

**MUNICIPALITY OF IRENE
IRENE, SOUTH DAKOTA**

AUDIT REPORT

**FOR THE YEAR JANUARY 1, 2022 TO DECEMBER 31, 2022
AND
FOR THE YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023**

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

MUNICIPALITY OF IRENE

MUNICIPAL OFFICIALS
DECEMBER 31, 2023

MAYOR:

Bryce Johnke

GOVERNING BOARD:

Matt Davis – President
Steven Erickson – Vice-President
Jacob Kribell
Jim Viergutz

FINANCE OFFICER:

Casey Van Beek

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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TABLE OF CONTENTS

| | |
|---|-------|
| 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 <i>Government Auditing Standards</i> | 1-2 |
| Schedule of Prior Audit Findings and Questioned Costs..... | 3 |
| Schedule of Current Audit Findings | 4 |
| Independent Auditor's Report | 5-7 |
| BASIC FINANCIAL STATEMENTS: | |
| As of and For the Year Ended December 31, 2023: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position – Cash Basis..... | 8 |
| Statement of Activities – Cash Basis..... | 9 |
| Fund Financial Statements: | |
| Governmental Funds: | |
| Balance Sheet – Cash Basis..... | 10 |
| Statement of Receipts, Disbursements, and Changes In Fund Cash Balance – Cash Basis..... | 11-12 |
| Proprietary Funds: | |
| Statement of Net Position – Cash Basis..... | 13 |
| Statement of Receipts, Disbursements, and Changes in Fund Cash Net Position – Cash Basis..... | 14 |
| As of and For the Year Ended December 31, 2022: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position – Cash Basis..... | 15 |
| Statement of Activities – Cash Basis..... | 16 |
| Fund Financial Statements: | |
| Governmental Funds: | |
| Balance Sheet – Cash Basis..... | 17 |
| Statement of Receipts, Disbursements, and Changes In Fund Cash Balance – Cash Basis..... | 18-19 |
| Proprietary Funds: | |
| Statement of Net Position – Cash Basis..... | 20 |
| Statement of Receipts, Disbursements, and Changes in Fund Cash Net Position – Cash Basis..... | 21 |
| Notes to the Cash Basis Financial Statements..... | 22-34 |

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS
(Continued)

Supplementary Information:

For the Year Ended December 31, 2023:

Budgetary Comparison Schedules – Budgetary Basis:

| | |
|--|-------|
| General Fund..... | 35-36 |
| Liquor, Lodging, & Dining Gross Receipts Tax Fund..... | 37 |

For the Year Ended December 31, 2022:

Budgetary Comparison Schedules – Budgetary Basis:

| | |
|--|-------|
| General Fund..... | 38-39 |
| Liquor, Lodging, & Dining Gross Receipts Tax Fund..... | 40 |
| Notes to the Supplementary Information – Budgetary Comparison Schedules..... | 41 |
| Schedule of the Municipality's Proportionate Share of Net Pension Liability (Asset)..... | 42 |
| Schedule of the Municipal Contributions..... | 43 |
| Notes to the Supplementary Information – Pension Schedules..... | 44 |
| Schedule of Long-Term Liabilities..... | 45-46 |

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

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

Governing Board
Municipality of Irene
Irene, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Irene, South Dakota (Municipality), as of December 31, 2023 and 2022, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon April 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) as a basis for designing the 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 Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings as item 2023-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts noncompliance with which could have a direct and material effect on the

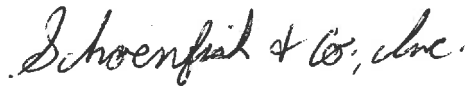
determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Municipality's Response to Findings

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

Purpose of this Report

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



Schoenfish & Co., Inc.
Certified Public Accountants
April 22, 2025

Schoenfish & Co., Inc.

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SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

PRIOR FEDERAL AUDIT FINDINGS:

Finding Number 2021-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2023-001.

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SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT OTHER AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2023-001:

Condition:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This has been a continuing audit finding since 2001.

Criteria:

Proper segregation of duties results in increased reliability of reported financial data. Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets through the separation of key accounting and physical control functions.

The AICPA states that, "Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable."

Cause of Condition:

The Finance Officer and Liquor Store Manager process all revenue transactions from beginning to end. The Finance Officer receives money, issues receipts, records receipts, posts receipts in the accounting records, prepares bank deposits, reconciles bank statements, and prepares financial statements. The Liquor Store Manager receives money and prepares the bank deposits for the liquor store, which is approximately 35% of the Municipality's operating revenue. A lack of segregation of duties existed for the revenues resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Potential Effect of Condition:

There is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation:

We recommend that the Municipality of Irene officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical. In addition, we recommend that all necessary accounting records be established and properly maintained to provide some compensation for lack of proper segregation of duties.

Client's Response:

The Municipality of Irene Mayor, Bryce Johnke, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Municipality of Irene, which precludes staffing at a level sufficient to provide an ideal environment for internal controls. We are aware of this problem and are attempting to develop policies and provide compensating controls.

CLOSING CONFERENCE

The audit findings and recommendations were discussed with the officials during the course of the audit and with the Mayor and Finance Officer on November 4, 2024.

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105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

INDEPENDENT AUDITOR'S REPORT

Governing Board
Municipality of Irene
Irene, South Dakota

Report on the Audit of the Financial StatementsOpinions

We have audited the accompanying cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Irene, South Dakota (Municipality), as of December 31, 2023 and December 31, 2022, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

In our opinion, the accompanying cash basis of accounting financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Municipality of Irene as of December 31, 2023 and December 31, 2022, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the cash basis of accounting described in Note 1.c. to the financial statements.

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 Municipality 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.

Emphasis of Matter

As discussed in Note 1.c. of the financial statements, which describes the basis of accounting, the financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1.c.; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible 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 Municipality'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 cash basis of accounting 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

- 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 Municipality'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 Municipality'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the cash basis of accounting financial statements that collectively comprise the Municipality's basic financial statements. The Budgetary Comparison Schedules, Schedule of Long-term Liabilities, the Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Municipal Contributions are presented for purposes of additional analysis and are not a required part of the basic financial

Schoenfish & Co., Inc.

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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 auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules, Schedule of Long-term Liabilities, the Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Municipal Contributions is 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 Municipal Officials 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 April 22, 2025 on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality'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 Municipality's internal control over financial reporting and compliance.



Schoenfish & Co., Inc.
 Certified Public Accountants
 April 22, 2025

Schoenfish & Co., Inc.

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MUNICIPALITY OF IRENE
STATEMENT OF NET POSITION - CASH BASIS
December 31, 2023

| | Primary Government | |
|--|------------------------------------|-------------------------------------|
| | Governmental Activities | Business-Type Activities |
| | Total | |
| ASSETS: | | |
| Cash and Cash Equivalents | 280,469.99 | 438,155.75 |
| TOTAL ASSETS | 280,469.99 | 438,155.75 |
| NET POSITION: | | |
| Restricted for: | | |
| Debt Service Purposes | | 223,573.54 |
| Equipment Repair and/or Replacement | | 7,605.52 |
| Unrestricted | 280,469.99 | 206,976.69 |
| TOTAL NET POSITION | 280,469.99 | 438,155.75 |

