

**MUNICIPALITY OF PLATTE  
PLATTE, SOUTH DAKOTA**

**AUDIT REPORT**

**FOR THE YEAR JANUARY 1, 2021 TO DECEMBER 31, 2021  
AND  
FOR THE YEAR JANUARY 1, 2022 TO DECEMBER 31, 2022**

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

MUNICIPALITY OF PLATTE

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MUNICIPAL OFFICIALS  
DECEMBER 31, 2022

MAYOR:

Ken VanZee

GOVERNING BOARD:

Jarrold Lang, President  
Cole Anderson, Vice-President  
Dave Carter  
Myrna Overweg  
Aaron Vanden Hoek  
Mike Van Der Werff

FINANCE OFFICER:

Shauna Meyerink

ATTORNEY:

Tim Whalen

*Schoenfish & Co., Inc.*

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

Governing Board  
Municipality of Platte  
Platte, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Platte, South Dakota (Municipality), as of December 31, 2022 and December 31, 2021, and for each of the years in the biennial period then ended which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated June 24, 2024, which was adverse for all opinion units because of errors and omissions in the financial statements, and also adverse for the aggregate discretely presented component units because they were not presented.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items 2022-001 and 2022-002 to be material weaknesses.

### Compliance and Other Matters

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

### Municipality's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Municipality's responses to the findings identified in our audit. The Municipality's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The Municipality's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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 Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Schoenfish & Co., Inc.  
Certified Public Accountants  
June 24, 2024

*Schoenfish & Co., Inc.*

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

Governing Board  
Municipality of Platte  
Platte, South Dakota

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited the Municipality of Platte, South Dakota (Municipality), 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 Municipality's major federal programs for the biennial period ended December 31, 2022. The Municipality'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 Municipality of Platte 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 biennial period ended December 31, 2022.

*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 Municipality 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 Municipality's compliance with the compliance requirements referred to above

*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 Municipality'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 Municipality'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 Municipality'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 Municipality'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 Municipality'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 Municipality'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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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.

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*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 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Municipality's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The Municipality's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### 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.



Schoenfish & Co., Inc.  
Certified Public Accountants  
June 24, 2024

*Schoenfish & Co., Inc.*

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SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT FINDINGS:

Finding Number 2020-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2022-001.

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SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTSSummary of the Independent Auditor's Results:Financial Statements:

- a. An adverse opinion was issued on the financial statements of the governmental activities, business-type activities, and each major fund opinion units because of errors and omissions in the financial statements. An adverse opinion was issued for the omission of discretely presented component units.
- b. A material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties for revenues as discussed in finding number 2022-001 and for errors and omissions as discussed in finding number 2022-002.
- c. Our audit did not disclose noncompliance which was material to the financial statements.

Federal Awards:

- d. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- e. Our audit did not disclose any audit findings that need to be disclosed in accordance with 2 CFR 200.516(a).
- f. The federal awards tested as major programs were:
  1. Airport Improvement Program ALN No. 20.106
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- h. The Municipality of Platte did not qualify as a low-risk auditee.

CURRENT FEDERAL COMPLIANCE AUDIT FINDINGS:

There are no current federal compliance audit findings to disclose.

CURRENT OTHER AUDIT FINDINGS:Internal Control – Related Finding – Material Weakness:Finding Number 2022-001:Condition:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This is a continuing audit finding since 2000.

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SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS  
(Continued)

Criteria:

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

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

Cause of Condition:

The Finance Officer and Assistant Finance Officer have the ability to process all revenue transactions from beginning to end. The Finance Officer and Deputy Finance Officer also have the ability to receive money, issue receipts, record receipts, post receipts in the accounting records, prepare bank deposits, reconcile bank statements, and prepare financial statements. A lack of proper segregation of duties existed for the revenues resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Potential Effect of Condition:

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

Recommendation:

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

Finding Number 2022-002:

Condition:

Material weaknesses were noted in internal accounting control and record keeping resulting in diminished assurance that transactions were properly executed and recorded and that assets were properly safeguarded. This is the first year in which a similar finding has been reported.

Criteria:

Proper preparation of municipal records results in increased reliability of reported financial data and decreased potential for the loss of public assets.

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SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS  
(Continued)

Cause of Condition:

The following deficiencies in internal accounting control and record keeping were noted:

- a. The depreciation schedule should be updated at year end to reflect all purchases and disposals, including donated assets. The capital asset accounts should be adjusted at year-end to reflect the depreciation schedule.
- b. Taxes receivable should be reconciled with the county at year-end.
- c. Special assessments should be more closely tracked during the year and reconciled with the county at year-end.
- d. Grant receipts received after year-end should be analyzed to determine if they should be recorded as accounts receivable.
- e. For the 2022 budget appropriation, we were unable to match all revenue and expenditures from the approved ordinance and supplemental budget to the submitted annual report. The final revenue budget on the annual report was overstated by \$26,096 and the final expenditure budget was understated by \$208,450.
- f. Bank reconciliations must be done monthly, with issues resolved in a timely manner. Accurate monthly financial statements should be provided to the board for review and to allow them to make informed decisions. As of 12/31/2021, the records were understated by \$25,131 and as of 12/31/2022, the records were overstated by \$11,088.

The financial statements in this report have been adjusted for the errors and omissions noted in a. through f. above.

SDCL 9-14-18 states that the finance officer "shall keep regular books of account in which shall be entered all indebtedness of the Municipality, and which shall at all times show the financial condition of the Municipality, the amount of bonds, warrants, certificates, or other evidences of indebtedness issued by the governing body, and the amounts of all bonds, warrants, certificates, or other evidences of indebtedness which have been redeemed and the amount of each outstanding."

SDCL 9-14-9 states that the finance officer "shall supervise the accounting system for all departments and offices of the Municipality in accordance with the recommendations of the Department of Legislative Audit."

Potential Effect of Condition:

As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties, and improper records were maintained for the Municipality of Platte.

Recommendation:

2. We recommend that financial information be more accurately presented.
3. We recommend that all necessary accounting records be established and properly maintained.

CLOSING CONFERENCE

The audit findings and recommendations were discussed with the Finance Officer and officials during the course of the audit and at the conclusion of the audit.

*Schoenfish & Co., Inc.*

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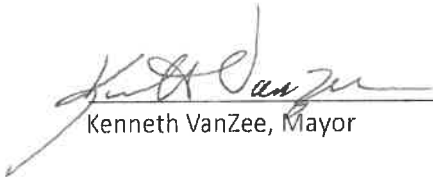
CORRECTIVE ACTION PLAN

Finding Number 2022-001: A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues.

Finding Number 2022-002: Material weaknesses were noted in internal accounting control and record keeping resulting in diminished assurance that transactions were properly executed and recorded and that assets were properly safeguarded.

View of Responsible Officials and Planned Corrective Action Plan:

The City of Platte Mayor, Kenneth VanZee, is the primary contact person for the corrective action plan for these findings. The City of Platte recently hired a third individual for the office and is in the process of training to learn the scope of the finance department. The City of Platte does not sufficiently support the internal controls needed to properly segregate duties. The Mayor, Platte City Council, and Finance Office staff are aware of the problem. The city continues to discuss possible solutions to implement in the future to minimize all risks.

  
Kenneth VanZee, Mayor

6-13-24  
Date

  
Shauna Meyerink, Finance Officer

6-13-2024  
Date

INDEPENDENT AUDITOR'S REPORT

Governing Board  
Municipality of Platte  
Platte, South Dakota

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Platte, South Dakota, (Municipality) as of December 31, 2022 and December 31, 2021, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the Table of Contents.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on the Financial Statements as a Whole section of our report, the financial statements referred to above do not present fairly the financial position of the Municipality of Platte as of December 31, 2022 and December 31, 2021, and the respective changes in financial position, and the cash flows, where applicable, thereof for each of the years in the biennial period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on the Financial Statements as a Whole

Several errors and omissions were noted in the financial statements. Some of the more serious items were improper recording of cash due to not reconciling and unsubstantiated journal entries made to cash and equity to balance.

The financial statements do not include financial data for the Platte Public Library of the Municipality of Platte. 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 Municipality's primary government unless the Municipality also issues financial statements for the financial reporting entity that include the financial data for its component units. The Municipality has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented components units would have been presented inclusive of the Platte Public Library of the Municipality of Platte.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality of Platte, South Dakota, 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 audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental 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 *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for a reasonable period of time.

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

*Schoenfish & Co., Inc.*

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### Required Supplementary Information

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

The Municipality has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's financial statements. The Schedule of Expenditures of Federal Awards, which as required by *Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the combining financial statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 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 and the combining financial statements listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024 on our consideration of the Municipality's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Municipality's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality's internal control over financial reporting and compliance.



