

**CITY OF MOBRIDGE
MOBRIDGE, SOUTH DAKOTA
AUDIT REPORT
FOR THE YEAR THEN ENDED
DECEMBER 31, 2024**

CITY OF MOBRIDGE
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CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**INDEPENDENT AUDITORS' 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**

City Council
City of Mobridge
Mobridge, 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 modified cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Mobridge, South Dakota, as of December 31, 2024 and for the year then ended and the related notes to the financial statements, which collectively comprises the City's basic financial statements and have issued our report thereon dated June 23, 2025, which was adverse on the aggregate discretely presented component units because the financial statements do not include financial data for the City's legally separate component unit, and unmodified for the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 and Questioned Costs, as items 2024-001 and 2024-002 to be material weaknesses.

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Report on Compliance and Other Matters

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

City's Response to Findings

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

Purpose of this Report

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

Cahtell Bamer

Mobridge, South Dakota
June 23, 2025



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

City Council
City of Mobridge
Mobridge, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Mobridge, South Dakota (City), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

In our opinion, the City of Mobridge complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

Calvin Bauer

Mobridge, South Dakota
June 23, 2025

CITY OF MOBRIDGE
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024

PRIOR OTHER AUDIT FINDINGS

Finding 2023-001:

A material weakness was reported for a lack of proper segregation of duties for the revenue function resulting in decreased reliability of reported financial data and increased potential for the loss public assets.

Current Status

Ongoing: Condition still exists, see current audit finding number 2024-001. The reason for recurrence is due to cost considerations, the City has determined it is not practical to employ additional staff to adequately segregate duties. The City will implement compensating controls where practical.

Finding 2023-002:

A material weakness was reported for proposed material adjustments that would not have been identified as a results of the City's existing internal controls, and therefore could have resulted in a material misstatement of the City's financial statements.

Current Status

This finding has been corrected.

Finding 2023-003:

The City does not have an internal control system designed to provide for the preparation of the annual financial statements being audited, including required footnotes and disclosures, in accordance with other comprehensive basis of accounting - modified cash basis. As auditors, we were requested to draft the financial statements.

Current Status

Ongoing: Condition still exists, see current audit finding number 2024-002. The reason for recurrence is due to cost considerations, the City accepts the risks associates with the auditors preparing the financial statements. The City will implement compensating controls where practical.

**CITY OF MOBRIDGE
SCHEDULE OF CURENT AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024**

SECTION I - SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS

Financial Statements

- a. An unmodified opinion was issued on the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. An adverse opinion was issued on the aggregate discretely presented component units because of the omission of financial data.
- b. Material weaknesses were disclosed by our audit of the financial statements. They are described in findings number 2024-001 through 2024-002.
- c. Our audit did not report any significant deficiencies not considered to be material weaknesses.
- d. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards

- e. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- f. Our audit did not disclose any audit finding required to be disclosed in accordance with 2 CFR 200.516(a).
- g. The federal awards tested as a major program was:
Assistance Listing Number 21.027 - Coronavirus State and Local Fiscal Recovery Funds
- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- i. City of Mobridge did not qualify as a low-risk auditee.

CURRENT FEDERAL AUDIT FINDINGS:

There are no written current federal compliance audit findings to report.

**CITY OF MOBRIDGE
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024**

SECTION II - FINANCIAL STATEMENT FINDINGS

Internal Control-Related Findings - Material Weaknesses:

Finding 2024-001:

Criteria:

To obtain adequate internal control over cash management, the duties of collecting and handling of cash must be segregated from the recording of cash transactions. The duties of preparing, mailing or otherwise distributing checks should be segregated from the recording process.

Condition Found:

A lack of proper segregation of duties existed for the duties for cash, equity, revenue, expenditures, and the payroll functions resulting in decreased reliability of reported financial data and increased potential for the loss of public assets. This lack of segregation of duties has a direct effect on the cash management of the City.

Cause and Effect:

The City of Mobridge has a limited number of employees who prepare all records for cash, revenues, equity, expenditures, and payroll. This lack of segregation of duties could result in inaccurate financial statement and/or misappropriations of funds.

Recommendation:

We recommend that City 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.

Identification of Repeat Finding:

Yes, this is a restatement of 2023-001.

Views of Responsible Officials and Planned Corrective Action:

See the City's corrective action plan.

CITY OF MOBRIDGE
SCHEDULE OF CURENT AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024

Finding 2024-002:

Criteria:

An organization's internal control structure should provide for the preparation of financial statements in accordance with other comprehensive basis of accounting - modified cash basis.

Condition Found:

The City does not have an internal control system designed to provide for the preparation of the annual financial statements being audited, including required footnotes and disclosures, in accordance with other comprehensive basis of accounting - modified cash basis. As auditors, we were requested to draft the financial statements.

Cause and Effect:

This condition may affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Recommendation:

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Identification of Repeat Finding:

Yes, this is a restatement of 2023-003.

Views of Responsible Officials and Planned Corrective Action:

See the City's corrective action plan.

CORRECTIVE ACTION PLAN (Unaudited)

Finding Number 2024-001

Internal control over financial reporting and compliance is not adequate.

Views of responsible officials and planned corrective actions:

The Finance Officer, Heather Beck, is the contact at this entity responsible for the corrective action plan for this comment. Due to staff size, it is not deemed feasible to adequately segregate duties. However, we are aware of this internal control weakness and intend to provide continuous monitoring in an effort to prevent, detect, or correct any matters that may result.

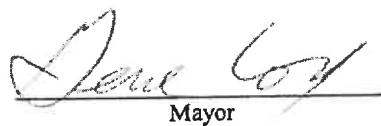
Finding Number 2024-002

The City does not have an internal control system designed to provide for the preparation of the financial statements including required footnotes and disclosures, in accordance with the modified cash basis of accounting.