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

MUNICIPALITY OF IRENE
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2023

| Functions/Programs | Program Receipts | | | | Net (Expense) Receipts and Changes in Net Position | | |
|----------------------------------|------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|--------------|
| | Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | 117,174.59 | | | | (117,174.59) | | (117,174.59) |
| Public Safety | 72,792.52 | 10.00 | | | (72,782.52) | | (72,782.52) |
| Public Works | 52,892.95 | | 14,952.64 | | (37,940.31) | | (37,940.31) |
| Health and Welfare | 1,192.90 | | 1,192.90 | | 0.00 | | 0.00 |
| Culture and Recreation | 22,620.17 | | | | (22,620.17) | | (22,620.17) |
| Conservation and Development | 6,745.99 | | | | (6,745.99) | | (6,745.99) |
| Miscellaneous Disbursements | | 505.00 | | | 505.00 | | 505.00 |
| Total Governmental Activities | 273,419.12 | 515.00 | 16,145.54 | 0.00 | (256,758.58) | | (256,758.58) |
| Business-type Activities: | | | | | | | |
| Water | 283,230.16 | 152,058.47 | 4,000.00 | | | (127,171.69) | (127,171.69) |
| Sewer | 165,857.55 | 141,485.75 | 4,876.00 | | | (19,495.80) | (19,495.80) |
| Liquor | 478,196.56 | 465,761.69 | | | | (12,434.87) | (12,434.87) |
| Total Business-Type Activities | 927,284.27 | 759,305.91 | 8,876.00 | 0.00 | | (159,102.36) | (159,102.36) |
| Total Primary Government | 1,200,703.39 | 759,820.91 | 25,021.54 | 0.00 | (256,758.58) | | (415,860.94) |
| General Receipts: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | | 138,399.47 | | 138,399.47 |
| Sales Taxes | | | | | 120,539.42 | | 120,539.42 |
| State Shared Receipts | | | | | 4,329.51 | | 4,329.51 |
| Unrestricted Investment Earnings | | | | | 7,033.80 | 8,583.52 | 15,617.32 |
| Debt Issued | | | | | | 243,254.00 | 243,254.00 |
| Miscellaneous Receipts | | | | | 12,792.34 | | 12,792.34 |
| Total General Receipts | | | | | 283,094.54 | 251,837.52 | 534,932.06 |
| Change in Net Position | | | | | 26,335.96 | 92,735.16 | 119,071.12 |
| Net Position - Beginning | | | | | 254,134.03 | 345,420.59 | 599,554.62 |
| NET POSITION - ENDING | | | | | 280,469.99 | 438,155.75 | 718,625.74 |

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

**MUNICIPALITY OF IRENE
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2023**

| | General Fund |
|-----------------------------------|--------------------------|
| ASSETS: | |
| Cash and Cash Equivalents | <u>280,469.99</u> |
| TOTAL ASSETS | <u><u>280,469.99</u></u> |
| FUND BALANCES: | |
| Assigned for Capital Improvements | <u>28,008.95</u> |
| Unassigned | <u>252,461.04</u> |
| TOTAL FUND BALANCES | <u><u>280,469.99</u></u> |

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

MUNICIPALITY OF IRENE
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

| | General Fund | Liquor, Lodging & Dining Gross Receipts Tax Fund | Total Governmental Funds |
|--|-------------------------|---|---|
| Receipts: | | | |
| Taxes: | | | |
| General Property Taxes | 137,244.44 | | 137,244.44 |
| General Sales and Use Taxes | 113,793.43 | 6,745.99 | 120,539.42 |
| Penalties & Interest on Delinquent Taxes | 1,155.03 | | 1,155.03 |
| Total Taxes | 252,192.90 | 6,745.99 | 258,938.89 |
| Licenses and Permits | 505.00 | 0.00 | 505.00 |
| Intergovernmental Receipts: | | | |
| State Grants | 1,192.90 | | 1,192.90 |
| State Shared Receipts: | | | |
| Bank Franchise Tax | 1,428.80 | | 1,428.80 |
| Prorate License Fees | 848.66 | | 848.66 |
| Liquor Tax Reversion | 2,900.71 | | 2,900.71 |
| Motor Vehicle Licenses | 5,423.87 | | 5,423.87 |
| Local Government Highway and Bridge Fund | 7,198.93 | | 7,198.93 |
| County Shared Receipts: | | | |
| County Road Tax | 735.30 | | 735.30 |
| County Wheel Tax | 745.88 | | 745.88 |
| Total Intergovernmental Receipts | 20,475.05 | 0.00 | 20,475.05 |
| Fines and Forfeits: | | | |
| Other | 10.00 | | 10.00 |
| Total Fines and Costs | 10.00 | 0.00 | 10.00 |
| Miscellaneous Receipts: | | | |
| Investment Earnings | 7,033.80 | | 7,033.80 |
| Rentals | 360.00 | | 360.00 |
| Contributions and Donations from Private Sources | 170.00 | | 170.00 |
| Liquor Operating Agreement Income | 2,704.82 | | 2,704.82 |
| Other | 4,256.69 | | 4,256.69 |
| Total Miscellaneous Receipts | 14,525.31 | 0.00 | 14,525.31 |
| Total Receipts | 287,708.26 | 6,745.99 | 294,454.25 |

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

MUNICIPALITY OF IRENE
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

| | General Fund | Liquor, Lodging & Dining Gross Receipts Tax Fund | Total Governmental Funds |
|---|-----------------|---|--------------------------------|
| Disbursements: | | | |
| General Government: | | | |
| Legislative | 7,271.33 | | 7,271.33 |
| Executive | 40,789.00 | | 40,789.00 |
| Elections | 795.43 | | 795.43 |
| Financial Administration | 817.00 | | 817.00 |
| Other | 67,501.83 | | 67,501.83 |
| Total General Government | 117,174.59 | 0.00 | 117,174.59 |
| Public Safety: | | | |
| Police | 60,376.00 | | 60,376.00 |
| Fire | 7,362.03 | | 7,362.03 |
| Protective Inspection | 5,054.49 | | 5,054.49 |
| Total Public Safety | 72,792.52 | 0.00 | 72,792.52 |
| Public Works: | | | |
| Highways and Streets | 52,892.95 | | 52,892.95 |
| Total Public Works | 52,892.95 | 0.00 | 52,892.95 |
| Health and Welfare: | | | |
| Health | 1,192.90 | | 1,192.90 |
| Total Health and Welfare | 1,192.90 | 0.00 | 1,192.90 |
| Culture and Recreation: | | | |
| Parks | 15,071.09 | | 15,071.09 |
| Libraries | 1,549.08 | | 1,549.08 |
| Auditorium | 6,000.00 | | 6,000.00 |
| Total Culture and Recreation | 22,620.17 | 0.00 | 22,620.17 |
| Conservation and Development: | | | |
| Economic Development and Assistance (Industrial Development) | | 6,745.99 | 6,745.99 |
| Total Conservation and Development | 0.00 | 6,745.99 | 6,745.99 |
| Total Disbursements | 266,673.13 | 6,745.99 | 273,419.12 |
| Other Financing Sources (Uses): | | | |
| Sale of Municipal Property | 5,300.83 | | 5,300.83 |
| Total Other Financing Sources (Uses) | 5,300.83 | 0.00 | 5,300.83 |
| Net Change in Fund Cash Balance | 26,335.96 | 0.00 | 26,335.96 |
| Fund Cash Balance - Beginning | 254,134.03 | 0.00 | 254,134.03 |
| FUND CASH BALANCE- ENDING | 280,469.99 | 0.00 | 280,469.99 |

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

MUNICIPALITY OF IRENE
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
December 31, 2023

| | Enterprise Funds | | | |
|--|-------------------------|-----------------------|------------------------|-------------------|
| | Water Fund | Sewer Fund | Liquor Fund | Totals |
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | 166,915.54 | 246,027.75 | 25,212.46 | 438,155.75 |
| Total Current Assets | <u>166,915.54</u> | <u>246,027.75</u> | <u>25,212.46</u> | <u>438,155.75</u> |
| TOTAL ASSETS | <u>166,915.54</u> | <u>246,027.75</u> | <u>25,212.46</u> | <u>438,155.75</u> |
| NET POSITION: | | | | |
| Restricted for: | | | | |
| Revenue Bond Debt Service | <u>90,888.90</u> | <u>132,684.64</u> | | <u>223,573.54</u> |
| Equipment Repair and/or Replacement | | | <u>7,605.52</u> | <u>7,605.52</u> |
| Unrestricted Net Position | <u>76,026.64</u> | <u>113,343.11</u> | <u>17,606.94</u> | <u>206,976.69</u> |
| TOTAL NET POSITION | <u>166,915.54</u> | <u>246,027.75</u> | <u>25,212.46</u> | <u>438,155.75</u> |