Schoenfish & Co., Inc.  
Certified Public Accountants  
June 24, 2024

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF NET POSITION**  
**December 31, 2022**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS:</b>			
Cash and Cash Equivalents	1,461,174.37	2,261,333.26	3,722,507.63
Investments	563,326.66		563,326.66
Accounts Receivable, Net	331,566.51	10,855.26	342,421.77
Net Pension Asset	1,011.87	530.01	1,541.88
Capital Assets:			
Land and Construction Work in Progress	1,215,943.85	54,622.50	1,270,566.35
Other Capital Assets, Net of Depreciation	7,068,342.59	3,849,915.83	10,918,258.42
<b>TOTAL ASSETS</b>	<b>10,641,365.85</b>	<b>6,177,256.86</b>	<b>16,818,622.71</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension Related Deferred Outflows	92,653.42	48,531.58	141,185.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>92,653.42</b>	<b>48,531.58</b>	<b>141,185.00</b>
<b>LIABILITIES :</b>			
Customer Deposits		36,026.32	36,026.32
Unearned Revenue		486.96	486.96
Noncurrent Liabilities:			
Due Within One Year	3,500.00	42,657.23	46,157.23
Due in More than One Year	691.08	1,604,040.04	1,604,731.12
<b>TOTAL LIABILITIES</b>	<b>4,191.08</b>	<b>1,683,210.55</b>	<b>1,687,401.63</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related Deferred Inflows	58,850.36	30,825.63	89,675.99
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>58,850.36</b>	<b>30,825.63</b>	<b>89,675.99</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	8,284,286.44	2,258,922.52	10,543,208.96
Restricted for:			
Pool Building	98,979.01		98,979.01
Equipment Repair and/or Replacement		90,000.00	90,000.00
Capital Projects	3,544.27		3,544.27
City Promotion	225,321.78		225,321.78
SDRS Pension Purposes	34,814.93	18,235.96	53,050.89
Unrestricted (Deficit)	2,024,031.40	2,144,593.78	4,168,625.18
<b>TOTAL NET POSITION</b>	<b>10,670,977.83</b>	<b>4,511,752.26</b>	<b>15,182,730.09</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital		Governmental Activities	Primary Government	
			Operating Grants and Contributions	Grants and Contributions		Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	208,981.22	15,819.67	38,149.87		(155,011.68)		(155,011.68)
Public Safety	169,454.03	805.00			(168,649.03)		(168,649.03)
Public Works	454,384.23	20,490.23	60,022.10	606,493.20	232,621.30		232,621.30
Health and Welfare	1,626.10	127.70			(1,498.40)		(1,498.40)
Culture and Recreation	324,391.06	79,999.55	22,617.80	20,000.00	(201,773.71)		(201,773.71)
Conservation and Development	162,225.40				(162,225.40)		(162,225.40)
Miscellaneous		42,727.09			42,727.09		42,727.09
<b>Total Governmental Activities</b>	<b>1,321,062.04</b>	<b>159,969.24</b>	<b>120,789.77</b>	<b>626,493.20</b>	<b>(413,809.83)</b>		<b>(413,809.83)</b>
<b>Business-type Activities:</b>							
Water	458,866.71	497,486.42		115,022.25		153,641.96	153,641.96
Sewer	221,882.42	365,106.18				143,223.76	143,223.76
<b>Total Business-type Activities</b>	<b>680,749.13</b>	<b>862,592.60</b>	<b>0.00</b>	<b>115,022.25</b>		<b>296,865.72</b>	<b>296,865.72</b>
<b>Total Primary Government</b>	<b>2,001,811.17</b>	<b>1,022,561.84</b>	<b>120,789.77</b>	<b>741,515.45</b>	<b>(413,809.83)</b>	<b>296,865.72</b>	<b>(116,944.11)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					290,986.15		290,986.15
Sales Taxes					982,809.34		982,809.34
State Shared Revenues					16,020.85		16,020.85
Unrestricted Investment Earnings					6,589.85	480.59	7,070.44
Miscellaneous Revenue					35,018.83	2,889.35	37,908.18
<b>Total General Revenues</b>					<b>1,331,425.02</b>	<b>3,369.94</b>	<b>1,334,794.96</b>
<b>Change in Net Position</b>					<b>917,615.19</b>	<b>300,235.66</b>	<b>1,217,850.85</b>
<b>Net Position - Beginning</b>					<b>9,753,362.64</b>	<b>4,211,516.60</b>	<b>13,964,879.24</b>
<b>NET POSITION - ENDING</b>					<b>10,670,977.83</b>	<b>4,511,752.26</b>	<b>15,182,730.09</b>

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

**MUNICIPALITY OF PLATTE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2022**

	<u>General Fund</u>	<u>Lake Platte Restoration Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	1,133,329.31	2,744.27	325,100.79	1,461,174.37
Investments	563,326.66			563,326.66
Taxes Receivable--Delinquent	2,947.36			2,947.36
Special Assessments Receivable--Deferred	9,666.94			9,666.94
Due from Other Government	318,952.21			318,952.21
<b>TOTAL ASSETS</b>	<u>2,028,222.48</u>	<u>2,744.27</u>	<u>325,100.79</u>	<u>2,356,067.54</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
Liabilities:				
Total Liabilities	0.00	0.00	0.00	0.00
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	2,947.36			2,947.36
Unavailable Revenue - Special Assessments	9,666.94			9,666.94
Total Deferred Inflows of Resources	12,614.30	0.00	0.00	12,614.30
Fund Balances:				
Restricted for Swimming Pool			98,979.01	98,979.01
Restricted for Capital Projects		2,744.27	800.00	3,544.27
Restricted for City Promotion			225,321.78	225,321.78
Assigned for Next Year's Budget	1,565,174.00			1,565,174.00
Assigned for Capital Outlay Accumulations	5,174.76			5,174.76
Assigned for Capital Replacements	65,000.00			65,000.00
Unassigned	380,259.42			380,259.42
Total Fund Balances	2,015,608.18	2,744.27	325,100.79	2,343,453.24
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>2,028,222.48</u>	<u>2,744.27</u>	<u>325,100.79</u>	<u>2,356,067.54</u>

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

**MUNICIPALITY OF PLATTE**  
**Reconciliation of the Governmental funds Balance Sheet to the Statement of Net Position**  
**December 31, 2022**

Total Fund Balances - Governmental Funds	<u>2,343,453.24</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	<u>1,011.87</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>8,284,286.44</u>
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>92,653.42</u>
Long-term liabilities, including bonds payable and accrued leave payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,191.08)</u>
Assets such as taxes receivable (delinquent), special assessment receivables (current, delinquent and deferred), and sales tax receivable are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>12,614.30</u>
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(58,850.36)</u>
Net Position - Governmental Activities	<u><u>10,670,977.83</u></u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	General Fund	Lake Platte Restoration Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes:				
General Property Taxes	294,288.00			294,288.00
General Sales and Use Taxes	933,434.27		49,375.07	982,809.34
Penalties and Interest on Delinquent Taxes	240.36			240.36
Licenses and Permits	15,694.67			15,694.67
Intergovernmental Revenue:				
Federal Grants	593,393.74			593,393.74
State Grants	1,171.00			1,171.00
State Shared Revenue:				
Bank Franchise Tax	6,939.48			6,939.48
Prorate License Fees	5,810.99			5,810.99
Liquor Tax Reversion	9,081.37			9,081.37
Motor Vehicle Licenses	23,993.64			23,993.64
Local Government Highway and Bridge Fund	16,460.57			16,460.57
County Shared Revenue:				
County HBR Tax (25%)	3,433.33			3,433.33
County Wheel Tax	10,323.57			10,323.57
Charges for Goods and Services:				
General Government	125.00			125.00
Public Safety	805.00			805.00
Highways and Streets	1,252.02			1,252.02
Sanitation	19,238.21			19,238.21
Health	127.70			127.70
Culture and Recreation	65,924.55			65,924.55
Miscellaneous Revenue:				
Investment Earnings	6,514.85		75.00	6,589.85
Rentals	14,075.00			14,075.00
Special Assessments	9,814.12			9,814.12
Contributions and Donations from Private Sources	38,149.87		42,617.80	80,767.67
Liquor Operating Agreement Income	42,727.09			42,727.09
Other	33,826.83			33,826.83
<b>Total Revenue</b>	<b>2,146,845.23</b>	<b>0.00</b>	<b>92,067.87</b>	<b>2,238,913.10</b>
<b>Expenditures:</b>				
General Government:				
Legislative	30,581.36			30,581.36
Financial Administration	148,900.43			148,900.43
Other	12,257.50			12,257.50
<b>Total General Government</b>	<b>191,739.29</b>	<b>0.00</b>	<b>0.00</b>	<b>191,739.29</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	<u>General Fund</u>	<u>Lake Platte Restoration Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Expenditures (Continued):</b>				
Public Safety:				
Police	153,049.74			153,049.74
Fire	1,226.35			1,226.35
Total Public Safety	<u>154,276.09</u>	<u>0.00</u>	<u>0.00</u>	<u>154,276.09</u>
Public Works:				
Highways and Streets	201,456.91			201,456.91
Sanitation	20,106.28			20,106.28
Airport	16,663.62			16,663.62
Total Public Works	<u>238,226.81</u>	<u>0.00</u>	<u>0.00</u>	<u>238,226.81</u>
Health and Welfare:				
Health	1,626.10			1,626.10
Total Health and Welfare	<u>1,626.10</u>	<u>0.00</u>	<u>0.00</u>	<u>1,626.10</u>
Culture and Recreation:				
Recreation	111,972.98		27,643.72	139,616.70
Parks	37,415.98	42.20		37,458.18
Libraries	22,866.53			22,866.53
Auditorium	28,416.08		18,878.47	47,294.55
Total Culture and Recreation	<u>200,671.57</u>	<u>42.20</u>	<u>46,522.19</u>	<u>247,235.96</u>
Conservation and Development:				
Economic Development and Assistance	147,825.40		14,400.00	162,225.40
Total Conservation and Development	<u>147,825.40</u>	<u>0.00</u>	<u>14,400.00</u>	<u>162,225.40</u>
Capital Outlay	<u>680,033.22</u>	<u>677,873.53</u>	<u>0.00</u>	<u>1,357,906.75</u>
Total Expenditures	<u>1,614,398.48</u>	<u>677,915.73</u>	<u>60,922.19</u>	<u>2,353,236.40</u>
Excess of Revenue Over (Under) Expenditures	<u>532,446.75</u>	<u>(677,915.73)</u>	<u>31,145.68</u>	<u>(114,323.30)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		680,000.00		680,000.00
Transfers Out	<u>(680,000.00)</u>			<u>(680,000.00)</u>
Compensation for Loss or Damage to Capital Assets	1,192.00			1,192.00
Total Other Financing Sources (Uses)	<u>(678,808.00)</u>	<u>680,000.00</u>	<u>0.00</u>	<u>1,192.00</u>
Net Change in Fund Balances	<u>(146,361.25)</u>	<u>2,084.27</u>	<u>31,145.68</u>	<u>(113,131.30)</u>
Fund Balance - Beginning	<u>2,161,969.43</u>	<u>660.00</u>	<u>293,955.11</u>	<u>2,456,584.54</u>
FUND BALANCE - ENDING	<u>2,015,608.18</u>	<u>2,744.27</u>	<u>325,100.79</u>	<u>2,343,453.24</u>

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



**MUNICIPALITY OF PLATTE**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	<u>(113,131.30)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	<u>1,357,906.75</u>
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(329,351.61)</u>
The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	<u>(3,542.21)</u>
Governmental funds report special assessments as revenue when "available", but the statement of activities includes the full amount of special assessments and street assessments as revenue upon completion of the project at the point when an enforceable legal claim arises.	<u>(14,508.66)</u>
The receipt of donated capital assets is not reported on the fund statements, but is reported as a program revenue on the government wide statements.	<u>16,623.00</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>(439.15)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (e.g. pension expense)	<u>23.05</u>
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	<u>4,035.32</u>
Change in Net Position of Governmental Activities	<u><u>917,615.19</u></u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2022**

