

For the Year Ended December 31, 2024



CITY OF
SIOUX FALLS

2024

ANNUAL REPORT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF SIOUX FALLS, SOUTH DAKOTA



Annual Comprehensive Financial Report

City of Sioux Falls, South Dakota
For the Year Ended December 31, 2024

Prepared by:
The Finance Department
Shawn Pritchett, Director of Finance

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Letter of Transmittal



P.O. Box 7402, Sioux Falls, SD 57117-7402

May 21, 2025

**The Honorable Mayor Paul TenHaken
Members of the City Council
Citizens of the City of Sioux Falls, South Dakota**

I am pleased to submit to you the Annual Comprehensive Financial Report of the City of Sioux Falls, South Dakota, (the "City") for the fiscal year ended December 31, 2024.

The report was prepared by the City's Finance Department in accordance with U.S. Generally Accepted Accounting Principles (GAAP) applicable to government as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City's management. We believe the data, as presented, is accurate and reliable in all material respects; is presented in a manner designed to set forth fairly the financial position and results from operations of the City; and includes disclosures necessary to enable readers to gain an understanding of the City's finances.

Management of the City is responsible for establishing and maintaining an accounting and internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's financial statements have been audited by Eide Bailly, LLP, a firm of certified public accountants authorized to conduct the City's audit by the State of South Dakota. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sioux Falls for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sioux Falls' financial statements for the fiscal year ended December 31, 2024, and that the financial statements are fairly presented in conformity with

GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Sioux Falls was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. The Single Audit reports begin on page 149.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sioux Falls for its annual comprehensive financial report (Annual Report) for the fiscal year ended December 31, 2023. This was the 44th consecutive year that the City of Sioux Falls has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sioux Falls' MD&A can be found immediately following the report of the independent auditors.

The preparation of audited statements in a timely manner after year-end was accomplished by the dedicated services of the entire staff of the Finance Department. The timely completion of this report ensures that decision-makers have access to audited year-end information prior to entering the formal budget cycle, making the report much more valuable. The Finance staff, along with the help of each department, have put forth extraordinary effort to produce the report within the time frame established. I would like to express my sincere appreciation to all members of the Finance team and others throughout the City who assisted and contributed to its timely preparation.

Respectfully submitted,

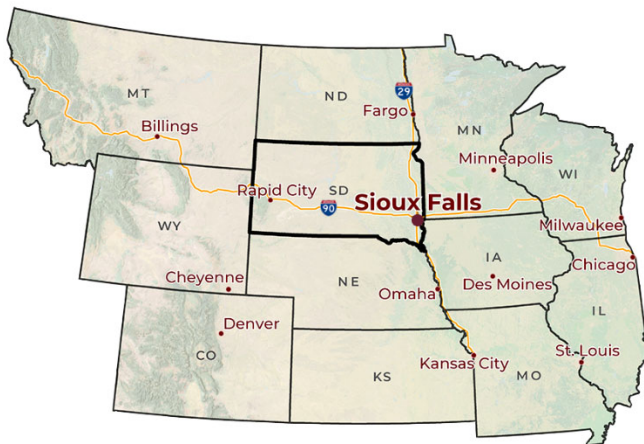
A handwritten signature in black ink, appearing to read 'Shawn Pritchett'.

Shawn Pritchett
Director of Finance

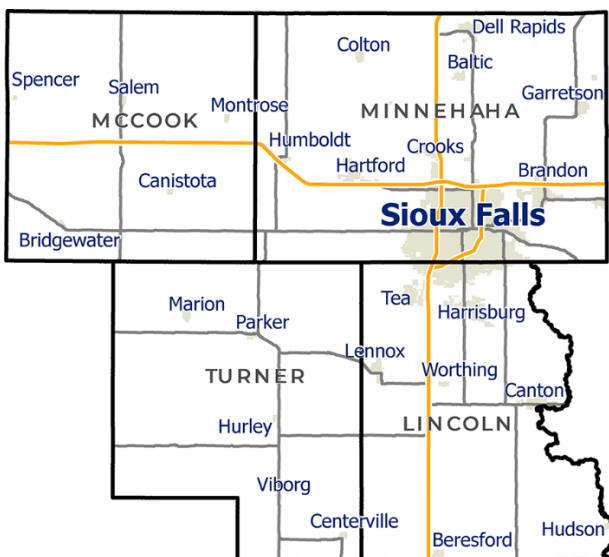
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Profile of the City of Sioux Falls

Located on the Big Sioux River in southeastern South Dakota, Sioux Falls is the largest city in the four northern states of Wyoming, Montana, North Dakota, and South Dakota, with 219,588 residents. Sioux Falls is a crossroads city, lying strategically at the junction of Interstate 90, connecting Boston to Seattle, and Interstate 29, joining Winnipeg and Kansas City. It sits on the border of the states of South Dakota, Minnesota, and Iowa, serving as a primary market area for over 800,000 consumers.



The Sioux Falls Metropolitan Statistical Area (MSA) includes Minnehaha, Lincoln, McCook, and Turner counties. The City itself is located within two counties, Minnehaha and Lincoln, and crosses the boundaries of seven separate school districts.



The City provides a wide range of municipal services including police and fire protection, infrastructure development and maintenance of highways, bridges, and streets, public utilities (e.g., water, sewer, limited electricity, regional landfill), public parking, public transportation, planning and development, health services, culture and

recreation activities, inspections, planning and zoning enforcement, and general administrative services.

Sioux Falls is home to more than 80 neighborhood and regional parks, indoor and outdoor aquatic facilities, three golf courses, outdoor snow skiing, arboretum, zoo, and one of the best bike trail systems for a community of our size in the nation.

The City continues to invest in quality of life amenities including maintaining and overseeing a 10,600 fixed seat events center, as well as an adjacent convention center and 7,200 fixed seat legacy arena. The City's Washington Pavilion of Arts and Sciences, located in the vibrant downtown, includes a large 1,800 fixed seat state-of-the-art performance hall hosting first class Broadway performance series, a children's science discovery museum, planetarium, and a visual arts center. Also part of the downtown atmosphere is the Levitt Pavilion that hosts 50 outdoor concerts annually, the Sioux Falls State Theatre, and the 686 seat Orpheum Theater Center which hosts plays, concerts, dance and other forms of entertainment throughout the year.

Sioux Falls continues to garner national attention based on its continued economic strength and quality of life including:

- World Population Review named Sioux Falls as #1 for best city for young professionals.
- Empower named Sioux Falls #1 for 2024's most affordable U.S. city to live for working adults.
- Policom Corp ranked Sioux Falls MSA 6th in economic strength out of 384 MSA's.
- WalletHub ranked Sioux Falls as the 11th happiest place to live in the U.S. in 2024.
- Livability.com named Sioux Falls as one of the top 100 best places to live in the U.S.

Major 2024 Initiatives

The City embarked on several capital and operational initiatives including:

Public Safety and Health – The health and well-being of our residents is always top of mind. During 2024, the City continued to invest in public safety by adding seven additional full-time police officers as the department targets a total of 300 officers by 2025. More than \$102 million in 2024 was invested in Sioux Falls Fire Rescue and the Sioux Falls Police Department, ensuring both departments have enough vehicles, appropriate equipment, and personnel to keep Sioux Falls safe. Another major initiative in 2024 was the first full year of operations of the Public Safety Campus, and the transition of Metro Communications transferring from its own entity and now being incorporated as part of Sioux Falls Fire Rescue. The positive collaboration with Minnehaha County and the team of Metro Communications is key to protecting and serving our residents efficiently.

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The City also invested \$17.6M in 2024 toward public health, which includes providing access to medical and dental care for low income residents. The Public Health Department initiated a community health assessment in partnership with our local premier hospital systems and the State of South Dakota.

Innovation and Sustainable Growth – The City invested over \$55.6 million in capital improvements to our highways and streets system. The City continues to partner with the South Dakota Department of Transportation on managing the growth impacts on traffic by investing in major interstate interchanges and corridors. Continued construction of South Veterans Parkway, a critical transportation corridor for Sioux Falls and the region, is one of several projects being coordinated together. From 2023 to 2026, the State of South Dakota Department of Transportation will invest close to \$765 million in and around Sioux Falls. Along with these street investments, vital utility infrastructure projects totaling more than \$129.6 million were invested into essential services such as storm drainage, water, water reclamation, sanitary landfill, and power and distribution. These investments include the continued expansion of the water reclamation plant and opening reclamation basins to allow for future development.

Workforce Development – The MSA is experiencing a very low unemployment rate. The City continues to focus on attracting new industry as well as data and biomedical jobs. In addition, the city's regional healthcare systems continue to expand both their local footprint in addition to virtual care. In order to continue to attract a qualified workforce and businesses, quality of life investments must remain a priority for the City.

Accessible Housing – Along with workforce, housing continues to be a pressing need for the community at all income levels. While we benefit in many ways from a growing community and a strong economic environment, the need for intentional focus and investment into housing is even more important. In 2023, the City updated its housing needs projections which will provide useful data to guide funding investments with the actual area of need. To support this effort, the 2024 budget included an investment of over \$13 million for housing and neighborhood revitalization. There were some exciting projects beginning in 2024 which will take shape in 2025 to support housing needs in our community.

Kids, Families, and Engaging People – In 2024, the Mayor committed to putting a new emphasis on funding strategic investments that will positively impact quality of life for kids, families, and the community. The City invested over \$55 million in capital projects in the parks system, entertainment venues, and libraries. Public-private partnerships have enabled the City to add new amenity investments in the Downtown River Greenway, Jacobson Plaza, including an outdoor refrigerated ice ribbon, inclusive playground, and splashpad, and the

opening of the Barb Iverson Skate Park. These new investments along with continued improvements to existing amenities, will ensure the City of Sioux Falls remains a very attractive community for residents and one of the best places to live, work, and play.

The City also continued to move efforts forward on options to replace two aging outdoor pools. These options include a combination of continued outdoor aquatics along with exploring options to build two indoor recreation centers. In 2024, the City was able to partner with Sanford Health Systems to acquire a wellness center and reimagine this center into an indoor recreation center for the community. The City is also continuing to work with the City Council to bond for another indoor recreation center and replace an aging outdoor pool with a full-on outdoor aquatics center.

Major Capital Projects completed in 2024 were:

- 6th Street and Big Sioux River Bridge Reconstruction;
- Overlay of 222 blocks, 11 blocks of concrete rehab, and 410 blocks of slurry seal in various locations;
- Construction of the 41st Street and I29 intersection interchange;
- Construction of Tallgrass Avenue from 74th Street to 85th Street;
- Benson Road and I229 Interchange Improvements;
- Benson Road and Big Sioux River Bridge Improvements;
- Russell Street and Big Sioux River Bridge Improvements;
- Landfill Scalehouse and Entrance Improvements;
- Replacement of the Cornice Parapet at the Washington Pavilion;
- Construction of Barb Iverson Skate Park;
- Expansion of the Great Plains Zoo African Exhibit; and
- Expansion and Remodel of Fire Station #9.

Major projects in progress in 2024 include:

- Water Reclamation Facility Expansion;
- Expansion of the Downtown River Greenway;
- Jacobson Plaza Ice Ribbon and Inclusive Playground;
- Construction of Veterans Parkway from Western Avenue to Cliff Avenue;
- Construction of Basin 15 Sanitary Sewer Extension;
- Pump Station 240 Capacity Improvements;
- Elmwood Golf Course Clubhouse and Cart Storage Replacement; and

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- Construction of 6th Street from Foss Avenue to Veterans Parkway.

Major projects in design in 2024 include:

- Aquatics renovations at Frank Olson and Kuehn Park;
- McKennan Park Wading Pool Replacement;
- Construction of Light and Power Facility;
- Arrowhead Parkway and Veterans Parkway Intersection Improvements;
- Construction of Veterans Parkway from Cliff Avenue to Sycamore Avenue;
- Cliff Avenue and I229 Interchange Improvements;
- 85th Street and I29 Interchange Improvements; and
- North Drive Bridge Improvements.

In total, the City invested \$479.3 million (\$502.1 million with equipment) in capital improvement projects in 2024, continuing to focus on rebuilding, repairing, and replacing the City's critical core infrastructure. Accounting for year-end construction-in-progress, the City reported additional capital assets of \$237.1 million net of accumulated depreciation, ending the year with net capital assets of \$2.6 billion (see the capital note beginning on page 62 for more details on the City's capital assets).

Forward-Looking Investments

All Funds – Citywide Investment in Services

The City has a commitment to maintain quality services as the community continues to grow. Successfully navigating the pressures of a growing city requires a balanced approach to meeting the demands of existing services with new development. Maintaining a vibrant and investable city requires partnerships with local developers, entrepreneurs, and philanthropists in visioning, planning, and working together to make transformative investments that will benefit future generations.

The most visible sign of Sioux Falls' vibrant economic growth has been the Cherapa II development and Steel District development, both downtown. These developments had their ribbon cutting in 2024 and will add hundreds of residential units, thousands of square feet in office and retail space, hotel, conference center, and other amenities. Together, they continue to transform and expand the City's downtown as the "go to" place for entertainment, and a highly sought after place to live.

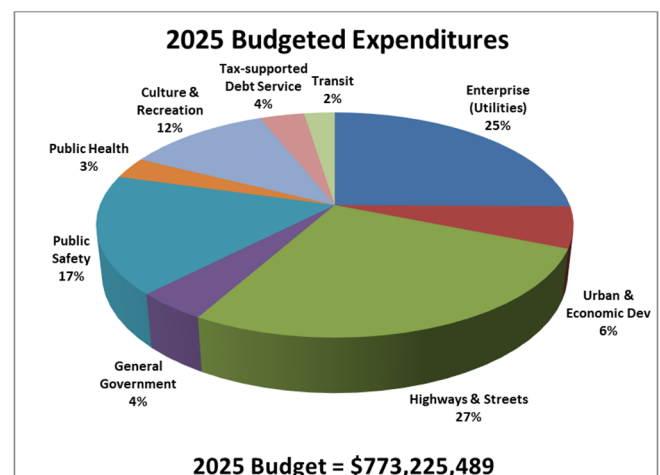
Construction continued for several other transformative investments in 2024 for Jacobson Plaza, Barb Iverson Skate Park, and the River Greenway Phase III expansion, all of which will complement and support the new development downtown.

In addition, the City has started to envision the potential for another large community project in downtown Sioux Falls, the Riverline District. With its proximity to the river, bike trail,

the Whittier neighborhood, and a growing and prospering downtown, this property was identified as having a much greater potential for vibrance than in its current state. This vision potentially introduces a new downtown convention center to support our growing community and stimulate economic growth.

Work on Veterans Parkway continues, representing a nearly \$200 million investment in road infrastructure, finishing a key transportation corridor, and providing additional capacity for moving traffic from I29 southwest of Sioux Falls to I90 in the northeast. This project will connect Interstate 29 with Interstate 90 and drive robust development in the south and southeast areas of Sioux Falls and accommodate growing transportation needs across the corridor.

The following graph reflects the investment of city resources into essential services for the citizens and visitors to Sioux Falls. Expenditures include operating, capital, and debt service. Excluded are transfers, internal service, and trust funds that are not direct allocations of current revenues.



Factors Affecting Economic Condition

The information presented in these financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates. A more current look at economic conditions is reviewed in the Management Discussion and Analysis on page 29.

Local Economy – General

The City's diverse economy serves as a strong foundation, effectively reducing the impact of economic fluctuations. While challenges such as low unemployment, inflation, higher interest rates, and federal disruptions have created uncertainties, there is an enduring sense of optimism based on a growing population, rising per capita income, and a strong demand for entertainment and experiences. Overall, the city remains confident in the resilience of its economy.

The labor market continues to be extremely tight, with the City MSA experiencing an average unemployment rate of 1.8 percent in 2024, even lower than the national average of

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4.0 percent. This low employment rate continues to push the MSA annual pay upwards.

Permit values were led by the new commercial sector. Although down from the all-time highs and record setting values in 2022 and 2023, growth was experienced in office, institutional, educational, and other commercial such as strip malls, hotels, and restaurants.

In terms of housing development permits, new single-family homes saw an increase of 26.4 percent compared to 2023. Construction of new multi-family units declined with a total of 1,256 units permitted, down 34.9 percent from the prior year. These declines are due in large part to the normal cycle of building multi-family housing, cost escalation, and increased financing costs.

The rise in the previous year's construction activity has resulted in increasing property tax collections for the City. Property tax growth increased by 4.5 percent in 2024, above the ten-year historical average rate of 3.5 percent. Property Taxes are a stable revenue source integral to addressing increased demands for city services to support continued economic expansion and to combat against inflationary pressures.

Taxable sales growth was a mixed bag in 2024 but overall experiencing a 2.5 percent increase. Total taxable sales were up nearly \$227 million in 2024, \$22.0 million from eating establishments, \$51.8 million from department and general merchandise stores, and \$61.3 million in remote retailer sales. There also was a \$30.5 million increase in business services and a \$28.8 million increase in electric, gas, and sanitary services. These increases were partially offset by reductions in manufacturing, wholesale trade of goods, lumber, hardware, home furnishings, and grocery and other food stores.

The City experienced a sluggish 1.5 percent increase in sales tax growth (2.4 percent including audits), the City's largest source of revenue used to support essential city services like public safety, street maintenance, parks, and building safety. The growth in 2024 was below the ten-year historical average annual rate of approximately 4.5 percent.

While sales taxes have underperformed the historic 4.0 percent average over the past 18 months, much of this has been driven by a slowdown in business related sectors such as manufacturing, wholesale trade of durable and nondurable goods and lumber. This slowdown in the business sector is reflective of a national slowdown driven by inflation-fighting efforts and an escalation of interest rates. Consumer sectors, however, have remained relatively stable and growing including restaurants, online sales, department stores and miscellaneous retail sales. As the national economy improves over time, sales taxes are expected to rebound and exceed historic averages similar to prior economic cycles.

The hospitality industry experienced softness in the occupancy rates over last year and average daily rates have remained steady. Restaurants, bars, and other entertainment industries continue to be strong, resulting in 5.2 percent growth in the City's entertainment tax, which supports the City-owned entertainment venues. These venues help foster a strong local economy, engage residents, and bring the community together.

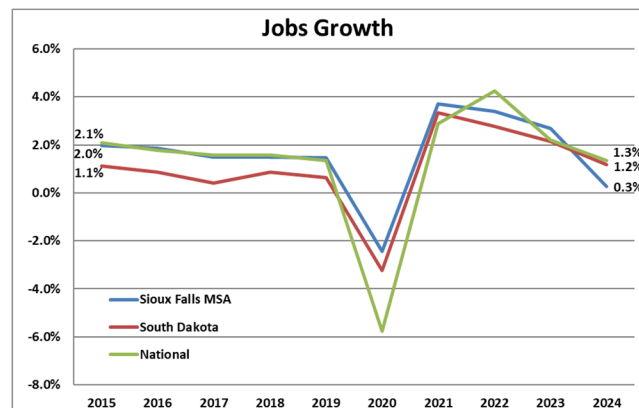
Population

The City's population increased by 2.7 percent in 2024 as the estimated population grew from 213,891 in 2023 to 219,588 in 2024. With a 2024 statewide population of 924,669, the City accounts for 23.7 percent of the State's population. The population of the Sioux Falls Metropolitan Statistical Area (MSA) is 315,471 which is over 34 percent of the State's population.

City is planning for continued population growth through 2050. This anticipated growth in population will require the City to carefully plan for future development and infrastructure needs.

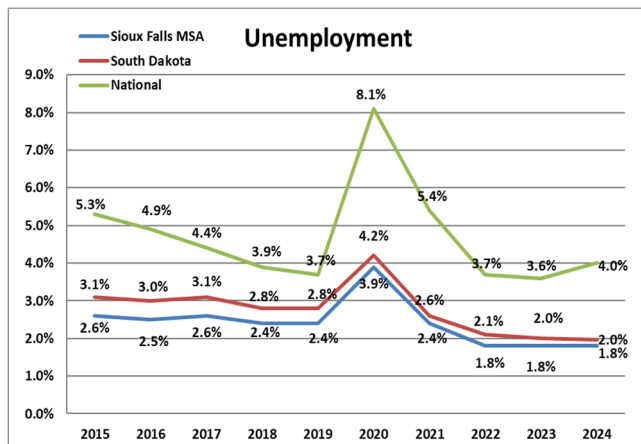
Employment

In 2024, the number of jobs in the Sioux Falls MSA increased by 400 as measured by the annual average of nonfarm wage and salaried workers' statistics. The MSA saw an increase of 1,000 jobs in construction, 800 jobs in private education and health services, and 700 jobs in transportation, utilities, and warehousing. These increases are offset by the decrease in jobs seen in financial activities (1,000), professional and business services (700), and retail trade (500). The following chart shows the job growth of both the Sioux Falls MSA and State of South Dakota when compared on a national basis.

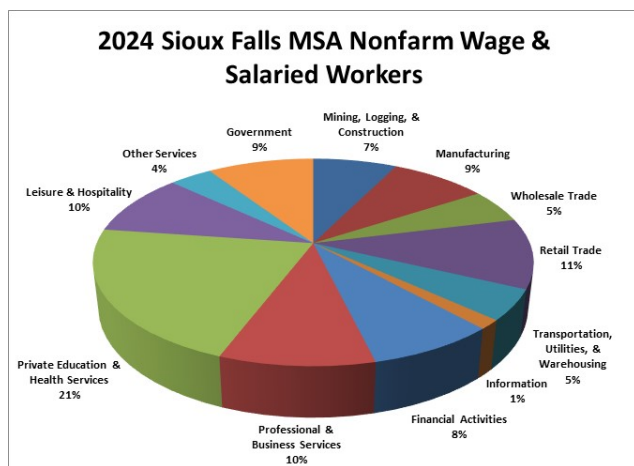


The Sioux Falls MSA annual average unemployment rate remained unchanged from 2023 to 2024 at 1.8 percent. The City and State unemployment rates compare very favorably to the national unemployment rate as shown in the following chart.

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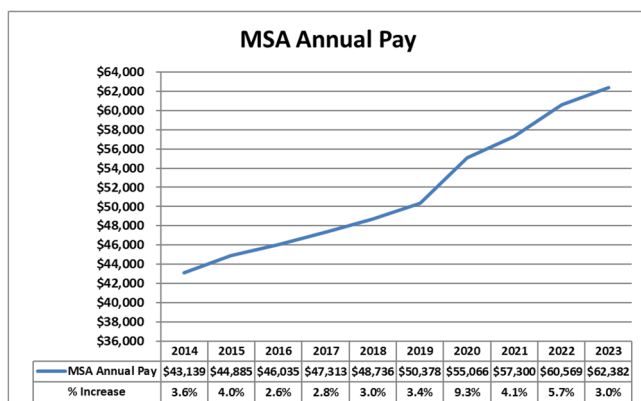


The diversity of the Sioux Falls jobs market leads to a balanced economy and a stronger employment market compared to the national average as indicated on the following chart.



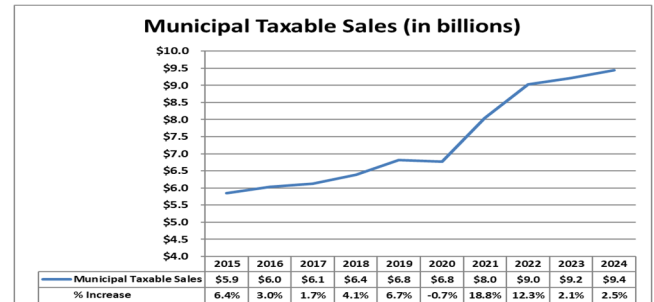
Wages and Income

As shown in the following chart, annual pay of workers covered by unemployment insurance in the MSA increased to \$62,382 in 2023, the most recent year available. From 2014 to 2023, pay rose by 44.6 percent or by a compound annual growth rate of 3.8 percent.

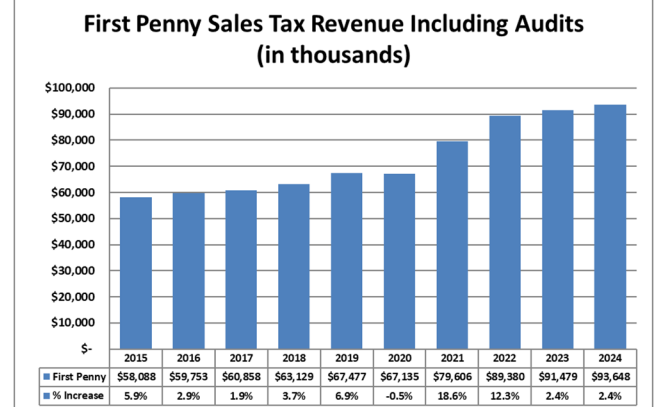


Gross and Taxable Sales

Municipal taxable sales were \$9.4 billion in 2024, an increase of 2.5 percent.