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

MUNICIPALITY OF IRENE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND NET POSITION - CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

| | Enterprise Funds | | | |
|--|-------------------------|-----------------------|------------------------|-------------------|
| | Water Fund | Sewer Fund | Liquor Fund | Totals |
| Operating Receipts: | | | | |
| Charges for Goods and Services | 102,123.77 | 58,482.12 | 436,860.84 | 597,466.73 |
| Surcharge as Security for Debt | 49,934.70 | 83,003.63 | | 132,938.33 |
| Lottery Sales | | | 25,079.74 | 25,079.74 |
| Miscellaneous | | | 3,821.11 | 3,821.11 |
| Total Operating Receipts | 152,058.47 | 141,485.75 | 465,761.69 | 759,305.91 |
| Operating Disbursements: | | | | |
| Personal Services | 50,127.79 | 50,074.79 | 194,420.92 | 294,623.50 |
| Other Current Disbursements | 9,354.65 | 10,805.56 | 101,079.56 | 121,239.77 |
| Materials | 49,566.00 | | 182,696.08 | 232,262.08 |
| Total Operating Disbursements | 109,048.44 | 60,880.35 | 478,196.56 | 648,125.35 |
| Operating Income (Loss) | 43,010.03 | 80,605.40 | (12,434.87) | 111,180.56 |
| Nonoperating Receipts (Disbursements): | | | | |
| Operating Grants | 4,000.00 | 4,876.00 | | 8,876.00 |
| Investment Earnings | 2,223.92 | 6,282.80 | 76.80 | 8,583.52 |
| Capital Assets | (140,404.00) | (31,312.12) | | (171,716.12) |
| Debt Service (Principal) | (17,551.40) | (34,157.48) | | (51,708.88) |
| Debt Service (Interest) | (16,226.32) | (39,507.60) | | (55,733.92) |
| Long-Term Debt Issued | 178,368.00 | 64,886.00 | | 243,254.00 |
| Total Nonoperating Receipts (Disbursements) | 10,410.20 | (28,932.40) | 76.80 | (18,445.40) |
| Change in Net Position | 53,420.23 | 51,673.00 | (12,358.07) | 92,735.16 |
| Net Position - Beginning | 113,495.31 | 194,354.75 | 37,570.53 | 345,420.59 |
| NET POSITION - ENDING | 166,915.54 | 246,027.75 | 25,212.46 | 438,155.75 |

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

MUNICIPALITY OF IRENE
STATEMENT OF NET POSITION - CASH BASIS
December 31, 2022

| | Primary Government | | |
|---------------------------|------------------------------------|-------------------------------------|-------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS: | | | |
| Cash and Cash Equivalents | 254,134.03 | 345,420.59 | 599,554.62 |
| TOTAL ASSETS | 254,134.03 | 345,420.59 | 599,554.62 |
| NET POSITION: | | | |
| Restricted for: | | | |
| Debt Service Purposes | | 198,078.01 | 198,078.01 |
| Equipment Replacement | | 7,605.52 | 7,605.52 |
| Unrestricted | 254,134.03 | 139,737.06 | 393,871.09 |
| TOTAL NET POSITION | 254,134.03 | 345,420.59 | 599,554.62 |

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

MUNICIPALITY OF IRENE
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2022

| Functions/Programs | Program Receipts | | | | Net (Expense) Receipts and Changes in Net Position | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|---------------------|
| | Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | |
| General Government | | | | | | | |
| Public Safety | 98,563.43 | | | | (98,563.43) | | (98,563.43) |
| Public Works | 65,263.85 | 12.35 | | | (65,251.50) | | (65,251.50) |
| Health and Welfare | 46,156.90 | | 14,091.18 | | (32,065.72) | | (32,065.72) |
| Culture and Recreation | 1,042.60 | | 982.60 | | (60.00) | | (60.00) |
| Conservation and Development | 32,218.80 | | | | (32,218.80) | | (32,218.80) |
| Miscellaneous Disbursements | 7,207.43 | | | | (7,207.43) | | (7,207.43) |
| | | 565.00 | | | 565.00 | | 565.00 |
| Total Governmental Activities | 250,453.01 | 577.35 | 15,073.78 | 0.00 | (234,801.88) | | (234,801.88) |
| Business-type Activities: | | | | | | | |
| Water | 188,554.85 | 134,161.44 | | | | (54,393.41) | (54,393.41) |
| Sewer | 172,729.39 | 131,944.05 | 37,121.64 | | | (3,663.70) | (3,663.70) |
| Liquor | 489,272.21 | 493,955.21 | | | | 4,683.00 | 4,683.00 |
| Total Business-Type Activities | 850,556.45 | 760,060.70 | 37,121.64 | 0.00 | | (53,374.11) | (53,374.11) |
| Total Primary Government | 1,101,009.46 | 760,638.05 | 52,195.42 | 0.00 | (234,801.88) | (53,374.11) | (288,175.99) |
| General Receipts: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | | 127,488.46 | | 127,488.46 |
| Sales Taxes | | | | | 113,637.38 | | 113,637.38 |
| State Shared Receipts | | | | | 5,029.03 | | 5,029.03 |
| Unrestricted Investment Earnings | | | | | 1,440.77 | 2,278.35 | 3,719.12 |
| Miscellaneous Receipts | | | | | 8,059.89 | | 8,059.89 |
| Total General Receipts | | | | | 255,655.53 | 2,278.35 | 257,933.88 |
| Change in Net Position | | | | | 20,853.65 | (51,095.76) | (30,242.11) |
| Net Position - Beginning | | | | | 233,280.38 | 396,516.35 | 629,796.73 |
| NET POSITION - ENDING | | | | | 254,134.03 | 345,420.59 | 599,554.62 |

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

**MUNICIPALITY OF IRENE
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2022**

| | General Fund |
|-----------------------------------|--------------------------|
| ASSETS: | |
| Cash and Cash Equivalents | <u>254,134.03</u> |
| TOTAL ASSETS | <u><u>254,134.03</u></u> |
| FUND BALANCES: | |
| Assigned for Capital Improvements | <u>28,008.95</u> |
| Unassigned | <u>226,125.08</u> |
| TOTAL FUND BALANCES | <u><u>254,134.03</u></u> |

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

MUNICIPALITY OF IRENE
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | General Fund | Liquor, Lodging & Dining Gross Receipts Tax Fund | Total Governmental Funds |
|--|-----------------|---|--------------------------------|
| Receipts: | | | |
| Taxes: | | | |
| General Property Taxes | 126,949.78 | | 126,949.78 |
| General Sales and Use Taxes | 106,968.30 | 6,669.08 | 113,637.38 |
| Amusement Taxes | 167.12 | | 167.12 |
| Penalties & Interest on Delinquent Taxes | 371.56 | | 371.56 |
| Total Taxes | 234,456.76 | 6,669.08 | 241,125.84 |
| Licenses and Permits | 565.00 | 0.00 | 565.00 |
| Intergovernmental Receipts: | | | |
| State Grants | 982.60 | | 982.60 |
| State Shared Receipts: | | | |
| Bank Franchise Tax | 2,071.98 | | 2,071.98 |
| Prorate License Fees | 346.09 | | 346.09 |
| Liquor Tax Reversion | 2,957.05 | | 2,957.05 |
| Motor Vehicle Licenses | 5,440.16 | | 5,440.16 |
| Local Government Highway and Bridge Fund | 7,001.19 | | 7,001.19 |
| County Shared Receipts: | | | |
| County Road Tax | 578.61 | | 578.61 |
| County Wheel Tax | 725.13 | | 725.13 |
| Total Intergovernmental Receipts | 20,102.81 | 0.00 | 20,102.81 |
| Fines and Forfeits: | | | |
| Court Fines and Costs | 12.35 | | 12.35 |
| Total Fines and Costs | 12.35 | 0.00 | 12.35 |
| Miscellaneous Receipts: | | | |
| Investment Earnings | 1,440.77 | | 1,440.77 |
| Rentals | 360.00 | | 360.00 |
| Contributions and Donations from Private Sources | 992.30 | | 992.30 |
| Liquor Operating Agreement Income | 2,425.90 | | 2,425.90 |
| Other | 3,557.69 | | 3,557.69 |
| Total Miscellaneous Receipts | 8,776.66 | 0.00 | 8,776.66 |
| Total Receipts | 263,913.58 | 6,669.08 | 270,582.66 |
| Disbursements: | | | |
| General Government: | | | |
| Legislative | 5,733.56 | | 5,733.56 |
| Executive | 41,298.02 | | 41,298.02 |
| Financial Administration | 13,350.00 | | 13,350.00 |
| Other | 38,181.85 | | 38,181.85 |
| Total General Government | 98,563.43 | 0.00 | 98,563.43 |