	Enterprise Funds		Totals
	Water Fund	Sewer Fund	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	1,080,195.80	1,181,137.46	2,261,333.26
Accounts Receivable, Net	7,550.98	3,304.28	10,855.26
Total Current Assets	<u>1,087,746.78</u>	<u>1,184,441.74</u>	<u>2,272,188.52</u>
Noncurrent Assets:			
Net Pension Asset	343.63	186.38	530.01
Capital Assets:			
Land	1,702.50	52,920.00	54,622.50
Buildings	138,198.38		138,198.38
Improvements Other Than Buildings	1,977,560.53	3,967,368.49	5,944,929.02
Machinery and Equipment	99,337.55	142,870.02	242,207.57
Less: Accumulated Depreciation	(1,187,764.82)	(1,287,654.32)	(2,475,419.14)
Total Noncurrent Assets	<u>1,029,377.77</u>	<u>2,875,690.57</u>	<u>3,905,068.34</u>
<b>TOTAL ASSETS</b>	<u>2,117,124.55</u>	<u>4,060,132.31</u>	<u>6,177,256.86</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension Related Deferred Outflows	31,465.19	17,066.39	48,531.58
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>31,465.19</u>	<u>17,066.39</u>	<u>48,531.58</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Customer Deposits	36,026.32		36,026.32
Unearned Revenue	486.96		486.96
Bonds Payable Current:			
Revenue		41,657.23	41,657.23
Accrued Leave Payable - Current	500.00	500.00	1,000.00
Total Current Liabilities	<u>37,013.28</u>	<u>42,157.23</u>	<u>79,170.51</u>
Noncurrent Liabilities:			
Accrued Leave Payable	40.73	40.73	81.46
Bonds Payable:			
Revenue		1,603,958.58	1,603,958.58
Total Noncurrent Liabilities	<u>40.73</u>	<u>1,603,999.31</u>	<u>1,604,040.04</u>
<b>TOTAL LIABILITIES</b>	<u>37,054.01</u>	<u>1,646,156.54</u>	<u>1,683,210.55</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related Deferred Inflows	19,985.63	10,840.00	30,825.63
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>19,985.63</u>	<u>10,840.00</u>	<u>30,825.63</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	1,029,034.14	1,229,888.38	2,258,922.52
Restricted for:			
Equipment Repair and/or Replacement	90,000.00		90,000.00
SDRS Pension Purposes	11,823.19	6,412.77	18,235.96
Unrestricted Net Position	960,692.77	1,183,901.01	2,144,593.78
<b>TOTAL NET POSITION</b>	<u>2,091,550.10</u>	<u>2,420,202.16</u>	<u>4,511,752.26</u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2022**

	Enterprise Funds		Totals
	Water Fund	Sewer Fund	
<b>Operating Revenue:</b>			
Charges for Goods and Services	495,694.87	245,127.33	740,822.20
Charges for Goods and Services Pledged as Security for Debt		117,089.50	117,089.50
Miscellaneous	1,791.55	2,889.35	4,680.90
Total Operating Revenue	497,486.42	365,106.18	862,592.60
<b>Operating Expenses:</b>			
Personal Services	121,734.37	66,222.12	187,956.49
Other Current Expense	56,599.47	34,956.84	91,556.31
Materials (Cost of Goods Sold)	238,954.00		238,954.00
Depreciation	41,578.87	78,863.31	120,442.18
Total Operating Expenses	458,866.71	180,042.27	638,908.98
Operating Income (Loss)	38,619.71	185,063.91	223,683.62
<b>Nonoperating Revenue (Expense):</b>			
Investment Earnings	387.13	93.46	480.59
Interest Expense		(41,840.15)	(41,840.15)
Other	2,889.35		2,889.35
Total Nonoperating Revenue (Expense)	3,276.48	(41,746.69)	(38,470.21)
Income (Loss) Before Contributions	41,896.19	143,317.22	185,213.41
Capital Contributions	115,022.25		115,022.25
Change in Net Position	156,918.44	143,317.22	300,235.66
Net Position - Beginning	1,934,631.66	2,276,884.94	4,211,516.60
<b>NET POSITION - ENDING</b>	<b>2,091,550.10</b>	<b>2,420,202.16</b>	<b>4,511,752.26</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2022**

	Enterprise Funds		Totals
	Water Fund	Sewer Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	494,693.05	365,459.83	860,152.88
Cash Payments to Employees for Services	(125,303.91)	(67,523.59)	(192,827.50)
Cash Payments to Suppliers of Goods and Services	(295,553.47)	(34,956.84)	(330,510.31)
Net Cash Provided (Used) by Operating Activities	<u>73,835.67</u>	<u>262,979.40</u>	<u>336,815.07</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from Capital Contributions	115,022.25		115,022.25
Principal Paid on Capital Debt		(40,631.87)	(40,631.87)
Interest Paid on Capital Debt		(41,840.15)	(41,840.15)
Other Receipts (Payments)	2,889.35		2,889.35
Net Cash (Used) by Capital and Related Financing Activities	<u>117,911.60</u>	<u>(82,472.02)</u>	<u>35,439.58</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash Received for Interest	387.13	93.46	480.59
Net Cash Provided by Investing Activities	<u>387.13</u>	<u>93.46</u>	<u>480.59</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>192,134.40</u>	<u>180,600.84</u>	<u>372,735.24</u>
Balances - Beginning	888,061.40	1,000,536.62	1,888,598.02
Balances - Ending	<u>1,080,195.80</u>	<u>1,181,137.46</u>	<u>2,261,333.26</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	38,619.71	185,063.91	223,683.62
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	41,578.87	78,863.31	120,442.18
(Increase) decrease in Receivables	1,090.94	353.65	1,444.59
(Increase) decrease in Net Pension Asset	28,022.63	15,690.78	43,713.41
(Increase) decrease in Pension Related Deferred Outflows	4,889.37	3,281.98	8,171.35
(Decrease) increase in Accrued Leave Payable	(1,609.05)	(409.05)	(2,018.10)
(Decrease) increase in Customer Deposits	(3,175.00)		(3,175.00)
(Decrease) increase in Unearned Revenue	(709.31)		(709.31)
(Decrease) increase in Pension Related Deferred Inflows	(34,872.49)	(19,865.18)	(54,737.67)
Net Cash Provided (Used) by Operating Activities	<u>73,835.67</u>	<u>262,979.40</u>	<u>336,815.07</u>

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

**MUNICIPALITY OF PLATTE  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
December 31, 2022**

	<b>Agency Funds</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	691.49
<b>TOTAL ASSETS</b>	<b>691.49</b>
<b>NET POSITION:</b>	
Restricted for:	
Restricted for Employee Flex Plan	691.49
<b>TOTAL NET POSITION</b>	<b>691.49</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF CHANGES IN NET POSITON**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2022**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Other Additions	9,920.07
Total Additions	9,920.07
<b>DEDUCTIONS:</b>	
Other Deductions	9,375.00
Total Deductions	9,375.00
Change in Net Position	545.07
Net Position - Beginning	146.42
<b>NET POSITON - ENDING</b>	<b>691.49</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF NET POSITION**  
**December 31, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	2,044,784.88	1,598,598.02	3,643,382.90
Investments	411,799.66	290,000.00	701,799.66
Accounts Receivable, Net	30,665.17	12,299.85	42,965.02
Net Pension Asset	88,459.41	44,243.42	132,702.83
Capital Assets:			
Land and Construction Work in Progress	861,109.37	54,622.50	915,731.87
Other Capital Assets, Net of Depreciation	6,377,998.93	3,970,358.01	10,348,356.94
<b>TOTAL ASSETS</b>	<b>9,814,817.42</b>	<b>5,970,121.80</b>	<b>15,784,939.22</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension Related Deferred Outflows	113,370.71	56,702.93	170,073.64
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>113,370.71</b>	<b>56,702.93</b>	<b>170,073.64</b>
<b>LIABILITIES :</b>			
Customer Deposits		39,201.32	39,201.32
Unearned Revenue		1,196.27	1,196.27
Noncurrent Liabilities:			
Due Within One Year	2,500.00	44,422.41	46,922.41
Due in More than One Year	1,251.93	1,644,924.83	1,646,176.76
<b>TOTAL LIABILITIES</b>	<b>3,751.93</b>	<b>1,729,744.83</b>	<b>1,733,496.76</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related Deferred Inflows	171,073.56	85,563.30	256,636.86
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>171,073.56</b>	<b>85,563.30</b>	<b>256,636.86</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	7,239,108.30	2,338,732.83	9,577,841.13
Restricted for:			
Pool Building	98,904.01		98,904.01
Equipment Repair and/or Replacement		90,000.00	90,000.00
Capital Projects	860.00		860.00
City Promotion	194,851.10		194,851.10
SDRS Pension Purposes	30,756.56	15,383.05	46,139.61
Unrestricted (Deficit)	2,188,882.67	1,767,400.72	3,956,283.39
<b>TOTAL NET POSITION</b>	<b>9,753,362.64</b>	<b>4,211,516.60</b>	<b>13,964,879.24</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) 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	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	190,258.27	6,330.40	53,823.00		(130,104.87)		(130,104.87)
Public Safety	165,961.18	843.80			(165,117.38)		(165,117.38)
Public Works	636,323.94	17,617.01	59,612.87	14,220.08	(544,873.98)		(544,873.98)
Health and Welfare	7,522.81	308.00			(7,214.81)		(7,214.81)
Culture and Recreation	275,534.52	81,453.04	17,495.96	56,937.10	(119,648.42)		(119,648.42)
Conservation and Development	30,300.00				(30,300.00)		(30,300.00)
Miscellaneous		38,447.84			38,447.84		38,447.84
<b>Total Governmental Activities</b>	<b>1,305,900.72</b>	<b>145,000.09</b>	<b>130,931.83</b>	<b>71,157.18</b>	<b>(958,811.62)</b>		<b>(958,811.62)</b>
<b>Business-type Activities:</b>							
Water	431,684.28	452,612.98		112,481.95		133,410.65	133,410.65
Sewer	220,536.77	359,627.90				139,091.13	139,091.13
<b>Total Business-type Activities</b>	<b>652,221.05</b>	<b>812,240.88</b>	<b>0.00</b>	<b>112,481.95</b>		<b>272,501.78</b>	<b>272,501.78</b>
<b>Total Primary Government</b>	<b>1,958,121.77</b>	<b>957,240.97</b>	<b>130,931.83</b>	<b>183,639.13</b>	<b>(958,811.62)</b>	<b>272,501.78</b>	<b>(686,309.84)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					293,202.56		293,202.56
Sales Taxes					930,602.26		930,602.26
State Shared Revenues					15,407.97		15,407.97
Unrestricted Investment Earnings					620.14	391.42	1,011.56
Miscellaneous Revenue					6,090.10		6,090.10
<b>Total General Revenues</b>					<b>1,245,923.03</b>	<b>391.42</b>	<b>1,246,314.45</b>
Change in Net Position					287,111.41	272,893.20	560,004.61
Net Position - Beginning					9,466,251.23	3,938,623.40	13,404,874.63
<b>NET POSITION - ENDING</b>					<b>9,753,362.64</b>	<b>4,211,516.60</b>	<b>13,964,879.24</b>