The increase in taxable sales translated into the City realizing an increase in net sales and use tax revenue of 2.4 percent including audits. Revenue growth from sales tax over the last ten years has ranged from a high of 18.6 percent in 2021 to a low of -0.5 percent in 2020.

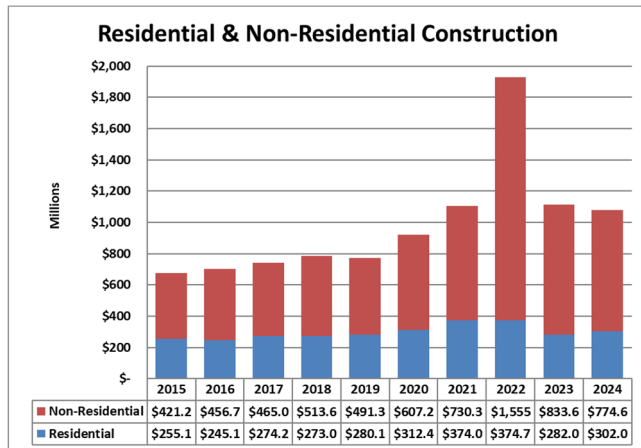


Construction Activity

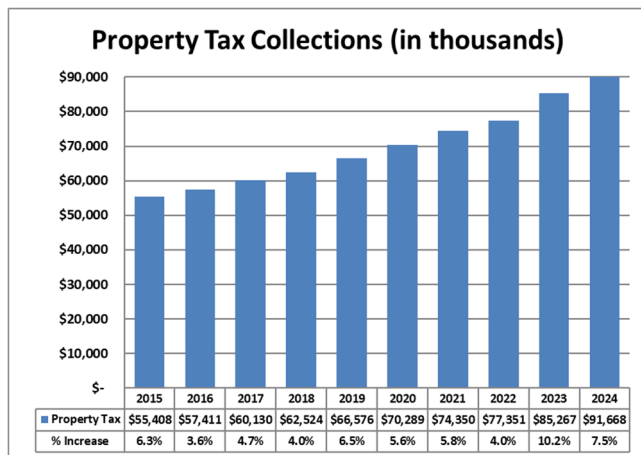
The City added a total of 876 new units between single-family dwellings and town house units, an increase of 16.5 percent over last year. 1,256 new multiple family dwellings were also added in 2024, a 34.9 percent decrease from 2023. The biggest factors in the decline were due to the cyclic nature of multi-family construction and higher interest rates impacting financing.

During 2024, the City approved 137 subdivision plats totaling 438 lots and 1,010 acres. Seventy-two percent of the City's total construction value was related to nonresidential development. The largest single project permitted in Sioux Falls during the past year was South Dakota One Stop, which had a construction value of \$71.1 million. The LifeScape Children's Care Hospital came in second at \$60.3 million, with the Avera Health GI Medical Office building coming in third at \$54.1 million. The fourth and fifth largest projects were the Minnehaha County Juvenile Justice Center at \$32.0 million and the Split Rock Apartments \$29.8 million.

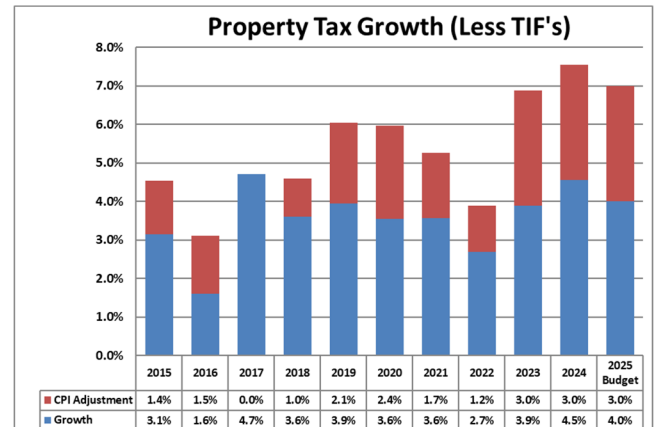
Letter of Transmittal



The City grew in area in 2024, adding 0.94 square miles within its borders to equal 85.22 square miles total. The City has added 16 new and annexed centerline miles of roads, 8 miles of storm sewer, 8 miles of sanitary sewer, and 16 miles of water mains to its infrastructure (excluding construction-in-progress).



The rise in the previous year's construction activity has resulted in increasing property tax collections for the City, as shown in the above graph. Property tax revenues are a strong and stable revenue source integral to addressing increased demands for city services to support continued economic expansion and to combat inflationary pressures. The following graph shows the last ten years' growth rates. The ten-year average for growth is around 3.5 percent.



General Fund (Primary Operating Account)

The City Council has established the following financial and budgetary policies regarding the City's primary operating account, the General Fund:

- A goal that the City maintains a General Fund unassigned fund balance as of December 31 of each fiscal year equal to 25 percent of the General Fund expenditure budget for that year and a minimum unrestricted cash balance at the end of each calendar month equal to 11 percent of the General Fund budget for that year. If the General Fund unassigned fund balance as of December 31 or the unrestricted cash reserves at any month-end fall below these thresholds, the Mayor shall present the Council with an explanation and plan for replenishing the unrestricted cash balance or General Fund unassigned fund balance to the targeted level.
- A goal that the Mayor's proposed General Fund budget for each fiscal year provide for balance between projected revenues and expected expenditures without the use of the General Fund unassigned fund balance, and that the elected and appointed officials of the City use their best efforts and mutual cooperation to accomplish that goal. If the Mayor believes that the financial condition or needs of the City require the use of funds from the General Fund unassigned fund balance in the proposed budget, such budget proposal shall include a statement of the reasons which the Mayor believes justify the use of the General Fund unassigned funds.
- A policy that if the Mayor's proposed General Fund budget includes projected revenues from increases in fees, charges, taxes, or other similar sources that require Council approval, the ordinance or ordinance amendment authorizing such increase should be presented to and approved by the Council prior to the submission of the proposed budget.

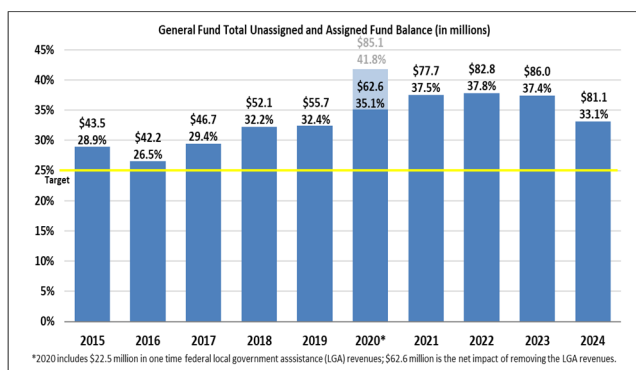
In 2024, the General Fund's total unassigned and assigned fund balance combined was \$81.1 million, reflecting a decrease of \$4.9 million. This change in fund balance was primarily influenced by four factors:

- Sales tax revenues fell short of the budget by \$4.0 million.

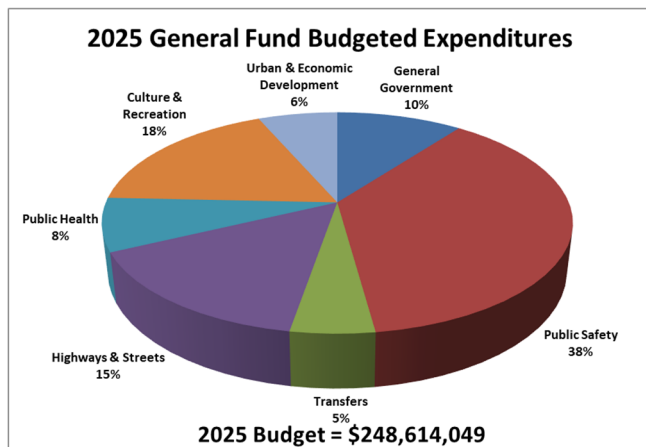
Letter of Transmittal

- Other revenues exceeded budget expectations by \$6.4 million due to investment earnings, liquor licenses, and building and contractor permits coming in higher than expected resulting in overall revenues reaching 101 percent.
- Expenses were at 95 percent of the budget, leading to budgetary savings of approximately \$11.4 million.
- A one-time transfer of \$9.0 million was made to the Sales and Use Tax Fund for the acquisition of the Westside Recreation Center.

Overall, the fund balance represents 33.1 percent of the 2024 final budget, compared to a reserve policy target of 25 percent for assigned and unassigned fund balance.

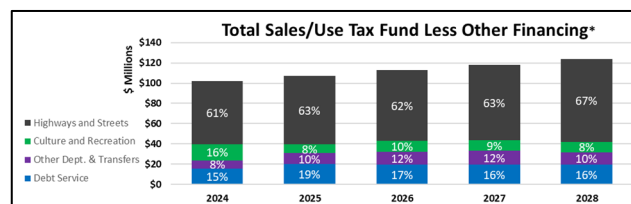


The following chart shows the general services operating priorities of the City, excluding public utilities, for the 2025 General Fund budget.



Sales and Use Tax Fund (2nd Penny)

The Sales and Use Tax Fund is funded by the second penny sales and use tax and is the City's primary capital account excluding public utilities. This fund supports the City's 5-year Capital Program. The graph below shows overall balance of the program over the next five years. Generally Highways and Streets receives around 63.0 percent, Culture and Recreation 10.0 percent, Other including Public Safety 10.0 percent, and annual debt service around 17.0 percent.



The City Council has adopted a formal policy for the second penny sales and use tax, the pledged source of bond financing. The policy goal is to maintain a fiscally disciplined approach to debt management and protect the City's credit quality by strategically approaching the issuance of new debt by balancing the need to consume current resources with the need for future flexibility; and by striving to maintain a debt ratio of 2.00 times coverage on the annual debt service on issues secured by the second penny sales tax. As indicated in Table XV on page 139, the second penny sales tax currently has revenues of 4.34 times the pledged debt service of the second penny and 6.14 times debt service for those issues being repaid by the second penny. The only issues remaining with a pledge of the second penny sales tax that are not being repaid by the tax are the bonds issued for the Lewis & Clark Regional Water System and the bonds issued for a downtown parking ramp constructed in 2020.

Future projections continue to show that the City will maintain coverage well in excess of the policy target and the coverage requirements established within the bond indenture.

Enterprise Funds

The City Council's adopted policy is that enterprise funds of the City relating to water, water reclamation, sanitary landfill, public parking, and power and distribution should cover the true cost for that enterprise, including operations, maintenance, periodic capital replacement, new capital acquisitions and improvements, debt service requirements, and other costs deemed necessary.

City Structure, Financial Policies, and Principles

In 1995, the City became a home-rule municipality chartered under the constitution of the State of South Dakota, organized and existing under the constitution and general laws of the State. Eight part-time City Council members and a full-time Mayor govern the City, each serving four-year terms. The Mayor and three City Council members are elected at large and five City Council members are elected from districts.

The City has a long-standing history of maintaining balance in taking care of today while investing in the future. Couple this with the values of being conservative and responsible, the City's financials remained strong in 2024 and the fund balance and reserves of the City continued to remain above target levels.

Letter of Transmittal

Transparent, accurate, and timely financial information is a cornerstone to a well-run city. Generating the annual financial information in a timely manner allows the City to make prudent financial decisions and accelerate investment of remaining funds for infrastructure and quality of life projects.

The City uses a minimum of ten-year forecasting models for almost all funds as a foundation for planning and implementing city initiatives. These models identify projected resources that will be available to implement both current and future initiatives. They include evaluating the operating impacts and staffing of future capital projects based on a five-year capital plan. The annual budget serves to allocate the resources available not only in the current year but based on future expectations and working backwards to provide current services.

The City applies budgetary controls to ensure compliance with legal provisions under South Dakota Codified Laws, the City Charter, and with the annual appropriation ordinance and budgetary guidelines adopted by the City Council.

The City's long-standing commitment to balancing fiscal discipline with forward-thinking leadership continues to play a key role in the strength of our local community. This steady and balanced commitment has allowed the City to quickly adapt to changing economic environments and respond to extraneous events without compromising on remaining fiscally strong. This financial strength is the backdrop for providing the community with critical infrastructure services and quality of life amenities to support a growing community.

City Charter

The City Charter includes the following financial provisions:

1. No personal or corporate income tax will be levied, nor additional debt incurred, except to the extent authorized by State law for SDCL Title 9 cities. (§1.04)
2. The City Council shall provide for an independent annual audit of all city accounts. (§2.10)
3. For any fund, the total of proposed expenditures shall not exceed the total of estimated income plus the fund balance carried forward, exclusive of reserves (a balanced budget). (§5.04)
4. If the Mayor certifies there are available for appropriation revenues in excess of those estimated in the budget, the Council may make supplemental appropriations up to the amount of such excess. (§5.07)
5. To meet a public emergency, the Council or Mayor may make emergency appropriations. The Council may issue emergency notes if there are no available unappropriated revenues or a sufficient fund balance to meet such appropriations. (§5.07)
6. No payment may be made or obligation incurred unless there is a sufficient unencumbered balance in such allotment or appropriation and sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. (§5.10)

Certificate of Achievement



Government Finance Officers Association

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Presented to

**City of Sioux Falls
South Dakota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

City Elected Officials and City Appointive Officers

City Elected Officials

Mayor Paul TenHaken	2022-2026
Council Members:	
David Barranco—Southeast District	2022-2026
Sarah Cole—At Large	2022-2026
Rich Merkouris—At Large	2022-2026
Curt Soehl—Central District	2022-2026
Miranda Basye—Northeast District	2024-2028
Jennifer Sigette—Northwest District	2024-2028
Ryan Spellerberg—Southwest District	2024-2028
Richard Thomason—At Large	2024-2028

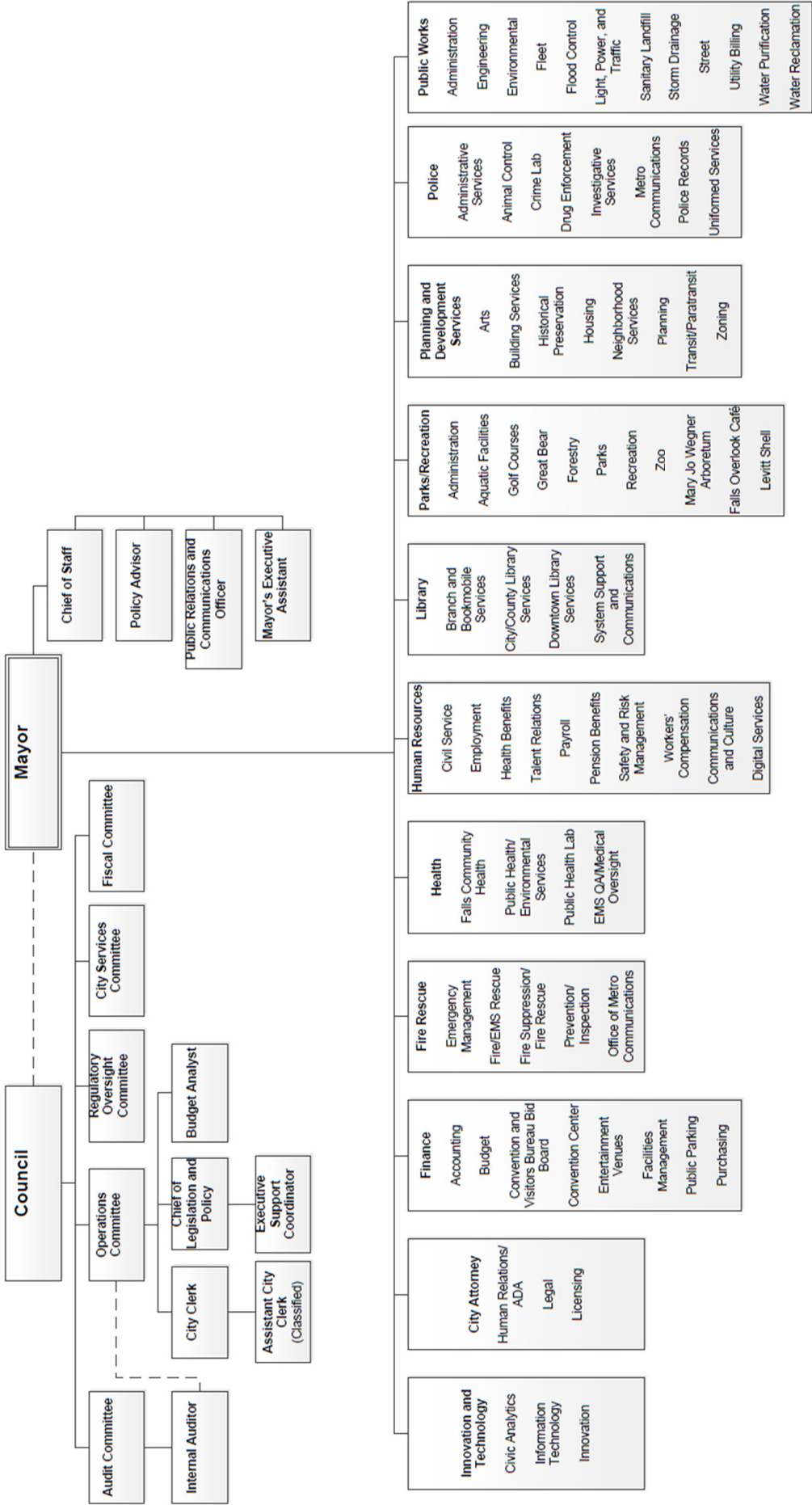
City Appointive Officials

As of December 31, 2024

Homelessness Services Coordinator	Michelle Treasure
Executive Support Coordinator	Thea Rave
Public Relations and Communications Officer	Vanessa Gomez
Policy Advisor	Jenna Harris
Chief of Staff	Erica Beck
Communications and Culture Officer	Allie Hartzler
Medical Director	Jennifer Tinguely
City Attorney	David Pfeifle
City Clerk	Jermery Washington
City Council Budget Analyst	Jody Moss
Director of Finance/Director of Innovation and Technology	Shawn Pritchett
Director of Human Resources	Bill O'Toole
Director of Parks and Recreation	Don Kearney
Director of Planning and Development Services	Jeff Eckhoff
Director of Public Works	Mark Cotter
Director of Siouxland Libraries	Jodi Fick
Mayor's Executive Assistant	Ashley Bohlen
Fire Chief	Matt McAreavey
Chief Administrative Officer	Jim David
Internal Auditor	Ryan Lauseng
Police Chief	Jon Thum
Dental Director	Susan Olson
Public Health Director	Joe Kippley

Departmental Organization Chart

City of Sioux Falls Organizational Chart





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sioux Falls, South Dakota as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing and Redevelopment Commission. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing and Redevelopment Commission, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 13 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended December 31, 2024. Accordingly, a restatement has been made to the governmental activities and business-type activities and the Power and Distribution Fund, Public Parking Fund, Sanitary Landfill Fund, Water Fund, Water Reclamation Fund and Fleet Revolving Fund net positions as of January 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedules of changes in the net pension liability and related ratios, schedules of employer's net pension liability, schedule of employer contributions, schedule of city's proportionate share of the net pension liability (asset), schedule of city contributions, schedule of changes in the employer's net OPEB liabilities (assets), and schedule of employer OPEB contributions be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The budgetary comparison schedule for the General Government Construction Fund, budgetary comparison schedule for the Public Safety Facility Construction Fund, combining nonmajor financial statements, and budgetary comparison schedules for nonmajor funds are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the General Government Construction Fund, budgetary comparison schedule for the Public Safety Facility Construction Fund, combining nonmajor financial statements, and budgetary comparison schedules for nonmajor funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the 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 May 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Sioux Falls, South Dakota
May 21, 2025

Management's Discussion and Analysis

This discussion and analysis present an overview of the financial activities and financial position for the City of Sioux Falls (the "City") for the year ended December 31, 2024. Please read and consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 3 of this report.

Financial Highlights

Government-Wide Statements

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows at the close of the 2024 fiscal year by \$2.7 billion (net position). Of this amount, \$379.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

Fund Financial Statements

- As of the close of the 2024 fiscal year, the City's governmental funds reported combined ending fund balances of \$296.2 million, an increase of \$11.5 million in comparison with the prior year balance. Of this balance, \$74.3 million constitutes unassigned fund balance, \$23.4 million assigned, \$109.0 million committed, \$78.8 million restricted, and \$10.7 million nonspendable.
- The City's five enterprise funds ended the year with net position of \$826.4 million, an increase of \$49.6 million from the prior year fund balance. Net cash flows from operations were \$62.2 million while net cash used by capital and financing activities was \$47.7 million.
- At the end of the 2024 fiscal year, the General Fund assigned and unassigned fund balance was \$81.1 million, a decrease of \$4.9 million. This balance represents 33.1 percent of the final 2024 General Fund expenditure and transfers out (financial uses) budget of \$245.0 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them being reported as net position.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, public health, culture and recreation, and urban and economic development. The business-type activities of the City include the enterprise activities of the power and distribution, public parking, sanitary landfill, water, and water reclamation operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Housing and Redevelopment Authority for which the City is considered to be financially accountable or for which the nature and significance of its relationship with the City is such that the exclusion would cause the City's financial statements to be misleading or incomplete. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The City's other former component unit, Metro Communications, has since transferred its operations to the City and is now the non-major 911 Dispatch Fund.

The government-wide financial statements can be found on pages 32-34 of this report.

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

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

Management's Discussion and Analysis

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Entertainment Tax Fund, Sales and Use Tax Fund, Housing Fund, Storm Drainage Fund, and the Public Safety Facility Construction Fund, all of which are considered to be major funds. Data from the other five governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements following the notes to the financial statements.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided as required supplementary information for the major governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page 35 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its power and distribution, public parking, sanitary landfill, water, and water reclamation operations.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee group health, workers' compensation, property/liability insurance, vehicle fleet, technology, and centralized facilities fund. All of these services predominantly benefit governmental rather than business-type functions; therefore, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, all of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 117-122 of this report.

The basic proprietary fund financial statements can be found beginning on page 43 of this report.

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

The City's fiduciary funds consist of the City's two pension funds, the Employee's Retirement System, the Firefighters' Pension Fund, one post-employment trust fund, the retiree health OPEB (Other Post-Employment Benefits) Trust as well as the Police Custodial Trust for funds held by the Police Department on behalf of others. The basic fiduciary fund financial statements for these funds can be found on pages 49 and 50 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 51 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes a budgetary comparison schedule and related notes for the general fund and each major special revenue, as well as information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 87-100 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Management's Discussion and Analysis

Government-Wide Financial Analysis

Net position. As presented in the following table, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.7 billion at the close of the fiscal year ending December 31, 2024.

	Governmental Activities		Business-type Activities		Total	
	2023*	2024	2023*	2024	2023*	2024
Current and Other Assets	\$ 384,786,708	\$ 418,875,438	\$ 109,279,142	\$ 142,729,242	\$ 494,065,850	\$ 561,604,680
Capital Assets	1,523,442,248	1,602,514,495	863,296,686	960,654,085	2,386,738,934	2,563,168,580
Total Assets	1,908,228,956	2,021,389,933	972,575,828	1,103,383,327	2,880,804,784	3,124,773,260
Deferred Outflows of Resources	63,359,794	32,717,480	6,716,443	3,660,331	70,076,237	36,377,811
Long-term Liabilities	163,663,128	161,848,498	160,695,883	225,168,727	324,359,011	387,017,225
Other Liabilities	49,432,871	45,189,413	33,303,419	47,229,599	82,736,290	92,419,012
Total Liabilities	213,095,999	207,037,911	193,999,302	272,398,326	407,095,301	479,436,237
Deferred Inflows of Resources	17,522,710	14,582,423	3,330,082	2,852,778	20,852,792	17,435,201
Net Position:						
Net Investment in Capital Assets	1,355,703,795	1,447,919,753	691,436,401	715,850,898	2,047,140,196	2,163,770,651
Restricted	84,333,528	112,643,307	5,782,434	8,259,275	90,115,962	120,902,582
Unrestricted	300,932,718	271,924,019	84,744,052	107,682,381	385,676,770	379,606,400
Total Net Position	\$ 1,740,970,041	\$ 1,832,487,079	\$ 781,962,887	\$ 831,792,554	\$ 2,522,932,928	\$ 2,664,279,633

*The City elected not to restate the 2023 Financial Statements for GASB 101, as such the statements may not be comparable

By far the largest portion of the City's net position, 81.2 percent, is investments in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, which comprises 4.5 percent of total net position, increased from \$90.1 million in 2023 to \$120.9 million in 2024. This is primarily due to an increase of \$29.6 million in net pension assets as the City experienced market gains during 2024.