Views of responsible officials and planned corrective actions:

The Finance Officer, Heather Beck, is the contact at this entity responsible for the corrective action plan for this comment. Both the City Council and management are aware of this process and have expressed their confidence in that the information is accurate and they are willing to accept this risk.


Finance Officer


Mayor



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

City Council
City of Mobridge
Mobridge, South Dakota

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mobridge, South Dakota, as of December 31, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprises the City's basic financial statements as listed in the Table of Contents.

Adverse Opinion on the Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Unit section of our report, the accompanying modified cash basis of accounting financial statements referred to above do not present fairly the respective financial position of the aggregate discretely presented component units of the City of Mobridge, South Dakota, as of December 31, 2024, or the changes in financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying modified 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, each major fund and the aggregate remaining fund information of the City of Mobridge as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis for Adverse and Unmodified 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 (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 adverse and unmodified audit opinions.

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Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

Management has not included the aggregate discretely presented component units of the City of Mobridge, South Dakota's, financial statements. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements.

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 modified 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 modified cash basis of accounting described in Note 1.c.; this includes determining that the modified 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the modified 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Budgetary Comparison Schedules, Schedule of Changes in Long-Term Debt, the Combining Nonmajor Fund Financial Statements, and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Budgetary Comparison Schedule, Schedule of Changes in Long-Term Debt, and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2025 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Charles Bauer

Mobridge, South Dakota
June 23, 2025

CITY OF MOBRIDGE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,241	\$ (17,548)	\$ (307)
Investments	5,613,070	719,898	6,332,968
Restricted assets			
Cash and cash equivalents	50,100	29,489	79,589
TOTAL ASSETS	5,680,411	731,839	6,412,250
NET POSITION			
Restricted for			
Capital project purposes	36,153	-	36,153
Debt service purposes	91,939	29,489	121,428
Other purposes			
Facilities and promoting the City	12,103	-	12,103
Park purposes	2,744	-	2,744
911 services purposes	318,199	-	318,199
24/7 sobriety	22,237	-	22,237
Library	15,000	-	15,000
Other	28,766	-	28,766
Unrestricted	5,153,270	702,350	5,855,620
TOTAL NET POSITION	\$ 5,680,411	\$ 731,839	\$ 6,412,250

**CITY OF MOBRIDGE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Program Revenues					Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government			
						Business-Type Activities	Governmental Activities	Business-Type Activities	Total
Primary government									
Governmental activities									
General government	\$ 297,653	\$ 92,936	\$ 37,218	\$ -	\$ (167,499)	\$ -	\$ -	\$ -	\$ (167,499)
Public safety	1,748,440	420,729	49,975	-	(1,277,736)	-	-	-	(1,277,736)
Public works	1,002,826	362,707	148,399	50,000	(441,720)	-	-	-	(441,720)
Health and welfare	41,434	-	141,407	-	99,973	-	-	-	99,973
Culture and recreation	928,698	93,095	17,142	40,000	(778,461)	-	-	-	(778,461)
Conservation and development	171,634	-	-	-	(171,634)	-	-	-	(171,634)
Miscellaneous	361	-	-	-	(361)	-	-	-	(361)
Interest on long-term debt**	61,161	-	-	-	(61,161)	-	-	-	(61,161)
Total governmental activities	4,252,207	969,467	394,141	90,000	(2,798,599)	-	-	-	(2,798,599)
Business-type activities									
Water	2,981,462	1,467,691	-	110,532	-	(1,403,239)	-	(1,403,239)	(1,403,239)
Sewer	564,306	554,960	-	-	-	(9,346)	-	(9,346)	(9,346)
Airport	247,357	130,506	-	204,664	-	87,813	-	87,813	87,813
Cemetery	49,215	25,486	-	-	-	(23,729)	-	(23,729)	(23,729)
Water and sewer main	23,694	11,088	-	-	-	(12,606)	-	(12,606)	(12,606)
Total business-type activities	3,866,034	2,189,731	-	315,196	-	(1,361,107)	-	(1,361,107)	(1,361,107)
Total primary government	\$ 8,118,241	\$ 3,159,198	\$ 394,141	\$ 405,196	\$ (2,798,599)	\$ (1,361,107)	\$ (1,361,107)	\$ (1,361,107)	\$ (4,159,706)
General Revenues									
Taxes									
Property taxes					771,747	-	-	-	771,747
Sales tax					2,259,868	-	-	-	2,259,868
State shared revenue					38,627	-	-	-	38,627
Unrestricted investment earnings					141,314	51,183	-	51,183	192,497
Miscellaneous revenue					148,977	-	-	-	148,977
Total general revenues					3,360,533	51,183	-	51,183	3,411,716
Change in net positions					561,934	(1,309,924)	-	(1,309,924)	(747,990)
Net positions - beginning					5,118,477	2,041,763	-	2,041,763	7,160,240
Net positions - ending					\$ 5,680,411	\$ 731,839	\$ -	\$ 731,839	\$ 6,412,250

**The City does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

CITY OF MOBRIDGE
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	PSAP Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 55,684	\$ 4,193	\$ (42,636)	\$ 17,241
Investments	5,142,314	314,006	156,750	5,613,070
Restricted cash and cash equivalents	50,100	-	-	50,100
TOTAL ASSETS	\$ 5,248,098	\$ 318,199	\$ 114,114	\$ 5,680,411
FUND BALANCES				
Restricted for				
Debt service requirements	\$ 35,100	\$ -	\$ 56,839	\$ 91,939
Other purposes				
Capital project purposes	-	-	36,153	36,153
Facilities and promoting the City	-	-	12,103	12,103
Park purposes	-	-	2,744	2,744
911 services purposes	-	318,199	-	318,199
24/7 sobriety	-	-	22,237	22,237
Library	15,000	-	-	15,000
Other	-	-	28,766	28,766
Assigned				
Applied to next year's budget	385,534	-	-	385,534
Capital outlay accumulations	563,928	-	-	563,928
Unassigned	4,248,536	-	(44,728)	4,203,808
TOTAL FUND BALANCES	\$ 5,248,098	\$ 318,199	\$ 114,114	\$ 5,680,411

