Balance (Deficit)					
Assigned	354,040	18	20,451	9	-
Unassigned	-	-	-	-	(157,060)
Total fund balance (deficit)	354,040	18	20,451	9	(157,060)
Total liabilities and fund balances	$ 354,040	$ 18	$ 21,171	$ 9	$ -

	15th & 7th	Public Safety Center	Armory Upgrades	TIF 9 Detention Basin	Fire Facility	Total Nonmajor Capital Projects Funds
Assets						
Cash and cash equivalents	$ 301,432	$ 376,057	$ 18,098	$ 200,163	$ 14,698	$ 1,284,382
Receivables (net of allowance for uncollectibles)						
Interest	1,051	1,311	63	698	51	4,478
Total assets	$ 302,483	$ 377,368	$ 18,161	$ 200,861	$ 14,749	$ 1,288,860
Liabilities and Fund Balance						
Liabilities						
Accounts payable	$ -	$ 1,441	$ -	$ 1,113	$ -	$ 9,986
Due to other funds	-	-	-	-	-	150,348
Total liabilities	-	1,441	-	1,113	-	160,334
Fund Balance (Deficit)						
Assigned	302,483	375,927	18,161	199,748	14,749	1,285,586
Unassigned	-	-	-	-	-	(157,060)
Total fund balance (deficit)	302,483	375,927	18,161	199,748	14,749	1,128,526
Total liabilities and fund balances	$ 302,483	$ 377,368	$ 18,161	$ 200,861	$ 14,749	$ 1,288,860

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2025

	TIF 1 Project Innovation	Gateway	Marketplace	Bob Shelden Complex	20th Street Interchange
Revenues					
Investment income	$ 13,167	$ -	$ 8,281	$ -	$ -
Expenditures					
Current					
General government	4,480	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	76,081
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Capital outlay	-	-	447,830	-	-
Total expenditures	4,480	-	447,830	-	76,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,687	-	(439,549)	-	(76,081)
Other Financing Sources (Uses)					
Transfers in	-	-	460,000	-	-
Net Change in Fund Balances	8,687	-	20,451	-	(76,081)
Fund Balance, Beginning of Year	345,353	18	-	9	(80,979)
Fund Balances, End of Year	$ 354,040	$ 18	$ 20,451	$ 9	$ (157,060)

	15th & 7th	Public Safety Center	Armory Upgrades	TIF-9 Detention Basisn	Fire Facility	Total Nonmajor Capital Projects Funds
Revenues						
Investment income	$ 10,732	$ 13,576	$ 644	$ 10,428	$ 145	$ 56,973
Expenditures						
Current						
General government	-	-	-	119,619	-	124,099
Public safety	-	11,488	-	-	85,396	96,884
Public works	-	-	-	-	-	76,081
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	447,830
Total expenditures	-	11,488	-	119,619	85,396	744,894
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,732	2,088	644	(109,191)	(85,251)	(687,921)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	100,000	560,000
Net Change in Fund Balances	10,732	2,088	644	(109,191)	14,749	(127,921)
Fund Balance, Beginning of Year	291,751	373,839	17,517	308,939	-	1,256,447
Fund Balances, End of Year	$ 302,483	$ 375,927	$ 18,161	$ 199,748	$ 14,749	$ 1,128,526

	TIF 1 Project Innovation				Gateway			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	$ -	$ -	$ 13,167	$ 13,167	$ -	$ -	$ -	$ -
Expenditures								
Current								
General government	-	15,200	4,480	10,720	-	-	-	-
Net Change in Fund Balances	$ -	$ (15,200)	8,687	$ 23,887	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			345,353				18	
Fund Balances, End of Year			$ 354,040				$ 18	

	Marketplace				Bob Shelden Complex			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	$ -	$ -	$ 8,281	$ 8,281	$ -	$ -	$ -	$ -
Expenditures								
Capital outlay	$ -	$ 460,000	$ 447,830	$ 12,170	$ -	$ -	$ -	$ -
Deficiency of Revenues under Expenditures	-	(460,000)	(439,549)	20,451	-	-	-	-
Other Financing Sources								
Transfers in	-	460,000	460,000	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	20,451	$ 20,451	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			-				9	
Fund Balances, End of Year			$ 20,451				$ 9	

	20th Street Interchange				15th & 7th			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,732	$ 10,732
Expenditures								
Current								
Public works	-	448,400	76,081	372,319	-	-	-	-
Net Change in Fund Balances	$ -	$ (448,400)	(76,081)	$ 372,319	$ -	$ -	10,732	$ 10,732
Fund Balance, Beginning of Year			(80,979)				291,751	
Fund Balances, End of Year			$ (157,060)				$ 302,483	

	Public Safety Center				Armory Upgrades			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	$ -	$ -	$ 13,576	$ 13,576	$ -	$ -	$ 644	$ 644
Expenditures								
Current								
Public safety	-	370,000	11,488	358,512	-	-	-	-
Net Change in Fund Balances	$ -	$ (370,000)	2,088	$ 372,088	$ -	$ -	644	$ 644
Fund Balance, Beginning of Year			373,839				17,517	
Fund Balances, End of Year			$ 375,927				$ 18,161	

	TIF 9 Detention Basin				Fire Facility			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	$ -	$ -	$ 10,428	$ 10,428	$ -	$ -	$ 145	$ 145
Expenditures								
Current								
Public safety	-	-	-	-	-	100,000	85,396	14,604
Excess (Deficiency) of Revenues over (under) Expenditures	-	(278,500)	(109,191)	169,309	-	(100,000)	(85,251)	14,749
Other Financing Sources								
Transfers in	-	-	-	-	-	100,000	100,000	-
Net Change in Fund Balances	$ -	$ (278,500)	(109,191)	$ 169,309	$ -	$ -	14,749	$ 14,749
Fund Balance, Beginning of Year			308,939				-	
Fund Balances, End of Year			$ 199,748				$ 14,749	

The enterprise funds account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City has decided that periodic determination of the revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or for other purposes.

The City operates the following nonmajor enterprise funds:

Liquor Fund – to account for revenues and expenses of the City owned liquor store.

Airport Fund – to account for air transportation services to the residents of the City. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operations, and maintenance.

Golf Fund – to account for revenues and expenses of the City-owned municipal golf course.

Solid Waste Fund – to account for solid waste services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, billing, and collection.

Research & Technology Center Fund – to account for revenues and expenses of a City-owned facility designed to house startup companies.

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Assets						
Current Assets						
Cash and cash equivalents	$ 481,837	$ 640,763	$ 1,950,604	$ 7,008,356	$ 215,928	$ 10,297,488
Receivables (net of allowance for uncollectibles):						
Interest	1,665	16,458	7,476	17,173	770	43,542
Accounts	310,430	156	1,200	421,354	2,068	735,208
Current portion of leases receivable		6,335	15,327	-	-	21,662
Due from other funds	-	6	-	236	-	242
Inventories	984,326	-	-	34,691	-	1,019,017
Prepaid expenses	2,786	2,761	2,714	24,955	-	33,216
Total current assets	1,781,044	666,479	1,977,321	7,506,765	218,766	12,150,375
Noncurrent Assets						
Net pension asset	810	437	354	2,409	-	4,010
Advances to other funds	-	-	-	93,538	-	93,538
Leases receivable		266,447	52,839	-	-	319,286
Restricted cash and cash equivalents	-	-	-	2,018,357	-	2,018,357
Capital assets						
Land	-	1,923,340	50,000	496,364	1,675,000	4,144,704
Construction in progress	-	1,274,374	123,379	2,625,704	-	4,023,457
Infrastructure	-	-	327,577	-	-	327,577
Buildings and other improvements	281,077	28,998,282	1,501,906	7,428,794	2,118,612	40,328,671
Machinery and equipment	334,934	1,133,622	1,069,027	7,171,161	-	9,708,744
Intangible lease assets	1,645,449	2,618	336,542	4,553	-	1,989,162
Less accumulated depreciation/amortization	(1,020,533)	(13,359,843)	(1,668,373)	(8,735,530)	(1,206,539)	(25,990,818)
Total capital assets, net of accumulated depreciation/amortization	1,240,927	19,972,393	1,740,058	8,991,046	2,587,073	34,531,497
Total noncurrent assets	1,241,737	20,239,277	1,793,251	11,105,350	2,587,073	36,966,688
Total assets	3,022,781	20,905,756	3,770,572	18,612,115	2,805,839	49,117,063