The remaining balance of \$379.6 million, 14.3 percent, in unrestricted net position may be used to meet the

government's ongoing obligations to citizens and creditors. Certain balances within unrestricted net position have internally imposed designations or limitations which may further limit the purpose for which such net position may be used. For example, a portion of the unrestricted net position within the City's Sales and Use Tax Fund has been set aside to provide for capital projects that are carried forward from the previous year's capital program but do not have outstanding contracts or encumbrances as outlined on page 65.

Effective January 1, 2024, the City adopted provisions of GASB Statement No. 101 Compensated Absences. As a result of this change in accounting principle, it was not appropriate for the City to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended December 31, 2023 was not restated. See Note 13 to the financial statements for further information on the change in accounting principle.

Management's Discussion and Analysis

Changes in net position. The City's net position increased by \$141.3 million (which is net of the restatement for GASB 101) as revenues exceeded expenses during the current fiscal year for both governmental and enterprise funds. Much of this is committed to current and future capital infrastructure.

More details that account for the change in net position are provided in the following analysis of the governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2023*	2024	2023*	2024	2023*	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 20,978,801	\$ 22,133,351	\$ 111,766,434	\$ 117,583,327	\$ 132,745,235	\$ 139,716,678
Operating Grants and Contributions	40,967,648	23,852,594	30,450	-	40,998,098	23,852,594
Capital Grants and Contributions	62,388,264	34,193,238	50,236,294	15,057,984	112,624,558	49,251,222
General Revenues:						
Property Taxes	85,422,885	91,842,331	-	-	85,422,885	91,842,331
Sales Taxes	196,204,090	205,839,294	-	-	196,204,090	205,839,294
Other Taxes	17,868,934	19,180,851	-	-	17,868,934	19,180,851
Other	18,547,830	19,709,410	8,385,577	12,426,637	26,933,407	32,136,047
Grants and Contributions not Restricted to Specific Programs	13,324,870	18,456,018	-	-	13,324,870	18,456,018
Total Revenues	455,703,322	435,207,087	170,418,755	145,067,948	626,122,077	580,275,035
Expenses:						
General Government	21,710,991	25,292,915	-	-	21,710,991	25,292,915
Public Safety	84,407,178	103,205,285	-	-	84,407,178	103,205,285
Highways & Streets	82,385,649	85,503,190	-	-	82,385,649	85,503,190
Public Health	19,476,603	18,130,943	-	-	19,476,603	18,130,943
Culture & Recreation	54,659,069	59,468,026	-	-	54,659,069	59,468,026
Urban & Economic Development	35,309,665	39,056,868	-	-	35,309,665	39,056,868
Interest on Long-term Debt	5,056,113	4,504,920	-	-	5,056,113	4,504,920
Electric Light	-	-	9,079,572	9,148,994	9,079,572	9,148,994
Public Parking	-	-	3,196,534	3,507,732	3,196,534	3,507,732
Sanitary Landfill	-	-	11,397,303	12,586,311	11,397,303	12,586,311
Water	-	-	31,073,556	33,328,598	31,073,556	33,328,598
Water Reclamation	-	-	31,418,178	34,799,541	31,418,178	34,799,541
Total Expenses	303,005,268	335,162,147	86,165,143	93,371,176	389,170,411	428,533,323
Excess before Transfers	152,698,054	100,044,940	84,253,612	51,696,772	236,951,666	151,741,712
Lease (lessor)	-	-	-	-	-	-
Special Items	-	4,550,735	-	-	-	4,550,735
Transfers	362,428	226,882	(362,428)	(226,882)	-	-
Change in Net Position	153,060,482	104,822,557	83,891,184	51,469,890	236,951,666	156,292,447
Net Position - Beginning, as previously stated	1,587,909,559	1,740,970,041	698,071,703	781,962,887	2,285,981,262	2,522,932,928
Change in Accounting Principle (GASB 101 Note 13)	-	(13,305,519)	-	(1,640,223)	-	(14,945,742)
Net Position - Beginning, as restated	1,587,909,559	1,727,664,522	698,071,703	780,322,664	2,285,981,262	2,507,987,186
Net Position - Ending	\$ 1,740,970,041	\$ 1,832,487,079	\$ 781,962,887	\$ 831,792,554	\$ 2,522,932,928	\$ 2,664,279,633

*The City elected not to restate the 2023 Financial Statements for GASB 101, as such the statements may not be comparable

Governmental activities. Governmental activities increased the City's net position by \$91.5 million (which is net of the restatement for GASB 101), thereby accounting for 64.7 percent of the total growth in the net position of the City.

Revenues decreased by a net of \$20.5 million or 4.5 percent. This was driven in large part by a decrease in capital grants and contributions of \$28.2 million, a decrease in operating grants and contributions of \$17.1 million and increases in both property and sales tax of \$6.4 million and \$9.6 million, respectively.

Expenses increased \$32.2 million or 10.6 percent in comparison to the previous year. The City experienced

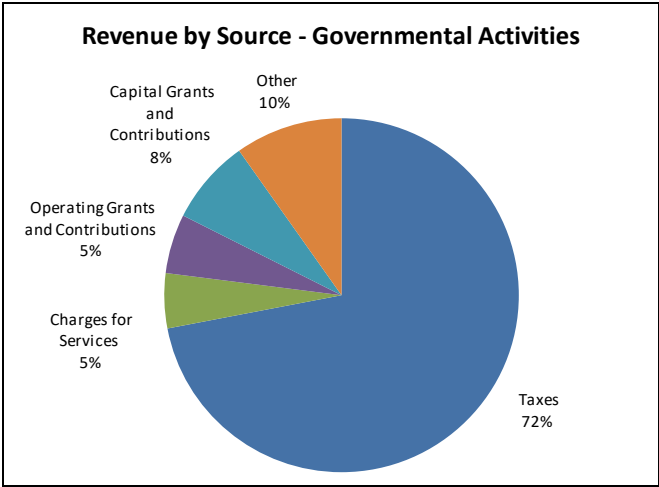
greater personnel expenditures due record low unemployment and ongoing adjustments to ensure the City continues to be competitive in the market to not only recruit new employees but also retain current employees.

Business-type activities. Business-type activities increased the City's net position by \$49.8 million (which is net of the restatement for GASB 101), accounting for 35.3 percent of the total growth in the government's net position. This growth is due to increased revenue over expenses as the City continues to balance current demands while planning for future infrastructure investments for a growing city.

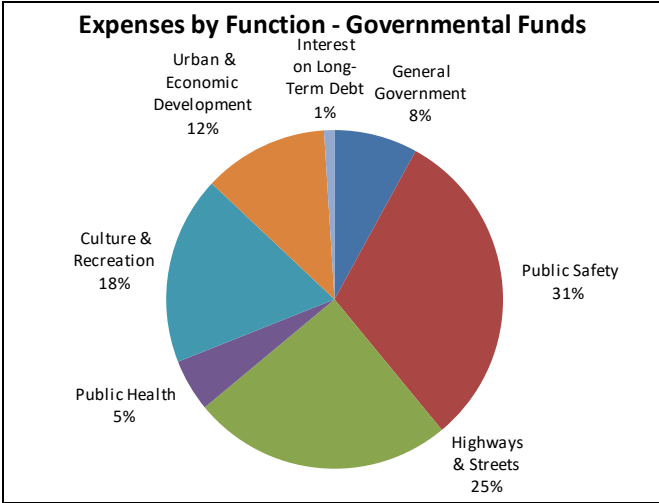
Management’s Discussion and Analysis

A breakdown of governmental and business-type revenues and expenses are shown on the following four charts:

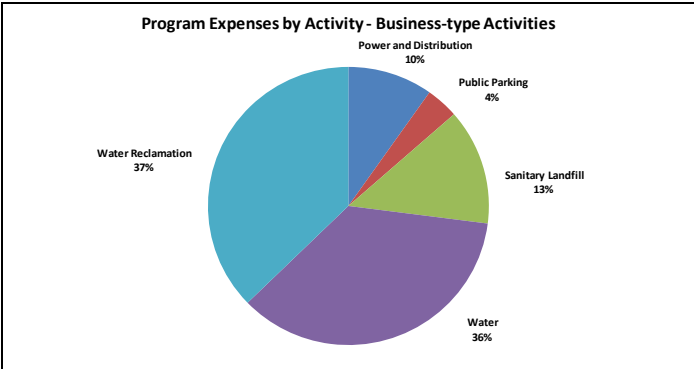
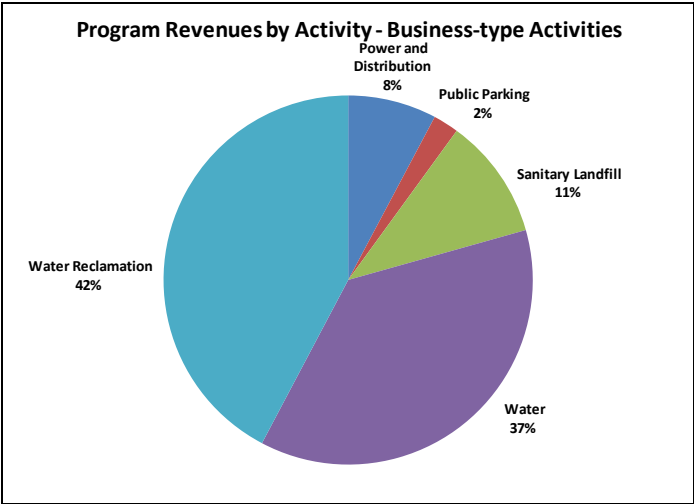
Taxes account for 72 percent of total governmental revenues. Of this, sales tax comprises 65 percent of total taxes collected, followed by property taxes at 29 percent, and the remainder is frontage and other taxes.



Public Safety and Highways and Streets expenses comprise over half of the total governmental expenses.



As water and water reclamation utilities provide service to all citizens of Sioux Falls, these utilities account for the largest portion of business-type revenues and related expenses.



Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial needs and ability to meet those needs with current revenue streams.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$296.2 million.

Approximately 25.1 percent, or \$74.3 million, of this combined ending fund balance constitutes unassigned fund balance. The remainder of fund balance is assigned (\$23.4 million, 7.9 percent), committed (\$109.0 million, 36.8 percent), restricted (\$78.8 million, 26.6 percent), or nonspendable (\$10.7 million, 3.6 percent).

Major Governmental Funds Highlights – Year-Over-Year

The **General Fund** is the primary operating fund of the City. At the end of the current fiscal year, the assigned and unassigned fund balance, combined, was \$81.1 million, a decrease of \$4.9 million due to two large one-time investment transfers. This fund balance represents 33.1 percent of the 2024 final budget against a reserve policy target of 25 percent (assigned and unassigned fund balance).

The City strategically manages reserves above the policy target of 25 percent in order to plan ahead for the operating impacts resulting from future growth, including the ability to hire new personnel, including police officers, operate and maintain new capital infrastructure such as fire stations, park and recreation venues, and other new facilities. The current reserve will also support the City's Employer of Choice initiative to ensure market competitiveness in both pay and benefits in order to retain and recruit employees to deliver services at the desired level of the community.

Year-over-year, total operating revenues increased by \$4.8 million or 2.1 percent. The major contributing factors to this increase were an increase in sales tax revenue of \$2.2 million (2.4 percent with audits, 1.5 percent without audits), and an increase in property tax revenue of \$6.0 million or 7.5 percent (3.0 percent CPI and 4.5 percent growth). These tax increases are mainly a result of population growth and rising inflation rates during 2024. Additionally, the City experienced a decrease in license and permit revenue of \$1.9 million due to only two available on-sale liquor licenses for bid in 2024 compared to seven available in 2023, and a decrease in intergovernmental revenue of \$2.5 primarily due to the expiration of a one-time public health ARPA grant in 2024.

Total operating expenditures were \$214.0 million an increase of \$9.1 million or 4.4 percent. This includes lease

payments for software and equipment but does not include capital outlay expenditures and transfers-out.

Breaking down the increase of the \$9.1 million, personnel accounted for \$10.9 million and other operating expenses decreased by \$1.8 million.

Public Safety personnel expenditures accounted for most of the change at \$6.9 million or 69.0 percent of the increase. All other departmental personnel increases totaled \$3.9 million. The increase in personnel was in large part due to the City of Sioux Falls completing a comprehensive compensation and benefits study in 2023 and launching an Employer of Choice initiative in 2024. This initiative focused on balancing the retention of current employees with the recruitment of new employees in a tight labor market with 1.4 percent unemployment. The public safety function continues to be challenging in both recruitment and retention.

The total of other operating expenditures (non-personnel) realized a \$1.8 million decrease. The majority of this decrease, \$2.2 million, was accounted for by Highways and Streets winter operations due to the favorable 2024 November and December winter season.

Other financing expenditures, or transfers-out, totaled \$19.6 million in 2024, up \$5.4 million. This increase was a net change of two primary one-time investments into the community. The first investment occurred in 2023, transferring an additional \$4.0 million to support affordable housing/ The second investment occurred in 2024 and was for a one-time transfer of \$9.0 million to support the purchase of an indoor recreation center. The original transfers-out budget of approximately \$10.5 million a year goes to support ongoing services for Housing at \$2.1 million, Transit at \$7.5 million, and Facility improvements of \$1.0 million.

The **Entertainment Tax Fund** is used to operate and maintain the Sioux Falls Convention Center and entertainment venues (Denny Sanford PREMIER Center, Sioux Falls Arena, Orpheum Theater, Washington Pavilion, and Sioux Falls Stadium).

Revenues for this fund are comprised of three primary sources, the Entertainment Tax, which is derived primarily from a third penny tax on hospitality and entertainment-related services, net operating revenues recognized from the Events Center Complex, and interest income on cash balances. The entertainment tax collections recognized an increase of \$0.6 million, or a 5.2 percent growth rate for 2024. The Events Center Complex also experienced another strong year with net profits from operations of \$2.9 million. The fund also recognized interest income of \$0.9 million on cash balances for 2024 bringing total revenues to \$15.6 million for 2024.

Total expenditures for 2024 were \$14.8 million for an increase of \$4.8 million. 70.0 percent, or \$10.3 million of the expenditures were due to capital outlay expenditures focused on customer experience and facility improvements. Major 2024 capital projects included the cornice and parapet replacement and restroom projects at the Washington Pavilion.

Management's Discussion and Analysis

Net revenues and expenditures increased fund balance by \$0.9 million, ending the year with a \$30.8 million fund balance. Although the total fund balance of \$30.8 million is committed for entertainment tax purposes, only \$4.8 million is available for new spending, in addition to the \$11.9 million held by a third party manager on behalf of the City.

The **Sales and Use Tax Fund** accounts for the second penny sales and use tax, which is used to fund non-enterprise capital infrastructure, including city highways and streets, parks, buildings, and equipment.

The total revenues and transfers-in were \$125.1 million. This was an increase of \$1.3 million which includes an increase of \$2.2 million (2.4 percent with audits, 1.5 percent without audits) in additional sales tax, an increase of \$6.8 million in intergovernmental revenues and an increase of \$8.0 million in transfers-in due to a \$9.1 million transfer from the General Fund to purchase the westside recreation center in 2024. Offsetting these increases were decreases of \$16.6 million for one-time contributions and private donations related to capital projects.

Total fund expenditures and transfers-out were \$126.7 million, an increase of \$20.2 million. The City continues to make balanced investments in streets, public safety, and parks and recreation infrastructure and equipment.

Net revenues and expenditures decreased fund balance by \$1.6 million, ending the year with \$98.5 million fund balance which includes future commitments and restrictions. Subtracting off these restrictions, \$4.5 million in inventory and land, \$1.8 million of donor contributions and grant funding for projects, \$17.0 million in debt reserves and adding back \$4.0 million unearned revenues for committed projects being carryforward to 2025 leaves a balance of \$79.2 million for future capital spending. Of this, \$72.3 million is encumbered for outstanding contracts and appropriated budget authority being carried forward for projects to be completed in 2025. This leaves a \$6.9 million available fund balance, of which \$3.0 million is dedicated as an internal reserve, leaving \$3.9 million available for additional capital investments.

The **Housing Fund** is supported by three primary revenue sources, grants, general fund transfers, and revolving loan income. The Housing Fund ended the year with a fund balance of \$35.3 million which was a \$2.3 million increase. However, \$25.9 million is restricted for outstanding housing loan receivables leaving a balance of \$9.4 million. Of this, \$2.5 million is encumbered for outstanding contracts for projects to be completed in 2025 leaving a remaining available balance of \$6.9 million for future housing projects.

The **Storm Drainage Fund** experienced a \$6.7 million increase in fund balance, ending with a balance of \$20.7 million. Of this, \$11.5 million is encumbered for outstanding contracts and appropriated budget authority being carried forward for projects to be completed in 2025. The Storm Drainage balance is built and used over time as the City focuses its efforts on building regional detention facilities and improving the City's storm drainage system. Thus, the timing of large capital and maintenance projects impacts the addition and use of fund balance depending on the year.

The **Public Safety Facility Construction Fund** was established in 2020 to account for the \$50.0 million in revenue bond proceeds for the Public Safety Training and 911 (PSAP) Communications facility. This fund experienced a \$0.5 million decrease in fund balance in the current year as building construction funds were expensed during the year. The project is substantially complete and began operations in 2023.

Proprietary (business-type) Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The following table depicts the unrestricted net position and the increase or decrease over previous years for the individual enterprise funds.

The changes within the unrestricted net position of the proprietary (enterprise) funds are related to the use of accumulated cash assets to invest in capital infrastructure.

	Unrestricted Net Position		
	2023	2024	Increase
Power and Distribution	\$ 10,304,999	\$ 10,547,166	\$ 242,167
Public Parking Facilities	1,649,529	1,300,372	(349,157)
Sanitary Landfill	13,590,949	10,048,221	(3,542,728)
Water	24,407,399	35,589,141	11,181,742
Water Reclamation	29,599,812	44,781,312	15,181,500
	<u>\$ 79,552,688</u>	<u>\$ 102,266,212</u>	<u>\$ 22,713,524</u>

All funds experienced positive cash flow from operating activities. The funds ended with a total cash balance of \$114.8 million, an increase of \$27.2 million. Net cash flows from operations ended with a combined positive cash flow of \$62.2 million.

The City, along with outside professional consulting for the utility funds, continues to conduct regular rate reviews for each enterprise fund to ensure the self-sufficiency and sustainability of each fund. The last study and related rate adjustments were conducted in 2023, with adjusted rates effective January 1, 2024 and approved rate adjustment every January 1 through 2027.

Over the last couple of years, the City has been analyzing how Water Reclamation growth can be supported in a more sustainable approach. Currently the City uses a cost recovery method to recoup the new development infrastructure costs associated with water and wastewater. Looking ahead, the City is currently working with local partners and the City Council to revise this method to be more in line with the industry standard based on system capacity charges (SCC). This method would allow Public Works to responsibly manage the City's growth and stabilize utility rates for consumers.

The unrestricted net position and periodic rate adjustments allow for these business units to maintain both current and future operating costs and provide for infrastructure expansion to support the demands of growth.

The **Power and Distribution Fund** generated a positive net cash flow from operations of \$2.7 million in 2024, ending the year with a cash balance of \$9.3 million and an unrestricted net position of \$10.5 million.

Management's Discussion and Analysis

The Power and Distribution Fund is reviewed annually to identify and plan for both operational and capital infrastructure costs that will need to be added or replaced over the next decade. Power and Distribution required no adjustments for this time period.

The **Public Parking Fund** generated \$1.2 million in cash flow from operating activities. After accounting for \$1.6 million in cash outflows for capital and financing activities, the fund ended the year with a net cash decrease of \$0.1 million, a cash balance of \$3.4 million and an unrestricted net position of \$1.3 million.

The City adopted a new parking rate structure in 2016, which allows for annual rate adjustments up to established maximums. As rates are at or are nearing the maximum allowed by ordinance, the City will be evaluating future allowable rates.

The **Sanitary Landfill Fund** experienced \$4.0 million in cash flow from operating activities ending the year with a cash balance of \$21.9 million. A substantial portion of the cash balance, or \$12.4 million, has been restricted to meet the City's future landfill closure and post-closure obligations. The total fund has an unrestricted net position of \$10.0 million.

Effective on January 1, 2024, the City adopted a four-year schedule of annual rate adjustments.

The **Water Fund** generated \$24.7 million in cash flow from operating activities ending with a cash balance of \$33.2 million. After accounting for \$14.3 million in cash outflows from capital and related financing activities, the fund recognized a net cash increase of \$11.9 million and an unrestricted net position of \$35.6 million.

Effective on January 1, 2024, the City adopted a four-year schedule of annual rate adjustments.

The **Water Reclamation Fund** recognized an increase in cash from operations of \$29.5 million and a total increase of cash flows in the amount of \$17.7 million for an ending cash balance of \$47.0 million and unrestricted net position of \$44.8 million.

Effective on January 1, 2024, the City adopted a four-year schedule of annual rate adjustments.

The City will continue to evaluate inflationary and other cost escalation impacts on large infrastructure investments for all enterprise funds. The City will need to plan, balance, and adapt to ensure both current demands and future growth needs are met.

Pension and Other Post-Employment Benefit (OPEB) Funds

The City has two defined benefit pension plans, the Employee's Retirement System and Firefighters' Pension Fund. The two plans were closed to new membership as of July 1, 2013. All full-time employees hired after this date become members of the South Dakota Retirement System (SDRS). The City's proportionate share within the SDRS plan is a net asset.

On a market value basis, the Employees' Retirement System and Firefighters' Pension Fund are 104 percent funded. For future contribution rates, the funds use an investment return assumption of 7.0 percent, a 3.5 percent wage inflation assumption, and a 13-year amortization on unfunded liabilities. Both plans have substantial unallocated income reserves to buffer against contribution increases should investment markets or other economic or non-economic assumptions not perform as assumed.

The City's OPEB Trust closed to new members as of January 1, 2014. The trust ended 2024 with \$3.7 million in assets available to meet a \$0.3 million estimated liability. Upon fulfillment of all liabilities, this balance will be closed into the City's Health/Life Benefit internal service fund.

General Fund Budgetary Highlights

Overall, the original 2024 budget anticipated the use of \$6.3 million in operating reserves, or budgeted revenues under expenses. The City ended the year using \$4.9 million of general fund reserves, as indicated by the change in assigned and unassigned fund balance, ending 2024 with a 33.1 percent reserve as a percentage of budget.

Population growth and construction activity continue to drive a strong and growing economy. The City's property tax collections were 7.5 percent (4.5 percent from growth, 3.0 percent CPI) above last year's collections and on track with budget.

The City's 2024 budget was built with estimated sales tax growth rates of 4.0 percent in 2023 and 4.0 percent in 2024. Actual 2024 growth came in below estimates at 1.5 percent (2.4 percent including audits), revenue received was \$4.0 million below budget projections.

Overall total revenues and other financing sources exceeded budget projections by \$2.4 million. This increase was primarily due to a large increase over budget in investment revenue, increases in licenses and permits which included additional on-sale liquor licenses permitted, and strong building permits and licenses.

The General Fund budget is comprised of approximately 64 percent wages and benefits and 36 percent other operating and transfers-out expenditures. 2024 ended the year \$10.2 million or 4.2 percent below final budget, in line with expectations.

Full-time wage and benefit savings came in above expectations due to higher-than-normal vacancy rates in the Police and Public Health departments. These vacancies are due to continued market pressures in specialized health care positions and police officers. Total personnel budget savings were \$5.9 million, or 96.0 percent spent of the budget.

Other notable budget savings were \$1.2 million in budget related to slower growth in pass through taxes (lodging and bid taxes) and grant budgets not utilized due to the timing of grant projects, \$0.9 million in deicing material savings due to favorable weather in the late winter season, and \$0.7 million in utility savings comprised mostly of street light electricity as the LED conversion program continues to pay

Management's Discussion and Analysis

dividends. These budget savings were offset with a \$1.4 million increase in internal service fund chargebacks for Enterprise Network Technology. This increase is related to two primary factors, video and storage to help support public safety and network security, reliability, and redundancy.

Details of the City's Budgetary Comparison Schedule can be found starting on page 87.

Capital Assets and Debt Administration

Capital assets. Total capital assets for the governmental and business-type activities as of December 31, 2024, amounted to \$2.6 billion (net of accumulated depreciation and amortization). This investment in capital assets include land, buildings, improvements, machinery and equipment, infrastructure, intangibles, construction in progress and right to use lease and subscription assets.