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



**MUNICIPALITY OF PLATTE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	1,905,169.77	139,615.11	2,044,784.88
Investments	256,799.66	155,000.00	411,799.66
Taxes Receivable--Delinquent	6,489.57		6,489.57
Special Assessments Receivable--Current	6,043.90		6,043.90
Special Assessments Receivable--Deferred	18,131.70		18,131.70
<b>TOTAL ASSETS</b>	<b>2,192,634.60</b>	<b>294,615.11</b>	<b>2,487,249.71</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>			
Liabilities:			
Total Liabilities	0.00	0.00	0.00
Deferred Inflows of Resources:			
Unavailable Revenue - Property Taxes	6,489.57		6,489.57
Unavailable Revenue - Special Assessments	24,175.60		24,175.60
<b>Total Deferred Inflows of Resources</b>	<b>30,665.17</b>	<b>0.00</b>	<b>30,665.17</b>
Fund Balances:			
Restricted for Pool Building		98,904.01	98,904.01
Restricted for Capital Projects		860.00	860.00
Restricted for City Promotion		194,851.10	194,851.10
Assigned for Next Year's Budget	1,900,174.00		1,900,174.00
Assigned for Capital Outlay Accumulations	5,174.76		5,174.76
Assigned for Capital Replacements	65,000.00		65,000.00
Unassigned	191,620.67		191,620.67
<b>Total Fund Balances</b>	<b>2,161,969.43</b>	<b>294,615.11</b>	<b>2,456,584.54</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>2,192,634.60</b>	<b>294,615.11</b>	<b>2,487,249.71</b>

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

**MUNICIPALITY OF PLATTE**  
**Reconciliation of the Governmental funds Balance Sheet to the Statement of Net Position**  
**December 31, 2021**

Total Fund Balances - Governmental Funds	<u>2,456,584.54</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	<u>88,459.41</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>7,239,108.30</u>
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>113,370.71</u>
Long-term liabilities, including bonds payable and accrued leave payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,751.93)</u>
Assets such as taxes receivable (delinquent), special assessment receivables (current, delinquent and deferred), and sales tax receivable are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>30,665.17</u>
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(171,073.56)</u>
Net Position - Governmental Activities	<u><u>9,753,362.64</u></u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes:			
General Property Taxes	289,853.24		289,853.24
General Sales and Use Taxes	881,204.55	49,397.71	930,602.26
Penalties and Interest on Delinquent Taxes	551.04		551.04
Licenses and Permits	3,961.90		3,961.90
Intergovernmental Revenue:			
Federal Grants	13,823.31		13,823.31
State Shared Revenue:			
Bank Franchise Tax	6,268.72		6,268.72
Prorate License Fees	5,643.58		5,643.58
Liquor Tax Reversion	9,139.25		9,139.25
Motor Vehicle Licenses	24,732.57		24,732.57
Local Government Highway and Bridge Fund	16,329.71		16,329.71
County Shared Revenue:			
County Road and Bridge Tax	3,877.14		3,877.14
County Wheel Tax	9,029.87		9,029.87
Charges for Goods and Services:			
General Government	2,368.50		2,368.50
Public Safety	818.80		818.80
Highways and Streets	2,645.58		2,645.58
Sanitation	14,971.43		14,971.43
Health	308.00		308.00
Culture and Recreation	67,198.80		67,198.80
Fines and Forfeits:			
Court Fines and Costs	25.00		25.00
Miscellaneous Revenue:			
Investment Earnings	545.14	75.00	620.14
Rentals	14,254.24		14,254.24
Special Assessments	6,440.67		6,440.67
Contributions and Donations from Private Sources	53,823.00	17,495.96	71,318.96
Liquor Operating Agreement Income	38,447.84		38,447.84
Other	5,504.09		5,504.09
Total Revenue	1,471,765.97	66,968.67	1,538,734.64
<b>Expenditures:</b>			
General Government:			
Legislative	29,262.15		29,262.15
Elections	23.94		23.94
Financial Administration	147,477.36		147,477.36
Other	4,631.10		4,631.10
Total General Government	181,394.55	0.00	181,394.55

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Expenditures (Continued):</b>			
Public Safety:			
Police	158,815.28		158,815.28
Fire	1,177.88		1,177.88
Total Public Safety	159,993.16	0.00	159,993.16
Public Works:			
Highways and Streets	440,296.99		440,296.99
Sanitation	18,324.53		18,324.53
Airport	12,996.19		12,996.19
Transit	808.36		808.36
Total Public Works	472,426.07	0.00	472,426.07
Health and Welfare:			
Health	7,522.81		7,522.81
Total Health and Welfare	7,522.81	0.00	7,522.81
Culture and Recreation:			
Recreation	103,688.23	7,729.49	111,417.72
Parks	29,729.33		29,729.33
Libraries	20,149.84		20,149.84
Auditorium	35,506.72	9,313.70	44,820.42
Total Culture and Recreation	189,074.12	17,043.19	206,117.31
Conservation and Development:			
Economic Development and Assistance	15,900.00	14,400.00	30,300.00
Total Conservation and Development	15,900.00	14,400.00	30,300.00
Capital Outlay	200,049.77	54,340.00	254,389.77
Total Expenditures	1,226,360.48	85,783.19	1,312,143.67
Excess of Revenue Over (Under) Expenditures	245,405.49	(18,814.52)	226,590.97
<b>Other Financing Sources (Uses):</b>			
Transfers In		55,000.00	55,000.00
Transfers Out	(55,000.00)		(55,000.00)
Sale of Municipal Property	586.01		586.01
Total Other Financing Sources (Uses)	(54,413.99)	55,000.00	586.01
Net Change in Fund Balances	190,991.50	36,185.48	227,176.98
Fund Balance - Beginning	1,970,977.93	258,429.63	2,229,407.56
FUND BALANCE - ENDING	2,161,969.43	294,615.11	2,456,584.54

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

**MUNICIPALITY OF PLATTE**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2021**

Net Change in Fund Balances - Total Governmental Funds	<u>227,176.98</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	<u>254,389.77</u>
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(273,943.67)</u>
The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	<u>2,798.28</u>
Governmental funds report special assessments as revenue when "available", but the statement of activities includes the full amount of special assessments and street assessments as revenue upon completion of the project at the point when an enforceable legal claim arises.	<u>(6,043.90)</u>
The receipt of donated capital assets is not reported on the fund statements, but is reported as a program revenue on the government wide statements.	<u>56,937.10</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>2,785.01</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (e.g. pension expense)	<u>(125.59)</u>
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	<u>23,137.43</u>
Change in Net Position of Governmental Activities	<u><u>287,111.41</u></u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2021

	Enterprise Funds		Totals
	Water Fund	Sewer Fund	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	598,061.40	1,000,536.62	1,598,598.02
Investments	290,000.00		290,000.00
Accounts Receivable, Net	8,641.92	3,657.93	12,299.85
Total Current Assets	<u>896,703.32</u>	<u>1,004,194.55</u>	<u>1,900,897.87</u>
Noncurrent Assets:			
Net Pension Asset	28,366.26	15,877.16	44,243.42
Capital Assets:			
Land	1,702.50	52,920.00	54,622.50
Buildings	138,198.38		138,198.38
Improvements Other Than Buildings	1,977,560.53	3,967,368.49	5,944,929.02
Machinery and Equipment	99,337.55	142,870.02	242,207.57
Less: Accumulated Depreciation	(1,146,185.95)	(1,208,791.01)	(2,354,976.96)
Total Noncurrent Assets	<u>1,098,979.27</u>	<u>2,970,244.66</u>	<u>4,069,223.93</u>
<b>TOTAL ASSETS</b>	<u>1,995,682.59</u>	<u>3,974,439.21</u>	<u>5,970,121.80</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension Related Deferred Outflows	36,354.56	20,348.37	56,702.93
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>36,354.56</u>	<u>20,348.37</u>	<u>56,702.93</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Customer Deposits	39,201.32		39,201.32
Unearned Revenue	1,196.27		1,196.27
Bonds Payable Current:			
Revenue		42,822.85	42,822.85
Accrued Leave Payable - Current	1,149.78	449.78	1,599.56
Total Current Liabilities	<u>41,547.37</u>	<u>43,272.63</u>	<u>84,820.00</u>
Noncurrent Liabilities:			
Bonds Payable:			
Revenue		1,643,424.83	1,643,424.83
Accrued Leave Payable	1,000.00	500.00	1,500.00
Total Noncurrent Liabilities	<u>1,000.00</u>	<u>1,643,924.83</u>	<u>1,644,924.83</u>
<b>TOTAL LIABILITIES</b>	<u>42,547.37</u>	<u>1,687,197.46</u>	<u>1,729,744.83</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related Deferred Inflows	54,858.12	30,705.18	85,563.30
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>54,858.12</u>	<u>30,705.18</u>	<u>85,563.30</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	1,070,613.01	1,268,119.82	2,338,732.83
Restricted for:			
Equipment Repair and/or Replacement	90,000.00		90,000.00
SDRS Pension Purposes	9,862.70	5,520.35	15,383.05
Unrestricted Net Position	764,155.95	1,003,244.77	1,767,400.72
<b>TOTAL NET POSITION</b>	<u>1,934,631.66</u>	<u>2,276,884.94</u>	<u>4,211,516.60</u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2021**