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Deferred Outflows of Resources						
OPEB related deferred outflows of resources	18,277	12,341	9,654	78,757	-	119,029
Pension related deferred outflows of resources	75,750	40,909	33,154	225,357	-	375,170
Total deferred outflows of resources	94,027	53,250	42,808	304,114	-	494,199
Liabilities						
Current Liabilities						
Accounts payable	378,109	25,407	119,015	775,815	5,473	1,303,819
Due to other funds	2,062	1,846	1,183	17,995	3,553	26,639
Accrued taxes payable	40,492	-	-	-	-	40,492
Accrued wages payable	24,120	4,788	-	56,134	-	85,042
Accrued interest payable	4,766	10	11,655	16	-	16,447
Current portion of lease liabilities	90,919	464	59,720	1,308	-	152,411
Current portion of compensated absences	59,469	59,363	39,331	169,534	-	327,697
Current portion of total OPEB liability	4,809	2,473	2,159	12,808		22,249
Unearned revenue	8,540	-	-	-	-	8,540
Customer deposits	15,000	1,365	-	-	-	16,365
Total current liabilities	628,286	95,716	233,063	1,033,610	9,026	1,999,701
Noncurrent Liabilities						
Landfill closure costs	-	-	-	1,347,611	-	1,347,611
Long-term debt, net of current portion						
Lease liabilities	1,254,514	2,104	201,462	1,988	-	1,460,068
Total OPEB liability, net of current portion	79,185	40,725	35,554	210,899	-	366,363
Total noncurrent liabilities	1,333,699	42,829	237,016	1,560,498	-	3,174,042
Total liabilities	1,961,985	138,545	470,079	2,594,108	9,026	5,173,743

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Deferred Inflows of Resources						
OPEB related deferred inflows	29,807	12,842	17,870	91,486	-	152,005
Pension related deferred inflows	43,245	23,354	18,927	128,654	-	214,180
Lease related deferred inflows	-	268,114	65,369	-	-	333,483
Total deferred inflows resources	73,052	304,310	102,166	220,140	-	699,668
Net Position						
Net investment in capital assets	(104,506)	19,969,825	1,478,876	8,987,750	2,587,073	32,919,018
Restricted for:						
SDRS pension purposes	810	17,992	14,581	99,112	-	132,495
Landfill closure and postclosure	-	-	-	670,746	-	670,746
Unrestricted	1,185,467	528,334	1,747,678	6,344,373	209,740	10,015,592
Total net position	$ 1,081,771	$ 20,516,151	$ 3,241,135	$ 16,101,981	$ 2,796,813	$ 43,737,851

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Operating Revenues						
Charges for goods and services	$ 12,451,378	$ 66,304	$ 1,117,835	$ 4,585,877	$ 137,669	$ 18,359,063
Operating Expenses						
Personnel services	476,105	215,111	257,709	1,343,075	-	2,292,000
Other current expenses	477,068	109,844	648,156	2,310,474	85,066	3,630,608
Cost of goods sold	11,263,467	-	-	-	-	11,263,467
Amortization	117,398	34	52,222	1,339	-	170,993
Depreciation	8,652	1,099,893	123,891	759,931	51,791	2,044,158
Total operating expenses	12,342,690	1,424,882	1,081,978	4,414,819	136,857	19,401,226
Operating Income (Loss)	108,688	(1,358,578)	35,857	171,058	812	(1,042,163)
Nonoperating Revenues (Expenses)						
Gain on disposal of assets	-	-	3,450	111,050	-	114,500
Investment income	13,508	38,639	69,429	410,362	7,188	539,126
Interest expense and fiscal charges	(59,703)	(10)	(13,004)	(723)	-	(73,440)
Miscellaneous revenue	11,775	14,557	16,203	5,879	40,998	89,412
Total nonoperating revenues (expenses)	(34,420)	53,186	76,078	526,568	48,186	669,598
Income (Loss) Before Contributions and Transfers	74,268	(1,305,392)	111,935	697,626	48,998	(372,565)
Transfers in	-	347,917	378,000	-	-	725,917
Transfers Out	(487,000)	-	-	(600,016)	(44,583)	(1,131,599)
Capital Contributions From Other Governments	-	640,054	-	-	-	640,054
Change in Net Position	(412,732)	(317,421)	489,935	97,610	4,415	(138,193)
Net Position, Beginning of Year	1,494,503	20,833,572	2,751,200	16,004,371	2,792,398	43,876,044
Net Position, End of Year	$ 1,081,771	$ 20,516,151	$ 3,241,135	$ 16,101,981	$ 2,796,813	$ 43,737,851

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Operating Activities						
Receipts from customers and users	$ 12,584,503	$ 291,358	$ 1,121,766	$ 4,548,911	$ 189,630	$ 18,736,168
Cash received from customers pledged for debt retirement						
Payments to suppliers for goods and services	(11,867,167)	(100,282)	(622,491)	(1,539,285)	(83,176)	(14,212,401)
Payments to and on behalf of employees	(481,751)	(213,710)	(260,732)	(1,407,939)	-	(2,364,132)
Net cash from (Used for) Operating Activities	235,585	(22,634)	238,543	1,601,687	106,454	2,159,635
Noncapital Financing Activities						
Transfers to other funds	(487,000)	-	-	(600,016)	(44,583)	(1,131,599)
Transfers from other funds	-	347,917	378,000	-	-	725,917
Payments for interfund borrowing principal	10,393	204	(10,566)	225,154	(532)	224,653
Net Cash from (Used for) Noncapital Financing Activities	(476,607)	348,121	367,434	(374,862)	(45,115)	(181,029)
Capital and Related Financing Activities						
Proceeds from sale of assets	-	-	3,450	111,050	-	114,500
Receipts of lease principal	-	10,674	14,277	773	-	25,724
Receipts of lease interest	-	9,814	3,062	602	-	13,478
Acquisition of capital assets	(18,100)	(888,413)	(305,776)	(3,426,700)	-	(4,638,989)
Debt service						
Principal	(85,155)	(50)	(75,360)	(1,257)	-	(161,822)
Interest	(60,003)	-	(1,349)	(707)	-	(62,059)
Intergovernmental capital grants	-	640,054	-	-	-	640,054
Net Cash Used for Capital and Related Financing Activities	(163,258)	(227,921)	(361,696)	(3,316,239)	-	(4,069,114)
Investing Activities						
Interest and dividends from investments	14,708	24,278	65,156	400,782	6,897	511,821

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Change in Cash and Cash Equivalents	(389,572)	121,844	309,437	(1,688,632)	68,236	(1,578,687)
Cash and Cash Equivalents, Beginning of Year	871,409	518,919	1,641,167	10,715,345	147,692	13,894,532
Cash and Cash Equivalents, End of Year	$ 481,837	$ 640,763	$ 1,950,604	$ 9,026,713	$ 215,928	$ 12,315,845
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position						
Cash and cash equivalents	$ 481,837	$ 640,763	$ 1,950,604	$ 7,008,356	$ 215,928	10,297,488
Restricted cash and cash equivalents	-	-	-	2,018,357	-	2,018,357
Total cash and cash equivalents, end of year	$ 481,837	$ 640,763	$ 1,950,604	$ 9,026,713	$ 215,928	$ 12,315,845

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Reconciliation of Operating Income (Loss) to						
Net cash from (Used for) Operating Activities						
Operating income (loss)	$ 108,688	$ (1,358,578)	$ 35,857	$ 171,058	$ 812	$ (1,042,163)
Miscellaneous revenue	11,775	1,350	2,377	5,677	40,998	62,177
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities						
Depreciation/amortization	126,050	1,099,927	176,113	761,270	51,791	2,215,151
Changes in assets and liabilities						
Accounts receivable	115,464	22,297	1,554	(111,010)	10,963	39,268
Intergovernmental receivables	-	201,282	-	-	-	201,282
Unbilled accounts	-	-	-	68,367	-	68,367
Inventories	(59,530)	-	-	(883)	-	(60,413)
Prepaid expenses	16,634	(2,761)	(2,714)	(24,955)	-	(13,796)
Net pension asset	(473)	(209)	(188)	(1,142)	-	(2,012)
OPEB related deferred outflows	5,200	4,186	933	25,383	-	35,702
Pension related deferred outflows	(18,806)	(2,436)	(5,099)	(11,404)	-	(37,745)
Vouchers payable	(81,310)	12,323	28,412	707,265	1,890	668,580
Accrued taxes payable	(2,426)	-	(33)	(3,168)	-	(5,627)
Accrued wages payable	1,489	365	(3,667)	3,269	-	1,456
Compensated absences	10,982	8,711	7,856	(26,548)	-	1,001
Unearned revenue	886	-	-	-	-	886
Deposits payable	5,000	125	-	-	-	5,125
Landfill closure accruals	-	-	-	92,930	-	92,930
Net OPEB liability	(1,359)	(1,095)	(243)	(6,634)	-	(9,331)
OPEB related deferred inflows	(3,462)	(2,787)	(622)	(16,901)	-	(23,772)
Pension related deferred inflows	783	(5,334)	(1,993)	(30,887)	-	(37,431)
Net cash from (Used for) Operating Activities	$ 235,585	$ (22,634)	$ 238,543	$ 1,601,687	$ 106,454	$ 2,159,635
Supplemental Schedule of Noncash						
Acquisition of capital assets through debt	$ -	$ 2,618	$ 336,542	$ 4,553	$ -	$ 343,713

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the primary government.