CITY OF MOBRIDGE**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS****GOVERNMENTAL FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2024**

	Primary Government			
	General Fund	PSAP Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
General property taxes	\$ 766,559	\$ -	\$ -	\$ 766,559
General sales and use taxes	2,111,680	-	148,188	2,259,868
Gross receipts business taxes	2,949	-	-	2,949
Penalties and interest on delinquent taxes	2,239	-	-	2,239
Licenses and permits	24,128	-	-	24,128
Intergovernmental revenue				
Federal grants	12,652	-	-	12,652
State grants	1,000	-	-	1,000
State shared revenue				
Bank franchise tax	16,324	-	-	16,324
Motor vehicle commercial prorate	2,401	-	-	2,401
Liquor tax reversion	22,303	-	-	22,303
Motor vehicle licenses	36,679	-	-	36,679
Local government highway and bridge fund	105,211	-	-	105,211
911 remittances	-	41,437	-	41,437
County shared revenue				
County road tax (25%)	4,108	-	-	4,108
Other intergovernmental revenue	3,000	34,432		37,432
Charges for goods and services				
General government	56,896	-	-	56,896
Public safety	30,208	382,479	5,162	417,849
Highways and streets	5,930	-	-	5,930
Sanitation	356,777	-	-	356,777
Culture and recreation	92,629	-	-	92,629
Fines and forfeits				
Court fines and costs	2,880	-	-	2,880
Library	466	-	-	466
Miscellaneous revenue				
Investment earnings	131,341	9,209	764	141,314
Rentals	11,912	-	-	11,912
Special assessments	83,218	-	140,162	223,380
Contributions and donations from private sources	57,273	-	-	57,273
Other	104,344	6,571	480	111,395
Total revenues	\$ 4,045,107	\$ 474,128	294,756	\$ 4,813,991

(Continued on next page)

CITY OF MOBRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - MODIFIED CASH
BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Primary Government			Total Governmental Funds
	General Fund	PSAP Fund	Other Governmental Funds	
EXPENDITURES				
General government				
Legislative	\$ 44,527	\$ -	-	\$ 44,527
Executive	51,921	-	-	51,921
Financial administration	146,130	-	-	146,130
Other	43,129	-	-	43,129
Public safety				
Police	1,474,206	104,947	31,717	1,610,870
Fire	137,092	-	-	137,092
Other protection	478	-	-	478
Public works				
Highways and streets	715,966	-	-	715,966
Sanitation	286,860	-	-	286,860
Health and welfare				
Health	34,934	-	-	34,934
Hospital, nursing homes and rest homes	6,500	-	-	6,500
Culture and recreation				
Recreation	280,279	-	-	280,279
Parks	249,596	-	-	249,596
Libraries	148,479	-	-	148,479
Auditorium	70,343	-	-	70,343
Museums	7,500	-	-	7,500
Conservation and development				
Economic development and assistance	24,142	-	147,492	171,634
Debt service	35,100	-	210,508	245,608
Miscellaneous				
Liquor operating agreements	361	-	-	361
Total expenditures	<u>3,757,543</u>	<u>104,947</u>	<u>389,717</u>	<u>4,252,207</u>
Excess of revenue over (under) expenditures	287,564	369,181	(94,961)	561,784
Other financing sources (uses)				
Transfer in	269,927	-	50,000	319,927
Transfer out	(50,000)	(269,927)	-	(319,927)
Sale of municipal property	150	-	-	150
Total other financing sources	<u>220,077</u>	<u>(269,927)</u>	<u>50,000</u>	<u>150</u>
Net change in fund balances	507,641	99,254	(44,961)	561,934
Fund balance - beginning	<u>4,740,457</u>	<u>218,945</u>	<u>159,075</u>	<u>5,118,477</u>
Fund balance - ending	<u>\$ 5,248,098</u>	<u>\$ 318,199</u>	<u>\$ 114,114</u>	<u>\$ 5,680,411</u>

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

CITY OF MOBRIDGE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Enterprise Funds				Totals
	Major			Nonmajor	
	Water Fund	Sewer Fund	Airport Fund	Other Enterprise Funds	
ASSETS					
Current assets					
Cash and cash equivalents	\$ 4,621	\$ 3,992	\$ (29,730)	\$ 3,569	\$ (17,548)
Investments	346,125	299,009	-	74,764	719,898
Total current assets	350,746	303,001	(29,730)	78,333	702,350
Noncurrent assets					
Restricted cash and cash equivalents	29,489	-	-	-	29,489
Total noncurrent assets	29,489	-	-	-	29,489
Total assets	\$ 380,235	\$ 303,001	\$ (29,730)	\$ 78,333	\$ 731,839
NET POSITION					
Restricted for Revenue bond debt service	\$ 29,489	\$ -	\$ -	\$ -	\$ 29,489
Unrestricted	350,746	303,001	(29,730)	78,333	702,350
Total net position	\$ 380,235	\$ 303,001	\$ (29,730)	\$ 78,333	\$ 731,839