	Governmental Activities		Business-type Activities		Total	
	2023*	2024	2023*	2024	2023*	2024
Land	\$ 198,117,477	\$ 212,914,217	\$ 21,607,317	\$ 23,476,766	\$ 219,724,794	\$ 236,390,983
Buildings	258,036,132	282,373,629	65,278,548	72,622,759	323,314,680	354,996,388
Improvements Other Than Buildings	58,746,739	62,801,186	25,738,955	24,846,089	84,485,694	87,647,275
Machinery and Equipment	62,338,653	67,467,568	19,670,136	20,108,790	82,008,789	87,576,358
Infrastructure	886,058,728	921,492,986	480,525,233	491,703,458	1,366,583,961	1,413,196,444
Intangibles	5,567,337	5,862,337	76,314,266	76,314,266	81,881,603	82,176,603
Construction in Progress	44,780,902	41,217,486	174,095,783	251,544,292	218,876,685	292,761,778
Right to Use Leased Assets	7,556,703	5,141,739	39,334	19,589	7,596,037	5,161,328
Subscription Assets	2,239,577	3,243,347	27,114	18,076	2,266,691	3,261,423
Total Assets	\$ 1,523,442,248	\$ 1,602,514,495	\$ 863,296,686	\$ 960,654,085	\$ 2,386,738,934	\$ 2,563,168,580

*The City elected not to restate 2023 Financial Statements for GASB 101, as such the statements may not be comparable

The City's total capital assets, net of accumulated depreciation and amortization, increased by \$176.4 million in the current fiscal year compared to the prior year capital assets. This increase was due in large part to the addition of the following capital assets:

- The completion of a variety of street construction and reconstruction projects (including donated and annexed streets) totaling \$80.7 million, including the overlay and concrete restoration of several city streets for \$19.2 million.
- The completion of light, water, wastewater, and storm drainage infrastructure totaling \$45.4 million.
- The purchase of the Westside Recreation Center, totaling \$9.1 million with an appraised value of \$15.3 million.
- The construction of the Great Plains Zoo African Exhibit totaling \$11.9 million.
- The construction of the Landfill scale house totaling \$7.8 million.

- The replacement of the cornice parapet at the Washington Pavilion totaling \$7.0 million.

Additional information on capital assets can be found in Note 3 in the Notes to the Financial Statements.

Long-term debt. At the end of the fiscal year, the City had total debt outstanding of \$351.4 million. The City made regularly scheduled principal payments of \$28.3 million. The overall debt of the City, including enterprise fund infrastructure activity, increased \$53.2 million from 2023 as shown below due to borrowing for the expansion of the City's water reclamation plant.

The City has very favorable per capita debt ratios and solid debt service coverage across all funds. Although the City anticipates continued near-term borrowing for water reclamation plant capacity expansion and additional long-term borrowing for upcoming recreation and aquatics investments, favorable per capita debt ratios are expected to continue into the foreseeable future.

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Bonds	\$ 127,635,000	\$ 117,565,000	\$ 28,575,000	\$ 23,430,000	\$ 156,210,000	\$ 140,995,000
Notes	9,438,763	8,198,930	132,540,911	202,167,222	141,979,674	210,366,152
Total	\$ 137,073,763	\$ 125,763,930	\$ 161,115,911	\$ 225,597,222	\$ 298,189,674	\$ 351,361,152

The following table provides a breakdown of the outstanding debt on both a pledged basis (the funding source that secures the debt issuance) and a repayment basis (the funding source making the debt service payments).

The bonds issued to fund the City's investment in the Lewis & Clark Regional Water System and the new downtown parking ramp used the pledge of the second penny sales and use tax but are being repaid by the Water Fund and Public Parking Fund, respectively. Note this table includes unamortized premiums the previous table does not.

Management's Discussion and Analysis

	Pledged		Repayment	
	2023	2024	2023	2024
Governmental Activities				
Sales and Use Tax Fund	\$ 175,954,114	\$ 158,966,822	\$ 143,794,185	\$ 132,785,185
Housing Fund	600,000	600,000	600,000	600,000
Storm Drainage Fund	8,838,763	7,598,930	8,838,763	7,598,930
Total Governmental Activities	185,392,877	167,165,752	153,232,948	140,984,115
Business-type Activities				
Public Parking Fund	-	-	13,125,000	11,930,000
Water Fund	-	-	19,034,929	14,251,637
Water Reclamation Fund	132,540,912	202,167,222	132,540,911	202,167,222
Total Business-type Activities	132,540,912	202,167,222	164,700,840	228,348,859
Total	\$ 317,933,789	\$ 369,332,974	\$ 317,933,788	\$ 369,332,974

Moody's Investors Service has assigned a 'Aa1' issuer rating and 'Aa1' sales tax bond rating in 2024. The City only borrows to construct long-term capital assets that serve both current and future residents. The City does not borrow for operating purposes and does not have any general obligation debt outstanding.

The State Constitution limits the amount of debt a governmental entity may issue based upon three categories as described in the notes to the financial statements. Currently, all the City's debt is classified under the category of general-purpose debt, which is limited to 5.0 percent of assessed valuation of the taxable property. The current general-purpose debt limitation for the City is \$1.3 billion, which is \$934.0 million in excess of the City's outstanding bonded debt.

Additional information on the City's long-term debt can be found beginning on page 66 of this report.

Next Year's Budget

The 2025 budget is guided by the four core tenants of the One Sioux Falls framework including safety and health, accessible housing, workforce, and kids and families. The 2025 Budget focuses on investments that are both strategic and necessary to impacting our residents today and for future generations.

In preparing the 2025 Budget, the City recognized cautionary flags of slowing sales taxes due to stubborn inflation, cost escalations, and higher interest rates on both the personal consumer and the business sector. Consistent with the private sector, the City recognizes continued price impacts on equipment and in particular vertical construction. The Public Works department is experiencing most of the challenge of this given the magnitude of the projects they administer, and the materials needed.

Infrastructure investments are the largest portion of the 2025 Budget as the City continues to invest in maintaining our City's roadway and utility systems for a growing community. The budget reflects the intentional investments to maintain our current assets while planning for the new infrastructure demands. The budget also is making necessary investments in time and money to set the

community and region up for success with future water sources.

The City continues to focus on investments in public safety and health with investments of around 20.0 percent, or \$128 million of the total budget. The 2025 budget supports an additional seven full-time police officers and provides both departments funding for necessary vehicles, equipment, and technology to keep Sioux Falls safe. In the 2025 Budget, there is additional funding for the Police Department for future report-to-work stations, further increasing efficiency of operations and expanding police presence. Sioux Falls Fire Rescue continues to move forward in preparing for its next fire station anticipated to be constructed in Northwest Sioux Falls to support maintaining response times.

Throughout the 2025 budgeting process, it was essential the teams balance critical infrastructure demands with the quality-of-life projects that make the City a great place to live, work, visit, and play. In 2024, the City was able to partner with Sanford Health Systems to acquire a wellness center and reimagine this center into an indoor recreation center for the community. The City aims to finalize designs for the replacement of two aging pools. As indoor recreation continues to be an emphasis of our residents, efforts focus on exploring options for at least one more indoor recreation center is well under way. With preliminary designs in progress for the Kuehn Park Aquatics System and the Frank Olson Eastside Recreation Center, the City anticipates entering the bond market to support the construction of these investments in 2025. These investments will have a large impact on the core tenant of kids and families for future generations.

Accessible housing, along with workforce, continues to be a pressing need for the community. During the past year, the City has made significant investments to support the implementation of new housing initiatives. The proposed \$12.5 million Housing budget includes adding one new Program Specialist to support the service demands. The City will continue to collaborate with the private and non-profit sectors to work together with a "One Sioux Falls" mindset to address housing challenges.

Management’s Discussion and Analysis

The City must plan ahead to meet the workforce needs of a growing community and ensure the City teams are equipped to continue providing quality services to the community. Public service is both rewarding and challenging work requiring the City to continue to invest in its employees.

The 2025 Budget contains balanced investments to ensure retention of current employees through focused culture initiatives, competitive wages and benefits, while also recruiting future employees through an emphasis of marketing and branding. Included in the 2025 Budget is the addition of 28 new fulltime positions.

The table below outlines the economic climate in 2024.

	2023	2024	Change	% Change
Population	213,891	219,588	5,697	2.66%
Employment	162,978	162,373	(606)	-0.37%
Per Capita Personal Income (trailing year)	74,725	78,354	3,629	4.86%
Taxable Sales (\$ in thousands)	9,214,901	9,441,430	226,529	2.46%
First Penny Sales Tax Collections Less Audit (\$ in thousands)	91,612	92,979	1,367	1.49%
Second Penny Sales Tax Collections Les Audit (\$ thousands)	91,612	92,979	1,367	1.49%
Entertainment Tax Penny Net Collections Less Audit (\$ thousands)	11,260	11,843	582	5.17%
Total Construction (\$ in thousands)	1,115,671	1,076,633	-39,039	-3.50%

Economic Outlook

Sioux Falls is a vibrant and growing city, encompassing a dynamic and diversified business economy. As the City grows in size and population, the needs of our community continue to expand.

The City’s diverse economy serves as a strong foundation, effectively reducing the impact of economic fluctuations. While challenges such as low unemployment, inflation, higher interest rates, and federal disruptions have created uncertainties, there is an enduring sense of optimism based on a growing population, rising per capita income, and a strong demand for entertainment and experiences. Overall, the City remains confident in the resilience of its economy.

While sales taxes have underperformed the historic 4.0 percent average over the past 18 months, much of this has been driven by a slowdown in business related sectors such as manufacturing, wholesale trade of durable and nondurable goods and lumber. This slowdown in the business sector is reflective of a national slowdown driven by inflation-fighting efforts and an escalation of interest rates. Consumer sectors, however, have remained relatively stable and growing including restaurants, online sales, department stores and miscellaneous retail sales. As the national economy improves over time, sales taxes are expected to rebound and exceed historic averages similar to prior economic cycles.

Restaurants, bars, and other entertainment industries continue to be strong, resulting in 5.2 percent growth in the City’s entertainment tax, which supports the City-owned entertainment venues. These venues help foster a strong local economy, engage residents, draw visitors, and bring the community together.

Property tax continues to reflect the City’s strong growth in the new construction environment. The 2025 budget includes a 7.0 percent increase, 4.0 percent new growth and a 3.0 percent inflationary adjustment. New growth in collections has averaged around 3.5 percent over the last ten years. This growth factor is critical for the City to maintain and keep up with a vibrant and growing community. It is important to note that the City of Sioux

Falls property tax revenues directly support operational expenses and do not fund long-term capital expenses nor general obligated debt service.

On a local level, rising property taxes continue to be discussed at the South Dakota State Legislature. As South Dakota is one of a few states without an income tax, property taxes are a critical source of revenue for the cities, counties, and school districts.

Responding to rising concerns on property taxes, the State of South Dakota passed a bill in March 2025 that addresses some of these concerns by capping assessments for single-family homes and capping the growth factor at 3 percent starting in 2027 and sunseting in 2031. The State Legislature also expanded the eligibility for tax assessment freezes for low-income elderly and disabled by increasing the income and home valuation thresholds.

The City has been rewarded with its commitment to fiscal discipline and its commitment to maintaining balance over the years. The City Council and Finance Department will continue to work together to establish prudent financial policies ensuring adequate reserves, prudent debt service coverage, and maintaining balance by ensuring the utility funds continue to cover the true cost of business without any tax support.

The City Finance Department is committed to having a solid “Plan”, maintaining “Balance” in terms of city services, capital investments, fund discipline, and maximizing our ability to “Adapt” to changing circumstances. These three guiding principles serve as the foundation framing the City’s long-term finance and operating strategies. This commitment will allow the City to fiscally adapt to changes and respond to any economic or extraneous events without compromising on remaining fiscally strong.

The City’s financial position, across all the City’s various funds, confirms the City’s commitment to these guiding principles year after year and ensures the public receives a terrific value for their tax dollars and Sioux Falls continues to be the best place to live, work, play, and raise a family.

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a thorough accounting of the City of Sioux Falls' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, 224 West Ninth Street, City of Sioux Falls, Sioux Falls, SD 57104, (605) 367-8860

Financial strength is the backdrop for providing the community with critical and reliable infrastructure services while balancing quality of life amenities to support a growing community. The City's long-standing commitment to balancing fiscal discipline with forward-thinking leadership will continue to play a key role in the strength of our local community. This steady and balanced commitment has allowed the City to quickly adapt to changing economic environments and respond to extraneous events without compromising on services and remaining fiscally strong.

Overall, we have a commitment to our residents. A commitment to maintain our quality services while looking ahead to tomorrow. A commitment to balance future capital projects with operational impacts. A commitment to keep our City financially strong.

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Statement of Net Position

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing & Redevelopment Commission	Metro Communications Agency
Assets					
Cash and Cash Equivalents	\$ 297,635,104	\$ 102,422,656	\$ 400,057,760	\$ 3,048,355	\$ -
Assets Held for Management Agreements	14,751,957	-	14,751,957	-	-
Investments	-	-	-	25,341	-
Receivables, net	33,594,189	13,215,472	46,809,661	4,508,086	-
Lease	191,650	1,275,979	1,467,629	-	-
Prepaid Items	773,227	-	773,227	116,181	-
Internal Balances	(5,414,073)	5,414,073	-	-	-
Due From Other Governments	30,183,726	7,631	30,191,357	612,121	-
Inventory of Supplies and Stores	11,187,817	5,011,176	16,198,993	835,153	-
Restricted Assets:					
Cash and Cash Equivalents	-	12,373,826	12,373,826	-	-
Net Pension Asset	32,509,923	3,008,429	35,518,352	-	-
Net OPEB Asset	3,461,918	-	3,461,918	-	-
Capital Assets:					
Land	212,914,217	23,476,766	236,390,983	776,184	-
Buildings, net	282,373,629	72,622,759	354,996,388	2,810,296	-
Improvements Other Than Buildings, net	62,801,186	24,846,089	87,647,275	149,906	-
Machinery and Equipment, net	67,467,568	20,108,790	87,576,358	179,368	-
Infrastructure, net	921,492,986	491,703,458	1,413,196,444	-	-
Intangibles, net	5,862,337	76,314,266	82,176,603	-	-
Construction in Progress	41,217,486	251,544,292	292,761,778	-	-
Right to Use Leased Assets, net	5,141,739	19,589	5,161,328	-	-
Subscription Assets, net	3,243,347	18,076	3,261,423	-	-
Total Assets	2,021,389,933	1,103,383,327	3,124,773,260	13,060,991	-
Deferred Outflow of Resources					
City Employee's Retirement System	13,815,234	1,876,735	15,691,969	-	-
City Firefighters' Pension Fund	3,466,769	-	3,466,769	-	-
South Dakota Retirement System	15,435,477	1,783,596	17,219,073	-	-
Total Deferred Outflow of Resources	32,717,480	3,660,331	36,377,811	-	-
Liabilities					
Accounts Payable and Other Current Liabilities	20,166,018	25,983,044	46,149,062	860,621	-
Interest Payable	667,346	806,124	1,473,470	26,952	-
Deposits	139,396	707,168	846,564	20,655	-
Unearned Revenue	2,234,971	162,838	2,397,809	123,875	-
Loss Reserve on Workers' Comp Claims					
Due In More Than One Year	3,756,330	-	3,756,330	-	-
Long-term Liabilities:					
Due Within One Year	16,485,577	19,541,640	36,027,217	733,426	-
Due Within One Year - Leases/Subscriptions	5,496,105	28,785	5,524,890	-	-
Due In More Than One Year	155,087,356	225,159,363	380,246,719	7,248,678	-
Due in More Than One Year - Leases/Subscriptions	3,004,812	9,364	3,014,176	-	-
Total Liabilities	207,037,911	272,398,326	479,436,237	9,014,207	-
Deferred Inflow of Resources					
OPEB Trust	14,918	-	14,918	-	-
Lease Related	183,432	1,251,002	1,434,434	-	-
City Employee's Retirement System	1,536,977	208,791	1,745,768	-	-
City Firefighters' Pension Fund	960,915	-	960,915	-	-
South Dakota Retirement System	11,886,181	1,392,985	13,279,166	-	-
Total Deferred Inflow of Resources	14,582,423	2,852,778	17,435,201	-	-
Net Position					
Net Investment in Capital Assets	1,447,919,753	715,850,898	2,163,770,651	812,635	-
Restricted for:					
Debt Service	16,968,135	5,250,846	22,218,981	-	-
Park and Recreation	1,717,662	-	1,717,662	-	-
Police	115,861	-	115,861	-	-
Health	2,642,297	-	2,642,297	-	-
Community Development	35,203,288	-	35,203,288	-	-
Library:					
Expendable	169,760	-	169,760	-	-
Nonexpendable	24,767	-	24,767	-	-
Heroic Awards:					
Expendable	4,110	-	4,110	-	-
Nonexpendable	2,000	-	2,000	-	-
Pension	31,598,676	3,008,429	34,607,105	-	-
OPEB	3,461,918	-	3,461,918	-	-
Storm Drainage	14,811,957	-	14,811,957	-	-
Construction Projects	5,922,876	-	5,922,876	-	-
Other Purposes	-	-	-	372,853	-
Unrestricted	271,924,019	107,682,381	379,606,400	2,861,296	-
Total Net Position	\$ 1,832,487,079	\$ 831,792,554	\$ 2,664,279,633	\$ 4,046,784	\$ -

Statement of Activities

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 25,292,915	\$ 2,920,273	\$ 104,999	\$ -
Public Safety:				
Fire Protection	47,281,856	3,715,967	1,295,110	104,189
Police Protection	55,923,429	150,317	1,121,804	82,975
Highways and Streets	85,503,190	1,321,706	2,738,038	33,941,074
Public Health	18,130,943	5,308,129	5,120,995	-
Culture and Recreation:				
Libraries	14,385,925	86,348	1,438,252	65,000
Museum	3,361	-	-	-
Parks & Recreation	34,313,218	2,383,803	1,899,381	-
Entertainment Venues	10,765,522	-	-	-
Urban and Economic Development:				
Affordable Housing	2,901,883	45,651	1,463,051	-
Transit	13,075,871	-	-	-
TIF	6,711,839	-	-	-
Planning and Development Services	16,367,275	6,201,157	8,670,964	-
Interest on Long-Term Debt	4,504,920	-	-	-
Total Governmental Activities	335,162,147	22,133,351	23,852,594	34,193,238
Business-type Activities:				
Power and Distribution	9,148,994	10,305,307	-	-
Public Parking	3,507,732	2,978,475	-	-
Sanitary Landfill	12,586,311	14,087,596	-	-
Water	33,328,598	44,605,494	-	4,609,573
Water Reclamation	34,799,541	45,606,455	-	10,448,411
Total Business-type Activities	93,371,176	117,583,327	-	15,057,984
Total Government	\$ 428,533,323	\$ 139,716,678	\$ 23,852,594	\$ 49,251,222
Component Units:				
Housing & Redevelopment Commission	\$ 18,080,109	\$ 956,292	\$ 17,150,781	\$ 70,419
Metro Communications Agency	-	-	-	-
	\$ 18,080,109	\$ 956,292	\$ 17,150,781	\$ 70,419
General Revenues:				
Taxes:				
Property Tax				
Sales Tax				
Frontage Tax				
E-911 Surcharges				
Unrestricted State and County Shared Revenues				
Unrestricted Investment Earnings				
Miscellaneous Revenue, Net				
Debt Forgiveness				
Special Item (Note 14)				
Transfers of Capital Assets				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning, as previously reported				
Adjustments (Note 13)				
Net Position - Beginning, as restated				
Net Position - Ending				

Statement of Activities (cont)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Commission	Metro Communications Agency
\$ (22,267,643)	\$ -	\$ (22,267,643)		
(42,166,590)	-	(42,166,590)		
(54,568,333)	-	(54,568,333)		
(47,502,372)	-	(47,502,372)		
(7,701,819)	-	(7,701,819)		
(12,796,325)	-	(12,796,325)		
(3,361)	-	(3,361)		
(30,030,034)	-	(30,030,034)		
(10,765,522)	-	(10,765,522)		
(1,393,181)	-	(1,393,181)		
(13,075,871)	-	(13,075,871)		
(6,711,839)	-	(6,711,839)		
(1,495,154)	-	(1,495,154)		
(4,504,920)	-	(4,504,920)		
(254,982,964)	-	(254,982,964)		
-	1,156,313	1,156,313		
-	(529,257)	(529,257)		
-	1,501,285	1,501,285		
-	15,886,469	15,886,469		
-	21,255,325	21,255,325		
-	39,270,135	39,270,135		
(254,982,964)	39,270,135	(215,712,829)		
			\$ 97,383	\$ -
			-	-
			97,383	-
91,842,331	-	91,842,331	-	-
205,839,294	-	205,839,294	-	-
19,180,851	-	19,180,851	-	-
-	-	-	-	-
18,456,018	-	18,456,018	-	-
14,360,347	4,750,375	19,110,722	61,992	-
5,349,063	5,613,569	10,962,632	(692,406)	-
-	2,062,693	2,062,693	-	-
4,550,735	-	4,550,735	-	(4,550,735)
91,820	(91,820)	-	-	-
135,062	(135,062)	-	-	-
359,805,521	12,199,755	372,005,276	(630,414)	(4,550,735)
104,822,557	51,469,890	156,292,447	(533,031)	(4,550,735)
1,740,970,041	781,962,887	2,522,932,928	4,550,940	4,550,735
(13,305,519)	(1,640,223)	(14,945,742)	28,875	-
1,727,664,522	780,322,664	2,507,987,186	4,579,815	4,550,735
\$ 1,832,487,079	\$ 831,792,554	\$ 2,664,279,633	\$ 4,046,784	\$ -

Balance Sheet - Governmental Funds

	General	Entertainment Tax	Sales and Use Tax	Housing
Assets				
Cash and Cash Equivalents	\$ 84,566,079	\$ 19,321,052	\$ 97,939,941	\$ 9,437,757
Assets Held for Management Agreements	2,900,771	11,851,186	-	-
Receivables:				
Taxes-Delinquent	2,045,092	-	-	-
Accounts (net of allowance for uncollectibles)	1,548,375	-	181,460	-
Interest and Penalty	682,383	131,663	589,773	20,721
Special Assessments	110,803	-	470,549	-
Rehabilitation Loans and Grants	-	-	-	25,849,091
Leases	127,458	-	64,192	-
Due from Other Funds	295,898	-	-	-
Due from Other Governments	13,014,777	1,305,809	14,090,696	248,712
Inventory of Supplies and Stores	4,971,762	-	4,506,845	51,213
Notes Receivable	1,000,000	-	-	41,301
Prepays	83,077	-	-	-
Total Assets	<u>\$ 111,346,475</u>	<u>\$ 32,609,710</u>	<u>\$ 117,843,456</u>	<u>\$ 35,648,795</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$ 2,703,080	\$ 872,601	\$ 6,507,211	\$ 302,362
Due to Other Funds	-	-	-	-
Accrued Wages	3,452,911	-	-	20,249
Deposits	138,937	-	459	-
Unearned Revenue	2,145,080	-	3,955,534	30,382
Total Liabilities	<u>8,440,008</u>	<u>872,601</u>	<u>10,463,204</u>	<u>352,993</u>
Deferred Inflows of Resources				
Unavailable Revenue-Property Taxes	1,319,506	-	-	-
Unavailable Revenue-Sales Tax	8,416,708	917,502	8,340,208	-
Unavailable Revenue-Special Assessments	110,833	-	469,961	-
Lease Related	120,516	-	62,916	-
Total Deferred Inflows of Resources	<u>9,967,563</u>	<u>917,502</u>	<u>8,873,085</u>	<u>-</u>
Fund Balances				
Nonspendable	6,054,839	-	4,506,845	92,514
Restricted	2,843,149	-	18,747,505	35,203,288
Committed	2,900,771	30,819,607	75,252,817	-
Assigned	6,794,651	-	-	-
Unassigned	74,345,494	-	-	-
Total Fund Balances	<u>92,938,904</u>	<u>30,819,607</u>	<u>98,507,167</u>	<u>35,295,802</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 111,346,475</u>	<u>\$ 32,609,710</u>	<u>\$ 117,843,456</u>	<u>\$ 35,648,795</u>

Balance Sheet - Governmental Funds (cont)

Storm Drainage	Public Safety Facility Construction	Other Governmental Funds	Total Governmental Funds
\$ 21,462,585	\$ 1,439,789	\$ 17,834,198	\$ 252,001,401
-	-	-	14,751,957
-	-	-	2,045,092
-	-	36,518	1,766,353
150,453	5,399	17,641	1,598,033
-	-	-	581,352
-	-	-	25,849,091
-	-	-	191,650
-	-	-	295,898
168,062	-	1,180,024	30,008,080
-	-	-	9,529,820
-	-	-	1,041,301
-	-	-	83,077
<u>\$ 21,781,100</u>	<u>\$ 1,445,188</u>	<u>\$ 19,068,381</u>	<u>\$ 339,743,105</u>
\$ 739,405	\$ 231,363	\$ 1,718,640	\$ 13,074,662
243,802	-	111,006	354,808
63,060	-	-	3,536,220
-	-	-	139,396
-	-	585,503	6,716,499
<u>1,046,267</u>	<u>231,363</u>	<u>2,415,149</u>	<u>23,821,585</u>
-	-	-	1,319,506
-	-	-	17,674,418
-	-	-	580,794
-	-	-	183,432
<u>-</u>	<u>-</u>	<u>-</u>	<u>19,758,150</u>
-	-	26,767	10,680,965
20,734,833	1,213,825	27,171	78,769,771
-	-	-	108,973,195
-	-	16,599,294	23,393,945
-	-	-	74,345,494
<u>20,734,833</u>	<u>1,213,825</u>	<u>16,653,232</u>	<u>296,163,370</u>
<u>\$ 21,781,100</u>	<u>\$ 1,445,188</u>	<u>\$ 19,068,381</u>	<u>\$ 339,743,105</u>

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Total Fund Balances for Governmental Funds \$ 296,163,370

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	\$ 2,581,673,245	
Accumulated Depreciation	<u>(1,013,045,675)</u>	1,568,627,570

Right-to-use and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Cost of Right to Use Leased Assets	8,379,014	
Cost of Subscription Assets	622,637	
Accumulated Amortization	<u>(4,460,010)</u>	4,541,641

Deferred inflows of resources and certain unearned revenues are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

24,056,246

Internal service funds are used by management to charge the costs of fleet management, insurance programs, and technology equipment to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Position as follows:

Governmental Activities	68,105,120	
Business-Type Activities	<u>(5,416,169)</u>	62,688,951

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Accrued Interest Payable - Bonds	(621,527)	
Accrued Interest Payable - Leases	(9,589)	
Notes Payable-Revenue	(8,198,930)	
Unamortized Bond Premium	(15,220,185)	
Bonds Payable-Revenue	(117,565,000)	
Lease and Subscription Liabilities	(4,534,233)	
Accrued Compensated Absences	<u>(30,201,022)</u>	(176,350,486)

Net OPEB asset and OPEB deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds.