Medical Insurance Internal Service Fund – To account for the employer and employee shares of medical insurance premiums and expenses incurred to administer the program.

Dental Insurance Internal Service Fund - To account for the employer and employee shares of dental insurance premiums and expenses incurred to administer the program.

Section 125 Fund – To account for the employees' withholdings and disbursements for Section 125 Flexible Spending Accounts.

	Medical Insurance	Dental Insurance	Section 125	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 2,696,543	$ 100,527	$ 8,412	$ 2,805,482
Investments	5,750,000	-	-	5,750,000
Receivables (net of allowance for uncollectibles):				
Interest	117,943	-	-	117,943
Accounts	-	-	7,196	7,196
Prepaid expenses	2,164	-	-	2,164
Total assets	8,566,650	100,527	15,608	8,682,785
Liabilities				
Current Liabilities				
Accounts payable	2,837	11,417	-	14,254
Claims incurred but not reported	330,089	5,146	-	335,235
Total liabilities	332,926	16,563	-	349,489
Net Position				
Unrestricted	$ 8,233,724	$ 83,964	$ 15,608	$ 8,333,296

	Medical Insurance	Dental Insurance	Section 125	Total
Operating Revenues				
Charges for goods and services	$ 4,007,272	$ 172,150	$ 74,245	$ 4,253,667
Operating Expenses				
Other current expenses	1,135,252	10,570	67,383	1,213,205
Insurance claims and expenses, net	2,965,590	134,221	-	3,099,811
Total operating expenses	4,100,842	144,791	67,383	4,313,016
Operating Income (Loss)	(93,570)	27,359	6,862	(59,349)
Nonoperating Revenues				
Investment income	211,588	47	70	211,705
Change in Net Position	118,018	27,406	6,932	152,356
Net Position, Beginning	8,115,706	56,558	8,676	8,180,940
Net Position, End of Year	$ 8,233,724	$ 83,964	$ 15,608	$ 8,333,296

	Medical Insurance	Dental Insurance	Section 125	Total
Operating Activities				
Receipts from customers and users	$ 4,007,272	$ 172,150	$ 73,612	$ 4,253,034
Payments to suppliers	(4,100,193)	(144,679)	(67,383)	(4,312,255)
Net cash (used for) from Operating Activities	(92,921)	27,471	6,229	(59,221)
Investing Activities				
Purchase of investments	(2,466,435)	-	-	(2,466,435)
Interest and dividends from investments	131,531	47	70	131,648
Net Cash from (Used for) Investing Activities	(2,334,904)	47	70	(2,334,787)
Change in Cash and Cash Equivalents	(2,427,825)	27,518	6,299	(2,394,008)
Cash and Cash Equivalents, Beginning of Year	5,124,368	73,009	2,113	5,199,490
Cash and Cash Equivalents, End of Year	$ 2,696,543	$ 100,527	$ 8,412	$ 2,805,482
Reconciliation of Operating Income (Loss) to Net cash (used for) from Operating Activities				
Operating income (loss)	$ (93,570)	$ 27,359	$ 6,862	$ (59,349)
Changes in assets and liabilities				
Accounts receivable	-	-	(633)	(633)
Prepaid expenses	(63)	-	-	(63)
Accounts payable	2,807	(776)	-	2,031
Claims incurred but not reported	(2,095)	888	-	(1,207)
Net cash (used for) from Operating Activities	$ (92,921)	$ 27,471	$ 6,229	$ (59,221)

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial fund:

Rural Fire Fund – to account for deposits and disbursements for the Brookings Rural Volunteer Fire Association.

	Rural Fire Fund
Assets	
Cash and cash equivalents	$ 71,687
Liabilities	
Accounts payable	1,897
Net Position	
Restricted for	
Rural fire department	$ 69,790

	Rural Fire Fund
Additions	
Investment income	
Interest income	$ 230
Member assessments	14,000
Total additions	14,230
Deductions	
Benefit payments	-
Change in Net Position	14,230
Net Position, Beginning	55,560
Net Position, Ending	$ 69,790

Statistical Section
Year Ended December 31, 2025

City of Brookings, South Dakota

This part of the City Brooking's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends – These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess two of the government's significant local revenue sources: property and sales tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment in which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services and activities the government provides and performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Brookings, South Dakota

Table 1: Components of Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 72,145,788	$ 76,993,653	$ 79,953,311	$ 84,969,255	$ 94,815,128	$ 96,652,905	$ 98,599,831	$ 105,443,260	$ 118,112,144	$ 124,228,132
Restricted	4,886,747	4,537,648	3,572,368	2,815,166	1,872,953	6,995,992	1,195,001	2,981,594	2,016,119	3,564,002
Unrestricted	20,064,256	16,898,022	19,508,946	22,975,842	26,603,557	29,373,296	42,056,574	49,272,260	48,539,853	44,978,513
Total Governmental Activities Net Position	$ 97,096,791	$ 98,429,323	$ 103,034,625	$ 110,760,263	$ 123,291,638	$ 133,022,193	$ 141,851,406	$ 157,697,114	$ 168,668,116	$ 172,770,647
Business-Type Activities										
Net investment in capital assets	$ 136,023,245	$ 136,462,888	$ 138,103,929	$ 139,415,546	$ 147,989,715	$ 156,555,939	$ 170,925,218	$ 235,451,151	$ 241,424,980	$ 252,090,069
Restricted	7,771,643	12,954,510	14,150,261	6,101,737	6,436,784	15,524,423	9,559,237	10,951,984	1,266,246	1,694,085
Unrestricted	94,982,598	104,848,871	110,623,099	133,162,139	149,268,072	188,217,767	202,775,298	183,735,988	232,181,942	256,403,485
Total Business-Type Activities Net Position	$ 238,777,486	$ 254,266,269	$ 262,877,289	$ 278,679,422	$ 303,694,571	$ 360,298,129	$ 383,259,753	$ 430,139,123	$ 474,873,168	$ 510,187,639
Primary Government										
Net investment in capital assets	$ 208,169,033	$ 213,456,541	$ 218,057,240	$ 224,384,801	$ 242,804,843	$ 253,208,844	$ 269,525,049	$ 340,894,411	$ 359,537,124	$ 376,318,201
Restricted	12,658,390	17,492,158	17,722,629	8,916,903	8,309,737	22,520,415	10,754,238	13,933,578	3,282,365	5,258,087
Unrestricted	115,046,854	121,746,893	130,132,045	156,137,981	175,871,629	217,591,063	244,831,872	233,008,248	280,721,795	301,381,998
Total Primary Government Net Position	$ 335,874,277	$ 352,695,592	$ 365,911,914	$ 389,439,685	$ 426,986,209	$ 493,320,322	$ 525,111,159	$ 587,836,237	$ 643,541,284	$ 682,958,286

City of Brookings, South Dakota
Table 2: Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
General government	$ 3,105,729	$ 2,683,335	$ 2,647,096	$ 3,100,823	$ 3,891,685	$ 3,697,969	$ 4,682,100	$ 8,344,311	$ 4,753,253	$ 6,941,366
Public safety	5,565,159	4,982,599	3,751,634	1,045,554	6,634,204	470,457	6,995,897	5,431,752	6,854,226	8,104,790
Public works	6,743,700	6,135,577	7,826,805	8,781,586	6,961,151	13,352,554	11,930,779	8,873,381	10,010,126	13,440,340
Health and welfare	109,111	62,421	112,288	361,670	296,258	144,386	114,115	203,596	88,239	349,166
Culture and recreation	7,506,553	8,020,666	7,878,881	7,989,691	7,475,475	7,526,172	8,604,916	6,686,316	7,206,532	9,164,737
Conservation and development	901,572	6,761,176	3,126,428	5,075,005	726,066	683,221	2,822,296	1,311,522	1,655,681	1,485,683
Interest and fiscal charges	826,085	737,456	691,513	638,665	1,177,732	812,306	505,000	466,650	614,296	565,515
Total governmental activities expenses	24,757,909	29,383,230	26,034,645	26,992,994	27,162,571	26,687,065	35,655,103	31,317,528	31,182,353	40,051,597
Business-Type Activities										
Electric	24,525,853	24,515,516	25,453,375	24,763,773	22,967,667	23,222,080	24,716,075	25,493,188	26,173,810	28,336,307
Health System	57,019,809	60,558,629	69,543,974	73,126,615	73,554,617	64,040,798	69,417,081	67,834,662	70,717,026	72,397,558
Telephone	30,825,559	29,219,330	30,588,645	31,994,685	28,097,557	13,574,794	12,742,358	12,788,884	13,300,516	13,186,280
Liquor	3,859,242	3,678,655	3,781,087	3,996,363	3,827,891	12,165,414	12,919,462	13,352,938	12,910,811	12,402,393
Water	2,952,599	2,888,204	3,313,377	3,548,165	3,624,238	3,536,211	3,753,612	4,121,713	5,977,228	6,844,712
Waste water	3,973,778	4,584,074	5,057,364	5,358,562	5,392,789	5,018,852	5,523,463	5,556,864	6,321,602	6,652,389
Airport	1,252,509	1,195,489	1,196,653	1,266,013	1,228,299	1,047,388	1,383,189	1,380,685	1,399,895	1,424,892
Golf	609,864	558,579	617,329	720,382	635,773	816,962	840,397	881,613	919,496	1,094,982
Solid waste	2,444,615	2,188,944	2,543,324	2,729,960	2,723,993	2,736,232	2,836,962	3,514,504	3,618,702	4,415,542
Research and technology	129,354	134,559	199,973	95,993	165,585	97,992	139,199	146,368	131,723	136,857
Total business-type activities expenses	127,593,182	129,521,979	142,295,101	147,600,511	142,218,409	126,256,723	134,271,798	135,071,419	141,470,809	146,891,912
Total Primary Government Expenses	$ 152,351,091	$ 158,905,209	$ 168,329,746	$ 174,593,505	$ 169,380,980	$ 152,943,788	$ 169,926,901	$ 166,388,947	$ 172,653,162	$ 186,943,509