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

MUNICIPALITY OF IRENE
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | General Fund | Liquor, Lodging & Dining Gross Receipts Tax Fund | Total Governmental Funds |
|---|-----------------|---|--------------------------------|
| Disbursements: (continued) | | | |
| Public Safety: | | | |
| Police | 53,714.58 | | 53,714.58 |
| Fire | 7,320.89 | | 7,320.89 |
| Other Protection | 4,228.38 | | 4,228.38 |
| Total Public Safety | 65,263.85 | 0.00 | 65,263.85 |
| Public Works: | | | |
| Highways and Streets | 46,156.90 | | 46,156.90 |
| Total Public Works | 46,156.90 | 0.00 | 46,156.90 |
| Health and Welfare: | | | |
| Health | 1,042.60 | | 1,042.60 |
| Total Health and Welfare | 1,042.60 | 0.00 | 1,042.60 |
| Culture and Recreation: | | | |
| Parks | 23,475.12 | | 23,475.12 |
| Libraries | 2,743.68 | | 2,743.68 |
| Auditorium | 6,000.00 | | 6,000.00 |
| Total Culture and Recreation | 32,218.80 | 0.00 | 32,218.80 |
| Conservation and Development: | | | |
| Economic Development and Assistance (Industrial Development) | | 7,207.43 | 7,207.43 |
| Total Conservation and Development | 0.00 | 7,207.43 | 7,207.43 |
| Total Disbursements | 243,245.58 | 7,207.43 | 250,453.01 |
| Excess Receipts Over (Under) Disbursements | 20,668.00 | (538.35) | 20,129.65 |
| Other Financing Sources (Uses): | | | |
| Compensation for Loss or Damage to Capital Assets | 724.00 | | 724.00 |
| Total Other Financing Sources (Uses) | 724.00 | 0.00 | 724.00 |
| Net Change in Fund Cash Balance | 21,392.00 | (538.35) | 20,853.65 |
| Fund Cash Balance - Beginning | 232,742.03 | 538.35 | 233,280.38 |
| FUND CASH BALANCE- ENDING | 254,134.03 | 0.00 | 254,134.03 |

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

MUNICIPALITY OF IRENE
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
December 31, 2022

| | Enterprise Funds | | | |
|--|-------------------------|-----------------------|------------------------|---------------|
| | Water Fund | Sewer Fund | Liquor Fund | Totals |
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | 113,495.31 | 194,354.75 | 37,570.53 | 345,420.59 |
| Total Current Assets | 113,495.31 | 194,354.75 | 37,570.53 | 345,420.59 |
| TOTAL ASSETS | 113,495.31 | 194,354.75 | 37,570.53 | 345,420.59 |
| NET POSITION: | | | | |
| Restricted for: | | | | |
| Equipment Repair and/or Replacement | | | 7,605.52 | 7,605.52 |
| Revenue Bond Debt Service | 74,731.92 | 123,346.09 | | 198,078.01 |
| Unrestricted Net Position | 38,763.39 | 71,008.66 | 29,965.01 | 139,737.06 |
| TOTAL NET POSITION | 113,495.31 | 194,354.75 | 37,570.53 | 345,420.59 |

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

MUNICIPALITY OF IRENE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND NET POSITION - CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

| | Enterprise Funds | | | |
|--|-------------------------|-----------------------|------------------------|-------------------|
| | Water Fund | Sewer Fund | Liquor Fund | Totals |
| Operating Receipts: | | | | |
| Charges for Goods and Services | 97,769.77 | 53,501.00 | 461,170.64 | 612,441.41 |
| Surcharge as Security for Debt | 36,391.67 | 78,443.05 | | 114,834.72 |
| Lottery Sales | | | 27,157.31 | 27,157.31 |
| Miscellaneous | | | 5,627.26 | 5,627.26 |
| Total Operating Receipts | 134,161.44 | 131,944.05 | 493,955.21 | 760,060.70 |
| Operating Disbursements: | | | | |
| Personal Services | 47,391.72 | 47,181.12 | 194,915.68 | 289,488.52 |
| Other Current Disbursements | 63,287.81 | 51,883.19 | 89,990.65 | 205,161.65 |
| Materials | 44,097.60 | | 204,365.88 | 248,463.48 |
| Total Operating Disbursements | 154,777.13 | 99,064.31 | 489,272.21 | 743,113.65 |
| Operating Income (Loss) | (20,615.69) | 32,879.74 | 4,683.00 | 16,947.05 |
| Nonoperating Receipts (Disbursements): | | | | |
| Operating Grants | | 37,121.64 | | 37,121.64 |
| Investment Earnings | 902.55 | 1,264.30 | 111.50 | 2,278.35 |
| Debt Service | (17,106.22) | (33,160.48) | | (50,266.70) |
| Interest Expense | (16,671.50) | (40,504.60) | | (57,176.10) |
| Total Nonoperating Receipts (Disbursements) | (32,875.17) | (35,279.14) | 111.50 | (68,042.81) |
| Change in Net Position | (53,490.86) | (2,399.40) | 4,794.50 | (51,095.76) |
| Net Position - Beginning | 166,986.17 | 196,754.15 | 32,776.03 | 396,516.35 |
| NET POSITION - ENDING | 113,495.31 | 194,354.75 | 37,570.53 | 345,420.59 |

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.c, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Financial Reporting Entity:

The reporting entity of the Municipality of Irene (Municipality) 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.

b. Basis of Presentation:

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

1. Total assets, liabilities, receipts, or disbursements of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, receipts, or disbursements of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

The funds of the Municipality financial reporting entity are described below:

Governmental Funds:

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

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

Liquor, Lodging and Dining Gross Receipts Tax Fund – to account for the collection of a one percent tax on the gross receipts of lodgings, alcoholic beverages, prepared food and admissions which tax shall be used for the purpose of land acquisition, architectural fees, construction costs, payments 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 (SDCL 10-52A-2). This fund may be established at the direction of the governing body through local ordinance. This is a major fund.

Proprietary Funds:

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

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)
- b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

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

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

Liquor Fund – to account for the operation of an on-sale and/or off-sale municipal liquor store. (SDCL 35-3-21) This is a major fund.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

c. Measurement Focus and Basis of Accounting:

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

The Municipality's basis of accounting is the cash basis, which is a basis of accounting other than USGAAP. Under USGAAP, transactions are recorded in the accounts when receipts are earned and liabilities are incurred. Under the cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied within the limitations of the cash basis of accounting as defined below.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used, applied with the limitations of the cash basis of accounting.

Basis of Accounting:

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a cash basis of accounting.

The cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Municipality applied USGAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Deposits and Investments:

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

e. Capital Assets:

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

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type are presented using a cash basis of accounting. Municipality has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciating/amortizing those assets where appropriate, so any capital assets owned by the Municipality and the related depreciation/amortization are not reported on the financial statements of the Municipality.

f. Long-Term Liabilities:

Under the cash basis of accounting, cash proceeds from long-term liabilities issuances is recorded as a receipt, while payments to creditors to reduce long-term liabilities are recorded as a cost of the program which benefits from the financing. Allocations are made where appropriate. Interest costs are not allocated, but are reported as a separate program cost category.