	Enterprise Funds		Totals
	Water Fund	Sewer Fund	
<b>Operating Revenue:</b>			
Charges for Goods and Services	451,056.26	241,806.40	692,862.66
Charges for Goods and Services Pledged as Security for Debt		117,821.50	117,821.50
Miscellaneous	1,556.72		1,556.72
<b>Total Operating Revenue</b>	<b>452,612.98</b>	<b>359,627.90</b>	<b>812,240.88</b>
<b>Operating Expenses:</b>			
Personal Services	111,484.13	62,920.35	174,404.48
Other Current Expense	64,578.43	35,890.79	100,469.22
Materials (Cost of Goods Sold)	213,986.00		213,986.00
Depreciation	41,635.72	78,906.55	120,542.27
<b>Total Operating Expenses</b>	<b>431,684.28</b>	<b>177,717.69</b>	<b>609,401.97</b>
<b>Operating Income (Loss)</b>	<b>20,928.70</b>	<b>181,910.21</b>	<b>202,838.91</b>
<b>Nonoperating Revenue (Expense):</b>			
Investment Earnings	308.29	83.13	391.42
Interest Expense		(42,819.08)	(42,819.08)
<b>Total Nonoperating Revenue (Expense)</b>	<b>308.29</b>	<b>(42,735.95)</b>	<b>(42,427.66)</b>
<b>Income (Loss) Before Contributions</b>	<b>21,236.99</b>	<b>139,174.26</b>	<b>160,411.25</b>
Capital Contributions	112,481.95		112,481.95
<b>Change in Net Position</b>	<b>133,718.94</b>	<b>139,174.26</b>	<b>272,893.20</b>
<b>Net Position - Beginning</b>	<b>1,800,912.72</b>	<b>2,137,710.68</b>	<b>3,938,623.40</b>
<b>NET POSITION - ENDING</b>	<b>1,934,631.66</b>	<b>2,276,884.94</b>	<b>4,211,516.60</b>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2021**

	Enterprise Funds		Totals
	Water Fund	Sewer Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	453,334.41	358,747.72	812,082.13
Cash Payments to Employees for Services	(119,976.31)	(67,556.50)	(187,532.81)
Cash Payments to Suppliers of Goods and Services	(278,564.43)	(35,890.79)	(314,455.22)
Net Cash Provided (Used) by Operating Activities	54,793.67	255,300.43	310,094.10
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from Capital Contributions	112,481.95		112,481.95
Principal Paid on Capital Debt		(42,823.85)	(42,823.85)
Interest Paid on Capital Debt		(42,819.08)	(42,819.08)
Net Cash (Used) by Capital and Related Financing Activities	112,481.95	(85,642.93)	26,839.02
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash Received for Interest	308.29	83.13	391.42
Net Cash Provided by Investing Activities	308.29	83.13	391.42
Net Increase (Decrease) in Cash and Cash Equivalents	167,583.91	169,740.63	337,324.54
Balances - Beginning	720,477.49	830,795.99	1,551,273.48
Balances - Ending	888,061.40	1,000,536.62	1,888,598.02
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	20,928.70	181,910.21	202,838.91
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	41,635.72	78,906.55	120,542.27
(Increase) decrease in Receivables	(159.53)	(880.18)	(1,039.71)
(Increase) decrease in Net Pension Asset	(28,209.98)	(15,791.61)	(44,001.59)
(Increase) decrease in Pension Related Deferred Outflows	(13,197.96)	(7,671.06)	(20,869.02)
(Decrease) increase in Wages Payables	(291.40)	(148.97)	(440.37)
(Decrease) increase in Unearned Revenue	(394.04)		(394.04)
(Decrease) increase in Accrued Leave Payable	(977.32)	(411.70)	(1,389.02)
(Decrease) increase in Pension Related Deferred Inflows	34,184.48	19,387.19	53,571.67
(Decrease) increase in Customer Deposits	1,275.00		1,275.00
Net Cash Provided (Used) by Operating Activities	54,793.67	255,300.43	310,094.10

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



**MUNICIPALITY OF PLATTE  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
December 31, 2021**

	<u><b>Custodial Funds</b></u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	<u>146.42</u>
<b>TOTAL ASSETS</b>	<u><u>146.42</u></u>
<b>NET POSITION:</b>	
Restricted for:	
Restricted for Employee Flex Plan	<u>146.42</u>
<b>TOTAL NET POSITION</b>	<u><u>146.42</u></u>

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

**MUNICIPALITY OF PLATTE**  
**STATEMENT OF CHANGES IN NET POSITON**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2021**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Other Additions	9,836.15
Total Additions	9,836.15
 <b>DEDUCTIONS:</b>	
Other Deductions	10,837.00
Total Deductions	10,837.00
 Change in Net Position	(1,000.85)
 Net Position - Beginning	1,147.27
 NET POSITON - ENDING	146.42

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

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NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of the Municipality of Platte (Municipality) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Municipality 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 Municipality (primary government). The Municipality may also be financially accountable for another organization if that organization is fiscally dependent on the Municipality.

The Platte Public Library of the Municipality of Platte, South Dakota is a proprietary fund-type, discretely-presented component unit. The Library is legally separate, but is fiscally dependent upon the Governing Board. Separately issued financial statements of the Library can be obtained from: Platte Public Library, PO Box 64, Platte, SD 57369.

b. Basis of Presentation:

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

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

**Governmental Funds:**

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

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

Liquor, Lodging and Dining Sales 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 promotion of advertising of the city. (SDCL 10-52-8) This is not a major fund.

Swimming Pool Fund – to account for financing of a new swimming pool through private donations. This is not a major fund.

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).

Park Capital Projects Fund – to account for financial resources for a new park. This is not a major fund.

Lake Platte Restoration Project Fund – to account for financial resources for the restoration of Lake Platte. This is a major fund for 2022 and not a major fund for 2021.

**Proprietary Funds:**

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

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

- the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)
- b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
  - c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

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

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

Fiduciary Funds:

Fiduciary funds consist of the following sub-category and are never considered to be major funds:

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for the accumulation and distribution of property tax revenues and various pass-through funds. The custodial fund maintained by the Municipality is the Employee Flex 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.

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-wide Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Municipality of Platte, the length of that cycle is 30 days. The revenues that are accrued at December 31, 2022 are grants from the state.

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

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

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

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 investment authorized by South Dakota Codified Laws (SDCL) 4-5-6.

e. Capital Assets:

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

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

Government-Wide Statements

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

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

The total December 31, 2022 balance of governmental activities capital assets includes approximately zero percent for which the costs were determined by estimates of the original costs. The total December 31, 2022 balance of business-type capital assets includes approximately one percent for which the costs were determined by estimations of the original costs. These estimated original costs were established by reviewing applicable historical costs of similar items and basing the estimations thereon.

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

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is not capitalized in accordance with USGAAP.

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land and land rights	\$ -	-- N/A --	-- N/A --
Improvements other than buildings	\$ 10,000.00	Straight-line	33-50 yrs.
Buildings	\$ 50,000.00	Straight-line	15-50 yrs.
Machinery & Equipment	\$ 5,000.00	Straight-line	4-20 yrs.
Infrastructure	\$ 10,000.00	Straight-line	33-50 yrs.
Utility property and improvements	\$ 10,000.00	Straight-line	33-50 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

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

f. Long-Term Liabilities:

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

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NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of revenue bonds payable, notes payable and compensated absences.

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

g. Program Revenues:

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

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

h. Deferred Inflows and Deferred Outflows of Resources:

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

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

i. Proprietary Funds Revenue and Expense Classifications:

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

j. Cash and Cash Equivalents:

The Municipality 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.



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NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

k. Equity Classifications:

Government-wide Statements:

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

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements. Agency Funds have no fund equity. The Net Position is reported as Net Position Held in Agency Capacity.

l. Application of Net Position:

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

m. Fund Balance Classification Policies and Procedures:

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

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

The Municipality uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement

NOTES TO THE FINANCIAL STATEMENTS(Continued)

requiring dollar for dollar spending. Additionally, the Municipality would first use committed, then assigned, and lastly unassigned amounts for unrestricted fund balance when expenditures are made.

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

n. Pensions:

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

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

	<u>Year Ended</u> <u>12/31/2021</u>
General Fund:	
<u>Activity</u>	
Health	\$ 1,522.81

The Municipality plans to take the following actions to address these violations: Supplemental budgets will be passed when legal spending authority exists.

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

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

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

**Investments** – In general, SDCL 4-5-6 permits municipal 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 the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

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NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

As of December 31, 2022 and 2021, the Municipality did not have any investments. The investments reported in the financial statements consist of only certificates of deposit.

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

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

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

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

#### 4. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The Municipality expects all receivables to be collected within one year.

#### 5. INVENTORY

Inventory in the General Fund and special revenue funds consist of expendable supplies held for consumption. Supply inventories are recorded at cost. No material supplies inventories were on hand at December 31, 2021 or 2022.

Government-wide Financial Statements:

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

Fund Financial Statements:

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

#### 6. PROPERTY TAXES

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

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

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

7. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the two years ended December 31, 2022, is as follows:

	Balance 01/01/2021	Increases	Decreases	Balance 12/31/2022
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	410,170.22			410,170.22
Construction Work in Progress	139,612.28	1,528,627.46	(862,466.11)	805,773.63
Total, not being Depreciated	<u>549,782.50</u>	<u>1,528,627.46</u>	<u>(862,466.11)</u>	<u>1,215,943.85</u>
Capital Assets, being Depreciated:				
Buildings	1,560,451.83	693,444.02		2,253,895.85
Improvements Other Than Buildings	6,834,474.85	224,022.09		7,058,496.94
Machinery and Equipment	854,139.37	102,229.16		956,368.53
Total, being Depreciated	<u>9,249,066.05</u>	<u>1,019,695.27</u>	<u>0.00</u>	<u>10,268,761.32</u>
Less Accumulated Depreciation for:				
Buildings	(507,125.18)	(82,818.44)		(589,943.62)
Improvements Other Than Buildings	(1,603,834.28)	(407,508.79)		(2,011,343.07)
Machinery and Equipment	(486,163.99)	(112,968.05)		(599,132.04)
Total Accumulated Depreciation	<u>(2,597,123.45)</u>	<u>(603,295.28)</u>	<u>0.00</u>	<u>(3,200,418.73)</u>
Total Governmental Activities Capital Assets, being Depreciated, Net	<u>6,651,942.60</u>	<u>416,399.99</u>	<u>0.00</u>	<u>7,068,342.59</u>
Governmental Activity Capital Assets, Net	<u>7,201,725.10</u>	<u>1,945,027.45</u>	<u>(862,466.11)</u>	<u>8,284,286.44</u>

Depreciation expense was charged to functions as follows:

	2021	2022
Governmental Activities:		
General Government	\$ 18,000.00	\$ 18,000.00
Public Safety	16,967.68	16,967.68
Public Works	169,558.78	217,228.83
Culture and Recreation	69,417.21	77,155.10
Total Depreciation Expense - Governmental Activities	<u>\$ 273,943.67</u>	<u>\$ 329,351.61</u>