City of Brookings, South Dakota

Table 2: Changes in Net Position (continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Governmental Activities										
Charges for services										
General government	$ 108,943	$ 109,310	$ 228,638	$ 207,378	$ 127,946	$ 50,314	$ 1,222,516	$ 2,206,630	$ 1,397,751	$ 1,171,102
Public safety	101,069	96,173	91,015	92,323	57,731	76,631	80,117	77,080	70,172	104,046
Public works	672,785	161,414	193,102	216,335	212,732	17,630	286,991	515,783	304,581	434,293
Health and welfare	12,965	12,240	8,245	8,385	7,175	6,360	24,107	22,565	37,053	35,338
Culture and recreation	2,552,726	2,338,974	2,639,300	2,482,252	1,992,848	1,867,974	2,950,055	3,107,925	3,009,503	2,979,073
Operating grants and contributions	255,425	344,154	1,196,236	3,402,511	5,137,166	3,053,017	5,656,413	1,423,432	889,344	1,189,790
Capital grants and contributions	1,822,082	2,283,328	1,367,148	531,055	4,448,295	920,807	2,080,698	3,522,266	1,037,872	924,000
Total governmental activities program revenues	5,525,995	5,345,593	5,723,684	6,940,239	11,983,893	5,992,733	12,300,897	10,875,681	6,746,276	6,837,642
Business-Type Activities										
Charges for services										
Electric	27,779,114	28,502,743	30,354,463	30,725,604	30,115,105	30,605,847	31,551,919	31,585,648	31,528,615	32,565,111
Health System	59,598,490	65,773,982	67,205,567	73,432,103	70,860,789	73,794,228	75,101,015	76,453,818	81,099,082	86,585,796
Telephone	32,311,864	31,162,913	30,846,434	33,711,084	31,664,281	16,720,477	16,156,512	15,866,296	16,512,425	16,119,493
Liquor	4,340,680	4,132,486	4,169,811	4,101,303	4,069,616	12,439,465	13,117,601	13,475,899	13,311,591	12,451,378
Water	5,151,101	5,394,391	5,538,265	5,335,695	6,026,269	6,559,572	6,590,386	7,451,559	7,842,885	8,361,644
Waste water	4,963,644	5,537,130	5,667,674	5,658,116	5,685,854	6,148,600	6,158,968	6,304,628	6,774,945	7,149,178
Airport	33,153	47,299	52,667	42,681	51,823	54,364	57,841	63,477	24,488	66,304
Golf	380,066	385,897	378,017	457,412	511,101	661,886	714,248	824,790	922,709	1,117,835
Solid waste	3,771,061	3,721,235	3,748,244	3,891,541	3,848,560	3,793,392	4,063,951	4,095,711	4,354,353	4,585,877
Research and technology	189,248	168,312	157,616	133,536	123,642	48,428	118,106	120,479	122,174	137,669
Operating grants and contributions	20,766	19,988	-	135,639	8,217,128	7,057,625	281,057	19,597	134,607	157,923
Capital grants and contributions	3,246,363	2,847,446	1,511,754	1,597,975	3,790,599	1,624,955	11,093,899	16,360,576	12,989,640	2,885,608
Total business-type activities program revenues	141,785,550	147,693,822	149,630,512	159,222,689	164,964,767	159,508,839	165,005,503	172,622,478	175,617,514	172,183,816
Total Primary Government Program Revenues	$ 147,311,545	$ 153,039,415	$ 155,354,196	$ 166,162,928	$ 176,948,660	$ 165,501,572	$ 177,306,400	$ 183,498,159	$ 182,363,790	$ 179,021,458
Net Revenue (Expense)										
Governmental Activities	$ (19,231,914)	$ (24,037,637)	$ (20,310,961)	$ (20,052,755)	$ (15,178,678)	$ (20,694,332)	$ (23,354,206)	$ (20,441,847)	$ (24,436,077)	$ (33,213,955)
Business-Type Activities	14,192,368	18,171,843	7,335,411	11,622,178	22,746,358	33,252,116	30,733,705	37,551,059	34,146,705	25,291,904
Total Primary Government Net Revenue (Expense)	$ (5,039,546)	$ (5,865,794)	$ (12,975,550)	$ (8,430,577)	$ 7,567,680	$ 12,557,784	$ 7,379,499	$ 17,109,212	$ 9,710,628	$ (7,922,051)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	$ 4,729,382	$ 5,181,164	$ 4,710,575	$ 5,075,216	$ 5,379,861	$ 7,980,481	$ 5,808,596	$ 6,432,193	$ 7,068,413	$ 7,029,266
Sales taxes	14,160,915	14,164,131	14,687,019	15,693,162	15,093,694	16,463,176	18,959,530	20,688,970	22,000,686	22,197,882
Other taxes	357,367	361,246	1,361,492	1,465,982	1,432,906	1,586,599	1,487,294	1,515,698	1,679,505	2,135,356
State shared revenue	220,472	189,586	176,729	194,899	220,596	226,796	245,698	258,706	235,372	245,382
Unrestricted investment earnings (losses)	126,700	116,358	428,667	596,688	301,724	-	346,144	1,932,897	2,198,819	1,771,674
Gain on disposal of capital asset	-	-	2,767	43,185	570,114	(2,072)	24,277	-	-	-
Miscellaneous	1,906,424	1,548,447	1,613,764	1,691,530	1,551,984	1,541,478	2,212,857	2,420,298	1,047,880	876,244
Transfers	2,810,111	3,809,237	2,880,230	3,066,109	3,159,175	3,085,486	3,099,023	3,038,793	1,996,580	3,060,682
Change in accounting estimate	-	-	-	-	-	(457,058)	-	-	-	-
Total governmental activities	24,311,371	25,370,169	25,861,243	27,826,771	27,710,054	30,424,886	32,183,419	36,287,555	36,227,255	37,316,486
Business-Type Activities										
Unrestricted investment earnings (losses)	473,140	879,148	856,049	6,270,358	4,573,388	5,178,540	(4,712,117)	11,596,175	13,101,502	12,792,206
Gain on disposal of capital asset	12,397	327	37,299	6,519	1,842	22,003,027	33,634	-	-	-
Miscellaneous	770,855	246,702	5,487,728	969,189	852,736	(301,424)	5,427	770,929	749,473	473,043
Transfers	(2,810,111)	(3,809,237)	(2,880,230)	(3,066,109)	(3,159,175)	(3,085,486)	(3,099,023)	(3,038,793)	(1,996,580)	(3,060,682)
Total business-type activities	(1,553,719)	(2,683,060)	3,500,846	4,179,957	2,268,791	23,794,657	(7,772,079)	9,328,311	11,854,395	10,204,567
Total Primary Government	$ 22,757,652	$ 22,687,109	$ 29,362,089	$ 32,006,728	$ 29,978,845	$ 54,219,543	$ 24,411,340	$ 45,615,866	$ 48,081,650	$ 47,521,053
Change in Net Position										
Governmental Activities	$ 5,079,457	$ 1,332,532	$ 5,550,282	$ 7,774,016	$ 12,531,376	$ 9,730,554	$ 8,829,213	$ 15,845,708	$ 11,791,178	$ 4,102,531
Business-Type Activities	12,638,649	15,488,783	10,836,257	15,802,135	25,015,149	57,046,773	22,961,626	46,879,370	46,001,100	35,496,471
Total Primary Government Change in Net Position	$ 17,718,106	$ 16,821,315	$ 16,386,539	$ 23,576,151	$ 37,546,525	$ 66,777,327	$ 31,790,839	$ 62,725,078	$ 57,792,278	$ 39,599,002