Long-term liabilities arising from cash transactions of governmental funds are not reported as liabilities in the fund financial statements. Instead, the debt proceeds are reported as other financing sources and payments of principal and interest are reported as disbursements. The accounting for long-term liabilities of proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

The Municipality has presented as Supplementary Information a Schedule of Changes in Long-Term Liabilities along with related notes that include details of any outstanding Long-Term Liabilities.

g. Program Receipts:

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

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

h. Proprietary Funds Receipts and Disbursement Classifications:

In the proprietary fund's Statement of Receipts, Disbursements and Changes in Fund Cash Net Position, receipts and disbursements are classified in a manner consistent with how they are classified in the Statement

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating receipts or disbursements.

i. Equity Classifications:

Government-wide Financial Statements:

Equity is classified as Net Position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints places 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.
2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

Fund Financial Statements:

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

j. Application of Net Position:

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

k. Fund Balance Classification Policies and Procedures:

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

- Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Finance Officer.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

The purpose of each major special revenue fund and revenue source is listed below:

| <u>Major Special Revenue Fund</u> | <u>Revenue Source</u> |
|-----------------------------------|-----------------------|
| Gross Receipts Tax Fund | Sales Tax |

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS:

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

| | Year Ended <u>12/31/2022</u> |
|---------------|------------------------------------|
| General Fund: | |
| Executive | \$ 1,743.02 |

The Municipality plans to take the following actions to address these violations: use contingency transfers and supplemental budgets when allowed by law.

3. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

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

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

As of December 31, 2023 and 2022, the Municipality did not have any investments.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

Interest Rate Risk – The Municipality 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.

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

4. PROPERTY TAXES

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

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

5. RESTRICTED NET POSITION

Restricted net position for the years ended December 31, 2022 and 2023 were as follows:

| <u>Purpose:</u> | <u>Restricted By</u> | <u>12/31/2022</u> | <u>12/31/2023</u> |
|-----------------|-----------------------|-------------------|-------------------|
| Major Funds: | | | |
| Water Fund | Debt Covenants | 74,731.92 | 90,888.90 |
| Sewer Fund | Debt Covenants | 123,346.09 | 132,684.64 |
| Liquor Fund | Equipment Replacement | 7,605.52 | 7,605.52 |
| | | <u>205,683.53</u> | <u>231,179.06</u> |

6. WATER PURCHASE AGREEMENT

In 1997, the Municipality of Irene entered into a 20-year purchase agreement with B-Y Water to provide water to the Municipality. A monthly service charge in the amount of \$209 is paid by the city to B-Y Water along with a charge of \$3.10 per 1,000 gallons of water consumed. The monthly service charge represents a contribution by the city to aid B-Y Water in the construction of the facilities necessary to provide the Municipality with water. The Municipality will not acquire ownership of any of these water facilities through these payments. Payments are made from the Municipality's Water Fund.

7. PENSION PLAN

Plan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing,

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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://www.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 different classes of employees, 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 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 to 0.0 percent.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2023, 2022, and 2021, were \$10,569.50, \$10,740.01, and \$9,945.84, respectively, equal to the required contributions each year.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows or Resources and Deferred Inflows or Resources to Pensions:

At June 30, 2023, SDRS is 100.1% funded and accordingly has net pension asset. The proportionate shares of the components of the net pension asset of the South Dakota Retirement System, for the Municipality as of the measurement period ending June 30, 2023 and reported by the Municipality as of December 31, 2023 are as follows:

| | |
|---|---------------------------|
| Proportionate share of pension liability | \$ 1,080,570.95 |
| Less proportionate share of net pension restricted for pension benefits | <u>\$ 1,081,298.79</u> |
| Proportionate share of net pension liability (asset) | <u><u>\$ (727.84)</u></u> |

The net pension liability (asset) was measured as of June 30, 2023 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Municipality's proportion was 0.00745700%, which is an increase (decrease) of 0.0000530% from its proportion measured as of June 30, 2022.

At June 30, 2022, SDRS is 100.1% funded and accordingly has net pension asset. The proportionate shares of the components of the net pension asset of the South Dakota Retirement System, for the Municipality as of the measurement period ending June 30, 2022 and reported by the Municipality as of December 31, 2022 are as follows:

| | |
|---|---------------------------|
| Proportionate share of pension liability | \$ 1,045,194.49 |
| Less proportionate share of net pension restricted for pension benefits | <u>\$ 1,045,894.21</u> |
| Proportionate share of net pension liability (asset) | <u><u>\$ (699.72)</u></u> |

The net pension liability (asset) was measured as of June 30, 2022 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2022, the Municipality's proportion was 0.00740400%, which is an increase (decrease) of 0.0001600% from its proportion measured as of June 30, 2021.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2023 and June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|--|
| Inflation | 2.50 percent |
| Salary Increases | Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service |
| Discount Rate | 6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00% |
| Future COLAs | 1.91% for 2023 2.10% for 2022 |

Mortality Rates

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year

until 111% of rates at age 83 and above.

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

See Independent Auditor's Report.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------|--------------------------|---|
| Public Equity | 56.3% | 3.8% |
| Investment Grade Debt | 22.8% | 1.7% |
| High Yield Debt | 7.0% | 2.7% |
| Real Estate | 12.0% | 3.5% |
| Cash | 1.9% | 0.8% |
| Total | 100% | |

Best estimates of real rates for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Global Equity | 58.0% | 3.7% |
| Fixed Income | 30.0% | 1.1% |
| Real Estate | 10.0% | 2.6% |
| Cash | 2.0% | 0.4% |
| Total | 100% | 2.70% |

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 from 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 liability (asset) to changes in the discount rate:

At June 30, 2023, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50 percent, as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|------------------------------|--------------------|
| Municipality's proportionate share of the net pension liability (asset) | \$149,180.94 | \$(727.84) | \$(123,324.62) |

At June 30, 2022, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50 percent, as well as what the Municipality'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:

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|----------------------------------|--------------------|
| Municipality's proportionate share of the net pension liability (asset) | \$145,291.35 | \$(699.72) | \$(120,013.00) |

Pension Plan Fiduciary Net Position:

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

8. SIGNIFICANT CONTINGENCIES - LITIGATION

At December 31, 2023 and 2022, the Municipality was not involved in any significant litigation.

9. RISK MANAGEMENT

The Municipality 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, 2023, the Municipality managed its risks as follows:

Employee Health Insurance:

The Municipality joined the South Dakota Municipal League Health Pool. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The Municipality pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage provides a deductible of \$500 per person or \$500 per family. The plan also provides for coinsurance of 90 percent up to \$5,000.

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

Liability Insurance:

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

Worker's Compensation:

The Municipality joined the South Dakota Municipal League Worker's Compensation 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 Municipality'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 Municipality pays an annual premium to the pool to provide worker's compensation coverage for its employees. Coverage limits are set by state statute. The pool pays the first \$650,000 of any claim per individual and has reinsurance which covers up to an additional \$2,000,000 per individual per incident.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

The Municipality 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.

Unemployment Benefits:

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

10. RELATED PARTY TRANSACTION

Municipal Finance officer serves as the treasurer of the Irene Development Corporation.

11. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through April 22, 2025, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF IRENE
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|-------------------|--------------------------|----------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget - |
| | | | | Positive (Negative) |
| Receipts: | | | | |
| Taxes: | | | | |
| General Property Taxes | 139,600.00 | 139,600.00 | 137,244.44 | (2,355.56) |
| General Sales and Use Taxes | 99,000.00 | 99,000.00 | 113,793.43 | 14,793.43 |
| Penalties and Interest on Delinquent Taxes | 300.00 | 300.00 | 1,155.03 | 855.03 |
| Total Taxes | 238,900.00 | 238,900.00 | 252,192.90 | 13,292.90 |
| Licenses and Permits | 700.00 | 700.00 | 505.00 | (195.00) |
| Intergovernmental Receipts: | | | | |
| State Grants | 1,200.00 | 1,200.00 | 1,192.90 | (7.10) |
| State Shared Receipts: | | | | |
| Bank Franchise Tax | 1,500.00 | 1,500.00 | 1,428.80 | (71.20) |
| Prorate License Fees | 500.00 | 500.00 | 848.66 | 348.66 |
| Liquor Tax Reversion | 3,000.00 | 3,000.00 | 2,900.71 | (99.29) |
| Motor Vehicle Licenses | 6,000.00 | 6,000.00 | 5,423.87 | (576.13) |
| Local Government Highway and Bridge Fund | 7,500.00 | 7,500.00 | 7,198.93 | (301.07) |
| County Shared Receipts: | | | | |
| County Road Tax | 570.00 | 570.00 | 735.30 | 165.30 |
| County Wheel Tax | 825.00 | 825.00 | 745.88 | (79.12) |
| Total Intergovernmental Receipts | 21,095.00 | 21,095.00 | 20,475.05 | (619.95) |
| Fines and Forfeits: | | | | |
| Other | 0.00 | 0.00 | 10.00 | 10.00 |
| Total Fines and Forfeits | 0.00 | 0.00 | 10.00 | 10.00 |
| Miscellaneous Receipts: | | | | |
| Investment Earnings | 850.00 | 850.00 | 7,033.80 | 6,183.80 |
| Rentals | 360.00 | 360.00 | 360.00 | 0.00 |
| Contributions and Donations from Private Sources | 0.00 | 0.00 | 170.00 | 170.00 |
| Liquor Operating Agreement Income | 2,000.00 | 2,000.00 | 2,704.82 | 704.82 |
| Other | 4,500.00 | 4,500.00 | 4,256.69 | (243.31) |
| Total Miscellaneous Receipts | 7,710.00 | 7,710.00 | 14,525.31 | 6,815.31 |
| Total Receipts | 268,405.00 | 268,405.00 | 287,708.26 | 19,303.26 |