These amounts consist of:

Net OPEB Asset	3,461,918	
Deferred Inflows of Resources	<u>(14,918)</u>	<u>3,447,000</u>

Net pension asset and liability and pension deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds.

These amounts consist of:

Net Pension Asset	31,613,254	
Deferred Outflows of Resources	31,576,537	
Deferred Inflows of Resources	<u>(13,877,004)</u>	<u>49,312,787</u>

Net Position of Governmental Activities		<u><u>\$ 1,832,487,079</u></u>
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**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Governmental Funds**

	General	Entertainment Tax	Sales and Use Tax	Housing
Revenues				
Taxes:				
Property	\$ 85,067,481	\$ -	\$ -	\$ -
Sales	93,648,127	11,842,503	93,648,127	-
Frontage	5,112,854	-	-	-
Lodging (includes Business Improvement District)	3,602,638	-	-	-
Penalties and Interest	129,815	-	-	-
Special Assessments	491,200	-	3,740,483	-
Licenses and Permits	9,333,251	-	140,941	-
Intergovernmental	18,011,417	-	9,329,324	2,897,325
Charges for Goods and Services	8,675,068	-	-	45,651
Fines and Forfeitures	766,003	-	-	-
Investment Revenue	4,715,929	911,017	5,255,483	173,710
Rentals	67,455	-	8,258	-
Contributions	177,225	-	3,785,965	-
Miscellaneous Revenue	1,551,011	2,872,825	50,000	-
Total Revenues	231,349,474	15,626,345	115,958,581	3,116,686
Expenditures				
Current:				
General Government	22,979,928	-	-	-
Public Safety	89,232,256	-	40,834	-
Highways and Streets	31,786,255	-	-	-
Public Health	17,264,408	-	-	-
Culture and Recreation	35,702,114	4,481,706	2,785	-
Urban and Economic Development	14,318,164	-	-	2,861,443
Debt Service:				
Principal - Bonds	-	-	10,070,000	-
Principal - Right to Use Leases	2,373,582	-	-	164
Principal - Subscription-Based IT Arrangements	186,605	-	-	-
Interest and Fiscal Charges	162,180	-	5,197,760	2
Capital Outlay				
General Government	-	-	2,423,414	-
Public Safety	12,022	-	4,567,381	-
Highways and Streets	-	-	55,643,623	-
Public Health	70,367	-	181,942	-
Culture and Recreation	-	10,306,619	45,501,390	-
Urban and Economic Development	-	-	426,633	-
Total Expenditures	214,087,881	14,788,325	124,055,762	2,861,609
Revenues Over (Under) Expenditures	17,261,593	838,020	(8,097,181)	255,077
Other Financing Sources (Uses)				
Sale of Surplus Property	45,784	93,495	-	-
Damage Recovery	68,442	-	-	-
Leases Issued	13,630	-	-	-
Subscription Arrangements Issued	68,759	-	-	-
Transfers In	-	-	9,185,063	2,050,232
Transfers Out	(19,580,039)	-	(2,665,703)	-
Total Other Financing Sources (Uses)	(19,383,424)	93,495	6,519,360	2,050,232
Special Item (See Note 14)	-	-	-	-
Net Change in Fund Balances	(2,121,831)	931,515	(1,577,821)	2,305,309
Fund Balance - Beginning	95,060,735	29,888,092	100,084,988	32,990,493
Fund Balance Ending	\$ 92,938,904	\$ 30,819,607	\$ 98,507,167	\$ 35,295,802

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Governmental Funds (cont)**

Storm Drainage	Public Safety Facility Construction	Other Governmental Funds	Total
\$ -	\$ -	\$ 6,600,528	\$ 91,668,009
-	-	-	199,138,757
14,067,997	-	-	19,180,851
-	-	-	3,602,638
-	-	-	129,815
1,887,368	-	-	6,119,051
-	-	-	9,474,192
-	-	12,204,230	42,442,296
-	-	3,144,763	11,865,482
-	-	-	766,003
883,259	101,309	132,760	12,173,467
-	-	-	75,713
-	-	-	3,963,190
180	-	16,255	4,490,271
<u>16,838,804</u>	<u>101,309</u>	<u>22,098,536</u>	<u>405,089,735</u>
-	-	-	22,979,928
-	-	5,839,017	95,112,107
4,408,061	-	-	36,194,316
-	-	-	17,264,408
-	-	-	40,186,605
-	-	19,698,517	36,878,124
1,239,833	-	-	11,309,833
-	-	-	2,373,746
-	-	-	186,605
83,729	-	-	5,443,671
-	-	-	2,423,414
-	638,002	23,908	5,241,313
4,411,352	-	-	60,054,975
-	-	-	252,309
-	-	-	55,808,009
-	-	694,260	1,120,893
<u>10,142,975</u>	<u>638,002</u>	<u>26,255,702</u>	<u>392,830,256</u>
<u>6,695,829</u>	<u>(536,693)</u>	<u>(4,157,166)</u>	<u>12,259,479</u>
-	-	325	139,604
-	-	62,611	131,053
-	-	-	13,630
-	-	-	68,759
-	-	8,456,807	19,692,102
-	-	-	(22,245,742)
<u>-</u>	<u>-</u>	<u>8,519,743</u>	<u>(2,200,594)</u>
<u>-</u>	<u>-</u>	<u>1,489,535</u>	<u>1,489,535</u>
6,695,829	(536,693)	5,852,112	11,548,420
<u>14,039,004</u>	<u>1,750,518</u>	<u>10,801,120</u>	<u>284,614,950</u>
<u>\$ 20,734,833</u>	<u>\$ 1,213,825</u>	<u>\$ 16,653,232</u>	<u>\$ 296,163,370</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds \$ 11,548,420

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for Capital Assets	\$ 124,818,524	
Loss on Disposal of Capital Assets	(5,243,731)	
Capital Assets transferred from component unit as revenue	2,407,564	
Capital Assets transferred from Business-type Activities	938,728	
Less Current Year Depreciation	<u>(70,603,153)</u>	52,317,932

Governmental funds report capital outlays for leases as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which capital outlay exceeded amortization for right to use assets in the current period.

Expenditures for Right to Use Leased and Subscription Asset Additions	82,389	
Loss on Disposal of Right to Use Leased and Subscription Assets	(2,145)	
Less Current Year Amortization	<u>(2,585,547)</u>	(2,505,303)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Developer Contributions of Infrastructure	23,859,598	
Infrastructure Contributions from Other Governments	3,312,432	
From Other Governments - Surcharges and Grants	(2,640,045)	
Due From Other Governments - Taxes	<u>3,097,899</u>	27,629,884

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments of Bonds	11,309,833	
Principal Payments of Leases	2,560,351	
Amortization of Bond Premium	939,000	
Lease and Subscription Proceeds	<u>(82,389)</u>	14,726,795

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.

Compensated Absences	(2,347,466)	
Accrued Interest	<u>49,979</u>	(2,297,487)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

716,402

Changes to net OPEB liability (asset) and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

218,974

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported within governmental activities.

2,466,940

Change in Net Position of Governmental Activities \$ 104,822,557

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Statement of Net Position - Proprietary Funds

	Enterprise Funds		
	Power and Distribution	Public Parking	Sanitary Landfill
Assets			
Current:			
Cash and Cash Equivalents	\$ 9,318,949	\$ 3,409,931	\$ 9,555,065
Receivables, net:			
Accounts	278,420	135,180	1,168,873
Interest	65,705	17,279	152,413
Special Assessments	-	-	-
Unbilled	542,092	-	-
Arbitrage Refund	-	-	-
Lease	-	27,822	-
Lease Accrued Interest	-	32	-
Prepaid Expense	-	-	-
Due From Other Funds	-	-	-
Due From Other Governments	-	-	-
Inventory of Supplies and Stores	1,198,289	-	-
Total Current Assets	11,403,455	3,590,244	10,876,351
Noncurrent:			
Restricted Cash and Cash Equivalents	-	-	12,373,826
Lease Receivable	-	388,117	-
Net Pension Asset	201,018	99,810	510,563
Capital Assets:			
Land	613,935	4,503,577	3,597,946
Buildings	503,583	468,856	16,801,412
Improvements Other Than Buildings	9,248	37,009,851	43,458,726
Machinery and Equipment	1,337,755	349,871	2,397,709
Infrastructure	49,168,413	-	5,345,235
Intangibles	-	-	-
Construction in Progress	2,301,309	-	476,977
Less: Accumulated Depreciation	(29,665,671)	(20,555,702)	(42,769,945)
Right to Use Leased Assets	5,771	5,662	18,784
Less: Accumulated Amortization	(4,328)	(4,247)	(14,088)
Subscription Assets	-	-	-
Less: Accumulated Amortization	-	-	-
Total Noncurrent Assets	24,471,033	22,265,795	42,197,145
Total Assets	35,874,488	25,856,039	53,073,496
Deferred Outflow of Resources			
City Employee's Retirement System	125,615	62,307	318,912
South Dakota Retirement System	61,179	46,789	191,125
Total Deferred Outflow of Resources	186,794	109,096	510,037
Liabilities			
Current:			
Accounts Payable	579,275	62,104	689,904
Accrued Wages	21,352	11,675	68,134
Loss Reserve on Workers' Comp Claims	-	-	-
Accrued Compensated Absences	21,331	15,151	54,569
Accrued Interest Payable	-	53,705	-
Incurred But Not Reported Claims	-	-	-
Due To Other Funds	-	-	-
Notes Payable-Revenue	-	-	-
Bonds Payable-Revenue	-	1,090,000	-
Deposits	111,347	17,835	13,805
Unearned Revenue	-	162,838	-
Lease Liabilities	1,453	1,425	4,728
Subscription Liabilities	-	-	-
Lease and Subscription Interest Payable	2	2	7
Total Current Liabilities	734,760	1,414,735	831,147
Noncurrent:			
Accrued Compensated Absences	346,645	82,628	528,991
Loss Reserve on Workers' Comp Claims	-	-	-
Closure & Postclosure Care Costs	-	-	12,373,826
Notes Payable-Revenue	-	-	-
Bonds Payable-Revenue	-	10,840,000	-
Subscription Liabilities	-	-	-
Total Noncurrent Liabilities	346,645	10,922,628	12,902,817
Total Liabilities	1,081,405	12,337,363	13,733,964
Deferred Inflow of Resources			
City Employee's Retirement System	13,975	6,932	35,480
South Dakota Retirement System	47,805	37,182	150,055
Lease Related	-	397,202	-
Total Deferred Inflow of Resources	61,780	441,316	185,535
Net Position:			
Net Investment in Capital Assets	24,169,913	9,846,443	29,105,250
Restricted for Debt Service	-	1,939,831	-
Restricted for Pension	201,018	99,810	510,563
Unrestricted	10,547,166	1,300,372	10,048,221
Total Net Position	\$ 34,918,097	\$ 13,186,456	\$ 39,664,034
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			
Net Position of business-type activities			

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

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Statement of Net Position - Proprietary Funds (cont.)

Enterprise Funds (cont.)			
Water	Water Reclamation	Total	Internal Service Funds
\$ 33,151,711	\$ 46,987,000	\$ 102,422,656	\$ 45,633,703
1,616,343	2,918,586	6,117,402	412,276
214,592	231,975	681,964	300,691
205,883	-	205,883	-
2,313,830	3,320,267	6,176,189	-
17,089	-	17,089	-
41,995	-	69,817	-
16,913	-	16,945	-
-	-	-	690,150
-	-	-	61,006
3,857	3,774	7,631	175,646
3,653,007	159,880	5,011,176	1,657,997
41,235,220	53,621,482	120,726,752	48,931,469
-	-	12,373,826	-
818,045	-	1,206,162	-
1,031,821	1,165,217	3,008,429	896,669
9,465,797	5,295,511	23,476,766	-
37,312,888	52,828,578	107,915,317	2,705,385
98,932	287,906	80,864,663	1,334,217
39,303,467	15,206,954	58,595,756	65,489,550
391,572,470	453,906,754	899,992,872	-
76,314,266	-	76,314,266	-
1,949,654	246,816,352	251,544,292	46,644
(183,676,017)	(261,420,177)	(538,087,512)	(44,073,957)
24,853	22,315	77,385	1,812,220
(18,397)	(16,736)	(57,796)	(957,328)
-	36,152	36,152	4,378,160
-	(18,076)	(18,076)	(1,389,605)
374,197,779	514,110,750	977,242,502	30,241,955
415,432,999	567,732,232	1,097,969,254	79,173,424
642,912	726,989	1,876,735	559,225
815,021	669,482	1,783,596	581,718
1,457,933	1,396,471	3,660,331	1,140,943
1,517,451	22,676,787	25,525,521	1,689,682
185,140	171,222	457,523	87,478
-	-	-	800,000
190,022	165,738	446,811	77,608
73,472	678,428	805,605	-
-	-	-	1,800,000
-	2,096	2,096	-
-	12,965,970	12,965,970	-
5,038,859	-	6,128,859	-
564,181	-	707,168	-
-	-	162,838	-
6,581	5,617	19,804	1,596,583
-	8,981	8,981	1,349,679
9	499	519	36,230
7,575,715	36,675,338	47,231,695	7,437,260
1,228,018	1,345,225	3,531,507	288,164
-	-	-	2,956,330
-	-	12,373,826	-
-	189,201,252	189,201,252	-
9,212,778	-	20,052,778	-
-	9,364	9,364	1,020,422
10,440,796	190,555,841	225,168,727	4,264,916
18,016,511	227,231,179	272,400,422	11,702,176
71,525	80,879	208,791	62,216
638,728	519,215	1,392,985	444,853
853,800	-	1,251,002	-
1,564,053	600,094	2,852,778	507,069
357,378,391	295,350,901	715,850,898	25,268,857
3,311,015	-	5,250,846	-
1,031,821	1,165,217	3,008,429	896,669
35,589,141	44,781,312	102,266,212	41,939,596
\$ 397,310,368	\$ 341,297,430	826,376,385	\$ 68,105,122
		5,416,169	
		\$ 831,792,554	

**Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds**

	Enterprise Funds		
	Power and Distribution	Public Parking	Sanitary Landfill
Operating Revenues:			
Charges for Goods and Services	\$ 10,304,567	\$ 2,517,738	\$ 14,087,596
Fines and Forfeitures	740	460,737	-
Pledged as Security for Revenue Bonds and Notes:			
Charges for Goods and Services	-	-	-
Fines and Forfeitures	-	-	-
Total Operating Revenues	10,305,307	2,978,475	14,087,596
Operating Expenses:			
Personnel Services	919,745	554,097	2,791,114
Casualty Loss	-	-	-
Insurance	15,847	32,576	19,537
Professional Services	19,738	358,705	2,540,114
Rent	255,712	49,934	2,372,380
Repairs and Maintenance	339,777	572,192	1,051,504
Supplies and Materials	135,145	103,030	755,395
Utilities and Bulk Energy	5,659,645	128,149	342,551
Depreciation	1,763,030	1,229,430	3,028,448
Amortization - Lease	1,443	1,416	4,696
Amortization - Subscription	-	-	-
Other Current Expenses	43,892	1,256	32,587
Total Operating Expenses	9,153,974	3,030,785	12,938,326
Operating Income (Loss)	1,151,333	(52,310)	1,149,270
Nonoperating Revenues (Expenses):			
Investment Revenue	422,497	199,926	1,060,328
Gain (Loss) on Capital Assets	2,681	-	(471,423)
Transfers of Capital Assets (net)	243,821	-	5,473
Rent/Operating Leases	10,682	3,000	68,903
Cost Recovery & Special Assessments	-	268	-
Contributions	-	-	-
Miscellaneous	78,842	15,750	(378,832)
Federal and State Operating Grants	-	-	-
Interest Expense and Fiscal Agent Charges	-	(453,987)	-
Debt Forgiveness	-	-	-
Lease Financing	-	47,422	-
Lease Interest Revenue	-	4,947	-
Lease Interest Expense	(5)	(5)	(17)
Subscription Interest Expense	-	-	-
Total Nonoperating Revenues (Expenses)	758,518	(182,679)	284,432
Income (Loss) Before Contributions and Transfers	1,909,851	(234,989)	1,433,702
Federal and State Capital Grants	-	-	-
Capital Contributions	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Change in Net Position	1,909,851	(234,989)	1,433,702
Net Position - Beginning, as previously reported	33,050,600	13,480,338	38,405,731
Adjustments(Note 13)	(42,354)	(58,893)	(175,399)
Net Position - Beginning, as Restated	33,008,246	13,421,445	38,230,332
Net Position - Ending	\$ 34,918,097	\$ 13,186,456	\$ 39,664,034

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in Net Position of Business-type Activities

**Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds (cont)**

Enterprise Funds			Internal Service Funds
Water	Water Reclamation	Total	
\$ -	\$ -	\$ 26,909,901	\$ 62,038,408
-	-	461,477	-
44,591,894	45,606,455	90,198,349	-
13,600	-	13,600	-
44,605,494	45,606,455	117,583,327	62,038,408
7,665,908	6,972,502	18,903,366	6,421,702
-	-	-	26,945,276
158,500	174,263	400,723	2,816,100
999,532	886,515	4,804,604	3,732,896
739,338	1,233,393	4,650,757	569,715
1,883,598	1,563,500	5,410,571	4,443,360
9,455,108	1,652,279	12,100,957	10,222,300
1,550,088	2,092,965	9,773,398	1,616,050
10,815,944	16,937,338	33,774,190	5,262,884
6,456	5,579	19,590	95,815
-	9,038	9,038	1,773,379
54,226	102,736	234,697	59,421
33,328,698	31,630,108	90,081,891	63,958,898
11,276,796	13,976,347	27,501,436	(1,920,490)
1,432,260	1,635,364	4,750,375	2,057,065
(6,998)	(7,143)	(482,883)	285,983
(4,000)	(337,114)	(91,820)	(846,908)
135,854	-	218,439	-
1,374,614	2,742,369	4,117,251	-
-	2,161,768	2,161,768	144,632
43,246	(294,483)	(535,477)	258,253
-	-	-	74,735
79,673	(3,139,214)	(3,513,528)	-
2,062,693	-	2,062,693	-
56,978	-	104,400	-
25,124	-	30,071	-
(24)	(20)	(71)	(4,377)
-	(491)	(491)	(45,851)
5,199,420	2,761,036	8,820,727	1,923,532
16,476,216	16,737,383	36,322,163	3,042
-	8,000,000	8,000,000	-
4,609,573	2,448,411	7,057,984	-
-	-	-	2,688,703
-	(135,062)	(135,062)	-
21,085,789	27,050,732	51,245,085	2,691,745
376,868,093	314,966,761		65,615,547
(643,514)	(720,063)		(202,170)
376,224,579	314,246,698		65,413,377
\$ 397,310,368	\$ 341,297,430		\$ 68,105,122
		224,805	
		\$ 51,469,890	

Statement of Cash Flows - Proprietary Funds

	Enterprise Funds	
	Power and Distribution	Public Parking
Cash Flows Provided by Operating Activities:		
Receipts from Customers	\$ 7,866,128	\$ 2,248,666
Cash Receipts from Interfund Services Provided	2,306,414	316,676
Payments to Suppliers	(6,587,069)	(1,094,010)
Payment for Interfund Services Used	(5,742)	(121,720)
Payments to Employees	(888,853)	(533,489)
Claims Paid	-	-
Other Receipts (Payments)	28,719	431,707
Net Cash Provided by Operating Activities	2,719,597	1,247,830
Cash Flows Provided By Noncapital Financing Activities:		
Subsidy from Federal Grants	-	-
Transfers In	-	-
Transfers Out	-	-
Net Cash Flows Provided (Used) By Noncapital Financing Activities	-	-
Cash Flows Provided By Capital and Related Financing Activities:		
Sale of Capital Assets	6,000	-
Purchase of Capital Assets	(2,951,377)	-
Purchase of Subscription Assets	-	-
Interest Payments and Fiscal Charges	-	(457,465)
Proceeds from Revenue Notes	-	-
Principal Payments-Revenue Notes	-	-
Principal Payments-Revenue Bonds	-	(1,195,000)
Proceeds from Lease and Subscription Liabilities	-	-
Principal Payments - Lease Liabilities and Subscription Assets	(1,445)	(1,418)
Interest Payments - Lease and Subscription Liabilities	(13)	-
Cash Received on Lease Receivables	-	47,422
Cash Received for Interest on Lease Receivables	-	4,944
Net Cash Flows (Used) By Capital and Related Financing Activities	(2,946,835)	(1,601,517)
Cash Flows Provided (Used) By Investing Activities:		
Rent Received	10,682	3,000
Investment Revenue Received	412,154	201,120
Net Cash Flows Provided (Used) By Investing Activities	422,836	204,120
Net Increase (Decrease) in Cash & Cash Equivalents During the Year	195,598	(149,567)
Cash and Cash Equivalents, January 1	9,123,351	3,559,498
Cash and Cash Equivalents, December 31	\$ 9,318,949	\$ 3,409,931
Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities:		
Operating Income (Loss)	\$ 1,151,333	\$ (52,310)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	1,763,030	1,229,430
Amortization	1,443	1,416
(Increase) Decrease in-Receivables	(132,025)	47,604
-Inventory	(66,325)	-
-Due From Other Funds	-	-
-Due From Other Governments	-	-
-Net Pension Asset	(169,394)	(79,729)
-Pension Related Deferred Outflows	181,792	126,904
Increase (Decrease) in-Accounts Payable	(56,730)	30,112
-Accrued Wages	3,829	399
-Compensated Absences	45,040	(11,333)
-Pension Related Deferred Inflows	(30,375)	(15,633)
-Loss Reserve on Workers' Comp Claims	-	-
-Deposits	2,107	228
-Unearned Revenue	-	4,706
-Due To Other Funds	-	-
-Closure/Post closure Cost	-	-
-Lease Related Deferred Inflows	-	(47,422)
Other Revenue Sources (Uses)	25,872	13,458
Net Cash Provided By Operating Activities	\$ 2,719,597	\$ 1,247,830
Noncash Investing, Capital and Financing Activities:		
Capital Contributions	\$ -	\$ -
Capital Asset Purchases in Accounts Payable	98,649	-
Net Interfund Transfers of Capital Assets	-	-