City of Brookings, South Dakota
Table 3: Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 3,220,395	$ 3,263,418	$ 2,743,864	$ 2,729,473	$ 2,238,814	$ 2,055,124	$ 3,726,013	$ 3,556,193	$ 946,192	$ 853,991
Restricted	83,215	59,925	56,532	43,074	36,979	2,219,383	43,288	52,277	58,895	70,020
Committed	3,918,640	3,973,356	4,022,621	3,918,640	3,676,972	2,821,073	6,274,091	5,810,142	5,246,160	3,393,961
Assigned	1,629,181	2,111,523	1,868,278	1,655,915	4,306,181	5,430,333	7,220,426	8,835,220	7,135,406	7,619,402
Unassigned	5,820,728	6,333,144	8,072,334	9,799,639	11,886,955	8,731,692	7,565,950	9,753,347	15,325,545	16,450,428
Total General Fund	$ 14,672,159	$ 15,741,366	$ 16,763,629	$ 18,146,741	$ 22,145,901	$ 21,257,605	$ 24,829,768	$ 28,007,179	$ 28,712,198	$ 28,387,802
All Other Governmental Funds										
Nonspendable	$ 37,709	$ 40,224	$ 37,656	$ 59,033	$ 46,628	$ 27,779	$ 65,308	$ 162,197	$ 111,267	$ 72,817
Restricted	2,880,425	1,364,894	1,065,733	2,294,142	1,361,983	1,874,951	1,116,797	1,897,739	3,458,340	3,517,076
Committed	6,590,061	6,745,577	8,540,497	9,897,600	12,641,410	12,460,324	17,223,269	19,188,446	17,830,890	15,610,262
Assigned	664,484	1,992,551	1,694,206	1,138,714	1,833,952	5,790,076	2,887,454	2,667,433	1,337,426	1,285,586
Unassigned	(2,559,229)	(1,899,178)	(1,249,220)	(1,091,346)	(4,175,979)	(2,293,117)	567,784	(351,555)	(397,581)	(300,398)
Total All Other Governmental Funds	$ 7,613,450	$ 8,244,068	$ 10,088,872	$ 12,298,143	$ 11,707,994	$ 17,860,013	$ 21,860,612	$ 23,564,260	$ 22,340,342	$ 20,185,343

Table 4: Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes										
General property taxes	$ 3,866,409	$ 4,262,451	$ 4,707,840	$ 5,064,083	$ 5,383,033	$ 5,797,455	$ 5,808,596	$ 6,432,193	$ 7,068,413	$ 7,029,266
Storm drainage taxes	859,563	917,714	989,359	1,086,278	1,043,517	1,188,986	1,125,727	1,137,934	1,166,502	1,418,750
General sales and use tax	14,160,915	14,164,131	14,687,019	15,693,162	15,093,694	16,463,176	18,959,530	20,688,970	22,000,686	22,197,882
Other taxes	358,927	362,782	372,133	379,704	389,389	397,613	361,567	639,316	774,386	970,384
Special assessments	-	-	-	-	-	-	-	371,541	86,859	100,742
Licenses and permits	303,644	268,969	345,587	270,442	273,392	165,309	414,311	590,558	438,451	460,739
Intergovernmental	945,470	936,325	1,177,296	3,970,162	5,364,146	1,126,390	6,050,301	5,113,984	1,581,934	1,386,624
Charges for goods and services	2,515,301	2,306,130	2,611,715	2,456,733	1,964,584	1,840,095	2,942,073	3,172,701	3,244,216	3,127,557
Fines and forfeitures	117,509	109,053	103,113	104,950	65,478	84,427	88,589	80,900	83,700	95,747
Investment income (losses)	-	-	-	-	-	-	-	1,932,897	2,198,819	1,771,674
Miscellaneous	2,302,836	2,442,085	2,345,704	2,637,665	1,954,579	2,495,561	5,610,331	4,452,731	2,307,715	1,646,218
Total revenues	25,430,574	25,769,640	27,339,766	31,663,179	31,531,812	29,559,012	41,361,025	44,613,725	40,951,681	40,205,583
Expenditures										
General government	2,700,095	2,630,111	2,645,216	2,855,206	3,467,373	3,541,113	4,420,811	5,498,417	4,873,156	6,862,399
Public safety	4,590,036	4,706,909	4,763,325	5,326,205	5,478,874	5,596,525	6,144,985	6,403,870	6,704,874	7,542,771
Public works	4,660,597	2,977,358	3,076,864	3,896,994	3,815,230	3,932,553	3,899,314	3,979,767	1,814,687	7,705,602
Health and welfare	96,325	96,106	101,306	153,606	152,334	138,334	122,561	198,572	327,030	271,999
Culture and recreation	6,020,065	6,239,403	6,729,733	6,450,287	5,438,652	5,833,083	6,937,141	7,381,448	7,842,872	8,628,299
Conservation and development	901,572	6,761,176	1,473,168	1,414,749	726,066	673,221	935,239	1,612,171	3,156,071	2,794,421
Capital outlay	7,538,729	7,612,708	5,340,886	12,456,908	9,234,893	7,589,210	11,229,410	14,867,426	15,882,133	9,294,066
Debt service										
Principal	2,232,399	2,429,006	2,605,454	2,374,750	2,461,021	2,526,433	2,717,104	2,376,817	2,357,775	2,400,244
Interest and fiscal charges	753,345	679,705	620,672	569,498	1,084,964	499,946	505,000	471,821	618,515	359,279
Total expenditures	29,493,163	34,132,482	27,356,624	35,498,203	31,859,407	30,330,418	36,911,565	42,790,309	43,577,113	45,859,080

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (Deficiency) of Revenues over (under) Expenditures	(4,062,589)	(8,362,842)	(16,858)	(3,835,024)	(327,595)	(771,406)	4,449,460	1,823,416	(2,625,432)	(5,653,497)
Other Financing Sources (Uses)										
Transfers in	10,044,081	9,362,226	5,337,859	5,071,661	10,257,969	11,545,517	11,205,485	8,503,787	6,448,249	10,983,919
Transfers out	(7,233,970)	(5,552,989)	(2,457,630)	(2,005,552)	(7,098,795)	(8,460,031)	(8,106,462)	(5,464,994)	(4,451,669)	(7,923,237)
Proceeds of long term debt	32,515	6,194,600	-	4,297,500	-	3,724,468	-	-	-	-
Sale of capital assets	34,673	58,830	3,700	63,797	577,430	(2,072)	24,277	18,850	109,953	113,420
Total other financing sources (uses)	2,877,299	10,062,667	2,883,929	7,427,406	3,736,604	6,807,882	3,123,300	3,057,643	2,106,533	3,174,102
Change in Accounting Estimate	-	-	-	-	-	(457,058)	-	-	-	-
Net Change in Fund Balances	$ (1,185,290)	$ 1,699,825	$ 2,867,071	$ 3,592,382	$ 3,409,009	$ 5,579,418	$ 7,572,760	$ 4,881,059	$ (518,899)	$ (2,479,395)
Debt Service as a Percentage of Noncapital Expenditures	12.4%	11.6%	14.8%	9.8%	17.9%	13.0%	12.2%	10.1%	10.1%	7.8%

Fiscal Year	Agricultural	Residential	Commercial	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2025	$ 580,550	$ 1,121,427,550	$ 864,022,830	$ 1,986,030,930	2.22	$ 2,394,636,995	83%
2024	486,600	1,063,184,900	842,118,098	1,905,789,598	2.20	2,194,730,683	87%
2023	423,800	986,465,460	778,713,286	1,765,602,546	2.26	2,032,004,926	87%
2022	413,700	885,688,055	670,637,999	1,556,739,754	2.45	1,802,571,339	86%
2021	411,655	814,943,485	629,869,719	1,445,224,859	2.53	1,717,341,084	84%
2020	438,090	755,225,510	634,738,218	1,390,401,818	2.52	1,631,260,928	85%
2019	616,420	704,070,250	597,710,647	1,302,397,317	2.60	1,558,833,361	84%
2018	611,830	677,716,410	574,716,993	1,253,045,233	2.59	1,504,932,503	83%
2017	710,090	649,977,680	569,081,239	1,219,769,009	2.55	1,427,426,106	85%
2016	1,204,840	626,344,925	551,781,913	1,179,331,678	2.55	1,361,245,510	87%

Source: Deputy Director of Brookings County Board of Equalization

		Overlapping rates				
			Brookings School District*			
Fiscal Year	City Direct Rate**	County Rate	Operating	Debt Service	Total School	Total Direct and Overlapping Rates
2025	2.22	3.92	6.91	1.33	8.24	14.38
2024	2.20	3.93	7.66	1.50	9.16	15.29
2023	2.26	4.00	7.61	1.55	9.16	15.42
2022	2.45	4.16	7.93	1.62	9.55	16.16
2021	2.53	4.20	8.21	0.81	9.02	15.75
2020	2.52	4.18	8.28	0.84	9.12	15.82
2019	2.60	4.20	8.32	0.89	9.21	16.01
2018	2.59	4.15	8.36	0.94	9.30	16.04
2017	2.55	4.16	8.21	0.97	9.18	15.89
2016	2.55	4.07	8.67	1.01	9.68	16.30

Source: County Finance Officer
* School District amount varies based on class of property; this table uses owner occupied.
** The City’s direct rate is a single component.