CITY OF MOBRIDGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
- MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds				
	Major			Nonmajor	
	Water Fund	Sewer Fund	Airport Fund	Other Enterprise	Totals
OPERATING REVENUE					
Surcharge as security for debt	\$ 91,429	\$ 105,016	\$ -	\$ -	\$ 196,445
Charges for goods and services	1,370,613	444,377	125,972	36,544	1,977,506
Other	5,649	5,567	4,534	30	15,780
Total operating revenue	1,467,691	554,960	130,506	36,574	2,189,731
OPERATING EXPENSES					
Personal services	387,370	215,767	11,787	-	614,924
Other current expense	661,599	185,190	183,827	72,909	1,103,525
Materials	-	-	46,347	-	46,347
Total operating expenses	1,048,969	400,957	241,961	72,909	1,764,796
Operating income	418,722	154,003	(111,455)	(36,335)	424,935
NONOPERATING REVENUES (EXPENSES)					
Operating grants	110,532	-	204,664	-	315,196
Investment earnings	41,278	7,656	-	2,249	51,183
Capital assets	(1,830,920)	(63,549)	(5,396)	-	(1,899,865)
Debt service principle	(58,457)	(67,419)	-	-	(125,876)
Interest expense	(43,116)	(32,381)	-	-	(75,497)
Total nonoperating expenses	(1,780,683)	(155,693)	199,268	2,249	(1,734,859)
CHANGE IN NET POSITION	(1,361,961)	(1,690)	87,813	(34,086)	(1,309,924)
NET POSITION - BEGINNING	1,742,196	304,691	(117,543)	112,419	2,041,763
NET POSITION - ENDING	\$ 380,235	\$ 303,001	\$ (29,730)	\$ 78,333	\$ 731,839

CITY OF MOBRIDGE
NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(See Independent Auditors' Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.c, these financial statements are presented on the modified cash basis of accounting. The modified 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 City of Mobridge (City), 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 nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

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

The Housing and Redevelopment Commission of the City of Mobridge, South Dakota (Commission), is a proprietary fund-type, discretely-presented component unit. The five members of the Commission are appointed by the Mayor, with the approval of the Governing Board, for five-year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The Governing Board, though, retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct low-income housing units, or to issue debt, which gives the Governing Board the ability to impose its will on the Commission. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from: Mobridge Housing and Redevelopment Commission, 116 4th St, Mobridge, SD 57601.

NOTES TO FINANCIAL STATEMENTS - Page 2
(See Independent Auditors' Report)

b. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Discretely presented component units are legally separate organizations that meet criteria, as described in Note 1.a, above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.a, above.

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

Fund Financial Statements

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type, and;
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined, or;
- c. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City financial reporting entity are described below within their respective fund types:

NOTES TO FINANCIAL STATEMENTS - Page 3
(See Independent Auditors' Report)

Governmental Funds

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specific 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 not a major fund.

Special Park Gift Fund - To account for any gift, grant, devise or bequest made by a person, private agency, agency of state government, the federal government, or any of its agencies for park purposes if so established by the park board (SDCL 9-38-112). This is not a major fund.

Storm Sewer Fund - To account for the proceeds of the special assessment for the purpose of maintaining the City sewers and septic or sewage treatment plants (SDCL 9-48-21). This is not a major fund.

PSAP Fund - To account for 911 emergency surcharge collection to be used for payments of nonrecurring costs and for the general operational expense of the 911 related services (SDCL 34-45-4). This is a major fund.

24/7 Sobriety Fund - To account for charges made to citizens who are tested for sobriety which shall be used for administering the program. This is not a major fund.

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

Storm Sewer Debt Service Fund - To account for resources to be paid for the principal, interest and related costs associated with the storm sewer system. This is not a major fund.

Pool Debt Service Fund - To account for resources to be paid for the principal, interest, and related costs associated with the pool. This is not a major fund.

NOTES TO FINANCIAL STATEMENTS - Page 4
(See Independent Auditors' Report)

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

Bike Path Trails Capital Project Fund - To account for the financial resources to be used for the construction of bike path trails. This is not a major fund.

Riverfront Development Capital Project Fund - To account for the financial resources to be used for the growth and development of the riverfront property. This is not 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 and 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 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. (SDL 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 system and related facilities. (SDL 9-48-2) This is a major fund.

Airport Fund - Financed primarily by user charges, this fund accounts for the construction and operation of the City airport (SDCL 50-7-20). This is a major fund.

NOTES TO FINANCIAL STATEMENTS - Page 5
(See Independent Auditors' Report)

Cemetery Fund - Financed primarily by user charges, this fund accounts for the acquisition, construction and operation of the City cemetery (SDCL 9-32-13). This is not a major fund.

Water and Sewer Main Fund - Financed primarily by user charges, this fund accounts for the construction and operation of the City water and sewer main system and related facilities. This is not a major fund.

c. Measurement Focus and Basis of Accounting

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

The City's basis of accounting is the modified cash basis, which is a basis of accounting other than USGAAP. Under USGAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified 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 modified 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 within the limitations of modified 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 modified cash basis of accounting.

NOTES TO FINANCIAL STATEMENTS - Page 6
(See Independent Auditors' Report)

The modified 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 modified cash basis of accounting, the statement of financial position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the modified 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. The acceptable modification to the cash basis of accounting implemented by the City in these financial statements is:

- a. Recording long-term investments in marketable securities (those with maturities more than 90-days (three months) from the date of acquisition) acquired with cash assets at cost.

As a result of the use of this modified 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 City 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 and fiduciary 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.

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

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.

NOTES TO FINANCIAL STATEMENTS - Page 7
(See Independent Auditors' Report)

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 activities are presented using a modified cash basis of accounting. The City has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciation/amortizing those assets where appropriate so any capital assets owned by the City and related depreciation/amortization are not reported on the financial statements of the City.

f. Long-Term Liabilities

Long-term liabilities include, but are not limited to revenue bonds.

As discussed in Note 1c. above the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental, business-type, and component unit activities are presented using a modified cash basis of accounting. The City has not elected to modify their cash basis presentation by recording long-term debt arising from cash transactions so any outstanding indebtedness is not reported on the financial statements of the City. The City does report the principal and interest payments on long-term debt as Debt Service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances. On the Statement of Activities the principal portion of these debt service payments are reported within the appropriate expense function while the interest portion is reported as interest on long-term debt.