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

Statement of Cash Flows - Proprietary Funds (cont)

Enterprise Funds (cont)				Internal
Sanitary Landfill	Water	Water Reclamation	Total	Service Funds
\$ 13,633,194	\$ 43,484,105	\$ 43,030,985	\$ 110,263,078	\$ 13,132,258
331,360	894,958	336,792	4,186,200	48,625,193
(6,827,052)	(14,381,411)	(11,272,695)	(40,162,237)	(23,632,883)
(20,601)	(1,412,662)	(378,143)	(1,938,868)	(17,770)
(2,762,880)	(7,383,048)	(6,858,276)	(18,426,546)	(6,154,368)
-	-	-	-	(27,108,675)
(373,021)	3,507,677	4,656,425	8,251,507	430,409
3,981,000	24,709,619	29,515,088	62,173,134	5,274,164
-	-	8,000,000	8,000,000	-
-	-	-	-	2,688,703
-	-	(135,062)	(135,062)	-
-	-	7,864,938	7,864,938	2,688,703
2,350	715	-	9,065	436,825
(7,614,647)	(9,627,005)	(88,076,948)	(108,269,977)	(7,114,869)
-	-	-	-	(2,992,803)
-	(776,710)	(2,746,503)	(3,980,678)	-
-	-	81,516,970	81,516,970	-
-	-	(11,890,659)	(11,890,659)	-
-	(3,950,000)	-	(5,145,000)	-
-	-	-	-	2,992,803
(4,702)	(6,547)	(14,198)	(28,310)	(1,592,360)
(42)	(58)	(772)	(885)	(41,699)
-	56,978	-	104,400	-
-	19,732	-	24,676	-
(7,617,041)	(14,282,895)	(21,212,110)	(47,660,398)	(8,312,103)
68,903	135,854	-	218,439	-
1,061,727	1,343,079	1,546,486	4,564,566	1,994,283
1,130,630	1,478,933	1,546,486	4,783,005	1,994,283
(2,505,411)	11,905,657	17,714,402	27,160,679	1,645,047
24,434,302	21,246,054	29,272,598	87,635,803	43,988,656
<u>\$ 21,928,891</u>	<u>\$ 33,151,711</u>	<u>\$ 46,987,000</u>	<u>\$ 114,796,482</u>	<u>\$ 45,633,703</u>
\$ 1,149,270	\$ 11,276,796	\$ 13,976,347	\$ 27,501,436	\$ (1,920,490)
3,028,448	10,815,944	16,937,338	33,774,190	5,262,884
4,696	6,456	14,617	28,628	1,869,194
(123,042)	(419,236)	(2,238,678)	(2,865,377)	(207,928)
-	(519,121)	31,267	(554,179)	(75,210)
-	-	-	-	(61,006)
-	-	-	-	(12,023)
(427,482)	(841,734)	(966,305)	(2,484,644)	(711,313)
478,924	1,131,760	1,136,731	3,056,111	1,156,014
(277,380)	(228,157)	(3,976,454)	(4,508,609)	(109,684)
17,056	41,691	42,922	105,897	12,589
29,288	73,529	35,836	172,360	(61,839)
(69,552)	(122,386)	(134,958)	(372,904)	(128,117)
-	-	-	-	836,601
-	30,384	-	32,719	-
-	-	-	4,706	-
-	-	2,096	2,096	(5,917)
543,795	-	-	543,795	-
-	(56,978)	-	(104,400)	-
(373,021)	3,520,671	4,654,329	7,841,309	430,409
<u>\$ 3,981,000</u>	<u>\$ 24,709,619</u>	<u>\$ 29,515,088</u>	<u>\$ 62,173,134</u>	<u>\$ 5,274,164</u>
\$ -	\$ 4,609,573	\$ 2,448,411	\$ 7,057,984	\$ -
202,778	711,304	15,403,448	16,416,179	109,745
5,473	(4,000)	(337,114)	(335,641)	(846,908)

Statement of Fiduciary Net Position - Fiduciary Funds

	Pension and Health Care Trust Funds	Police Custodial Fund
Assets		
Cash and Cash Equivalents	\$ 49,085,902	\$ 335,556
Receivables:		
Contribution	437,427	-
Interest	1,310,492	-
Total Receivables	1,747,919	-
Investments at Fair Value:		
US Government	68,609,346	-
Corporate Obligations	38,436,692	-
Foreign Obligations	12,653,714	-
State and Local Obligations	8,828,061	-
Domestic Stocks	60,320,750	-
Foreign Stocks	4,526,041	-
Index Funds:		
Equity	280,610,958	-
Government / Corporate Bonds	54,167,684	-
Mutual Funds:		
Foreign Equity	148,835,341	-
Domestic Equity	24,350,936	-
Fixed Income	40,472,692	-
Real Estate	59,849,209	-
Total Investments	801,661,424	-
Total Assets	852,495,245	335,556
Liabilities		
Accounts Payable	35,540	-
Accrued Wages	6,967	-
Total Liabilities	42,507	-
Net Position		
Restricted for Pension Benefits	848,719,556	-
Restricted for Post Employment Health Care Benefits	3,733,182	-
Restricted for Police Evidence and Found Property	-	335,556
Total Net Position	\$ 852,452,738	\$ 335,556

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

	Pension and Health Care Trust Funds	Police Custodial Fund
Additions		
Contributions		
Employer	\$ 14,226,388	\$ -
Plan Members	3,682,357	-
Total Contributions	17,908,745	-
Investment Income	82,173,000	-
Less Investment Expense	1,373,094	-
Net Investment Income	80,799,906	-
Police Funds Received into Custody	-	158,025
Total Additions	98,708,651	158,025
Deductions		
Benefit Payments		
Pension	43,019,492	-
Health Premiums	85,289	-
Total Benefit Payments	43,104,781	-
Police Funds Released from Custody	-	101,263
Refunds	76,012	-
Administrative Expense	399,523	-
Total Deductions	43,580,316	101,263
Change in Net Position	55,128,335	56,762
Restricted Net Position, January 1	797,324,403	278,794
Restricted Net Position, December 31	<u>\$ 852,452,738</u>	<u>\$ 335,556</u>

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies

A. BASIS OF PRESENTATION

The financial statements of the City of Sioux Falls (the "City") have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting. The City follows and implements all applicable GASB standards. Below are applicable statements not yet required to be implemented.

As of January 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of the standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 13.

The first statement issued but not yet implemented that will affect the City is Statement No. 102 *Certain Risk Disclosures*. The objective of this Statement will improve financial reporting by providing disclosures with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. Management has not yet determined the effect these pronouncements will have on the City's financial statements. This statement will be implemented in the fiscal year ending December 31, 2025.

The second statement issued but not yet implemented that will affect the City is Statement No. 103 *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing useful information for decisionmakers and to help assess a government's accountability. This statement will be implemented in the fiscal year ending December 31, 2026.

The third statement issued but not yet implemented that will affect the City is Statement No. 104 *Disclosure of Certain Capital Assets*. This statement sets forth guidelines for disclosing certain capital assets separately including leases, subscription-based information technology arrangements as well as intangible assets and capital assets held for sale. This statement will be implemented in the fiscal year ending December 31, 2026.

B. REPORTING ENTITY

The City is a municipality chartered under the constitution of the State of South Dakota and is governed by a Council, including a full-time Mayor who is vested with the executive and administrative powers of the City, as well as eight part-time Council members who serve in a policy-making and legislative capacity.

The accompanying financial statements present the City and its component unit. Blended component units are entities which are legally separate from the City but which are so intertwined with the City that they are, in substance, the same as the City. Discretely presented component units are entities for which the City is considered to be financially accountable, has the ability to impose its will, or for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

The **Housing and Redevelopment Commission** of the City of Sioux Falls, South Dakota (Housing Commission), was organized pursuant to the Municipal Housing and Redevelopment Act of South Dakota as a public housing agency formed to provide financial assistance for low-income public housing pursuant to the United States Housing Act of 1937 (42 United States Code Section 1401 et seq.). The Mayor appoints the five members of the governing board. The City has legal authority to impose its will on the Commission. Commission members are appointed and can be removed by the Mayor of the City of Sioux Falls. In 2024, the Housing Fund did not provide any federal grant proceeds to the Housing Commission for housing assistance. The Housing Commission's fiscal year-end presented in this report is September 30, 2024. Complete financial statements are available at the administrative offices located at 630 South Minnesota Avenue in Sioux Falls, South Dakota.

C. BASIC FINANCIAL STATEMENTS

The basic financial statements are prepared and presented on both the government-wide and fund financial level. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund and internal service fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and governmental and internal service funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from a

Notes to Financial Statements

certain legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

Budgetary Reporting

The City legally adopts an annual budget for all the governmental funds. The Budgetary Comparison Schedules present comparisons of the original and legally amended budget with actual amounts on a departmental level for the General Fund, Entertainment Tax Fund, Sales and Use Tax Fund, Housing Fund, the Public Safety Facility Construction Fund, and the Storm Drainage Fund. In addition to the required General Fund presentation, the four special revenue funds and one capital project fund presented have a legally adopted annual budget and are reported as major funds in the financial statements.

Each budget is adopted on a basis consistent with generally accepted accounting principles except for bad debt expense, compensated absences, and the reporting of capital outlay and debt service expenditures. The City budgets for compensated absences only to the extent they are expected to be paid rather than on the modified accrual method. On the budget to actual schedules, capital outlay is included within the individual functions whereas this is reported as a separate item on the governmental fund statements.

The City may apply a portion of the prior years' fund balance, reported as net change in fund balance in the budget column, to the current year's budget as an offset to revenue. The original budget is the budget as originally adopted by the City Council. The final budget is the original budget adjusted by capital encumbrances and carry-forwards, transfers within organizational units, and supplemental appropriations.

Summary of Significant Budget Policies

City Charter requires the Mayor to submit a budget to the City Council on or before the first day of August of each year. Upon publication and public hearing, the City Council must annually adopt the budget on or before the 30th day of September. If the City Council fails to adopt the budget by this date, the budget proposed by the Mayor shall go into effect.

The budget is adopted and appropriated by fund on a service function (i.e., general government, public safety, etc.) and departmental basis for all governmental funds, the legal level of control. The City adopts an annual budget for all of the governmental funds.

Proprietary (enterprise and internal service), trust, and agency funds are not appropriated because they are not supported by revenue derived from the annual appropriated tax levy. Although non-appropriated, an annual budget for these funds must be published no later than the last day of December.

For each fund, the total of proposed expenditures shall not exceed the total of estimated income plus the fund balance carried forward, exclusive of reserves. If, during the year, the Mayor certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may, by ordinance, approve supplemental appropriations for the year up to the amount of the excess.

The City Council approved supplemental appropriations of \$63.1 million during 2024. A majority of the supplemental appropriations were funded by the General Fund and Sales and Use Tax Fund unassigned balances carried forward from 2024 with additional amounts from American Rescue Plan Act (ARPA) grants and State Revolving Funds.

The Water Reclamation Fund experienced \$34.1 million in supplements for the Basin 15 sanitary sewer extension and the explanation of the water reclamation facility. This supplement was funded through State Revolving Funds and ARPA grants.

Parks and Recreation had supplements totaling \$18.7 million. These supplements included \$9.0 million in the Sales and Use Tax available fund balance for the purchase of the Westside Recreation Center with an additional \$0.5 million for the development of the southern outdoor aquatic center. The City supplemented \$9.0 million in General Fund transfers to the Sales and Use Tax Fund for this purchase. The General Fund supplemented an additional \$0.1 million from unobligated fund balance for a discounted admission date at the Zoo.

Entertainment Tax Fund was supplemented for \$8.1 million from unobligated fund balance for the development and construction of the Riverline District along with another \$0.35 million for HVAC repairs at the Washington Pavilion.

Notes to Financial Statements

Other supplements made in 2024 include:

- \$0.6 million supplement in the Sanitary Landfill Fund for leachate recirculation infrastructure funded through grants.
- \$0.5 million for arterial street improvements from the Sales and Use Tax Fund platting fees
- \$0.45 million for early childhood scholarship (General Fund unassigned balance)
- \$0.225 million for LED lighting for the law enforcement center funded through grants in the Centralized Facilities Fund.

Additional supplements in the amount totaling \$0.1 million for radio and auxiliary equipment and childcare research services.

Budget Compliance

There were no material violations of the annual appropriated budget for the fiscal year ending December 31, 2024.

D. FINANCIAL STATEMENT PRESENTATION

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added the Storm Drainage Fund and the Public Safety Facility Construction Fund. The non-major funds are combined in a column in the fund financial statements and are detailed in the combining statements section.

The government reports the following **major governmental funds**:

The **General Fund** is the government's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue sources include property taxes and the first cent of City sales tax, licenses and permits, state and county shared revenues, and charges for goods and services. In addition to general government, primary expenditures include Public Safety, Highways and Streets, Health, Culture and Recreation, and Urban and Economic Development.

The **Entertainment Tax Fund** accounts for the collection of a one percent tax on lodging, sales of alcoholic beverages, prepared meals, as well as ticket sales and admissions. This tax is used to provide operating and capital funds for the City's convention and entertainment facilities.

The **Sales and Use Tax Fund** is a special revenue fund that accounts for the collections of the second cent of City sales tax and the uses of these funds for capital improvement projects (and other related costs) and debt service.

The **Housing Fund** accounts for all activities financed by the Community Development Block Grant funds, similar federal grant and loan programs, and City general funds.

The **Storm Drainage Fund** is a special revenue fund that accounts for the collections of the drainage and storm sewer fees/taxes and uses these funds for maintenance (and other related costs), capital improvements, and debt service (state revolving loans) related to the storm drainage system.

The **Public Safety Facility Construction Fund** accounts for the construction of the new Public Safety Facility training center and related expenses.

Other governmental (nonmajor) funds are a compilation of all the nonmajor governmental funds. These include additional special revenue, debt, capital projects, and permanent funds.

The government reports the following **major proprietary funds**:

The **Power and Distribution Fund** accounts for the activities of the City's electric distribution operations.

The **Public Parking Fund** accounts for the activities of the City's parking system which provides on- and off-street parking in the downtown area.

The **Sanitary Landfill Fund** accounts for the activities of the City's regional landfill operations.

The **Water Fund** accounts for the activities of the City's water distribution system.

The **Water Reclamation Fund** accounts for the activities of the City's wastewater collection and treatment system.

Additionally, the government reports the following fund types:

The **internal service funds** account for health, workers' compensation, liability insurance, technology equipment/software, facilities, and fleet management services provided to other departments of the government, or to other governments, on a cost reimbursement basis.

The **pension trust funds** account for the activities of the City Employee's Retirement System and the City Firefighters' Pension Fund, which accumulates resources for pension to qualified City employees. These funds were closed to new entrants as of July 1, 2013.

Notes to Financial Statements

The **retiree health OPEB trust fund** accounts for the activities of the City's Other Postemployment Benefit (OPEB). The City offers eligible retirees who retired prior to January 1, 2014, coverage under its group health plan.

The **police custodial fund** accounts for cash collected and held, as a result of law enforcement related activities.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded, regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. This focus concentrates on the fund's net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus concentrates on the fund's resources available for spending currently or in the near future. Revenues are recognized as soon as they are considered to be both measurable and available. Management has decided that to be considered available, revenues other than sales taxes should generally be collected within 30 days of the end of the current reporting period.

The availability period for sales tax revenue recognition is 15 days. Sales tax collections received by the City within 15 days of year-end that are derived from underlying transactions that occurred during the reporting period are accrued and recognized as revenue.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for certain debt service, compensated absences, and claim and judgment expenditures.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Special assessments are susceptible to accrual as revenue of the current period when the lien attaches to the benefited properties. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges

provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then, unrestricted resources as they are needed.

F. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

Cash and Cash Equivalents—

Cash and cash equivalents include investments within the City's internal cash management pool which provides ready access to cash liquidity as well as any additional cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are identified only for the purpose of the Statement of Cash Flows.

A pooled cash account is maintained for all City funds. Those funds that have an average negative balance in the cash account are charged interest at the rate earned by the pool. Interest earnings are allocated to those funds that have an average positive balance in the cash account.

Investments—

Investments are reported at fair value based on the framework established by GASB 72 *Fair Value Measurement and Application*.

Receivables and Payables—

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current interfund loans) or "advances to/from other funds" (i.e., non-current interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Notes to Financial Statements

Advances between funds are offset by "nonspendable" fund balance in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectible accounts. This allowance is equal to estimated losses that may be incurred in collection of outstanding receivables.

Inventories and Prepaid Items—

Inventories for both governmental and business-type funds are stated using the weighted average method. The cost of inventory is recognized as an expense in both the fund and the government-wide financial statements when used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method to record its changes in prepaid items in which the City reports a prepaid asset in the period which they are purchased and defer the recognition of the expenditure until the period in which the items are consumed.

Deferred Outflows of Resources—

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until that time.

Deferred Inflows of Resources—

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue from a variety of sources in the governmental funds including long-term receivables. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Capital Assets—

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, water and sewer lines, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets

are defined by the City as assets with an initial, individual cost of more than \$7,500, and estimated useful life in excess of one year. Additions or improvements that significantly add value to an asset such as extending the useful life of an asset or increasing its capacity or efficiency are capitalized. Other costs for repairs and maintenance are expensed as incurred. The cost of equipment in excess of \$5,000 is inventoried for purposes of federal grant reporting.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, historical treasures and similar assets, and capital assets that the City receives in a service concession arrangement are recorded at acquisition value. The City chose to include all general infrastructure assets (those reported in the governmental activities), regardless of acquisition date or amount, using backtrending analysis to estimate historical costs.

Capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, and equipment of the primary government, as well as the component unit, is depreciated or amortized using the straight line method over the following estimated useful lives:

Primary Government:

Buildings:	
Structures	40 years
Remodeling and renovation	15 years
Improvements other than buildings:	
Park improvements	10–30 years
Other	5–25 years
Machinery and equipment:	
Furniture and fixtures	10–20 years
Office equipment	5–10 years
Computer equipment	2–5 years
Library books	10 years
Vehicles	4–10 years
Heavy equipment	10–20 years
Utility system equipment	20–40 years
Other	5–20 years
Infrastructure:	
Streets	15–40 years
Traffic signals	15 years
Street and parking area lighting	15 years
Light distribution lines	40 years
Water distribution mains	50 years
Water reclamation lines	25 years
Storm drainage pipe	25 years
Other	20–50 years
Right to Use Leased Assets	2-5 Years
Subscription Assets	2-5 Years

Component Unit:

Housing Commission:

Buildings	25–40 years
Modernization improvements	15 years
Equipment	5 years
Furnishings	5 years

Notes to Financial Statements

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Subscription-based information technology arrangements (SBITAs) are recognized at the arrangement commencement date and represent the City's right to use an underlying asset for the term of the agreement. The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Net Position/Fund Balance

The difference between assets and liabilities is "Net Position" on the government-wide, proprietary and fiduciary fund financial statements, and "Fund Balance" on the governmental fund financial statements.

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation or amortization, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund balances are classified based on the spending constraints placed upon them. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

- Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same, or higher, level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. An ordinance is the highest level of authority and requires another ordinance to modify or rescind.

Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, project construction, debt service, or other purposes). City management has the authority to assign fund balances for specific purposes.

The City's first priority is to utilize the restricted fund balance. Committed funds will be considered second with assigned fund balance third when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are eligible to be used.

In the General Fund, the City strives to maintain an unobligated fund balance to be used for cash flow and unanticipated expenditures of 25 percent of the current year's final expenditure budget.

Long-term Obligations—

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Notes to Financial Statements

Leases

Lessee—

The City is a lessee for noncancellable leases. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

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

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

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

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

Lessor—

The City is also a lessor for noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the

expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements—

The City has entered into subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements.

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

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Notes to Financial Statements

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

G. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences—

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. The accumulation of unused vacation and comp time is limited based upon employee classification. Upon separation, the City will reimburse the employee for accumulated vacation and comp time not to exceed established maximums. The amount of unused sick leave accumulation is not limited. Upon retirement, or upon separation in good standing for employees not represented by a bargaining unit, the City reimburses eligible employees a portion of unused sick leave. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Vacation, comp time, and sick leave accruals are recognized as a long-term liability which will generally be liquidated from the General Fund. Thus, the governmental fund financial statements accrue vacation and comp time benefits both to the extent that they have matured due to retirement or separation from the City. As a result of GASB Statement 101, *Compensated Absences*, the full accrual statements including the government-wide, enterprise funds and the internal service funds will include both those anticipated to be used in future years as well as those estimated to be paid out at the time of separation.

Grant Revenue—

The City recognizes grant revenues when all applicable eligibility requirements, including time requirements, are met. The City follows the policy that if expenditures of funds are the prime factor for determining eligibility for the grant funds, revenue is recognized at the time of the expenditure.

Retirement and Other Post-Employment Benefits—

The City has two separate retirement plans covering 38 percent of all full-time and regular part-time employees. The City is required by statute to fund the normal costs and amortization of the unfunded prior service costs and to account for such costs on the accrual basis (see Note 12).

Self-Insurance—

The City is self-insured for workers' compensation, unemployment compensation, property losses (deductible portion only), and health-life benefits (up to \$250,000 per individual). The City does carry reinsurance for workers' compensation and health benefits. Liabilities are recorded when a determinable claim or loss has been incurred and the amount of the loss can reasonably be estimated.

H. ACCOUNTING ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of

revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. PENSIONS

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

Note 2—Stewardship, Compliance, and Accountability

A. Compliance with Finance-Related Legal and Contractual Provisions

The City incurred no material violations of finance-related legal and contractual provisions.

B. Excess of Expenditures Over Appropriations at the Legal Level of Control

The City incurred no material excess of expenditures over appropriations at the legal level of control.

C. Net Position/Fund Balance Deficits

The City incurred no funds with negative unassigned fund balance at year end.

Note 3—Detailed Notes On All Funds

A. Deposits and Investments

The City maintains a pooled cash portfolio that is used by all City funds using the pooled deposit and investment concept. This concept provides the City with the ability to maximize earnings on idle fund monies while ensuring that the liquidity needs of each fund are met and the integrity of the cash balances of each fund are preserved. This pool is governed by an investment policy established by the City Council. The pool consists of checking accounts, savings accounts, certificates of deposit, and securities guaranteed either directly or indirectly by the United States government, including money market accounts, which are stated at market value. Fund equity in the pool is shown as cash and cash equivalents in all financial statements.

Governmental and Business-Type Funds

Investment Policy: The City has an adopted investment policy, conforming to all applicable laws of the State of South Dakota, which serves as the guide to the deposit and investment of operating funds which are managed within the City's pooled cash portfolio. This policy sets forth the City's investment objectives as well as authorized and suitable deposits and investments, and serves as a guide for proper diversification, maturity constraints, internal controls, and performance measurement. The foremost objective of the City's investment program as set forth by the investment policy is safety of principal. Investment decisions are made under the assumption that, except under limited

Notes to Financial Statements

circumstances, all investments within the pooled cash portfolio will be held to maturity.

There are certain deposits and investments that are held in trust for debt service or for specific purposes outside of the pooled cash portfolio and the adopted investment policy. These assets are governed by State law (SDCL 4-5-6) which sets forth eligible deposits and investments for the City. The same deposits and investments are allowed under both the City's investment policy and State law.

Allowable deposits and investments include:

- Securities issued by the United States Treasury.
- Securities issued by government-sponsored enterprises (GSEs) or federally related institutions that are guaranteed directly or indirectly by the U.S. government (U.S. agencies).
- Mutual and money market funds that invest in (a) or (b).
- Repurchase agreements fully collateralized by (a) or (b).
- Certificates of deposits (100 percent collateralized).
- Deposit and savings accounts (100 percent collateralized).

Credit Risk. The credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As outlined above, State statute and City policy limit the type of investments allowed to reduce the amount of credit risk to the portfolio. The next chart summarizes the credit quality of the City's investment holdings.

Custodial Credit Risk. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or investments or will not be able to recover collateral securities that are in the possession of an outside party. City deposits in excess of depository

insurance must be 100 percent collateralized. Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A. Collateral is required to be segregated by each depository as approved by the South Dakota Public Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve. As of December 31, 2024, the deposits of the City were \$12.2 million. One depository fell below the pledged collateral requirement during the fourth quarter of 2024. No other depository fell below the 100 percent of pledged collateral required as of December 31, 2024. Other investments are held for safekeeping in the City's name by a qualified bank or trustee pursuant to SDCL 4-5-9.