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value
Daktronics	$ 32,048,600	1	1.61%	$ 30,477,200	1	2.58%
Solventum/3M	27,193,500	2	1.37%	13,261,400	5	1.12%
Bel Brands USA Inc	22,050,100	3	1.11%	19,946,900	2	1.69%
Innovation Village I LLC	20,157,500	4	1.01%	15,145,800	4	1.28%
Individual	19,234,900	5	0.97%	18,136,400	3	1.54%
Fusion Developers LLC	13,237,500	6	0.67%	-	N/A	N/A
Wal-Mart	12,020,000	7	0.61%	9,870,900	8	0.84%
Premier Land Development LLC	11,821,300	8	0.60%	-	N/A	N/A
Byrdich Ventures LLC	11,766,600	9	0.59%	-	N/A	N/A
Global Properties LLC	11,524,000	10	0.58%	11,904,300	6	1.01%
Larson Manufacturing Co.	-	N/A	N/A	9,932,500	7	0.84%
First Bank & Trust	-	N/A	N/A	9,146,700	9	0.78%
Prarieland Partners Comm	-	N/A	N/A	8,147,500	10	0.69%
Total attributable to top taxpayers	181,054,000		9.12%	145,969,600		12.37%
Total of all other properties	1,804,976,930		90.88%	1,033,362,078		87.63%
	$ 1,986,030,930		100.00%	$ 1,179,331,678		100.00%

Source: Brookings County Board of Equalization

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	$ 4,408,199	*	N/A	$ -	$ -	0.00%
2024	4,196,930	4,240,049	101.03%	11,500	4,251,549	101.30%
2023	3,993,799	3,954,005	99.00%	11,500	3,965,505	99.29%
2022	3,814,157	3,807,570	99.83%	59	3,807,629	99.83%
2021	3,654,587	3,652,166	99.93%	3	3,652,169	99.93%
2020	3,505,625	3,505,299	99.99%	326	3,505,625	100.00%
2019	3,390,015	3,389,856	100.00%	159	3,390,015	100.00%
2018	3,251,533	3,246,302	99.84%	1,669	3,247,971	99.89%
2017	3,112,984	3,108,533	99.86%	1,140	3,109,673	99.89%
2016	3,010,404	3,009,134	99.96%	-	3,009,134	99.96%

* The year shown on this table indicates the year of the levy for collection in the next year. The 2025 tax levy will be collected in the year 2026, so such information is not available at the time of preparing this table.

Collections in excess of levy represent amounts attributable to the decertification of TIF districts during the fiscal year. Overages are remitted to the county and redistributed amongst the applicable taxing entities.

Fiscal Year	General Sales Tax	Second Penny Sales Tax	Bed and Booze Tax*
2025	$ 10,406,544	$ 10,406,544	$ 1,384,794
2024	10,280,908	10,280,908	1,438,870
2023	9,711,761	9,711,761	1,265,448
2022	8,888,789	8,888,789	1,132,585
2021	7,697,851	7,699,876	1,065,449
2020	7,134,701	7,111,368	847,625
2019	7,112,056	7,158,724	1,052,364
2018	6,900,623	6,868,310	917,773
2017	6,642,103	6,607,370	914,658
2016	6,630,466	6,595,427	935,022

* This sales tax is generated on revenue from lodging, alcoholic beverages, prepared food and admission.

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Agriculture, Forestry, Fishing, and Mining	$ 5,854,829	$ 5,981,653	$ 6,919,546	$ 7,705,357	$ 7,704,195	$ 8,790,980	$ 9,779,627	$ 12,224,798	$ 12,182,939	$ 13,678,293
Construction	17,709,994	19,042,533	15,102,290	18,668,880	17,497,752	16,842,057	15,289,221	18,225,703	23,287,037	28,322,946
Manufacturing	65,649,247	75,424,180	82,368,915	76,553,010	62,672,720	34,149,061	52,935,405	66,649,122	71,454,183	85,924,765
Transportation and Public Utilities	64,423,894	66,146,585	67,980,706	70,687,681	68,020,720	57,990,830	59,480,960	57,979,923	70,478,713	63,997,457
Wholesale Trade	39,311,898	35,267,841	36,223,105	41,697,122	130,609,920	74,196,651	78,552,608	94,563,581	130,710,541	92,491,197
Retail Trade	424,518,776	434,648,788	435,700,335	460,506,278	394,622,227	433,783,061	476,682,400	534,394,969	564,982,644	574,239,391
Finance, Insurance, and Real Estate	8,777,732	10,686,280	8,594,283	10,264,918	10,642,598	11,740,314	13,884,217	16,789,813	18,738,459	19,459,121
Services	110,379,441	117,919,260	122,176,165	120,898,257	114,492,457	97,109,085	114,098,875	127,142,799	140,022,986	154,788,857
Public Administration	-	-	-	-	-	-	-	-	-	6,377,849
Other	30,827	1,308	2,254	155,873	192,885	2,452	19,844	3,565	22,198	22,533
Total	$ 736,656,638	$ 765,118,428	$ 775,067,599	$ 807,137,376	$ 806,455,474	$ 734,604,491	$ 820,723,157	$ 927,974,273	$ 1,031,879,700	$ 1,039,302,409

Source: South Dakota Department of Revenue & Regulation

Fiscal Year	City Direct Rate*	City Direct Rate**	State Rate	Total Tax Rate
2025	2.00%	1.00%	4.20%	7.20%
2024	2.00%	1.00%	4.20%	7.20%
2023	2.00%	1.00%	4.20%	7.20%
2022	2.00%	1.00%	4.50%	7.50%
2021	2.00%	1.00%	4.50%	7.50%
2020	2.00%	1.00%	4.50%	7.50%
2019	2.00%	1.00%	4.50%	7.50%
2018	2.00%	1.00%	4.50%	7.50%
2017	2.00%	1.00%	4.50%	7.50%
2016	2.00%	1.00%	4.50%	7.50%

Source: South Dakota Department of Revenue and Regulations
* General Rate
** This rate is generated on revenue from lodging, alcoholic beverages, prepared food, and admission.

Year	Sales Tax Revenue Bonds	Total Taxable Sales	Percentage of Actual Taxable Sales	Per Capita
2025	$ 9,486,451	$ 1,039,302,409	0.91%	386.33
2024	10,729,065	1,031,879,700	1.04%	435.63
2023	11,936,051	927,974,273	1.29%	490.95
2022	13,174,561	820,723,157	1.61%	549.10
2021	14,065,539	734,604,491	1.91%	576.10
2020	14,034,043	806,455,474	1.74%	600.34
2019	16,118,896	807,137,376	2.00%	657.67
2018	14,219,851	775,067,599	1.83%	580.19
2017	16,168,893	765,118,428	2.11%	676.66
2016	18,075,077	736,656,638	2.45%	764.05

	Governmental Activities			Business-type Activities							
Year	Bonds Payable	Notes and Loans Payable	Direct Borrowings	Bonds Payable	Notes and Loans Payable	Direct Borrowings	Leases Payable*	SBITAs Payable*	Total Primary Government	Percentage of Personal Income**	Per Capita**
2025	$ 11,828,843	$ 1,833,336	$ 32,628	$ -	$ 61,654,231	$ 12,982,161	$ 1,852,965	1,833,465	$ 92,017,629	3.79%	$ 3,747
2024	13,280,766	2,750,002	64,283	-	39,904,616	15,544,573	1,674,866	1,972,573	75,191,679	3.35%	3,053
2023	14,691,162	3,666,668	94,996	-	11,269,443	18,039,864	1,858,652	2,141,973	51,762,758	2.60%	2,129
2022	16,127,349	4,583,334	118,960	-	9,837,048	20,470,854	1,969,470	-	53,107,015	2.74%	2,213
2021	17,911,396	5,500,000	147,868	-	25,674,927	22,838,678	-	-	72,072,869	4.11%	2,952
2020	16,495,169	5,700,000	175,915	4,848,003	30,826,747	26,618,345	-	-	84,664,179	5.05%	3,622
2019	18,740,963	5,900,000	203,125	5,199,536	27,131,004	39,599,277	-	-	96,773,905	6.58%	3,949
2018	17,103,800	5,600,000	229,525	5,536,946	27,824,448	41,479,390	-	-	97,774,109	6.64%	3,989
2017	19,487,859	5,800,000	260,970	5,865,471	28,495,805	43,297,098	-	-	103,207,203	7.01%	4,319
2016	21,795,220	-	-	6,185,336	29,143,534	26,696,924	-	-	83,821,014	5.64%	3,543