The City has presented as Supplementary Information a Schedule of Changes in Long-Term Debt along with related notes that include details of any outstanding long-term debt.

g. Program Revenues

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

- 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.

NOTES TO FINANCIAL STATEMENTS - Page 8
(See Independent Auditors' Report)

h. Proprietary Funds Revenue and Expense Classifications

In the proprietary fund's Statement of Revenues, Expenses and Changes in Net Position, revenues and expenses are classified as operating or non-operating revenues and expenses. Operating revenues and expenses directly relate to the purpose of the fund.

i. Cash and Cash Equivalents

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

j. Equity Classifications

Government-wide Statements

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

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

b: Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

Fund Financial Statements

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

k. Application of Net Positions

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

NOTES TO FINANCIAL STATEMENTS - Page 9
(See Independent Auditors' Report)

I. Fund Balance Classification and Policies and Procedures

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

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

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

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

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the City Council.

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

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

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

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

Major Special Revenue Fund	Revenue Source
PSAP Fund	911 remittances and other intergovernmental revenues

NOTE 2 - DEFICIT FUND BALANCES/NET POSITION OF INDIVIDUAL NONMAJOR FUNDS

As of December 31, 2024, the Pool Debt Service Fund, a nonmajor fund, had a deficit fund balance/net position in the amount of \$44,728. The City plans to make an operating transfer to correct the deficit.

NOTE 3 - DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

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

Investments - In general, SDCL 4-5-6 permits City funds to be invested only 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 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.

Fair Value Measurement - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

NOTES TO FINANCIAL STATEMENTS - Page 11
(See Independent Auditors' Report)

As of December 31, 2024, the City had the following investments:

<u>Investment</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
External Investment Pools:			
SDFIT	Unrated	\$ 4	\$ 4

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine member board with representation from municipalities school districts, and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credit to each account on a monthly basis.

Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer. Of the City's investments, 79% are invested in certificates of deposit at First Interstate Bank and 20% are invested in certificates of deposit at Dacotah Bank. The remaining 1% is invested in SDFIT.

Interest Rate Risk - The City 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 the investment. The City's policy is to credit all income to the fund making the investment.

NOTE 4 - RESTRICTED CASH

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

<u>Amount:</u>	<u>Purpose:</u>
\$ 15,000	For library operating expenses in the General Fund.
29,489	For debt service in the Water Fund.
35,100	For debt service in the General Fund for the Armory Loan.

NOTES TO FINANCIAL STATEMENTS - Page 12
(See Independent Auditors' Report)

NOTE 5 - PROPERTY TAXES

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

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

NOTE 6 - CONDUIT DEBT

In the past, the City has issued revenue bonds to provide financial assistance to certain private-sector entities for the acquisition and/or construction of facilities deemed to be in the public interest. These bonds are secured by the property being financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is retained by the private-sector entity served by the bond issuance. Neither the City, the State of South Dakota, nor any other political subdivision of the State is obligated in any manner for the repayment of these conduit debt issues. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2024, there was 1 series of conduit bonds outstanding, with an aggregate unpaid principal amount of \$41,492,000 with the intent to withdraw the obligation upon completion of construction.

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2024, were as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>	<u>Total</u>
General Fund	\$ (50,000)	\$ 269,927	\$ 219,927
PSAP Fund	(269,927)	-	(269,927)
Pool Debt Service Fund	-	50,000	50,000
	<u>\$ (319,927)</u>	<u>\$ 319,927</u>	<u>\$ -</u>

The purpose of the interfund transfer from the PSAP Fund to the General Fund was to reimburse the police function for salaries and benefits of the 911 dispatchers. The purpose of the interfund transfer from General Fund to the Pool Debt Service Fund was for debt service.

NOTE 8 - 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. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

SDRS has four 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 public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements 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.

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(See Independent Auditors' Report)

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

Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.

If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:

The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%

If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:

The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

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

Contribution:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2024, 2023, and 2022 were \$119,861, \$109,446 and \$101,006 respectively, equal to the required contributions each year.

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

At June 30, 2024, SDRS is 100.03% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the City as of this measurement period ending June 30, 2024 and reported by the City as of December 31, 2024 are as follows:

Proportionate share of pension liability	\$ 10,096,231
Less proportionate share net pension restricted for pension benefits	<u>10,098,971</u>
Proportionate share of net pension liability (asset)	<u>\$ (2,740)</u>

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(See Independent Auditors' Report)

The net pension asset was measured as of June 30, 2024 and the total pension liability used to calculate the net pension asset was based on a projection of the City's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the City's proportion was 0.067677%, which is an increase of 0.001652% from its proportion measured as of June 30, 2023.

Actuarial Assumptions:

The total pension asset in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.71%

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: PubT-2010, 108% of rates above age 65

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

Public Safety Members: 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, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2021.

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(See Independent Auditors' Report)

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 of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (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>LT Expected Real Rate of Return</u>
Public Equity	56.30%	3.60%
Investment Grade Debt	22.80%	2.30%
High Yield Debt	7.00%	2.80%
Real Estate	12.00%	4.00%
Cash	1.90%	0.80%
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension asset was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee 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 asset.

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(See Independent Auditors' Report)

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

The following presents the City's proportionate share of net pension asset calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the net pension 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>
City's proportionate share of the net pension (asset) liability	\$ 1,392,090	\$ (2,740)	\$(1,144,145)

Pension Plan Fiduciary Net Position:

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

NOTE 9 - SIGNIFICANT CONTINGENCIES - LITIGATION

At December 31, 2024, the City was not involved in any litigation.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

The City was notified that it will no longer receive anticipated federal funding under the Building Resilient Infrastructure and Communities (BRIC) grant program in the amount of \$2,698,800. This funding was intended to support a major infrastructure project aimed at enhancing the City's resilience to natural hazards.