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF IRENE
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------|--------------------------|----------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget - |
| | | | | Positive (Negative) |
| Disbursements: | | | | |
| General Government: | | | | |
| Legislative | 6,710.00 | 7,710.00 | 7,271.33 | 438.67 |
| Contingency | 10,000.00 | 10,000.00 | | |
| Amount Transferred | | (10,000.00) | | 0.00 |
| Executive | 43,290.00 | 43,290.00 | 40,789.00 | 2,501.00 |
| Elections | 0.00 | 1,000.00 | 795.43 | 204.57 |
| Financial Administration | 2,000.00 | 2,000.00 | 817.00 | 1,183.00 |
| Other | 39,710.00 | 67,710.00 | 67,501.83 | 208.17 |
| Total General Government | 101,710.00 | 121,710.00 | 117,174.59 | 4,535.41 |
| Public Safety: | | | | |
| Police | 60,450.00 | 60,450.00 | 60,376.00 | 74.00 |
| Fire | 7,450.00 | 7,450.00 | 7,362.03 | 87.97 |
| Protective Inspection | 5,670.00 | 5,670.00 | 5,054.49 | 615.51 |
| Total Public Safety | 73,570.00 | 73,570.00 | 72,792.52 | 777.48 |
| Public Works: | | | | |
| Highways and Streets | 61,985.00 | 61,985.00 | 52,892.95 | 9,092.05 |
| Total Public Works | 61,985.00 | 61,985.00 | 52,892.95 | 9,092.05 |
| Health and Welfare: | | | | |
| Health | 1,200.00 | 1,200.00 | 1,192.90 | 7.10 |
| Total Health and Welfare | 1,200.00 | 1,200.00 | 1,192.90 | 7.10 |
| Culture and Recreation: | | | | |
| Parks | 21,590.00 | 21,590.00 | 15,071.09 | 6,518.91 |
| Libraries | 2,850.00 | 2,850.00 | 1,549.08 | 1,300.92 |
| Community Center | 6,000.00 | 6,000.00 | 6,000.00 | 0.00 |
| Total Culture and Recreation | 30,440.00 | 30,440.00 | 22,620.17 | 7,819.83 |
| Total Disbursements | 268,905.00 | 288,905.00 | 266,673.13 | 22,231.87 |
| Excess of Receipts Over (Under) | | | | |
| Disbursements | (500.00) | (20,500.00) | 21,035.13 | 41,535.13 |
| Other Financing Sources (Uses): | | | | |
| Sale of Municipal Property | 500.00 | 500.00 | 5,300.83 | 4,800.83 |
| Total Other Financing Sources (Uses) | 500.00 | 500.00 | 5,300.83 | 4,800.83 |
| Fund Cash Balance - Beginning | 254,134.03 | 254,134.03 | 254,134.03 | 0.00 |
| FUND CASH BALANCE - ENDING | 254,134.03 | 234,134.03 | 280,469.99 | 46,335.96 |

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF IRENE
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
LIQUOR, LODGING AND DINING GROSS RECEIPTS TAX FUND
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|-----------------|--------------------------|----------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget - |
| | | | | Positive (Negative) |
| Receipts: | | | | |
| Taxes: | | | | |
| General Sales and Use Taxes | 6,900.00 | 6,900.00 | 6,745.99 | (154.01) |
| Total Taxes | 6,900.00 | 6,900.00 | 6,745.99 | (154.01) |
| Total Receipts | 6,900.00 | 6,900.00 | 6,745.99 | (154.01) |
| Disbursements: | | | | |
| Conservation and Development: | | | | |
| Economic Development and | | | | |
| Assistance (Industrial Development) | 6,900.00 | 6,900.00 | 6,745.99 | 154.01 |
| Total Conservation and Development | 6,900.00 | 6,900.00 | 6,745.99 | 154.01 |
| Total Disbursements | 6,900.00 | 6,900.00 | 6,745.99 | 154.01 |
| Net Change in Fund Cash Balances | 0.00 | 0.00 | 0.00 | 0.00 |
| Fund Cash Balance - Beginning | 0.00 | 0.00 | 0.00 | 0.00 |
| FUND CASH BALANCE - ENDING | 0.00 | 0.00 | 0.00 | 0.00 |

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF IRENE
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|--------------|--------------------------|---|
| | Original | Final | (Budgetary Basis) | Final Budget - Positive (Negative) |
| Receipts: | | | | |
| Taxes: | | | | |
| General Property Taxes | 133,650.00 | 133,650.00 | 126,949.78 | (6,700.22) |
| General Sales and Use Taxes | 105,000.00 | 105,000.00 | 106,968.30 | 1,968.30 |
| Amusement Taxes | 85.00 | 85.00 | 167.12 | 82.12 |
| Penalties and Interest on Delinquent Taxes | 400.00 | 400.00 | 371.56 | (28.44) |
| Total Taxes | 239,135.00 | 239,135.00 | 234,456.76 | (4,678.24) |
| Licenses and Permits | 800.00 | 800.00 | 565.00 | (235.00) |
| Intergovernmental Receipts: | | | | |
| State Grants | 1,000.00 | 1,000.00 | 982.60 | (17.40) |
| State Shared Receipts: | | | | |
| Bank Franchise Tax | 1,300.00 | 1,300.00 | 2,071.98 | 771.98 |
| Prorate License Fees | 600.00 | 600.00 | 346.09 | (253.91) |
| Liquor Tax Reversion | 3,000.00 | 3,000.00 | 2,957.05 | (42.95) |
| Motor Vehicle Licenses | 5,000.00 | 5,000.00 | 5,440.16 | 440.16 |
| Local Government Highway and Bridge Fund | 7,000.00 | 7,000.00 | 7,001.19 | 1.19 |
| County Shared Receipts: | | | | |
| County Road Tax | 575.00 | 575.00 | 578.61 | 3.61 |
| County Wheel Tax | 825.00 | 825.00 | 725.13 | (99.87) |
| Total Intergovernmental Receipts | 19,300.00 | 19,300.00 | 20,102.81 | 802.81 |
| Fines and Forfeits: | | | | |
| Court Fines and Costs | 0.00 | 0.00 | 12.35 | 12.35 |
| Total Fines and Forfeits | 0.00 | 0.00 | 12.35 | 12.35 |
| Miscellaneous Receipts: | | | | |
| Investment Earnings | 2,000.00 | 2,000.00 | 1,440.77 | (559.23) |
| Rentals | 360.00 | 360.00 | 360.00 | 0.00 |
| Contributions and Donations from Private Sources | 0.00 | 0.00 | 992.30 | 992.30 |
| Liquor Operating Agreement Income | 2,000.00 | 2,000.00 | 2,425.90 | 425.90 |
| Other | 5,000.00 | 5,000.00 | 3,557.69 | (1,442.31) |
| Total Miscellaneous Receipts | 9,360.00 | 9,360.00 | 8,776.66 | (583.34) |
| Total Receipts | 268,595.00 | 268,595.00 | 263,913.58 | (4,681.42) |
| Disbursements: | | | | |
| General Government: | | | | |
| Legislative | 7,220.00 | 7,820.00 | 5,733.56 | 2,086.44 |
| Contingency | 10,000.00 | 10,000.00 | | |
| Amount Transferred | | (10,000.00) | | 0.00 |
| Executive | 39,155.00 | 39,555.00 | 41,298.02 | (1,743.02) |
| Financial Administration | 13,500.00 | 13,500.00 | 13,350.00 | 150.00 |
| Other | 40,150.00 | 43,350.00 | 38,181.85 | 5,168.15 |
| Total General Government | 110,025.00 | 104,225.00 | 98,563.43 | 5,661.57 |