Source:
* The City elected not to restate the 2021 lease amounts for GASB 87 and 2022 SBITA amounts for GASB 96; as such the amounts may not be comparable.
** See Table 17 Demographic and Economic Statistics, for income and population data

Taxing Entity	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt*
City of Brookings	$ 13,694,807	100.00%	$ 13,694,807
Brookings School District	47,938,177	77.21%	37,014,692
Total Direct and Overlapping Debt	$ 61,632,984		$ 50,709,499

Sources: Assessed value data used to estimate applicable percentages provided by the County Auditors Office. Debt outstanding data was provided by the Brookings School District.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Brookings.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Brookings. This process recognizes that, when considering the governments' ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated by using taxable assessed property values. Applicable percentages were estimated by determining the portion of the schools taxable assessed value that is within the City's boundaries and dividing it by the Schools' total taxable assessed value.

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 58,966,584	$ 61,005,575	$ 62,652,262	$ 65,119,866	$ 69,520,091	$ 72,261,243	$ 77,836,988	$ 88,280,127	$ 95,289,480	$ 99,301,547
Total net debt applicable to limit	21,723,310	19,427,934	17,103,798	18,740,963	16,495,169	17,899,411	16,127,349	14,691,162	13,280,766	11,828,843
Legal debt margin	$ 37,243,274	$ 41,577,641	$ 45,548,464	$ 46,378,903	$ 53,024,922	$ 54,361,832	$ 61,709,639	$ 73,588,965	$ 82,008,714	$ 87,472,704
Total net debt applicable to the limit as a percentage of debt limit	36.84%	31.85%	27.30%	28.78%	23.73%	24.77%	20.72%	16.64%	13.94%	11.91%

Note: The State of South Dakota Constitution sets two legal debt limits on municipalities . The City has an unrestricted (i.e., for any legally authorized purpose) legal debt limit equal to 5% of the total assessed value of taxable property. In addition, the Constitution permits the City to issue debt for water or sewer improvements in an amount equal to 10% of the total value of taxable property. Water or sewer debt that applies against the 10% limit does not apply against the 5% limit.

		"No Limit" Debt	Debt Capacity at 5% (unrestricted)	Additional 10% Debt Capacity (Water/Sewer)
2025 Assessed Value	$ 1,986,030,930			
Maximum Debt Capacity			$ 99,301,547	$ 198,603,093
Existing Bonds				
2014A Sales Tax Revenue Bonds		$ -	5,152,019	-
2019 Sales Tax Revenue Bond		-	4,334,432	-
SRF Loan No.2 Bond TIF 1 (3%)		-	147,882	-
SRF Loan No.3 Bond (3%)		-	149,648	-
SRF Loan No. 4 Bond (3%)		-	97,904	-
SRF Loan No. 5 Bond (3%)		-	958,078	-
SRF Loan No. 9 Bond (3%)		-	268,265	-
SRF Loan No. 10 Bond (3%)		-	720,615	-
SRF Loan No. 11 Bond (1.88%)		50,143,832	-	-
SRF Loan No. 12 Bond (1.88%)		11,510,399	-	-
Total Bonded Debt		$ 61,654,231	$ 11,828,843	$ -
Other Debt				
Direct borrowing - scoreboard		32,628	-	-
Direct borrowing - Hospital		235,748	-	-
Loan		1,833,336	-	-
2012 Certificate of Participation		6,708,907	-	-
2015B Certificates of Participation		6,037,506	-	-
Total other debt		14,848,125	-	-
Total Debt		76,502,356	11,828,843	-
Available Debt Capacity		N/A	$ 87,472,704	$ 198,603,093

Governmental Activities

	Sales Tax Revenue Bonds				
	Sales Tax	Debt Service			
Year	Collections	Principal	Interest	Total	Coverage
2025	$ 10,406,544	$ 2,159,280	$ 310,805	$ 2,470,085	4.21
2024	10,280,908	2,095,784	348,925	2,444,709	4.21
2023	9,711,761	2,155,174	353,720	2,508,894	3.87
2022	8,915,100	2,123,091	406,863	2,529,954	3.52
2021	7,699,876	2,312,389	403,624	2,716,013	2.83
2020	7,111,368	2,253,288	382,630	2,635,918	2.70
2019	7,329,098	2,596,165	443,255	3,039,420	2.41
2018	6,868,467	2,121,244	472,293	2,593,537	2.65
2017	6,607,370	1,877,326	518,723	2,396,049	2.76
2016	6,595,427	1,832,981	560,873	2,393,854	2.76

Business Type Activities

	2005 Utility Revenue Bonds						
	Utility	Less:	Net				
	Service	Operating	Available	Debt Service			
Year	Charge	Expense	Revenue	Principal	Interest	Total	Coverage
2025	$ -	$ -	$ -	$ -	$ -	$ -	N/A
2024	-	-	-	-	-	-	N/A
2023	-	-	-	-	-	-	N/A
2022	-	-	-	-	-	-	N/A
2021	-	-	-	-	-	-	N/A
2020	330,696	54,449	276,247	71,532	42,965	114,497	2.41
2019	338,826	41,949	296,877	67,410	47,087	114,497	2.59
2018	334,201	42,558	291,643	63,525	50,972	114,497	2.55
2017	321,144	40,539	280,605	59,865	54,632	114,497	2.45
2016	332,196	43,596	288,600	56,415	58,082	114,497	2.52

	2011 Utility Revenue Bonds						
	Utility	Less:	Net				
	Service	Operating	Available	Debt Service			
Year	Charge	Expense	Revenue	Principal	Interest	Total	Coverage
2025	$ -	$ -	$ -	$ -	$ -	$ -	N/A
2024	-	-	-	-	-	-	N/A
2023	-	-	-	-	-	-	N/A
2022	-	-	-	-	-	-	N/A
2021	-	-	-	-	-	-	N/A
2020	628,945	-	628,945	280,000	156,976	436,976	1.44
2019	653,487	-	653,487	270,000	163,535	433,535	1.51
2018	668,406	-	668,406	265,000	169,298	434,298	1.54
2017	636,743	176,929	459,814	260,000	174,301	434,301	1.06
2016	629,302	-	629,302	255,000	179,047	434,047	1.45

Year	Population (1)	Per Capita Income (2)	Total Personal Income (thousands of dollars) (2)	K-12 Public School Enrollment (3)	Unemployment Rate (4)
2025	24,555	$ 66,775	$ 2,427,884	3,483	2.5%
2024	24,629	$ 62,408	$ 2,245,441	3,546	1.3%
2023	24,312	$ 56,045	$ 1,988,715	3,446	1.6%
2022	23,993	$ 53,860	$ 1,865,655	3,442	2.1%
2021	24,415	$ 49,278	$ 1,754,451	3,337	3.3%
2020	23,377	$ 47,782	$ 1,676,045	3,345	4.5%
2019	24,509	$ 46,302	$ 1,631,329	3,408	3.4%
2018	24,509	$ 44,774	$ 1,533,749	3,396	3.1%
2017	23,895	$ 43,111	$ 1,471,603	3,421	3.5%
2016	23,657	$ 43,815	$ 1,485,181	3,342	2.7%

(1) Source – U.S. Census Bureau
(2) Source - BU.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Brookings County.
(3) Brookings School District Business Office
(4) South Dakota Department of Labor.

Median age from 2010 census was 23.4 years old. Education statistics per the 2010 census indicate that 93.8% of the population 25 years or older has a high school degree or greater with 45.5% of the same population holding a bachelor’s degree or greater.

	2025			2016		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
South Dakota State Univ.	3,973	1	16.18%	4,463	1	18.87%
Daktronics	1,329	2	5.41%	1,600	2	6.76%
3M	1,156	3	4.71%	1,008	3	4.26%
Wal-Mart	538	4	2.19%	425	7	1.80%
Brookings Health System	496	5	2.02%	502	6	2.12%
Brookings School District	492	6	2.00%	400	9	1.69%
Hy-Vee Food Store	450	7	1.83%	690	4	2.92%
Larson Manufacturing	448	8	1.82%	516	5	2.18%
Aramark	384	9	1.56%	405	8	1.71%
Dacotah Bank Center	355	10	1.45%	N/A	-	N/A
Twin City Fan	N/A	-	N/A	299	10	1.26%
Total	9,621		39.17%	10,308		43.57%

Source: Employee data provided by Brookings Economic Development Corporation and total city employment provided by South Dakota Department of Labor.