At the time of this report, City management is evaluating the impact of this loss of funding and assessing available options. These may include efforts to reduce overall project costs or, if necessary, the issuance of additional debt to ensure project completion. The financial impact and course of action remain uncertain and will depend on further analysis and decisions by City leadership.

Management will continue to monitor the situation and take appropriate steps to mitigate the financial impact to the City.

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2024, the Municipality managed its risks as follows:

Employee Health Insurance

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

Liability Insurance

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

Workmen's Compensation

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

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

Unemployment Benefits

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

SUPPLEMENTARY INFORMATION

CITY OF MOBRIDGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
Taxes				
General property tax	\$ 760,485	\$ 760,485	\$ 766,559	\$ 6,074
Airflight property tax	1,500	1,500	-	(1,500)
General sales and use tax	1,800,000	1,800,000	2,111,680	311,680
Gross receipts business taxes	2,600	2,600	2,949	349
Penalties and interest on delinquent taxes	3,000	3,000	2,239	(761)
Licenses and permits	22,300	22,300	24,128	1,828
Intergovernmental revenue				
Federal grants	-	-	12,652	12,652
State grants	4,000	4,000	1,000	(3,000)
State shared revenue				
Bank franchise tax	17,000	17,000	16,324	(676)
Motor vehicle commercial prorate	3,500	3,500	2,401	(1,099)
Liquor tax reversion	22,000	22,000	22,303	303
Motor vehicle licenses (5%)	25,000	25,000	36,679	11,679
Local government highway and bridge fund	75,000	75,000	105,211	30,211
County shared revenue				
County road tax (25%)	4,100	4,100	4,108	8
Other	500	500	3,000	2,500
Charges for goods and services				
General government	2,500	2,500	56,896	54,396
Public safety	31,500	31,500	30,208	(1,292)
Highways and streets	5,000	5,000	5,930	930
Sanitation	231,360	306,500	356,777	50,277
Culture and recreation	70,000	70,000	92,629	22,629
Fines and forfeits				
Court fines and penalties	3,000	3,000	2,880	(120)
Library	1,000	1,000	466	(534)
Miscellaneous revenue				
Investment earnings	10,000	10,000	131,341	121,341
Rentals	7,000	7,000	11,912	4,912
Special assessments	40,500	60,500	83,218	22,718
Contributions and donations				
from private sources	-	56,142	57,273	1,131
Other	50,000	50,000	104,344	54,344
Total revenue	\$ 3,192,845	\$ 3,344,127	\$ 4,045,107	\$ 700,980

CITY OF MOBRIDGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
EXPENDITURES				
General government				
Legislative	\$ 46,900	\$ 46,900	\$ 44,527	\$ 2,373
Executive	51,537	52,537	51,921	616
Elections	2,950	2,950	-	2,950
Financial administration	154,811	154,811	146,130	8,681
Other	75,700	75,700	43,129	32,571
Public safety				
Police	1,477,107	1,512,107	1,474,206	37,901
Fire	93,083	141,919	137,092	4,827
Other	300	500	478	22
Public works				
Highways and streets	737,996	737,996	715,966	22,030
Sanitation	259,000	287,000	286,860	140
Health and welfare				
Health	53,050	53,050	34,934	18,116
Hospital, nursing homes, and rest homes	6,500	6,500	6,500	-
Culture and recreation				
Recreation	212,931	280,531	280,279	252
Parks	245,864	249,864	249,596	268
Libraries	159,748	159,748	148,479	11,269
Auditorium	75,300	75,300	70,343	4,957
Museums	7,500	7,500	7,500	-
Conservation and development				
Economic development and assistance	28,051	28,051	24,142	3,909
Debt service	135,100	135,100	35,100	100,000
Miscellaneous				
Liquor operating agreements	325	375	361	14
Total Expenditures	3,823,753	4,008,439	3,757,543	250,896
Excess revenue over/under expenditures	(630,908)	(664,312)	287,564	951,876
Other financing sources/(uses)				
Transfers in	270,000	270,000	269,927	73
Transfers out	(135,000)	(135,000)	(50,000)	(85,000)
Sale of municipal property	-	-	150	150
Total other financing sources (uses)	135,000	135,000	220,077	(84,777)
Net change in fund balances	(495,908)	(529,312)	507,641	1,036,953
Fund balance - beginning	4,740,457	4,740,457	4,740,457	-
Fund balance - ending	\$ 4,244,549	\$ 4,211,145	\$ 5,248,098	\$ 1,036,953

CITY OF MOBRIDGE
BUDGETARY COMPARISON SCHEDULE
PSAP FUND - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
State shared revenue				
911 remittances	\$ 30,000	\$ 30,000	\$ 41,437	\$ 11,437
Other	20,000	20,000	34,432	14,432
Charges for services				
Public safety	215,000	215,000	382,479	167,479
Miscellaneous revenue				
Investment earnings	1,500	1,500	9,209	7,709
Other	2,000	2,000	6,571	4,571
Total revenue	\$ 268,500	\$ 268,500	\$ 474,128	\$ 205,628
EXPENDITURES				
Public safety				
Police	\$ 108,700	\$ 108,700	\$ 104,947	\$ 3,753
Total Expenditures	108,700	108,700	104,947	3,753
Excess revenue over/under expenditures	159,800	159,800	369,181	209,381
Other financing sources/(uses)				
Transfers out	(270,251)	(270,251)	(269,927)	(324)
Total other financing sources (uses)	(270,251)	(270,251)	(269,927)	(324)
Net change in fund balances	(110,451)	(110,451)	99,254	209,705
Fund balance - beginning	218,945	218,945	218,945	-
Fund balance - ending	\$ 108,494	\$ 108,494	\$ 318,199	\$ 209,705

CITY OF MOBRIDGE
NOTES TO SUPPLEMENTARY INFORMATION
SCHEDULES OF BUDGETARY COMPARISONS FOR THE GENERAL FUND AND FOR EACH
MAJOR SPECIAL REVENUE FUND WITH A LEGALLY REQUIRED BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2024

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. Unexpended appropriations lapse at year end unless encumbered by resolution of the Governing Board.