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

	Balance 01/01/2021	Increases	Decreases	Balance 12/31/2022
<b>Business-Type Activities:</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land	54,622.50			54,622.50
Construction Work in Progress				0.00
<b>Total, not being Depreciated</b>	<b>54,622.50</b>	<b>0.00</b>	<b>0.00</b>	<b>54,622.50</b>
<b>Capital Assets, being Depreciated:</b>				
Buildings	138,198.38			138,198.38
Improvements Other Than Buildings	5,944,929.02			5,944,929.02
Machinery and Equipment	242,207.57			242,207.57
<b>Total, being Depreciated</b>	<b>6,325,334.97</b>	<b>0.00</b>	<b>0.00</b>	<b>6,325,334.97</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(60,253.69)	(5,417.38)		(65,671.07)
Improvements Other Than Buildings	(2,001,373.03)	(220,421.67)		(2,221,794.70)
Machinery and Equipment	(172,807.97)	(15,145.40)		(187,953.37)
<b>Total Accumulated Depreciation</b>	<b>(2,234,434.69)</b>	<b>(240,984.45)</b>	<b>0.00</b>	<b>(2,475,419.14)</b>
<b>Total Business-Type Activities Capital Assets, being Depreciated, Net</b>	<b>4,090,900.28</b>	<b>(240,984.45)</b>	<b>0.00</b>	<b>3,849,915.83</b>
<b>Business-Type Activity Capital Assets, Net</b>	<b>4,145,522.78</b>	<b>(240,984.45)</b>	<b>0.00</b>	<b>3,904,538.33</b>

Depreciation expense was charged to functions as follows:

	2021	2022
<b>Business-Type Activities:</b>		
Water	41,635.72	41,578.87
Sewer	78,906.55	78,863.31
<b>Total Depreciation Expense - Business-Type Activities</b>	<b>120,542.27</b>	<b>120,442.18</b>

	Project Authorization	Expended thru 12/31/2022	Committed	Required Future Financing
<b>Construction Work In Progress</b>				
Golf Course FEMA	82,052.57	80,027.57	2,025.00	0.00
Spillway & Bridge Repairs	634,206.06	628,126.06	6,080.00	0.00
Levee & Associated Road Repair	1,403,660.10	97,620.00		1,306,040.10
<b>TOTAL</b>	<b>2,119,918.73</b>	<b>805,773.63</b>	<b>8,105.00</b>	<b>1,306,040.10</b>

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

8. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Beginning Balance 1/1/2021	Additions	Deletions	Ending Balance 12/31/2022	Due Within One Year
Primary Government:					
Governmental Activities:					
Accrued Compensated Absences-					
Governmental Funds	6,536.94	4,693.55	7,039.41	4,191.08	3,500.00
Total Governmental Activities	<u>6,536.94</u>	<u>4,693.55</u>	<u>7,039.41</u>	<u>4,191.08</u>	<u>3,500.00</u>
Business-Type Activities:					
Bonds Payable:					
Clean Water Project Revenue					
Bond, Series 2018	1,725,879.43		80,263.62	1,645,615.81	41,657.23
Sewer Revenue Note Payable	3,192.10		3,192.10	0.00	
Total Debt	<u>1,729,071.53</u>	<u>0.00</u>	<u>83,455.72</u>	<u>1,645,615.81</u>	<u>41,657.23</u>
Accrued Compensated Absences -					
Business-Type Funds	4,488.58	2,803.96	6,211.08	1,081.46	1,000.00
Total Business-Type Activities	<u>1,733,560.11</u>	<u>2,803.96</u>	<u>89,666.80</u>	<u>1,646,697.27</u>	<u>42,657.23</u>
TOTAL PRIMARY GOVERNMENT	<u>1,740,097.05</u>	<u>7,497.51</u>	<u>96,706.21</u>	<u>1,650,888.35</u>	<u>46,157.23</u>

Debt payable at December 31, 2022 is comprised of the following:

Bonds Payable:

SRF Clean Water #1 at 2.5% Interest, Maturity \$1,645,615.81  
Date August 15, 2047, Payable for the Sewer Fund

Compensated Absences:

Accrued Leave Balances of Municipal Employees  
Payable From: General Fund \$ 4,191.08  
Water Fund \$ 540.73  
Sewer Fund \$ 540.73

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

The annual requirements to amortize all debt outstanding as of December 31, 2022, except for compensated absences, are as follows:

Annual Requirements to Maturity for Long-Term Debt  
December 31, 2022

Year Ending December 31,	Sewer Revenue Note Payable		Totals	
	Principal	Interest	Principal	Interest
2023	41,657.23	40,751.89	41,657.23	40,751.89
2024	42,708.47	39,700.05	42,708.47	39,700.05
2025	43,786.23	38,622.89	43,786.23	38,622.89
2026	44,891.19	37,517.93	44,891.19	37,517.93
2027	46,024.03	36,385.09	46,024.03	36,385.09
2028-2032	248,139.05	163,906.55	248,139.05	163,906.55
2033-2037	281,069.05	130,976.53	281,069.05	130,976.53
2038-2042	318,369.07	93,676.53	318,369.07	93,676.53
2043-2047	360,619.14	51,426.46	360,619.14	51,426.46
2048-2052	218,352.35	8,272.73	218,352.35	8,272.73
Totals	<u>1,645,615.81</u>	<u>641,236.65</u>	<u>1,645,615.81</u>	<u>641,236.65</u>

9. RESTRICTED NET POSITION

Restricted net position for the years ended December 31, 2021 and 2022 were as follows:

	<u>2021</u>	<u>2022</u>
Other Purposes:		
Capital Projects	\$ 860.00	\$ 3,544.27
Swimming Pool Building	98,904.01	98,979.01
Equipment Repair/Replacement	90,000.00	90,000.00
City Promotion Fund	194,851.10	225,321.78
SDRS Pension Purposes	46,139.61	53,050.89
	<u>\$ 430,754.72</u>	<u>\$ 470,895.95</u>

These balances are restricted due to federal grant, statutory requirements, donor restrictions, and governmental accounting standards.

10. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2022 were as follows:

Transfers From:	<u>Transfers to:</u>	
	Lake Platte Restoration Project Fund	
General Fund	\$	680,000.00
Total	<u>\$</u>	<u>680,000.00</u>

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

Interfund transfers for the year ended December 31, 2021 were as follows:

Transfers From:	Transfers to:	
	Lake Platte	
	Restoration Project Fund	
General Fund	\$	55,000.00
Total	\$	55,000.00

11. PENSION PLAN

Plan Information:

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

Benefits Provided:

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

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirement benefits that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

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



NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2022, 2021, and 2020, were \$23,409.23, \$23,405.39, and \$21,878.91, 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, 2022, SDRS is 100.1% funded and accordingly has net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the Municipality as of this measurement period ending June 30, 2022 and reported by the Municipality as of December 31, 2022 are as follows:

Proportionate share of pension liability	\$ 2,303,126.42
Less proportionate share of net pension restricted for pension benefits	<u>\$ 2,304,668.30</u>
Proportionate share of net pension liability (asset)	<u>\$ (1,541.88)</u>

At December 31, 2022, the Municipality reported a liability (asset) of \$(1,541.88) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2022, the Municipality's proportion was 0.01631500%, which is an increase (decrease) of (0.0010130%) from its proportion measured as of June 30, 2021.

At June 30, 2021, SDRS is 105.53% funded and accordingly has net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the Municipality as of this measurement period ending June 30, 2021 and reported by the Municipality as of December 31, 2021 are as follows:

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

Proportionate share of pension liability	\$ 2,402,764.62
Less proportionate share of net pension restricted for pension benefits	<u>\$ 2,535,467.45</u>
Proportionate share of net pension liability (asset)	<u>\$ (132,702.83)</u>

At December 31, 2021, the Municipality reported a liability (asset) of \$(132,702.83) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2021, the Municipality's proportion was 0.01732800%, which is an increase (decrease) of (0.00012003%) from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the Municipality recognized pension expense (reduction of expense) of \$(6,911.28). At December 31, 2022 the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience.	\$ 29,350.66	\$ 100.09
Changes in assumption.	\$ 97,996.53	\$ 85,880.85
Net difference between projected and actual earnings on pension plan investments.		\$ 3,695.05
Changes in proportion and difference between Municipality contributions and proportionate share of contributions.	\$ 1,793.08	
Municipality contributions subsequent to the measurement date.	<u>\$ 12,044.73</u>	
TOTAL	<u>\$ 141,185.00</u>	<u>\$ 89,675.99</u>

\$12,044.73 reported as deferred outflow of resources related to pensions resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

Year Ended	
December 31:	
2023	\$ 10,814.23
2024	\$ 21,896.95
2025	\$ (23,969.47)
2026	<u>\$ 30,722.57</u>
TOTAL	<u>\$ 39,464.28</u>

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

For the year ended December 31, 2021, the Municipality recognized pension expense (reduction of expense) of \$(34,310.76). At December 31, 2021 the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience.	\$ 4,764.38	\$ 347.92
Changes in assumption.	\$ 152,606.89	\$ 66,455.65
Net difference between projected and actual earnings on pension plan investments.		\$ 189,568.64
Changes in proportion and difference between Municipality contributions and proportionate share of contributions.	\$ 692.77	\$ 264.65
Municipality contributions subsequent to the measurement date.	<u>\$ 12,009.60</u>	
TOTAL	<u>\$ 170,073.64</u>	<u>\$ 256,636.86</u>

\$12,009.60 reported as deferred outflow of resources related to pensions resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

Year Ended December 31:	
2022	\$ (24,231.89)
2023	(16,398.36)
2024	(4,615.17)
2025	<u>(53,327.40)</u>
TOTAL	<u>\$ (98,572.82)</u>

Actuarial Assumptions:

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

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
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	2.10%

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

**Mortality Rates:**

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

**Active and Terminated Vested Members:**

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

**Retired Members:**

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

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

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

**Beneficiaries:**

PubG-2010 contingent survivor mortality table

**Disabled Members:**

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

**Actuarial Assumptions:**

The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service, from 6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.25% and real returns of 4.25%
Future COLAs	2.25%

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2016.