Table 19: Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Mayor/City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
City Clerk	3.0	3.0	2.0	1.0	1.0	1.5	2.0	2.0	2.0	1.0
City Manager	2.0	2.0	2.0	4.0	4.0	4.0	4.0	5.0	6.0	6.0
Human Resources	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	4.0	4.0	3.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development	4.4	4.4	4.0	4.0	8.0	8.5	9.0	8.0	8.0	9.0
Engineering	4.6	4.6	4.0	5.0	3.0	2.0	3.0	3.0	5.0	4.0
Public safety										
Police	35.0	36.0	36.0	40.0	36.0	38.0	38.0	39.0	39.0	38.0
Fire	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0
E-911	9.0	9.0	7.0	10.0	9.0	9.0	12.0	10.0	12.0	12.0
Public works										
Streets	14.0	14.0	14.0	14.0	12.0	13.0	13.0	12.0	12.0	15.0
Health and Welfare										
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	-	1.0	2.0	1.0
Recreation & culture										
Activity Center	-	-	-	-	-	-	-	-	1.0	1.0
Recreation	2.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0	3.0	3.0
Park	11.0	12.0	12.0	13.0	10.0	12.0	9.0	12.0	11.0	11.0
Ice Arena	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	3.0	2.0
Forestry	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	5.0
Library	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Storm Drainage	1.0	1.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0	0.0
Liquor	5.0	5.0	6.0	5.0	4.0	4.0	3.0	4.0	4.0	4.0
Water	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0
Electric	35.0	33.0	36.0	34.0	39.0	42.0	40.0	41.0	52.0	51.0
Wastewater	12.0	12.0	14.0	13.0	15.0	12.0	14.0	13.0	14.0	15.0
Telephone	98.0	99.0	98.0	94.0	82.0	49.0	47.0	44.0	49.0	50.0
Hospital	236.0	236.0	222.0	225.0	234.0	214.0	214.0	224.0	240.0	234.0
Golf Course	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Airport	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0
Solid Waste Collection	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Solid Waste Disposal	6.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0	7.0	8.0
Total	532.0	533.0	519.0	526.0	525.0	475.0	472.0	483.0	524.0	517.0

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Dispatch										
Total number of 911 cals	8,043	7,842	8,425	10,409	8,256	8,712	8,271	8,513	6,513	6,663
Total number of animals impounded	455	450	405	417	441	332	414	498	0	476
Fire										
Fire calls	231	212	240	252	258	238	360	290	293	329
Average response time (min:sec)	6:02	4:56	4:15	4:53	4:09	5:49	5:50	5:46	6:20	5:30
Public Works										
Community development										
Number of code enforcement investigations	1,648	1,543	1,725	1,252	1,473	1,530	1,416	1,243	N/A	N/A
Percent of rental units inspected and licensed	36%	32%	21%	31%	24%	28%	17%	25%	27%	24%
Engineering										
Building permits issued:										
Single family	78	54	63	72	77	68	63	61	84	60
Townhomes	4	5	2	1	1	2	1	1	4	7
Duplexes	-	-	2	3	3	8	8	6	8	7
Apartments	6	5	4	2	1	15	6	12	5	5
Solid Waste										
Number of households collected	5,060	5,264	5,355	5,385	5,445	5,596	5,721	5,804	5,938	6,098
Tons of recycling collected	837	836	886	880	876	846	814	792	776	773
Tons of refuse collected	4,738	4,787	4,893	4,893	5,045	4,766	4,678	4,528	4,743	4,754
Tons of yard waste collected	752	696	661	813	737	1,267	1,365	1,296	1,477	1,594
Street										
Total lane miles swept	246.31	248.06	249.06	251.99	258.22	263.10	261.16	262.96	296.25	296.25
Total miles swept	2,500.00	2,523.00	2,408.00	2,140.00	2,218.00	2,855.50	2,917.50	2,932.50	2,772.00	3,795.66
Culture and Recreation										
Park & Recreation										
Number of season passes sold for pool	1,420	1,343	1,267	1,736	-	1,377	1,296	1,130	913	902
Number of season passes sold for golf	318	341	320	513	271	337	413	597	594	594
Number of paid golf rounds played:										
9-holes	6,214	6,244	5,123	3,098	3,964	4,531	3,638	4,685	4,837	5,201
18-holes	1,908	1,989	1,381	1,134	2,096	1,920	1,429	2,499	2,807	3,687
Library										
Participants in children's programs	15,679	16,536	21,636	18,708	5,645	8,349	22,119	18,058	18,011	19,935
Use of electronic databases	8,891	5,033	5,278	5,194	5,971	4,283	4,658	3,139	163	134
Total circulation	208,255	218,775	197,724	198,135	165,354	219,319	246,677	219,610	291,106	285,883
Dacotah Bank Center										
Number of events held	262	285	298	278	141	180	201	194	200	146

Source: City Departments

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Refuse Collection										
Collection Trucks	7	7	7	7	7	8	8	8	10	9
Public Works										
Miles of paved streets	246.13	248.06	249.06	251.99	258.22	263.10	263.10	236.10	285.44	293.35
Number of street lights	3,165	3,157	3,155	3,179	3,238	3,312	3,329	3,329	3,490	3,528
Traffic signals	122	122	132	31	31	31	32	32	32	32
Parks and Recreation										
Acreage	665.55	662.17	662.17	662.17	662.17	662.17	662.17	662.17	662.17	662.17
Playgrounds	14	15	15	15	15	15	15	15	15	14
Baseball/softball fields	21	21	21	21	21	21	21	21	21	21
Soccer/football fields	11	11	11	11	11	11	11	11	11	10
Recreation centers	1	1	1	1	1	1	1	1	1	1
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Water										
Miles of water mains	124.02	124.02	126.96	120.66	130.00	131.00	132.69	140.68	142.79	143.70

Federal Awards Reports in Accordance with the Uniform Guidance
December 31, 2025

City of Brookings

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 Honorable Mayor and Members of the City Council
City of Brookings, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Brookings, South Dakota (the "City") 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 June 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 may exist that have not been identified.

eidebailly.com
4310 17th Ave. S. • P.O. Box 2545 • Fargo, ND 58108-2545 • T 701.239.8500 • F 701.239.8600 • EOE

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purposes. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Eide Bailly LLP

Fargo, North Dakota
June 29, 2026

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Honorable Mayor and Members of the City Council
City of Brookings, South Dakota

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Brookings' (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

eidebailly.com
4310 17th Ave. S. • P.O. Box 2545 • Fargo, ND 58108-2545 • T 701.239.8500 • F 701.239.8600 • EOE

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City 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. We issued our report thereon dated June 29, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Fargo, North Dakota
June 29, 2026

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
Department of Interior			
Passed through the South Dakota Department of Education			
Historic Preservation Funds Grants-In-Aid	15.904	2024G-559	$ 6,620
Department of Transportation			
Passed through the South Dakota Department of Transportation			
Airport Improvement Program	20.106	3-46-005-39-2024 / 3-46-005-40-2025	773,645
Passed through the South Dakota Department of Public Safety, Office of Highway Safety			
Highway Safety Cluster			
State & Community Highway Safety Program	20.600	HS-2025-0074:HS-2025-00720	11,800
Highway Safety Grant Reimbursement DPS 405D	20.616	HS-2025-00132:HS-2025-00721	7,520
Total Highway Safety Cluster			19,320
Total Department of Transportation			792,965
Department of Treasury			
Passed through the State of South Dakota Department of Health			
EMS Regional Service Designation Grant Funding	21.027	25SC096206	30,859
Environmental Protection Agency (EPA)			
Passed through the State of South Dakota Department of Agriculture and Natural Resources			
Drinking Water State Revolving Fund	66.468	Unknown	604,426
Department of Health and Human Services			
Passed through the State of South Dakota Department of Health and Human Services			
Small Rural Hospital Improvement Grant Program	93.301	25SC093104	13,832
Department of Homeland Security			
Passed through the South Dakota			
Homeland Security Grant Program	97.067	HLS-2024-00293	18,039
Total Federal Financial Assistance			$ 1,466,741

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Brookings (the City) under programs of the federal government for the year ended December 31, 2025. The information is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The City has not elected to use the de minimis cost rate of up to 15 percent.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiency identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiency identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Airport Improvement Program	20.106

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

Our audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

Our audit disclosed no findings required to be reported.