The Municipality did not encumber any amounts at December 31, 2024.

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

CITY OF MOBRIDGE

NOTES TO SUPPLEMENTARY INFORMATION - Page 2

**SCHEDULES OF BUDGETARY COMPARISONS FOR THE GENERAL FUND AND FOR EACH
MAJOR SPECIAL REVENUE FUND WITH A LEGALLY REQUIRED BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 2 - OTHER COMPREHENSIVE BASIS OF ACCOUNTING MODIFIED CASH
BASIS/BUDGETARY ACCOUNTING BASIS DIFFERENCES**

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

CITY OF MOBRIDGE
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2024

Indebtedness	Long-Term Debt 1/1/2024	Add New Debt	Less Debt Retired	Long-Term Debt 12/31/2024
GOVERNMENTAL LONG-TERM DEBT:				
Revenue bonds	\$ 2,169,988	\$ -	\$ 181,946	\$ 1,988,042
Enterprise Long-Term Debt				
Revenue bonds	2,828,699	-	125,876	2,702,823
Total	<u>\$ 4,998,687</u>	<u>\$ -</u>	<u>\$ 307,822</u>	<u>\$ 4,690,865</u>

NOTE 1 - LONG-TERM DEBT

Debt payable at December 31, 2024 is comprised of the following:

Revenue Bonds:

Armory Revenue Borrower Bond, due in monthly installments of \$2,925, including 4.50% interest, maturing May 16, 2048. This debt is serviced by the General Fund.	\$ 508,042
Pool Revenue Borrower Bond, due in semi-annual installments. One installment is interest only and the other is interest and principal. The payment varies each year with an increase in principal due of \$5,000 more each year. Interest is charged at a varying interest of 1.65% to 2.75% maturing December 1, 2032. This debt is serviced by the Pool Debt Service Fund.	1,480,000
Water Intake Revenue Borrower Bond , due in monthly installments of \$2,373, including 3.25% interest, maturing February 12, 2049. This debt is serviced by the Water Fund.	476,743
Drinking Water Revenue Borrower Bond , due in quarterly installments of \$13,935, including 2.25% interest, maturing January 15, 2045. This debt is serviced by the Water Fund.	904,566
Drinking Water Revenue Borrower Bond , due in quarterly installments of \$4,339, including 2.25% interest, maturing April 15, 2045. This debt is serviced by the Water Fund.	284,426
Clean Water Revenue Borrower Bond , due in quarterly installments of \$24,950, including 3.00% interest, maturing April 15, 2037. This debt is serviced by the Sewer Fund.	<u>1,037,088</u>
	<u>\$ 4,690,865</u>

CITY OF MOBRIDGE
SCHEDULE OF THE MUNICIPALITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM

Pension Plan	Fiscal Year Ending	Employer's Percentage of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
SDRS	6/30/2024	0.0677%	\$ (2,740)	\$ 1,752,500	-0.16%	100.03%
SDRS	6/30/2023	0.0660%	(6,444)	1,571,995	-0.41%	100.10%
SDRS	6/30/2022	0.0715%	(6,756)	1,534,903	-0.44%	100.10%
SDRS	6/30/2021	0.0695%	(532,159)	1,436,721	-37.04%	105.52%
SDRS	6/30/2020	0.0702%	(3,048)	1,407,669	-0.22%	100.04%
SDRS	6/30/2019	0.0701%	(7,431)	1,362,027	-0.55%	100.09%
SDRS	6/30/2018	0.0747%	(1,742)	1,408,171	-0.12%	100.02%
SDRS	6/30/2017	0.0711%	(6,455)	1,315,458	-0.49%	100.10%
SDRS	6/30/2016	0.0716%	242,004	1,235,567	19.59%	96.89%
SDRS	6/30/2015	0.0694%	(294,474)	1,166,769	-25.24%	104.10%

CITY OF MOBRIDGE
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET)

Changes from Prior Valuation:

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023 Actuarial Valuation.

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

Benefit Provision Changes:

During the 2024 Legislative Session no significant SDRS benefit changes were made.

Actuarial Method Changes:

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

Actuarial Assumption Changes:

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

As of June 30, 2023, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2024 SDRS COLA was limited to a restricted maximum of 1.91%. For the June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.91%.

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

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.

CITY OF MOBRIDGE
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Liquor, Lodging, and Dinning Gross Receipts Tax Fund	Special Park Gift Fund	Storm Sewer Fund
ASSETS			
Cash and cash equivalents	\$ 159	\$ 36	\$ 379
Investments	11,944	2,708	28,387
TOTAL ASSETS	\$ 12,103	\$ 2,744	\$ 28,766
FUND BALANCES			
Restricted			
Capital project purposes	\$ -	\$ -	\$ -
Facilities and promoting the City	12,103	-	-
Park purposes	-	2,744	-
24/7 sobriety purposes	-	-	-
Debt service purposes	-	-	-
Other	-	-	28,766
Unassigned	-	-	-
TOTAL FUND BALANCES	\$ 12,103	\$ 2,744	\$ 28,766