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF IRENE
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------|--------------------------|---|
| | Original | Final | (Budgetary Basis) | Final Budget - Positive (Negative) |
| Disbursements (Continued): | | | | |
| Public Safety: | | | | |
| Police | 53,900.00 | 53,900.00 | 53,714.58 | 185.42 |
| Fire | 7,550.00 | 7,550.00 | 7,320.89 | 229.11 |
| Other Protection | 5,790.00 | 5,790.00 | 4,228.38 | 1,561.62 |
| Total Public Safety | 67,240.00 | 67,240.00 | 65,263.85 | 1,976.15 |
| Public Works: | | | | |
| Highways and Streets | 63,110.00 | 63,110.00 | 46,156.90 | 16,953.10 |
| Total Public Works | 63,110.00 | 63,110.00 | 46,156.90 | 16,953.10 |
| Health and Welfare: | | | | |
| Health | 1,200.00 | 1,200.00 | 1,042.60 | 157.40 |
| Total Health and Welfare | 1,200.00 | 1,200.00 | 1,042.60 | 157.40 |
| Culture and Recreation: | | | | |
| Parks | 19,920.00 | 24,120.00 | 23,475.12 | 644.88 |
| Libraries | 1,200.00 | 2,800.00 | 2,743.68 | 56.32 |
| Community Center | 6,000.00 | 6,000.00 | 6,000.00 | 0.00 |
| Total Culture and Recreation | 27,120.00 | 32,920.00 | 32,218.80 | 701.20 |
| Total Disbursements | 268,695.00 | 268,695.00 | 243,245.58 | 25,449.42 |
| Excess of Receipts Over (Under) Disbursements | (100.00) | (100.00) | 20,668.00 | 20,768.00 |
| Other Financing Sources (Uses): | | | | |
| Compensation for Loss or Damage to Capital Assets | 100.00 | 100.00 | 724.00 | 624.00 |
| Total Other Financing Sources (Uses) | 100.00 | 100.00 | 724.00 | 624.00 |
| Net Change in Fund Cash Balances | 0.00 | 0.00 | 21,392.00 | 21,392.00 |
| Fund Cash Balance - Beginning | 232,742.03 | 232,742.03 | 232,742.03 | 0.00 |
| FUND CASH BALANCE - ENDING | 232,742.03 | 232,742.03 | 254,134.03 | 21,392.00 |

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF IRENE
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
LIQUOR, LODGING AND DINING GROSS RECEIPTS TAX FUND
For the Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|-------------------------------------|-------------------------|--------------|--------------------------|----------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget - |
| | | | | Positive (Negative) |
| Receipts: | | | | |
| Taxes: | | | | |
| General Sales and Use Taxes | 5,800.00 | 7,300.00 | 6,669.08 | (630.92) |
| Total Taxes | 5,800.00 | 7,300.00 | 6,669.08 | (630.92) |
| Total Receipts | 5,800.00 | 7,300.00 | 6,669.08 | (630.92) |
| Disbursements: | | | | |
| Conservation and Development: | | | | |
| Economic Development and | | | | |
| Assistance (Industrial Development) | 5,800.00 | 7,300.00 | 7,207.43 | 92.57 |
| Total Conservation and Development | 5,800.00 | 7,300.00 | 7,207.43 | 92.57 |
| Total Disbursements | 5,800.00 | 7,300.00 | 7,207.43 | 92.57 |
| Net Change in Fund Cash Balances | 0.00 | 0.00 | (538.35) | (538.35) |
| Fund Cash Balance - Beginning | 538.35 | 538.35 | 538.35 | 0.00 |
| FUND CASH BALANCE - ENDING | 538.35 | 538.35 | 0.00 | (538.35) |

NOTES TO THE SUPPLEMENTARY INFORMATION

Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.

Note 1. Budgets and Budgetary Accounting

The Municipality followed these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board 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. Unexpected appropriations lapse at year end unless encumbered by resolution of the Governing Board.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund.

The Municipality did not encumber any amounts at December 31, 2022 and 2023.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
7. Budgets for the General Fund and each major special revenue fund are adopted on a basis consistent with the cash basis of accounting.

NOTE 2. GAAP/Budgetary Accounting Basis Differences

The Municipality's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenue and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE MUNICIPALITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

* Last Nine Years

| | Municipality's proportion of the net pension liability/asset | Municipality's proportionate share of net pension liability (asset) | Municipality's covered-employee payroll | Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability (asset) |
|------|---|--|---|---|--|
| 2023 | 0.0074570% | \$ (727.84) | \$ 192,287.36 | 0.38% | 100.10% |
| 2022 | 0.0074040% | \$ (699.72) | \$ 176,798.40 | 0.40% | 100.10% |
| 2021 | 0.0072440% | \$ (55,476.64) | \$ 164,394.80 | 33.75% | 105.52% |
| 2020 | 0.0074315% | \$ (322.75) | \$ 163,150.08 | 0.20% | 100.04% |
| 2019 | 0.0071731% | \$ (760.15) | \$ 152,563.84 | 0.50% | 100.09% |
| 2018 | 0.0073564% | \$ (171.57) | \$ 152,933.13 | 0.11% | 100.02% |
| 2017 | 0.0070357% | \$ (638.50) | \$ 143,331.70 | 0.45% | 100.10% |
| 2016 | 0.0078064% | \$ 26,369.25 | \$ 145,960.55 | 18.07% | 96.89% |
| 2015 | 0.0072456% | \$ (30,730.66) | \$ 128,080.50 | 23.99% | 104.10% |

* The amounts presented for each year were determined as of the measurement date of the collective net pension liability (asset) which is 06/30. Until a full 10-year trend is compiled, the Municipality will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE MUNICIPALITY CONTRIBUTIONS

South Dakota Retirement System

* Last Nine Years

| | <u>Contractually required contribution</u> | <u>Contributions in relation to the contractually required contribution</u> | <u>Contribution deficiency (excess)</u> | <u>Municipality's covered payroll</u> | <u>Contributions as a percentage of covered payroll</u> |
|------|--|---|---|---|---|
| 2023 | \$ 10,569.50 | \$ 10,569.50 | \$ - | \$ 176,161.01 | 6.00% |
| 2022 | \$ 10,740.01 | \$ 10,740.01 | \$ - | \$ 178,947.27 | 6.00% |
| 2021 | \$ 9,945.84 | \$ 9,945.84 | \$ - | \$ 165,765.58 | 6.00% |
| 2020 | \$ 10,096.62 | \$ 10,096.62 | \$ - | \$ 168,328.15 | 6.00% |
| 2019 | \$ 9,565.95 | \$ 9,565.95 | \$ - | \$ 159,481.15 | 6.00% |
| 2018 | \$ 9,068.77 | \$ 9,068.77 | \$ - | \$ 151,142.97 | 6.00% |
| 2017 | \$ 9,196.69 | \$ 9,196.69 | \$ - | \$ 153,176.35 | 6.00% |
| 2016 | \$ 8,563.46 | \$ 8,563.46 | \$ - | \$ 142,497.75 | 6.01% |
| 2015 | \$ 8,141.30 | \$ 8,141.30 | \$ - | \$ 132,036.74 | 6.17% |

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

**NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions

Changes from Prior Valuation

The June 30, 2023 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change in actuarial assumptions from the June 30, 2022 Actuarial Valuation.