Concentration of credit risk. Concentration risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's pooled cash investment policy limits the City pooled cash portfolio to hold no more than 20 percent of the total pool investments in the deposit of a single non-federal financial institution and the exposure to federal agency securities, secured directly or indirectly, to no more than 40 percent of the total portfolio. No institution exceeded these established limits as of December 31, 2024.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The below chart summarizes the City's deposits and investments using segmented time distribution. The City's pooled cash policy limits pooled cash investments to a maturity of five years or less to ensure adequate liquidity and minimize the impact of changes in interest rates. In matching investments to liabilities, the City does invest in longer-term treasury and agency securities outside of the pooled cash portfolio for specific obligations such as bond reserve funds.

Deposit/Investment Type	Credit Rating	Fair Value	Less Than				5 or more Years
			1 Year	1-3 Years	3-5 Years		
(a) U.S. Treasury Notes & Bills	N/A	\$ 316,730,027	\$ 163,310,633	\$ 142,366,578	\$ 10,936,859		\$ 115,957
(c) Money Market Funds	AAA	82,795,320	82,795,320	-	-		-
(e) Certificates of Deposit	N/A	12,906,239	12,906,239	-	-		-
(f) Cash	N/A	-	-	-	-		-
Total		\$ 412,431,586	\$ 259,012,192	\$ 142,366,578	\$ 10,936,859		\$ 115,957

* All agency securities are either Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), or Federal Home Loan Bank System.

Component Unit

The Housing and Redevelopment Commission falls under South Dakota statutes (SDCL) 11-7-31, with supplementary authority granted under SDCL 4-5-6, in regard to permitted deposits and investments. The Commission has no further investment policy as to interest, credit, or concentration risk.

As of September 30, 2024, the deposits of the authority were fully insured or collateralized as required by SDCL 4-

6A. All deposits as of September 30, 2024, are in certificates of deposit.

Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A. Collateral is required to be segregated by each depository as approved by the South Dakota Public Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited

Notes to Financial Statements

for safekeeping in a financial institution that is a member of the Federal Reserve.

B. Property Tax

Real property tax levies are established on or before October 1 of each year. Taxes are recorded as receivable, levied, and attached as an enforceable lien on property as of January 1 of each year.

Taxes are payable in two installments on or before April 30 and October 31 of that year. The county bills and collects the City taxes and remits them to the City. The City accrues all delinquent property tax revenues received within 30 days after December 31. No accrual for the property tax levy becoming due in January of 2024 is included in the accompanying financial statements, since such taxes are collected to finance expenditures budgeted for the subsequent period.

C. Receivables

Receivables for the City's individual major funds and aggregate nonmajor, internal service, and fiduciary and component unit in aggregate, including the applicable allowances for uncollectible accounts, are as follows at December 31, 2024:

Primary Government	Taxes	Accounts	Interest	Lease	Special Assessments	Notes Receivable	Loans Receivable	Unbilled	Arbitrage Refund	Allowance for Uncollectibles	Total
Governmental Activities											
General	\$ 2,045,092	\$ 3,290,954	\$ 682,383	\$ 127,458	\$ 110,803	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,742,579)	\$ 5,514,111
Entertainment Tax	-	-	131,663	-	-	-	-	-	-	-	131,663
Sales/Use Tax	-	181,460	589,773	64,192	470,549	-	-	-	-	-	1,305,974
Housing	-	-	20,721	-	-	41,301	26,315,392	-	-	(466,301)	25,911,113
Storm Drainage	-	-	150,453	-	-	-	-	-	-	-	150,453
Public Safety Facility	-	-	5,399	-	-	-	-	-	-	-	5,399
Nonmajor Funds	-	36,518	17,641	-	-	-	-	-	-	-	54,159
Internal Service Funds	-	417,075	300,691	-	-	-	-	-	-	(4,799)	712,967
Total Governmental Activities	2,045,092	3,926,007	1,898,724	191,650	581,352	1,041,301	26,315,392	-	-	(2,213,679)	33,785,839
Business-type Activities											
Power and Distribution	-	363,203	65,705	-	-	-	-	542,092	-	(84,783)	886,217
Public Parking Facilities	-	136,861	17,311	415,939	-	-	-	-	-	(1,681)	568,430
Sanitary Landfill	-	1,195,627	152,413	-	-	-	-	-	-	(26,754)	1,321,286
Water	-	1,696,390	231,505	860,040	205,883	-	-	2,313,830	17,089	(80,047)	5,244,690
Water Reclamation	-	2,982,015	231,975	-	-	-	-	3,320,267	-	(63,429)	6,470,828
Total Business-type Activities	-	6,374,096	698,909	1,275,979	205,883	-	-	6,176,189	17,089	(256,694)	14,491,451
Total Primary Government	\$ 2,045,092	\$ 10,300,103	\$ 2,597,633	\$ 1,467,629	\$ 787,235	\$ 1,041,301	\$ 26,315,392	\$ 6,176,189	\$ 17,089	\$ (2,470,373)	\$ 48,277,290
Non current portion	\$ -	\$ -	\$ -	\$ -	\$ 765,075	\$ 1,038,442	\$ 25,960,049	\$ -	\$ -	\$ -	\$ 27,763,566
Fiduciary Funds											
Employee's Retirement	\$ -	\$ 305,205	\$ 953,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,258,715
Firefighters' Pension	-	132,222	331,501	-	-	-	-	-	-	-	463,723
OPEB Trust	-	-	25,481	-	-	-	-	-	-	-	25,481
Total Fiduciary Funds	\$ -	\$ 437,427	\$ 1,310,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,747,919
Component Units											
Housing Commission	\$ -	\$ 67,525	\$ 40,763	\$ -	\$ -	\$ 4,399,798	\$ -	\$ -	\$ -	\$ -	\$ 4,508,086

D. Interfund Receivables and Payables

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

The City is permitted by State statute to levy an increase of no more than the lesser of 3 percent, or the index factor, as defined in the statutes, over the amount of revenue receivable from real property taxes in the preceding year, excluding the amount levied pursuant to an affirmative two-thirds vote of the governing body. After applying the index factor, the City may increase the revenue from real property taxes above the limitations by the percentage increase of value resulting from any improvements or change in use of real property, annexation, minor boundary changes, and any adjustments in taxation of property separately classified and subject to statutory adjustments and reductions, only if assessed the same as property of equal value.

The combined tax rate to finance municipal services for year-ended December 31, 2024, was \$3.62 per \$1,000 of taxable valuation.

An additional \$5,416,169 is included in the internal balances of the governmental funds and business-type funds on the Statement of Net Position. This represents the adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds as shown in the Statement of Net Position – Proprietary Funds.

Notes to Financial Statements

The composition of individual interfund receivable and payable balances at December 31, 2024, was as follows:

Due to/from other funds:		
Receivable fund	Payable fund	Amount
General	T.I.F. District	\$ 50,000
General	Storm Drainage	243,802
General	Water Reclamation	2,096
Technology Revolving	911 Dispatch	61,006

E. Due from other Governments

Amounts Due from Other Governments include the following at December 31, 2024:

	Due from			
	Federal	State	Local	Total
Primary Government:				
Governmental Activities				
General Fund	\$ 282,636	\$ 12,471,109	\$ 261,032	\$ 13,014,777
Entertainment Tax	-	1,305,809	-	1,305,809
Sales/Use Tax	-	14,090,696	-	14,090,696
Housing	225,393	-	23,319	248,712
Storm Drainage	-	4,341	163,721	168,062
Nonmajor Funds	208,936	630,760	340,328	1,180,024
Internal Service Funds	-	-	175,646	175,646
Total Governmental Activities	\$ 716,965	\$ 28,502,715	\$ 964,046	\$ 30,183,726
Component Units				
Housing Commission	\$ 612,121	\$ -	\$ -	\$ 612,121
Business-type Activities				
Enterprise Funds				
Water	\$ -	\$ 3,857	\$ -	\$ 3,857
Water Reclamation	-	3,774	-	3,774
Total Enterprise Funds	-	7,631	-	7,631
Total Primary Government	\$ 716,965	\$ 28,510,346	\$ 964,046	\$ 30,191,357

F. Interfund Transfers

Transfers are used to move revenues from the fund with collection authorization to the fund with expenditure authorization and move unrestricted revenues collected in

the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The financial statements reflect interfund transfers and their related purposes as follows:

	Transfers in:							
	Sales and Use Tax	Housing	Nonmajor Governmental Funds	Power and Distribution	Landfill	Fleet Revolving	Centralized Facilities	General Fixed Assets
Transfers out:								
General Fund	\$ 9,050,000	\$ 2,050,232	\$ 7,479,807	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -
Sales and Use Tax	-	-	977,000	-	-	250,000	1,438,703	-
Power and Distribution	-	-	-	-	-	-	-	40,828
Water	-	-	-	-	-	-	-	4,000
Water Reclamation	135,062	-	-	-	-	-	-	337,114
Fleet Revolving	-	-	-	-	5,473	-	-	-
Centralized Facilities	-	-	-	-	-	121,769	-	901,519
General Fixed Assets	-	-	-	284,649	-	60,084	-	-
Total	\$ 9,185,062	\$ 2,050,232	\$ 8,456,807	\$ 284,649	\$ 5,473	\$ 431,853	\$ 2,438,703	\$ 1,283,461
Purpose of Transfer	Transfer for purchase of Westside Rec Center. Cost recovery of expenses for shared projects from the Water Reclamation and General Fund.	Community investment in housing stock	To support the operations and sustainability of the City's public transportation systems	Transfer of fixed assets from shared projects	Transfers of fixed assets from shared projects	Replacement of aging fuel tanks	To support ongoing investments in City Facilities	Transfer of fixed assets from shared projects
Total	\$ 9,185,062	\$ 2,050,232	\$ 8,456,807	\$ 284,649	\$ 5,473	\$ 431,853	\$ 2,438,703	\$ 1,283,461
Total	\$ 9,185,062	\$ 2,050,232	\$ 8,456,807	\$ 284,649	\$ 5,473	\$ 431,853	\$ 2,438,703	\$ 1,283,461
Total	\$ 9,185,062	\$ 2,050,232	\$ 8,456,807	\$ 284,649	\$ 5,473	\$ 431,853	\$ 2,438,703	\$ 1,283,461

Notes to Financial Statements

G. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

Primary Government:	Beginning Balance	Additions	Transfers & Retirements	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 198,117,477	\$ 14,840,651	\$ (43,911)	\$ 212,914,217
Intangibles (Rights)	5,567,337	295,000	-	5,862,337
Construction in Progress	44,780,902	102,037,526	(105,600,942)	41,217,486
Depreciable Assets:				
Buildings	429,227,468	35,671,476	(319,794)	464,579,150
Improvements other than Buildings	191,639,992	9,731,871	(290,617)	201,081,246
Equipment	167,576,718	19,955,187	(4,685,632)	182,846,273
Infrastructure	1,468,919,219	84,866,151	(11,037,037)	1,542,748,332
Totals at Historical Cost	2,505,829,113	267,397,861	(121,977,933)	2,651,249,041
Accumulated Depreciation:				
Buildings	(171,191,336)	(11,040,598)	26,413	(182,205,521)
Improvements other than Buildings	(132,893,253)	(5,680,398)	293,591	(138,280,060)
Equipment	(105,238,065)	(13,854,591)	3,713,951	(115,378,705)
Infrastructure	(582,860,491)	(45,290,450)	6,895,595	(621,255,346)
Total Accumulated Depreciation	(992,183,145)	(75,866,037)	10,929,550	(1,057,119,632)
Net Capital Assets	1,513,645,968	191,531,824	(111,048,383)	1,594,129,409
Right to Use Leased and Subscription Assets Being Amortized				
Right to Use Leased Buildings	1,933,190	-	-	1,933,190
Right to Use Leased Equipment	8,218,702	102,744	(63,403)	8,258,043
Subscription Assets	3,938,174	2,972,447	(1,909,824)	5,000,797
Totals at Historical Cost	14,090,066	3,075,191	(1,973,227)	15,192,030
Accumulated Amortization:				
Right to Use Leased Buildings	(944,078)	(92,481)	-	(1,036,559)
Right to Use Leased Equipment	(1,651,111)	(2,393,580)	31,756	(4,012,935)
Subscription Assets	(1,698,597)	(1,968,678)	1,909,825	(1,757,450)
Total Accumulated Amortization	(4,293,786)	(4,454,739)	1,941,581	(6,806,944)
Net Right to Use Leased and Subscription Assets	9,796,280	(1,379,548)	(31,646)	8,385,086
Governmental Activities Capital Assets, net	\$ 1,523,442,248	\$ 190,152,276	\$ (111,080,029)	\$ 1,602,514,495

Notes to Financial Statements

Primary Government:	Beginning Balance	Additions	Transfers & Retirements	Ending Balance
Business-type Activities:				
Non-Depreciable Assets:				
Land	\$ 21,607,317	\$ 1,869,449	\$ -	\$ 23,476,766
Intangibles (Rights)	76,314,266	-	-	76,314,266
Construction in Progress	174,095,783	119,267,412	(41,818,903)	251,544,292
Depreciable Assets:				
Buildings	97,811,355	11,109,685	(1,005,722)	107,915,318
Improvements other than Buildings	78,331,807	2,532,856	-	80,864,663
Equipment	56,530,331	2,805,057	(739,633)	58,595,755
Infrastructure	864,123,424	35,886,763	(17,315)	899,992,872
Totals at Historical Cost	1,368,814,283	173,471,222	(43,581,573)	1,498,703,932
Accumulated Depreciation				
Buildings	(32,532,807)	(3,314,541)	554,790	(35,292,558)
Improvements other than Buildings	(52,592,852)	(3,425,722)	-	(56,018,574)
Equipment	(36,860,195)	(2,328,707)	701,936	(38,486,966)
Infrastructure	(383,598,191)	(24,705,222)	13,999	(408,289,414)
Total Accumulated Depreciation	(505,584,045)	(33,774,192)	1,270,725	(538,087,512)
Net Capital Assets	863,230,238	139,697,030	(42,310,848)	960,616,420
Right to Use Leased and Subscription Assets Being Amortized				
Right to Use Leased Equipment	77,542	-	(157)	77,385
Subscription Assets	36,152	-	-	36,152
Totals at Historical Cost	113,694	-	(157)	113,537
Accumulated Amortization:				
Right to Use Leased Equipment	(38,208)	(19,588)	-	(57,796)
Subscription Assets	(9,038)	(9,038)	-	(18,076)
Total Accumulated Amortization	(47,246)	(28,626)	-	(75,872)
Net Right to Use Leased and Subscription Assets	66,448	(28,626)	(157)	37,665
Business Activities Capital Assets, net	863,296,686	139,668,404	(42,311,005)	960,654,085
Total Primary Government Capital Assets, net	\$ 2,386,738,934	\$ 329,820,680	\$ (153,391,034)	\$ 2,563,168,580
* The decrease in accumulated depreciation for any given class of assets may exceed the decrease reported in those assets due to asset transfers from the business-type funds to the governmental funds.				

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

Governmental Activities:	Amount
General Government	\$ 1,759,446
Public Safety	5,740,849
Highways & Streets	45,601,085
Health	319,219
Culture & Recreation	18,155,592
Urban & Economic Development	1,612,507
Capital Assets Held by the Government's Internal Service Funds	7,132,078
Total Depreciation and Amortization Expense - Governmental Activities	\$ 80,320,776
Business-type Activities:	
Electric Light	\$ 1,764,473
Public Parking Facilities	1,230,846
Sanitary Landfill	3,033,144
Water	10,822,400
Water Reclamation	16,951,955
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 33,802,818

Notes to Financial Statements

Component Units	Beginning Balance (Restated)	Additions	Retirements	Ending Balance
Housing Commission				
Non-Depreciable Assets:				
Land	\$ 776,184	\$ -	\$ -	\$ 776,184
Depreciable Assets:				
Buildings	6,757,788	39,536	-	6,797,324
Improvements other than Buildings	445,040	-	-	445,040
Equipment	493,621	67,398	-	561,019
Totals at Historical Cost	8,472,633	106,934	-	8,579,567
Less Accumulated Depreciation:				
Buildings	(3,898,378)	(88,650)	-	(3,987,028)
Improvements other than Buildings	(273,446)	(21,688)	-	(295,134)
Equipment	(354,134)	(27,517)	-	(381,651)
Total Accumulated Depreciation	(4,525,958)	(137,855)	-	(4,663,813)
Total Housing Commission Capital Assets, Net	\$ 3,946,675	\$ (30,921)	\$ -	\$ 3,915,754

Notes to Financial Statements

Projects included in construction in progress for the primary government along with construction improvement commitments to be financed from committed fund balances carried forward into future years are as follows:

Projects-in-Progress	Project Authorization	Expended to 12/31/2024	Committed	Carryovers	Carryforwards
Centralized Facilities Improvements	\$ 5,470,492	\$ 99,913	\$ 5,370,579	\$ 330,298	\$ 5,040,281
Centralized Facilities Land Acquisition	90,202	-	90,202	-	90,202
Engineering Infrastructure Projects	54,732,507	5,379,415	49,353,092	21,224,361	28,128,731
Salt Storage Facility	72,791	-	72,791	19,416	53,375
Public Safety Training Center	571,170	-	571,170	27,639	543,531
Fire Dive Rescue Equipment	58,828	58,828	-	-	-
Fire Truck	9,564	9,564	-	-	-
Police Patrol Vehicles	904,897	904,897	-	-	-
Sculpture Walk	50,000	-	50,000	-	50,000
Street Lights	51,637	51,637	-	-	-
Light and Power Facility Improvements	6,580,794	737,777	5,843,017	373,125	5,469,892
Electric Light Projects	360,920	-	360,920	-	360,920
Circuit Improvements	3,086,402	1,563,532	1,522,870	524,713	998,157
Unforeseen Electrical System Replacement	516,275	-	516,275	-	516,275
Arrowhead Park Development	852,906	852,906	-	-	-
Arboretum Park Improvements	174,299	174,299	-	-	-
Bike Trail Construction/Reconstruction	2,855,863	451,943	2,403,920	57,102	2,346,818
Community/Regional Park Improvements	622,612	-	622,612	222,612	400,000
Cyclical Park Infrastructure Improvements	766,595	-	766,595	766,594	1
Development of Play Structures	571,000	-	571,000	-	571,000
Elmwood Golf Course Clubhouse	6,649,999	2,644,870	4,005,129	3,470,317	534,812
Falls Park Improvements	257,248	-	257,248	37,236	220,012
Family Park Improvements	51,344	51,344	-	-	-
Jacobson Plaza Development	19,256,341	14,719,878	4,536,463	4,536,463	-
Midco Aquatic Locker Rooms	1,720,298	1,720,298	-	-	-
Neighborhood Park Improvements	160,329	-	160,329	28,269	132,060
Parks System Master Plan	593,279	418,294	174,985	174,985	-
Parks Maintenance Shop	8,380	8,380	-	40,880	-
Aquatics Facilities Development	7,549,653	1,422,513	6,127,140	654,094	5,473,046
Park Land Acquisition	552,345	4,000	548,345	19,999	528,346
Park Roads and Parking Lots Improvements	188,441	188,441	-	-	-
Prairie Trail Park Improvements	1,500	1,500	-	-	-
River Greenway	14,145,932	10,642,213	3,503,719	2,192,964	1,310,755
Zoo Master Plan Improvements	495,961	-	495,961	-	495,961
Fleet Underground Storage Tanks	812,298	-	812,298	1,538	810,760
Fleet Maintenance Shop Improvements	37,788	35,915	1,873	1,873	-
Fleet Dump Trucks	10,729	10,729	-	-	-
Landfill Closure	91,544	-	91,544	50,700	40,844
Landfill Land	1,200	1,200	-	-	-
Landfill Relocation of Wall Lake Drainageway	39,411	-	39,411	36,867	2,544
Landfill Expansion	92,741	-	92,741	-	92,741
Landfill Building Improvements	963,966	-	963,966	230,748	733,218
Landfill Leachate Recirculation Infrastructure	3,606,634	475,777	3,130,857	2,922,622	208,235
Arena Building Improvements	200,000	-	200,000	-	200,000
Convention Center Building Improvements	84,412	-	84,412	22,174	62,238
Sioux Falls Stadium Improvements	185,447	-	185,447	-	185,447
Events Center Building Improvements	1,522,210	18,375	1,503,835	82,642	1,421,193
Washington Pavilion Building Improvements	2,672,104	856,165	1,815,939	694,911	1,121,028
Orpheum Building Improvements	500,633	31,044	469,589	236,295	233,294
Riverline Land Acquisition	8,100,000	5,500	8,094,500	-	8,094,500
Transit Administration Building	94,600	94,600	-	-	-
Transit Facility Improvements	900,000	-	900,000	-	900,000
Storm Sewer Projects	11,481,560	360,026	11,121,534	2,796,538	8,324,996
Water Projects	19,979,080	1,949,653	18,029,427	1,185,715	16,843,712
Water Reclamation Projects	414,596,582	246,816,352	167,780,230	81,723,224	86,057,006
	\$ 596,003,743	\$ 292,761,778	\$ 303,241,965	\$ 124,686,914	\$ 178,595,931

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as

expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Notes to Financial Statements

Capital Outlay	\$ 124,900,913
Plus: assets contributed from outside sources	27,951,660
Plus: assets added by Internal Service Funds	25,501,839
Plus: construction in progress added as an asset in current year	89,043,449
Capital asset increase per footnote	267,397,861
Plus: loss on sale of assets	(5,245,876)
Plus: assets contributed to enterprise funds	1,283,461
Less: assets contributed from outside sources	(27,951,660)
Plus: assets added by Internal Service Funds	(25,501,839)
Plus: assets transferred from enterprise funds	(344,733)
Plus: assets transferred from former component unit	2,407,564
Less: construction in progress added as an asset in current year	(89,043,449)
Depreciation expense	(73,188,700)
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 49,812,629</u>

H. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities, including the current portion, of the City of Sioux Falls for the year ended December 31, 2024.

	Balance Beginning (Restated)	Additions	Deletions	Balance Ending	Due Within One Year
Primary Government					
Governmental Activities:					
Bonds Payable:					
Revenue	\$ 127,635,000	\$ -	\$ 10,070,000	\$ 117,565,000	\$ 10,490,000
Notes Payable	9,438,763	-	1,239,833	8,198,930	1,252,990
Total Debt	137,073,763	-	11,309,833	125,763,930	11,742,990
Unamortized Bond Premium	16,159,185	-	939,000	15,220,185	1,053,528
Rebatable Arbitrage	22,024	-	-	22,024	n/a
Right To Use Leases					
Governmental Funds	6,671,336	13,630	2,373,746	4,311,220	2,436,915
Internal Service Funds	1,637,414	89,112	129,943	1,596,583	1,596,585
Subscription Liabilities					
Governmental Funds	340,859	68,759	186,605	223,013	112,926
Internal Service Funds	976,038	2,903,688	1,509,625	2,370,101	1,349,679
Accrued Compensated Absences					
Governmental Funds	27,853,556	2,347,466 **	-	30,201,022	3,611,451
Internal Service Funds	427,611	-	61,839 **	365,772	77,608
Total Governmental Activities	191,161,786	5,422,655	16,510,591	180,073,850	21,981,682
Business-type Activities:					
Bonds Payable:					
Revenue	28,575,000	-	5,145,000	23,430,000	5,190,000
Revenue Notes Payable	132,540,911	81,516,970	11,890,659	202,167,222	12,965,970
Total Debt	161,115,911	81,516,970	17,035,659	225,597,222	18,155,970
Unamortized Bond Premium	3,584,929	-	833,292	2,751,637	938,859
Right To Use Leases	39,659	-	19,855	19,804	19,804
Subscription Liabilities	26,957	-	8,612	18,345	8,981
Closure & Postclosure Care Costs *	11,830,031	543,795	-	12,373,826	n/a
Accrued Compensated Absences	3,805,957	172,361 **	-	3,978,318	446,811
Total Business-type Activities	180,403,444	82,233,126	17,897,418	244,739,152	19,570,425
Total Primary Government	\$ 371,565,230	\$ 87,655,781	\$ 34,408,009	\$ 424,813,002	\$ 41,552,107

* See Note 6B for further information on Closure and Postclosure Care Costs

**The change in the compensated absences liability is presented as a net change

Notes to Financial Statements

continued from previous page

Component Units

Housing Commission					
Revenue Notes Payable	\$ 147,783	\$ -	\$ 31,345	\$ 116,438	\$ 31,345
Line of Credit	2,109,588	553,264	2,255,143	407,709	407,709
Mortgages Payable	3,208,058	4,194,244	40,026	7,362,276	236,325
Accrued Compensated Absences	54,886	96,782	55,987	95,681	58,047
Total Housing Commission	<u>\$ 5,520,315</u>	<u>\$ 4,844,290</u>	<u>\$ 2,382,501</u>	<u>\$ 7,982,104</u>	<u>\$ 733,426</u>

* Compensated absences in the Governmental Funds have typically been paid from the General and Community Development funds.