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, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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

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, 2021 (see the discussion of the pension plan’s investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	4.3%
Fixed Income	30.0%	1.6%
Real Estate	10.0%	4.6%
Cash	2.0%	0.9%
Total	100%	

Discount Rate:

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

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

At June 30, 2022, the following presents the Municipality’s proportionate share as of net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Municipality’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality’s proportionate share of the net pension liability (asset)	\$320,155.09	\$(1,541.88)	\$(264,453.29)

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

At June 30, 2021, the following presents the Municipality’s proportionate share of net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Municipality’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$214,878.89	\$(132,702.83)	\$(414,858.26)

Pension Plan Fiduciary Net Position:

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

12. SIGNIFICANT CONTINGENCIES - LITIGATION

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

13. RISK MANAGEMENT

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2022, the Municipality managed its risks as follows:

Employee Health Insurance:

The Municipality purchases health insurance for its employees from a commercial insurance carrier.

Liability Insurance:

The Municipality 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.

Worker's Compensation:

The Municipality purchases liability insurance for worker's compensation from a commercial carrier.

Unemployment Benefits:

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

14. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through June 24, 2024, the date on which the financial statements were available to be issued.

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes	305,000.00	305,000.00	294,288.00	(10,712.00)
General Sales and Use Taxes	675,000.00	675,000.00	933,434.27	258,434.27
Penalties and Interest on Delinquent Taxes	0.00	0.00	240.36	240.36
Licenses and Permits	5,100.00	5,100.00	15,694.67	10,594.67
Intergovernmental Revenue:				
Federal Grants	753,750.00	753,750.00	593,393.74	(160,356.26)
State Grants	1,500.00	1,500.00	1,171.00	(329.00)
State Shared Revenue:				
Bank Franchise Tax	5,000.00	5,000.00	6,939.48	1,939.48
Prorate License Fees	4,500.00	4,500.00	5,810.99	1,310.99
Liquor Tax Reversion	7,500.00	7,500.00	9,081.37	1,581.37
Motor Vehicle Licenses	18,000.00	18,000.00	23,993.64	5,993.64
Local Government Highway and Bridge Fund	15,500.00	15,500.00	16,460.57	960.57
County Shared Revenue:				
County Road Tax	4,000.00	4,000.00	3,433.33	(566.67)
County Wheel Tax	5,000.00	5,000.00	10,323.57	5,323.57
Charges for Goods and Services:				
General Government	1,000.00	1,000.00	125.00	(875.00)
Public Safety	350.00	350.00	805.00	455.00
Highways and Streets	5,000.00	5,000.00	1,252.02	(3,747.98)
Sanitation	16,000.00	16,000.00	19,238.21	3,238.21
Health	250.00	250.00	127.70	(122.30)
Culture and Recreation	49,750.00	49,750.00	65,924.55	16,174.55
Fines and Forfeits:				
Court Fines and Costs	100.00	100.00	0.00	(100.00)
Miscellaneous Revenue:				
Investment Earnings	1,000.00	1,000.00	6,514.85	5,514.85
Rentals	12,000.00	12,000.00	14,075.00	2,075.00
Special Assessments	6,395.00	6,395.00	9,814.12	3,419.12
Contributions and Donations from Private Sources	0.00	30,770.00	38,149.87	7,379.87
Liquor Operating Agreement Income	28,000.00	28,000.00	42,727.09	14,727.09
Other	4,500.00	4,500.00	33,826.83	29,326.83
<b>Total Revenue</b>	<b>1,924,195.00</b>	<b>1,954,965.00</b>	<b>2,146,845.23</b>	<b>191,880.23</b>

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
General Government:				
Legislative	31,300.00	31,300.00	30,581.36	718.64
Contingency	40,000.00	40,000.00		
Amount Transferred		(3,860.00)		36,140.00
Elections	1,100.00	1,100.00	0.00	1,100.00
Financial Administration	166,195.00	166,195.00	148,900.43	17,294.57
Other - Government Buildings	30,100.00	30,100.00	12,257.50	17,842.50
Total General Government	268,695.00	264,835.00	191,739.29	73,095.71
Public Safety:				
Police	182,855.00	182,855.00	153,049.74	29,805.26
Fire	1,200.00	1,230.00	1,226.35	3.65
Total Public Safety	184,055.00	184,085.00	154,276.09	29,808.91
Public Works:				
Highways and Streets	470,875.00	470,875.00	271,572.15	199,302.85
Sanitation	26,380.00	26,380.00	20,106.28	6,273.72
Airport	761,816.00	761,816.00	524,896.03	236,919.97
Transit	1,515.00	1,515.00	0.00	1,515.00
Total Public Works	1,260,586.00	1,260,586.00	816,574.46	444,011.54
Health and Welfare:				
Health	7,500.00	7,500.00	1,626.10	5,873.90
Total Health and Welfare	7,500.00	7,500.00	1,626.10	5,873.90
Culture and Recreation:				
Recreation	138,120.00	201,950.00	190,858.55	11,091.45
Parks	69,350.00	75,120.00	60,215.98	14,904.02
Libraries	49,090.00	49,090.00	22,866.53	26,223.47
Auditorium	38,525.00	38,525.00	28,416.08	10,108.92
Total Culture and Recreation	295,085.00	364,685.00	302,357.14	62,327.86
Conservation and Development:				
Economic Development and Assistance	190,000.00	190,000.00	147,825.40	42,174.60
Total Conservation and Development	190,000.00	190,000.00	147,825.40	42,174.60
Total Expenditures	2,205,921.00	2,271,691.00	1,614,398.48	657,292.52
Excess of Revenue Over (Under) Expenditures	(281,726.00)	(316,726.00)	532,446.75	849,172.75
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0.00	(590,000.00)	(680,000.00)	(90,000.00)
Compensation for Loss or Damage to Capital Assets	0.00	0.00	1,192.00	1,192.00
Total Other Financing Sources (Uses)	0.00	(590,000.00)	(678,808.00)	(88,808.00)
Net Change in Fund Balances	(281,726.00)	(906,726.00)	(146,361.25)	760,364.75
Fund Balance - Beginning	2,161,969.43	2,161,969.43	2,161,969.43	0.00
FUND BALANCE - ENDING	1,880,243.43	1,255,243.43	2,015,608.18	760,364.75



**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF PLATTE**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes	292,484.00	292,484.00	289,853.24	(2,630.76)
General Sales and Use Taxes	630,000.00	630,000.00	881,204.55	251,204.55
Amusement Taxes	50.00	50.00	0.00	(50.00)
Penalties and Interest on Delinquent Taxes	250.00	250.00	551.04	301.04
Licenses and Permits	4,900.00	4,900.00	3,961.90	(938.10)
Intergovernmental Revenue:				
Federal Grants	680,000.00	680,000.00	13,823.31	(666,176.69)
State Grants	2,500.00	2,500.00	0.00	(2,500.00)
State Shared Revenue:				
Bank Franchise Tax	4,000.00	4,000.00	6,268.72	2,268.72
Prorate License Fees	4,500.00	4,500.00	5,643.58	1,143.58
Liquor Tax Reversion	7,000.00	7,000.00	9,139.25	2,139.25
Motor Vehicle Licenses	17,000.00	17,000.00	24,732.57	7,732.57
Local Government Highway and Bridge Fund	15,000.00	15,000.00	16,329.71	1,329.71
County Shared Revenue:				
County Road Tax	3,400.00	3,400.00	3,877.14	477.14
County Wheel Tax	6,000.00	6,000.00	9,029.87	3,029.87
Charges for Goods and Services:				
General Government	1,000.00	1,000.00	2,368.50	1,368.50
Public Safety	350.00	350.00	818.80	468.80
Highways and Streets	5,200.00	5,200.00	2,645.58	(2,554.42)
Sanitation	15,000.00	15,000.00	14,971.43	(28.57)
Health	500.00	500.00	308.00	(192.00)
Culture and Recreation	58,750.00	58,750.00	67,198.80	8,448.80
Fines and Forfeits:				
Court Fines and Costs	100.00	100.00	25.00	(75.00)
Miscellaneous Revenue:				
Investment Earnings	1,000.00	1,000.00	545.14	(454.86)
Rentals	3,000.00	3,000.00	14,254.24	11,254.24
Special Assessments	0.00	0.00	6,440.67	6,440.67
Contributions and Donations from Private Sources	80,000.00	80,000.00	53,823.00	(26,177.00)
Liquor Operating Agreement Income	26,500.00	26,500.00	38,447.84	11,947.84
Other	3,400.00	3,400.00	5,504.09	2,104.09
<b>Total Revenue</b>	<b>1,861,884.00</b>	<b>1,861,884.00</b>	<b>1,471,765.97</b>	<b>(390,118.03)</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF PLATTE**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
General Government:				
Legislative	31,300.00	31,300.00	29,262.15	2,037.85
Contingency	20,000.00	20,000.00		
Amount Transferred		(6,440.00)		13,560.00
Elections	1,005.00	1,005.00	23.94	981.06
Financial Administration	153,160.00	153,500.00	147,477.36	6,022.64
Other - Government Buildings	17,481.00	17,481.00	4,631.10	12,849.90
Total General Government	222,946.00	216,846.00	181,394.55	35,451.45
Public Safety:				
Police	154,190.00	158,820.00	158,815.28	4.72
Fire	1,400.00	1,400.00	1,177.88	222.12
Total Public Safety	155,590.00	160,220.00	159,993.16	226.84
Public Works:				
Highways and Streets	518,635.00	518,635.00	440,296.99	78,338.01
Sanitation	24,050.00	24,050.00	18,324.53	5,725.47
Airport	733,298.00	733,298.00	200,045.96	533,252.04
Transit	1,000.00	1,000.00	808.36	191.64
Total Public Works	1,276,983.00	1,276,983.00	659,475.84	617,507.16
Health and Welfare:				
Health	6,000.00	6,000.00	7,522.81	(1,522.81)
Total Health and Welfare	6,000.00	6,000.00	7,522.81	(1,522.81)
Culture and Recreation:				
Recreation	175,475.00	175,475.00	116,688.23	58,786.77
Parks	66,120.00	66,120.00	29,729.33	36,390.67
Libraries	32,730.00	32,730.00	20,149.84	12,580.16
Auditorium	50,815.00	50,815.00	35,506.72	15,308.28
Total Culture and Recreation	325,140.00	325,140.00	202,074.12	123,065.88
Conservation and Development:				
Economic Development and Assistance	14,400.00	15,900.00	15,900.00	0.00
Total Conservation and Development	14,400.00	15,900.00	15,900.00	0.00
Total Expenditures	2,001,059.00	2,001,089.00	1,226,360.48	774,728.52
Excess of Revenue Over (Under) Expenditures	(139,175.00)	(139,205.00)	245,405.49	384,610.49
<b>Other Financing Sources (Uses):</b>				
Compensation for Loss or Damage to Capital Assets	0.00	0.00	586.01	586.01
Transfers Out	(50,000.00)	(50,000.00)	(55,000.00)	(5,000.00)
Total Other Financing Sources (Uses)	(50,000.00)	(50,000.00)	(54,413.99)	(4,413.99)
Net Change in Fund Balances	(189,175.00)	(189,205.00)	190,991.50	380,196.50
Fund Balance - Beginning	1,970,977.93	1,970,977.93	1,970,977.93	0.00
FUND BALANCE - ENDING	1,781,802.93	1,781,772.93	2,161,969.43	380,196.50

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

NOTE 1. Budgets and Budgetary Accounting

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

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpected appropriations lapse at year end unless encumbered by resolution of the Governing Board.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with the accounting principles generally accepted in the United States (USGAAP).