24/7 Sobriety Fund	Storm Sewer Debt Service Fund	Pool Debt Service Fund	Bike Path Trails Capital Project Fund	Riverfront Development Capital Project Fund	Total Other Governmental Funds
\$ 293 21,944	\$ 749 56,090	\$ (44,728) -	\$ 450 33,703	\$ 26 1,974	\$ (42,636) 156,750
<u>\$ 22,237</u>	<u>\$ 56,839</u>	<u>\$ (44,728)</u>	<u>\$ 34,153</u>	<u>\$ 2,000</u>	<u>\$ 114,114</u>
\$ -	\$ -	\$ -	\$ 34,153	\$ 2,000	\$ 36,153
-	-	-	-	-	12,103
-	-	-	-	-	2,744
22,237	-	-	-	-	22,237
-	56,839	-	-	-	56,839
-	-	-	-	-	28,766
-	-	(44,728)	-	-	(44,728)
<u>\$ 22,237</u>	<u>\$ 56,839</u>	<u>\$ (44,728)</u>	<u>\$ 34,153</u>	<u>\$ 2,000</u>	<u>\$ 114,114</u>

CITY OF MOBRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Lodging, and Dinning Gross Receipts Tax	Special Park Gift Fund	Storm Sewer Fund
REVENUES			
Taxes			
General sales and use taxes	\$ 148,188	\$ -	\$ -
Charges for goods and services			
Public safety	-	-	-
Miscellaneous revenue			
Investment earnings	-	71	693
Special assessments	-	-	-
Other	-	-	-
Total revenues	<u>\$ 148,188</u>	<u>\$ 71</u>	<u>\$ 693</u>
EXPENDITURES			
Public safety			
Police	-	-	-
Conservation and development			
Economic development and assistance	147,492	-	-
Debt service	-	-	-
Total expenditures	<u>147,492</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	696	71	693
Other financing sources (uses)			
Transfer in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>693</u>
Net change in fund balances	696	71	693
Fund balance - beginning	<u>11,407</u>	<u>2,673</u>	<u>28,073</u>
Fund balance - ending	<u>\$ 12,103</u>	<u>\$ 2,744</u>	<u>\$ 28,766</u>

24/7 Sobriety Fund	Storm Sewer Debt Service Fund	Pool Debt Service Fund	Bike Path Trails Capital Project Fund	Development Capital Project Fund	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,188
5,162	-	-	-	-	5,162
-	-	-	-	-	764
-	3,500	136,662	-	-	140,162
480	-	-	-	-	480
<u>\$ 5,642</u>	<u>\$ 3,500</u>	<u>\$ 136,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,756</u>
31,717	-	-	-	-	31,717
-	-	-	-	-	147,492
-	-	210,508	-	-	210,508
<u>31,717</u>	<u>-</u>	<u>210,508</u>	<u>-</u>	<u>-</u>	<u>389,717</u>
(26,075)	3,500	(73,846)	-	-	(94,961)
-	-	50,000	-	-	50,000
<u>5,642</u>	<u>3,500</u>	<u>397,170</u>	<u>-</u>	<u>-</u>	<u>407,005</u>
(26,075)	3,500	(23,846)	-	-	(44,961)
48,312	53,339	(20,882)	34,153	2,000	159,075
<u>\$ 22,237</u>	<u>\$ 56,839</u>	<u>\$ (44,728)</u>	<u>\$ 34,153</u>	<u>\$ 2,000</u>	<u>\$ 114,114</u>

CITY OF MOBRIDGE
COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2024

	Cemetery Fund	Water and Sewer Main Fund	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,725	\$ 844	\$ 3,569
Investments	11,531	63,233	74,764
Total assets	<u>\$ 14,256</u>	<u>\$ 64,077</u>	<u>\$ 78,333</u>
NET POSITION			
Unrestricted	<u>\$ 14,256</u>	<u>\$ 64,077</u>	<u>\$ 78,333</u>
Total net position	<u>\$ 14,256</u>	<u>\$ 64,077</u>	<u>\$ 78,333</u>

CITY OF MOBRIDGE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - MODIFIED CASH BASIS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds		
	Cemetery Fund	Water and Sewer Main Fund	Totals
OPERATING REVENUE			
Charges for goods and services	\$ 25,456	\$ 11,088	\$ 36,544
Other	30	-	30
Total operating revenue	25,486	11,088	36,574
OPERATING EXPENSES			
Other current expense	49,215	23,694	72,909
Total operating expenses	49,215	23,694	72,909
Operating income	(23,729)	(12,606)	(36,335)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	721	1,528	2,249
Total nonoperating expenses	721	1,528	2,249
INCOME (LOSS) BEFORE CONTRIBUTIONS, SPECIAL ITEMS, EXTRAORDINARY ITEMS AND TRANSFERS	(23,008)	(11,078)	(34,086)
CHANGE IN NET POSITION	(23,008)	(11,078)	(34,086)
NET POSITION - BEGINNING	37,264	75,155	112,419
NET POSITION - ENDING	\$ 14,256	\$ 64,077	\$ 78,333

CITY OF MOBRIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Identifying Number	Expenditures 2024
US Department of Justice - Direct Programs: Enforcing Under Age Drinking Laws Program	16.727	N/A	\$3,874
Total US Department of Interior			\$3,874
US Department of Transportation - Direct Programs: Airport Improvement Program	20.106	N/A	\$199,192
Highway Safety Cluster: US Department of Transportation - Pass-Through Programs: SD Department of Public Safety, State and Community Highway Safety	20.600	N/A	\$2,338
Total US Department of Transportation			\$201,530
US Department of Treasury - Direct Programs: Coronavirus State and Local Fiscal Recovery Funds (Note 3)	21.027	N/A	\$1,603,908
Total US Department of Transportation			\$1,603,908
US Department of Health and Human Services - Pass-Through Programs: Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	South Dakota Department of Health	\$4,745
Total Department of Health and Human Services			\$4,745
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety, Office of Emergency Management, Homeland Security Grant Program	97.067	22-HLS-080	\$1,695
Total US Department of Homeland Security			\$1,695
GRAND TOTAL			\$1,815,752

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Major Federal Financial Assistance Program

This represents a Major Federal Financial Assistance Program.