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

Benefit Provision Changes

During the 2023 Legislative Session no significant SDRS benefit changes were made and emergency medical services personnel prospectively became Class B Public Safety members.

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, 2022, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2023 SDRS COLA was limited to a restricted maximum of 2.10%. For the June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 2.10%.

As of June 30, 2023, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91%. The July 2024 SDRS COLA will equal inflation, between 0% and 1.91%. For this June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.91%.

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.

SCHEDULE OF LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

| | Beginning Balance 01/01/22 | Additions | Deletions | Ending Balance 12/31/23 | Due Within One Year |
|--------------------------------|----------------------------------|-------------------|-------------------|-------------------------------|------------------------|
| Primary Government: | | | | | |
| Business-Type Activities | | | | | |
| Bonds Payable: | | | | | |
| SRF Drinking Water Revenue | | | | | |
| Loan #2 | 265,023.35 | | 15,119.09 | 249,904.26 | 7,905.23 |
| SRF Clean Water Revenue | | | | | |
| Loan #1 | 543,445.33 | | 30,035.01 | 513,410.32 | 15,762.52 |
| SRF Drinking Water Revenue | | | | | |
| Loan #3 | 394,896.16 | | 19,538.53 | 375,357.63 | 10,103.02 |
| SRF Clean Water Revenue | | | | | |
| Loan #2 | 844,000.00 | | 37,282.95 | 806,717.05 | 19,421.95 |
| SRF Drinking Water Revenue | | | | | |
| Loan #4 | | 178,368.00 | | 178,368.00 | 1,156.37 |
| SRF Clean Water Revenue | | | | | |
| Loan #3 | | 64,886.00 | | 64,886.00 | 387.94 |
| Total Business-Type Activities | <u>2,047,364.84</u> | <u>243,254.00</u> | <u>101,975.58</u> | <u>2,188,643.26</u> | <u>54,737.03</u> |
| TOTAL PRIMARY GOVERNMENT | <u>2,047,364.84</u> | <u>243,254.00</u> | <u>101,975.58</u> | <u>2,188,643.26</u> | <u>54,737.03</u> |

Long-Term Liabilities payable at December 31, 2023 is comprised of the following:

Revenue Bonds:

| | |
|--|---------------|
| SRF Drinking Water Revenue Loan #2; Interest Rate 3.0%, Maturity Date May 15, 2046, Paid by Water Fund | \$ 249,904.26 |
| SRF Clean Water Revenue Loan #1; Interest Rate 3.0%, Maturity Date May 15, 2046, Paid by Sewer Fund | \$ 513,410.32 |
| SRF Drinking Water Revenue Loan #3; Interest Rate at 2.25%; Maturity Date of February 15, 2051; Paid by Water Fund | \$ 375,357.63 |
| SRF Clean Water Revenue Loan #2; Interest Rate at 2.75%; Maturity Date of November 15, 2051; Paid by Sewer Fund | \$ 806,717.05 |
| SRF Drinking Water Revenue Loan #4; Interest Rate at 1.625%; Maturity Date of August 15, 2054; Paid by Water Fund | \$ 178,368.00 |
| SRF Clean Water Revenue Loan #3; Interest Rate at 2.125%; Maturity Date of August 15, 2054; Paid by Sewer Fund | \$ 64,886.00 |

SCHEDULE OF LONG-TERM LIABILITIES
(Continued)

The annual requirements to amortize all liabilities outstanding as of December 31, 2023, including interest payments of \$857,900.47, are as follows:

Annual Requirements to Maturity for Long-Term Debt
December 31, 2023

| Year Ending Dec. 31, | SRF Drinking Water Revenue Loan #2 | | SRF Clean Water Revenue Loan #1 | | SRF Drinking Water Revenue Loan #3 | |
|----------------------------|--|-----------|---------------------------------------|------------|--|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | 7,905.23 | 7,408.77 | 15,762.52 | 16,495.04 | 10,103.02 | 8,360.70 |
| 2025 | 8,145.07 | 7,168.93 | 16,281.08 | 15,976.48 | 10,332.26 | 8,131.46 |
| 2026 | 8,392.19 | 6,921.81 | 16,816.68 | 15,440.88 | 10,566.70 | 7,897.02 |
| 2027 | 8,646.79 | 6,667.21 | 17,369.92 | 14,887.64 | 10,806.47 | 7,657.25 |
| 2028 | 8,909.13 | 6,404.87 | 17,941.37 | 14,316.19 | 11,051.68 | 7,412.04 |
| 2029-2033 | 48,767.89 | 27,802.11 | 98,958.49 | 62,329.31 | 59,135.66 | 33,182.94 |
| 2034-2038 | 56,628.49 | 19,941.51 | 116,343.14 | 44,944.66 | 66,156.22 | 26,162.38 |
| 2039-2043 | 65,756.11 | 10,813.89 | 136,781.83 | 24,505.97 | 74,010.26 | 18,308.34 |
| 2044-2048 | 36,753.36 | 1,531.64 | 77,155.29 | 3,488.61 | 82,796.71 | 9,521.89 |
| 2049-2053 | | | | | 40,398.65 | 1,144.72 |
| Totals | 249,904.26 | 94,660.74 | 513,410.32 | 212,384.78 | 375,357.63 | 127,778.74 |

| Year Ending Dec. 31, | SRF Clean Water Revenue Loan #2 | | SRF Clean Water Revenue Loan #3 | | SRF Drinking Water Revenue Loan #4 | |
|----------------------------|---------------------------------------|------------|---------------------------------------|-----------|--|-----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | 19,421.95 | 21,985.57 | 387.94 | 344.71 | 1,156.37 | 724.62 |
| 2025 | 19,961.58 | 21,445.94 | 1,572.49 | 1,358.11 | 4,672.65 | 2,851.31 |
| 2026 | 20,516.21 | 20,891.31 | 1,606.17 | 1,324.43 | 4,749.04 | 2,774.92 |
| 2027 | 21,086.25 | 20,321.27 | 1,640.58 | 1,290.02 | 4,826.69 | 2,697.27 |
| 2028 | 21,672.14 | 19,735.28 | 1,675.72 | 1,254.88 | 4,905.60 | 2,618.36 |
| 2029-2033 | 117,734.70 | 89,302.90 | 8,932.64 | 5,720.36 | 25,757.59 | 11,862.21 |
| 2034-2038 | 135,025.46 | 72,012.14 | 9,931.18 | 4,721.82 | 27,933.15 | 9,686.65 |
| 2039-2043 | 154,855.58 | 52,182.02 | 11,041.36 | 3,611.64 | 30,292.51 | 7,327.29 |
| 2044-2048 | 177,597.96 | 29,439.64 | 12,275.65 | 2,377.35 | 32,851.12 | 4,768.68 |
| 2049-2053 | 118,845.22 | 5,377.34 | 13,647.92 | 1,005.08 | 35,625.84 | 1,993.96 |
| 2054-2058 | | | 2,174.35 | 23.60 | 5,597.44 | 45.53 |
| Totals | 806,717.05 | 352,693.41 | 64,886.00 | 23,032.00 | 178,368.00 | 47,350.80 |

| Year Ending Dec. 31, | TOTALS | |
|----------------------------|--------------|------------|
| | Principal | Interest |
| 2024 | 54,737.03 | 55,319.41 |
| 2025 | 60,965.13 | 56,932.23 |
| 2026 | 62,646.99 | 55,250.37 |
| 2027 | 64,376.70 | 53,520.66 |
| 2028 | 66,155.64 | 51,741.62 |
| 2029-2033 | 359,286.97 | 230,199.83 |
| 2034-2038 | 412,017.64 | 177,469.16 |
| 2039-2043 | 472,737.65 | 116,749.15 |
| 2044-2048 | 419,430.09 | 51,127.81 |
| 2049-2053 | 208,517.63 | 9,521.10 |
| 2054-2058 | 7,771.79 | 69.13 |
| Totals | 2,188,643.26 | 857,900.47 |