NOTE 2. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenue, 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.

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SUPPLEMENTARY INFORMATION

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

South Dakota Retirement System

\*Last 8 Years

	<u>Municipality's proportion of the net pension liability/asset</u>	<u>Municipality's proportionate share of net pension liability (asset)</u>	<u>Municipality's covered-employee payroll</u>	<u>Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability (asset)</u>
2022	0.1631500%	\$ (1,542)	\$ 358,651	0.43%	100.10%
2021	0.0173280%	\$ (132,703)	\$ 362,992	36.56%	105.52%
2020	0.0161277%	\$ (700)	\$ 325,589	0.22%	100.04%
2019	0.0162961%	\$ (1,727)	\$ 340,496	0.51%	100.09%
2018	0.0165889%	\$ (387)	\$ 290,267	0.13%	100.02%
2017	0.0160515%	\$ (1,457)	\$ 296,831	0.49%	100.10%
2016	0.0165106%	\$ 55,771	\$ 285,923	19.51%	96.89%
2015	0.0169897%	\$ (72,058)	\$ 283,680	25.40%	104.10%

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

SUPPLEMENTARY INFORMATION

## SCHEDULE OF THE MUNICIPALITY CONTRIBUTIONS

## South Dakota Retirement System

\*Last 8 Years

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required</u>	<u>Contribution deficiency (excess)</u>	<u>Municipality's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2022	\$ 23,409	\$ 23,409	\$ -	\$ 361,656	6.47%
2021	\$ 23,405	\$ 23,405	\$ -	\$ 358,997	6.52%
2020	\$ 21,879	\$ 21,879	\$ -	\$ 336,393	6.50%
2019	\$ 21,093	\$ 21,093	\$ -	\$ 322,948	6.53%
2018	\$ 20,869	\$ 20,869	\$ -	\$ 318,563	6.55%
2017	\$ 19,853	\$ 19,853	\$ -	\$ 301,513	6.58%
2016	\$ 19,724	\$ 19,724	\$ -	\$ 300,484	6.56%
2015	\$ 18,781	\$ 18,781	\$ -	\$ 285,761	6.57%

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

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**MUNICIPALITY OF PLATTE**  
**Notes to Required Supplementary Information**  
**for the Year Ended December 31, 2022**  
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and  
Schedule of Pension Contributions.

**Changes from Prior Valuation**

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

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

**Benefit Provision Changes**

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

**Actuarial Assumption Changes**

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

The changes to economic assumptions included increasing the price inflation to 2.5% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.5% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%

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

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

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**MUNICIPALITY OF PLATTE**  
**Notes to Required Supplementary Information**  
**for the Year Ended December 31, 2022**  
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and  
Schedule of Pension Contributions  
(Continued)

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

As of June 30, 2022 the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.1%. The July 2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

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

**Actuarial Method Changes**

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

**MUNICIPALITY OF PLATTE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2022**

	Liquor, Lodging & Dining Sales Tax Fund	Swimming Pool Fund	Park Capital Project Fund	Total Nonmajor Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	225,321.78	98,979.01	800.00	325,100.79
<b>TOTAL ASSETS</b>	<u>225,321.78</u>	<u>98,979.01</u>	<u>800.00</u>	<u>325,100.79</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Total Liabilities	0.00	0.00	0.00	0.00
Fund Balances:				
Restricted for City Promotion	225,321.78			225,321.78
Restricted for Capital Projects - Pool Building		98,979.01		98,979.01
Restricted for Capital Projects - Park			800.00	800.00
Total Fund Balances	225,321.78	98,979.01	800.00	325,100.79
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>225,321.78</u>	<u>98,979.01</u>	<u>800.00</u>	<u>325,100.79</u>



**MUNICIPALITY OF PLATTE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	Liquor, Lodging & Dining Sales Tax Fund	Swimming Pool Fund	Park Capital Project Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes:				
General Sales and Use Taxes	49,375.07			49,375.07
Miscellaneous Revenue:				
Investment Earnings		75.00		75.00
Contributions and Donations from Private Sources	42,017.80		600.00	42,617.80
Total Revenue	91,392.87	75.00	600.00	92,067.87
<b>Expenditures:</b>				
Culture and Recreation:				
Recreation	27,643.72			27,643.72
Auditorium	18,878.47			18,878.47
Total Culture and Recreation	46,522.19	0.00	0.00	46,522.19
Conservation and Development:				
Economic Development and Assistance	14,400.00			14,400.00
Total Conservation and Development	14,400.00	0.00	0.00	14,400.00
Total Expenditures	60,922.19	0.00	0.00	60,922.19
Net Change in Fund Balances	30,470.68	75.00	600.00	31,145.68
Fund Balance - Beginning	194,851.10	98,904.01	200.00	293,955.11
FUND BALANCE - ENDING	225,321.78	98,979.01	800.00	325,100.79

**MUNICIPALITY OF PLATTE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2021**

	<b>Liquor, Lodging &amp; Dining Sales Tax Fund</b>	<b>Swimming Pool Fund</b>	<b>Park Capital Project Fund</b>	<b>Lake Platte Restoration Project Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS:</b>					
Cash and Cash Equivalents	94,851.10	43,904.01	200.00	660.00	139,615.11
Investments	100,000.00	55,000.00			155,000.00
<b>TOTAL ASSETS</b>	<b>194,851.10</b>	<b>98,904.01</b>	<b>200.00</b>	<b>660.00</b>	<b>294,615.11</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Total Liabilities	0.00	0.00	0.00	0.00	0.00
Fund Balances:					
Restricted for City Promotion	194,851.10				194,851.10
Restricted for Capital Projects - Pool Building		98,904.01			98,904.01
Restricted for Capital Projects - Park			200.00		200.00
Restricted for Capital Projects - Lake Restoration				660.00	660.00
<b>Total Fund Balances</b>	<b>194,851.10</b>	<b>98,904.01</b>	<b>200.00</b>	<b>660.00</b>	<b>294,615.11</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>194,851.10</b>	<b>98,904.01</b>	<b>200.00</b>	<b>660.00</b>	<b>294,615.11</b>

**MUNICIPALITY OF PLATTE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2021**

	Liquor, Lodging & Dining Sales Tax Fund	Swimming Pool Fund	Park Capital Project Fund	Lake Platte Restoration Project Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes:					
General Sales and Use Taxes	49,397.71				49,397.71
Miscellaneous Revenue:					
Investment Earnings		75.00			75.00
Contributions and Donations from Private Sources	17,455.96	40.00			17,495.96
<b>Total Revenue</b>	<b>66,853.67</b>	<b>115.00</b>	<b>0.00</b>	<b>0.00</b>	<b>66,968.67</b>
<b>Expenditures:</b>					
Culture and Recreation:					
Recreation	7,729.49				7,729.49
Auditorium	9,313.70				9,313.70
<b>Total Culture and Recreation</b>	<b>17,043.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,043.19</b>
Conservation and Development:					
Economic Development and Assistance	14,400.00				14,400.00
<b>Total Conservation and Development</b>	<b>14,400.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14,400.00</b>
Capital Outlay	0.00	0.00	0.00	54,340.00	54,340.00
<b>Total Expenditures</b>	<b>31,443.19</b>	<b>0.00</b>	<b>0.00</b>	<b>54,340.00</b>	<b>85,783.19</b>
Excess of Revenue Over (Under) Expenditures	35,410.48	115.00	0.00	(54,340.00)	(18,814.52)
<b>Other Financing Sources (Uses):</b>					
Transfers In				55,000.00	55,000.00
<b>Total Other Financing Sources (Uses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>55,000.00</b>	<b>55,000.00</b>
<b>Net Change in Fund Balances</b>	<b>35,410.48</b>	<b>115.00</b>	<b>0.00</b>	<b>660.00</b>	<b>36,185.48</b>
Fund Balance - Beginning	159,440.62	98,789.01	200.00	0.00	258,429.63
<b>FUND BALANCE - ENDING</b>	<b>194,851.10</b>	<b>98,904.01</b>	<b>200.00</b>	<b>660.00</b>	<b>294,615.11</b>

**MUNICIPALITY OF PLATTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the two Years Ended December 31, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures 2021	Federal Expenditures 2022	Total Federal Expenditures
US Department of Transportation - Direct Programs: Airport Improvement Program (Note 4)	20.106		536,162.17	536,162.17
Airport Improvement Program (COVID 19) (Note 4)	20.106		57,231.57	57,231.57
<b>Total US Department of Transportation</b>		<b>0.00</b>	<b>593,393.74</b>	<b>593,393.74</b>
US Department of Treasury - Pass Through Programs: SD Bureau of Finance and Management, Coronavirus Relief Fund	21.019	112,481.95		112,481.95
US Department of Treasury - Direct Programs: Coronavirus State and Local Fiscal Recovery Funds	21.027		115,022.25	115,022.25
<b>Total US Department of Treasury</b>		<b>112,481.95</b>	<b>115,022.25</b>	<b>227,504.20</b>
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management, Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036		12,204.77	12,204.77
<b>Total US Department of Homeland Security</b>		<b>12,204.77</b>	<b>0.00</b>	<b>12,204.77</b>
<b>GRAND TOTAL</b>		<b>\$124,686.72</b>	<b>\$708,415.99</b>	<b>\$833,102.71</b>

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Municipality under programs of the federal government for the year ended December 31, 2022. 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 Municipality, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Municipality.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual 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 Municipality has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: Federal Reimbursement**

Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal

**Note 4: Major Federal Financial Assistance Program**

This represents a Major Federal Financial Assistance Program.