Individual Debt Issues and Other Long-Term Liabilities by Fund—The following is a summary of the individual debt issues, as of the year ended December 31, 2024.

	Purpose	Interest Rates***	Maturity Date	Authorized Not Issued Amount	Issue Amount	Amount Outstanding	Maximum Annual Debt Service
PRIMARY GOVERNMENT							
Governmental Activities							
Revenue Bonds & Notes							
Sales & Use Tax Fund							
Series 2012A Sales Tax	* Events Center	3.21%	2033	\$ -	\$ 108,440,000	\$ 63,025,000	\$ 8,205,378
Series 2016A Sales Tax	* City Center Office Building	3.09%	2036	-	20,260,000	15,990,000	1,805,500
Series 2018A Sales Tax	* Library & Parks (I) Refunding	2.14%	2025	-	10,635,000	1,740,000	1,827,000
Series 2020A Sales Tax	* Public Safety Facility	2.42%	2040	-	42,315,000	36,810,000	3,397,750
Total Sales & Use Tax				-	181,650,000	117,565,000	15,235,628
Community Development							
State Flex Funds	Rental Rehab Loans	0.00%	2026	-	600,000	600,000	600,000
Storm Drainage Fund							
State Revolving Note #39	System Construction	1.00%	2030	-	8,829,000	4,582,461	931,477
State Revolving Note #42	System Construction	1.00%	2032	5,767,331	3,690,069	3,016,469	392,813
Total Storm Drainage				5,767,331	-	7,598,930	1,324,290
Total Revenue Bonds & Notes				5,767,331	-	125,763,930	17,159,918
Other Long-Term Liabilities							
Right to Use Leases - Governmental	Right to Use Assets	.24%-3.14%	2028	-	9,776,350	4,311,220	2,537,065
Right to Use Leases - Internal Service	Right to Use Assets	.55%	2025	-	1,812,219	1,596,583	1,596,583
SBITA's - Governmental	Subscription Based IT Arrangements	2.33-3.10	2028	-	415,976	223,013	112,926
SBITA's - Internal Service	Subscription Based IT Arrangements	2.33-2.85	2027	-	4,152,349	2,370,101	1,349,679
Unamortized Bond Premium	Bond Issue	n/a	2040	-	-	15,220,185	n/a
Total Debt				5,767,331	-	23,721,102	5,596,253
Vested Compensated Absences							
Governmental Funds	Compensated Absences	n/a	n/a	n/a	n/a	30,201,022	n/a
Internal Service Funds	Compensated Absences	n/a	n/a	n/a	n/a	365,772	n/a
Total Governmental Activities				\$ 5,767,331	-	\$ 180,051,826	\$ 22,756,171
Business-type Activities							
Revenue Bonds & Notes							
Water							
Series 2017A Sales Tax	* Lewis & Clark Refunding	1.80%	2026	\$ -	\$ 31,045,000	\$ 11,500,000	\$ 7,770,000
2023 State Revolving Note DW #12	*** System Improvements	1.88%	N/A	8,853,725	3,646,275	-	-
Total Water				8,853,725	-	11,500,000	7,770,000
Water Reclamation							
2005 State Revolving Note CW #21	System Improvements	2.25%	2027	-	34,813,977	5,485,390	2,262,608
2012 State Revolving Note CW #34	System Improvements	2.25%	2024	-	12,040,836	-	-
2015 State Revolving Note CW #35	System Improvements	1.25%	2027	1,189,232	10,790,225	3,386,385	1,151,855
2015 State Revolving Note CW #36	System Improvements	1.25%	2028	-	16,550,544	6,879,758	1,765,982
2016 State Revolving Note CW #37	System Improvements	1.25%	2029	-	7,350,585	3,096,332	788,992
2017 State Revolving Note CW #38	System Improvements	1.00%	2029	-	9,515,974	4,690,548	1,012,355
2019 State Revolving Note CW #40	System Improvements	1.50%	2041	402,391	26,406,409	22,865,964	1,526,587
2020 State Revolving Note CW #41	System Improvements	2.50%	2042	-	41,625,000	38,952,967	2,724,079
2021 State Revolving Note CW #43	System Improvements	2.00%	2044	-	18,500,000	17,931,230	1,124,581
2022 State Revolving Note CW #44	System Improvements	2.00%	2044	49,038,268	73,961,732	73,448,776	3,716,010
2023 State Revolving Note CW #45	System Improvements	1.25%	N/A	14,988,244	2,962,756	2,962,756	n/a
2024 State Revolving Note CW #46	System Improvements	2.75%	N/A	38,532,885	22,467,115	22,467,116	n/a
2024 State Revolving Note CW #47	System Improvements	3.00%	N/A	23,130,000	-	-	n/a
2024 State Revolving Note CW #48	System Improvements	3.25%	N/A	11,000,000	-	-	n/a
Total Water Reclamation				138,281,020	-	202,167,222	16,073,049
Public Parking							
Series 2018B Sales Tax	* Multi-Use Parking Ramp	3.51%	2032	-	18,540,000	11,930,000	1,877,774
Total Debt				147,134,745	-	225,597,222	25,720,823
Other Long-Term Liabilities							
Right to Use Leases - Business Type	Right to Use Assets	0.55%	2025	-	77,542	19,804	19,805
SBITA's - Business Type	Subscription Based IT Arrangements	2.68%	2026	-	36,152	18,345	8,981
Unamortized Bond Premium	Bond Issue	n/a	n/a	n/a	n/a	2,751,637	n/a
Total Debt				-	-	228,387,008	25,740,628
Vested Compensated Absences	Compensated Absences	n/a	n/a	n/a	n/a	3,978,318	n/a
Total Business-type Activities				\$ 147,134,745	-	\$ 232,365,326	\$ 25,740,628

* Secured by pledge of the second penny sales and use tax.

**For bonds secured by the second penny sales tax and TIF revenues, interest rates reflect the true interest cost (TIC) calculated at the time of bond issuance.

***Principal on the loan is 100% forgiven through the State Revolving Fund program

Notes to Financial Statements

Individual Debt Issues and Long-Term Liabilities by Component Unit—The following is a summary of the individual debt issues, as of the year ended December 31, 2024.

COMPONENT UNITS	Purpose	Interest Rate	Maturity Date	Not Issued Amount	Issue Amount	Amount Outstanding	Annual Debt Service
Housing Commission							
SDHDA Note	Affordable Housing	0.00%	2028	\$ -	\$ 695,690	\$ 116,438	\$ 31,345
Line of Credit	First Premier Bank	8.5-8.75%	2025	-	3,544,852	407,709	n/a
Mortgages							
SD Housing Development Authority	Affordable Housing	0.00%	2053	-	299,089	299,089	n/a
Sioux Falls Community Development	Affordable Housing	2.00%	2044	-	160,653	87,612	5,358
SD Housing Development Authority	Affordable Housing	0.00%	2046	-	100,000	100,000	n/a
SD Housing Development Authority	Affordable Housing	0.00%	2044	-	171,162	114,417	5,820
Sioux Falls Community Development	Affordable Housing	0.00%	2048	-	179,550	80,000	3,333
Sioux Falls Community Development	Affordable Housing	3.00%	2030	-	44,379	18,585	2,983
Sioux Falls Community Development	Affordable Housing	0.00%	2032	-	360,771	359,222	n/a
SD Housing Development Authority	Affordable Housing	0.00%	2035	-	161,880	131,074	90,000
SD Housing Development Authority	Affordable Housing	0.00%	2034	-	697,234	689,590	n/a
SD Housing Development Authority	Affordable Housing	2.00%	2025	-	124,027	62,014	62,014
SD Housing Development Authority	Affordable Housing	2.00%	2025	-	129,337	129,337	129,337
First Interstate Bank	Affordable Housing	4.95%	2027	-	40,000	19,900	3,132
Sioux Falls Community Development	Affordable Housing	0.00-3.00%	2027	-	60,000	18,864	6,952
Sioux Falls Community Development	Affordable Housing	0.00%	n/a	-	200,000	200,000	200,000
Sioux Falls Community Development	Affordable Housing	0.00%	n/a	-	371,000	341,000	11,760
Sioux Falls Community Development	Affordable Housing	0.00%	n/a	-	270,000	270,000	n/a
Grow South Dakota	Affordable Housing	4.75%	2032	-	130,000	75,328	12,172
SD Housing Development Authority	Affordable Housing	0.00%	2041	-	200,000	172,000	4,000
MacArthur Foundation	Affordable Housing	1.00%	2034	-	2,850,000	2,850,000	2,850,000
MacArthur Foundation	Affordable Housing	1.00%	2034	-	1,014,000	1,014,500	1,014,000
SD Housing Development Authority	Affordable Housing	2.00%	2027	-	30,304	30,304	30,304
SD Housing Development Authority	Affordable Housing	2.00%	2027	-	299,440	299,440	299,440
Total Mortgages				-	-	7,362,276	4,730,605
Vested Compensated Absences	Compensated Absences	n/a	n/a	n/a	n/a	95,681	58,047
Total Housing Commission				\$ -		\$ 7,982,104	\$ 4,819,997

Pledged Revenue—The City has pledged future revenues, net of specified operating expenses, to repay various debt issues of the City. The debt and information relating to the pledged revenues at December 31, 2024, are as follows:

PRIMARY GOVERNMENT	Purpose	Pledged Revenue Source	Approximate Amount of Revenue Pledged	Final Maturity Date	Issue Amount	2024 Principal and Interest Paid	Net Revenues	Total Principal and Interest Remaining
Governmental Activities								
Revenue Bonds & Notes								
Sales & Use Tax Fund								
Sales Tax Revenue Bonds	Libraries, Parks, Flood Control, Water System & Events Center, Public Safety Facility	Sales and Use Taxes	23%	2040	\$ 231,235,000	\$ 21,591,274	\$ 93,648,127	\$ 178,092,537
Housing Fund								
State Flex Funds	Rental Rehab Loans	Housing Revenues	0%	2025	600,000	-	3,116,686	600,000
Storm Drainage Fund								
State Revolving Notes	System Construction	Storm Drainage Revenues	14%	2032	12,519,069	1,323,518	9,659,936	7,847,618
Business-type Activities								
Revenue Bonds & Notes								
Water Reclamation								
State Revolving Notes	System Construction	Water Reclamation Revenues	43%	2044	249,644,384	12,118,888	28,470,540	180,749,193

Revenue Bonds Payable

Bonds payable at December 31, 2024, consist of four issues backed and serviced solely by the second penny sales tax (Sales and Use Tax Fund), one issue backed by the second penny sales tax and serviced by the Water Fund as shown above, and one issue backed by the second penny sales tax and serviced by the Public Parking Fund as shown above.

Debt service requirements for the revenue bonds at December 31, 2024, are as follows:

Sales and Use Tax			
Year	Principal	Interest	Total
2025	\$ 10,490,000	\$ 4,738,578	\$ 15,228,578
2026	9,055,000	4,347,828	13,402,828
2027	9,380,000	4,022,378	13,402,378
2028	9,715,000	3,684,578	13,399,578
2029	10,075,000	3,325,484	13,400,484
2030-2034	48,260,000	10,554,226	58,814,226
2035-2039	17,355,000	3,231,000	20,586,000
2040	3,235,000	161,750	3,396,750
Totals	\$ 117,565,000	\$ 34,065,820	\$ 151,630,820

Water			
Year	Principal	Interest	Total
2025	4,100,000	575,000	4,675,000
2026	7,400,000	370,000	7,770,000
Totals	\$ 11,500,000	\$ 945,000	\$ 12,445,000

Notes to Financial Statements

Public Parking			
Year	Principal	Interest	Total
2025	\$ 1,090,000	\$ 420,301	\$ 1,510,301
2026	1,255,000	385,312	1,640,312
2027	1,450,000	344,524	1,794,524
2028	1,440,000	295,949	1,735,949
2029	1,480,000	246,269	1,726,269
2030-2032	5,215,000	394,363	5,609,363
Totals	\$ 11,930,000	\$ 2,086,717	\$ 14,016,717

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Arbitrage provisions of the Internal Revenue Service require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. As of December 31, 2024, the City had a rebatable arbitrage liability of \$22,024, which was payable from the Capital Improvements Special Revenue Fund.

Tax Increment Financing (TIF) Districts

The City has 13 active TIF districts. For each of these 13 districts, the City has entered into an agreement with the developer of the TIF district. Under each agreement, tax increments received by the City are paid over to the project sponsor as a grant to cover initial eligible project expenses as allowed by South Dakota State statutes. The project sponsor bears the risk that increments collected over the life of the TIF district will be less than sufficient to cover all eligible project expenses; the City bears no responsibility to make up any shortfall. Increments totaling \$6,600,528 were received by the City and paid to project sponsors during 2024.

Notes Payable

The City has entered into several notes payable with the South Dakota Conservancy District, which have provided funds for construction and maintenance of the storm drainage, water, and water reclamation systems. These funds are drawn as construction progresses. Several notes have balances available that have not been drawn and are so noted on the individual debt table on page 67. A complete amortization schedule will be provided upon completion or partial completion of the draw term. Thus, future debt service cannot be accurately determined until all projects for each note are completed.

The Storm Drainage notes will be repaid with revenues from the Storm Drainage Fund. The estimated debt service is as follows:

Storm Drainage			
Year	Principal	Interest	Total
2025	\$ 1,252,990	\$ 71,300	\$ 1,324,290
2026	1,265,567	58,723	1,324,290
2027	1,278,270	46,020	1,324,290
2028	1,291,101	33,190	1,324,291
2029	1,304,060	20,230	1,324,290
2030-2032	1,206,942	19,225	1,226,167
Totals	\$ 7,598,930	\$ 248,688	\$ 7,847,618

The Storm Drainage Fund currently has \$5,767,331 available and undrawn notes payable from the South Dakota Conservancy District.

The Water Reclamation notes will be repaid with revenues from the Water Reclamation Fund. The estimated debt service is as follows:

Water Reclamation			
Year	Principal	Interest	Total
2025	\$ 12,965,970	\$ 3,107,078	\$ 16,073,048
2026	13,198,852	2,874,196	16,073,048
2027	12,301,763	2,639,981	14,941,744
2028	10,213,475	2,445,109	12,658,584
2029	7,597,332	2,277,108	9,874,440
2030-2034	36,264,335	9,191,946	45,456,281
2035-2039	40,180,774	5,275,508	45,456,282
2040-2044	29,524,989	1,210,266	30,735,255
Totals	\$ 162,247,490	\$ 29,021,192	\$ 191,268,682
Issues With No Estimate Available	39,919,732		
Total	\$ 202,167,222		

The Water Reclamation Fund has \$127,281,020 available and undrawn notes payable from the South Dakota Conservancy District.

The City had entered into an agreement with the South Dakota Conservancy District for a \$12,500,000 with the first \$7,900,000 of the principal balance being forgiven with federal funding. Below is a summary of the activity for the current year:

Water			
Beginning Balance	Additions	Debt Forgiven	Balance Ending
\$ -	\$ 2,062,693	\$ 2,062,693	\$ -

As of December 31, 2024, there was no balance due on this note.

Notes to Financial Statements

Right to Use Leases

Remaining principal and interest payments on right to use leases are as follows:

Governmental Funds (Includes Internal Service Funds)			
Year	Principal	Interest	Total
2025	\$ 4,033,505	\$ 100,018	\$ 4,133,523
2026	1,154,947	32,299	1,187,246
2027	572,128	11,939	584,067
2028	147,223	785	148,008
Totals	\$ 5,907,803	\$ 145,041	\$ 6,052,844
Enterprise Funds			
Year	Principal	Interest	Total
2025	\$ 19,804	\$ 68	\$ 19,872
Totals	\$ 19,804	\$ 68	\$ 19,872

Further information on these leases can be found in Note 3I.

Subscription Liabilities

Remaining principal and interest payments on subscription liabilities are as follows:

Governmental Funds (Includes Internal Service Funds)			
Year	Principal	Interest	Total
2025	\$ 1,462,606	\$ 72,440	\$ 1,535,046
2026	1,098,153	31,611	1,129,764
2027	24,364	653	25,017
2028	7,991	54	8,045
Totals	\$ 2,593,114	\$ 104,758	\$ 2,697,872
Enterprise Funds			
Year	Principal	Interest	Total
2025	\$ 8,981	\$ 491	\$ 9,472
2026	9,364	251	9,615
Totals	\$ 18,345	\$ 742	\$ 19,087

Further information on these leases can be found in Note 3I.

State Flex Funds

The City has entered into an agreement with the State of South Dakota whereby the State has lent the City \$600,000 interest free for five years with the option to negotiate the refinancing for up to three additional five-year terms for a total of 20 years. The funds were used for rental rehabilitation projects.

Component Unit

The Housing Commission notes will be repaid with revenues from property rentals. The estimated debt service on these issues is as follows:

Housing Commission			
Year	Principal	Interest	Total
2025	\$ 267,670	\$ 7,170	\$ 274,840
2026	78,054	51,535	129,589
2027	419,871	50,414	470,285
2028	61,299	42,669	103,968
2029	39,544	42,021	81,565
2029-2033	1,257,252	161,755	1,419,007
2034-2038	4,166,805	43,011	4,209,816
2039-2043	262,700	2,030	264,730
2044-2048	156,430	105	156,535
Thereafter	769,089	-	769,089
Totals	\$ 7,478,714	\$ 400,710	\$ 7,879,424

During 2024, the Housing Commission issued several lines of credit agreement with First Premier Bank with carrying interest rates between 8.5-8.75 percent and maturity dates ranging from April 10, 2025 to May 1, 2025. The outstanding balance as of September 30, 2024 is \$407,709.

Accrued Compensated Absences

City employees are paid for accumulated vacation and sick leave upon retirement. Certain employees are also paid for a portion of excess sick leave on an annual basis. Accumulated vested compensated absences in governmental funds are recorded as a liability in the government-wide statements. Since this liability generally matures upon retirement, future maturities are not calculated.

Notes to Financial Statements

Legal Debt Limit

The City is subject to Article XIII, Section 4, of the South Dakota Constitution which limits the amount of bonded debt to a percent of the assessed valuation of the taxable property therein for the year preceding that in which said indebtedness is incurred. The categories are as follows:

1. Not to exceed 5 percent for the year preceding the year in which said indebtedness is incurred.
2. An additional indebtedness not to exceed 10 percent for the year preceding the year in which

said indebtedness is incurred for the purpose of providing water and sewage, for irrigation, domestic uses, sewerage, and other purposes upon a majority vote in favor thereof of the electors.

3. An additional indebtedness not to exceed 8 percent for the year preceding the year in which said indebtedness is incurred for the purpose of constructing street railways, electric lights, or other electric plants upon a majority vote in favor thereof of the electors.

Accordingly, at December 31, 2024, the City has an available legal debt limit as follows:

2024 Assessed Actual Value Subject to Taxation:				\$25,673,135,709
Category	Legal Debt Limit		Net Bonded Debt Outstanding	Available Legal Debt Margin
	Percent	Amount		
General Purpose 1	5.0%	\$ 1,283,656,785	\$ 337,685,730	\$ 945,971,055
Special Purpose 2	10.0%	2,567,313,571	-	2,567,313,571
Special Purpose 3	8.0%	2,053,850,857	-	2,053,850,857
		<u>\$ 5,904,821,213</u>	<u>\$ 337,685,730</u>	<u>\$ 5,567,135,483</u>
Surcharge Debt Not Included in Legal Debt Limit			<u>10,266,143</u>	
Total Debt			<u>\$ 347,951,873</u>	

I. Leases and Subscription Agreements -

Leases - Lessee

As of December 31, 2024, the City had 173 active leases. The leases have payments that range from \$35 to \$1,745,195 and interest rates that range from 0.24 percent to 3.14 percent. As of December 31, 2024, the total combined value of the lease liability is \$5,927,607, the total combined value of the short-term lease liability is \$4,053,309. The combined value of the right to use asset, as of December 31, 2024 is \$10,268,618 with accumulated amortization of \$5,486,848 is included within the Lease Class activities table found in Note G as a combination of the Governmental and Business-Type right to use leased assets. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

Leases - Lessor

As of December 31, 2024, the City had nine active leases. The leases have receipts that range from \$1,000 to \$39,552 and interest rates that range from 0.24 percent to 3.31 percent. As of December 31, 2024, the total combined value of the lease receivable is \$1,467,629, the total combined value of the short-term lease receivable is \$117,554, and the combined value of the deferred inflow of resources is \$1,434,434. The leases had \$0 of Variable Receipts and \$0

of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

Remaining principal and interest payments to be received on leases is as follows:

Governmental Funds (Includes Internal Service Funds)			
Year	Principal	Interest	Total
2025	\$ 47,737	\$ 2,001	\$ 49,738
2026	48,672	1,288	49,960
2027	50,672	548	51,220
2028	7,877	123	8,000
2029	6,904	96	7,000
2030-2034	29,788	213	30,001
Totals	<u>\$ 191,650</u>	<u>\$ 4,269</u>	<u>\$ 195,919</u>
Enterprise Funds			
Year	Principal	Interest	Total
2025	\$ 69,817	\$ 23,667	\$ 93,484
2026	64,588	22,687	87,275
2027	71,691	21,686	93,377
2028	72,844	20,533	93,377
2029	74,024	19,352	93,376
2030-2034	421,309	77,307	498,616
2035-2039	398,810	38,982	437,792
2040-2042	102,896	4,280	107,176
Totals	<u>\$ 1,275,979</u>	<u>\$ 228,494</u>	<u>\$ 1,504,473</u>

Notes to Financial Statements

Subscription Arrangements

As of December 31, 2024, the City had 23 active subscriptions. The subscriptions have payments that range from \$776 to \$931,557 and interest rates that range from 2.33 percent to 3.10 percent. As of December 31, 2024, the total combined value of the subscription liability is \$2,611,459, and the total combined value of the short-term

subscription liability is \$1,471,586. The combined value of the right to use asset, as of December 31, 2024 of \$5,036,949 with accumulated amortization of \$1,775,526 is included within the Subscription Class activities table found in Note G as a combination of the Governmental and Business-Type subscription assets. The subscriptions had no variable payments and no other payments, not included in the Subscription Liability, within the Fiscal Year.

J. Fund balances

The City-classified fund balances within the governmental funds are as follows at December 31, 2024:

	General	Entertainment Tax	Sales and Use Tax	Housing	Storm Drainage	General Government Construction	Public Safety Facility Construction	Other Governmental Funds	Total
Fund balances:									
Nonspendable:									
Inventory	\$ 4,971,762	\$ -	\$ 4,506,845	\$ 51,213	\$ -	\$ -	\$ -	\$ -	\$ 9,529,820
Notes Receivable	1,000,000	-	-	41,301	-	-	-	-	1,041,301
Prepays	83,077	-	-	-	-	-	-	-	83,077
Permanent Fund Principal	-	-	-	-	-	-	-	26,767	26,767
Total Nonspendable	6,054,839	-	4,506,845	92,514	-	-	-	26,767	10,680,965
Restricted for:									
Debt Service	-	-	16,968,113	-	-	-	-	22	16,968,135
Park and Recreation	163,962	-	1,553,700	-	-	-	-	-	1,717,662
Police	5,169	-	110,692	-	-	-	-	-	115,861
Health	2,642,297	-	-	-	-	-	-	-	2,642,297
Library	31,721	-	115,000	-	-	-	-	23,039	169,760
Community Development	-	-	-	35,203,288	-	-	-	-	35,203,288
Heroic Awards	-	-	-	-	-	-	-	4,110	4,110
Public Safety Facility Building	-	-	-	-	-	-	1,213,825	-	1,213,825
Storm Drainage	-	-	-	-	14,811,957	-	-	-	14,811,957
Other Capital Projects	-	-	-	-	5,922,876	-	-	-	5,922,876
Total Restricted	2,843,149	-	18,747,505	35,203,288	20,734,833	-	1,213,825	27,171	78,769,771
Committed to:									
Operating Agreements	2,900,771	11,851,186	-	-	-	-	-	-	14,751,957
Entertainment Venues	-	18,968,421	-	-	-	-	-	-	18,968,421
Other Capital Projects	-	-	75,252,817	-	-	-	-	-	75,252,817
Total Committed	2,900,771	30,819,607	75,252,817	-	-	-	-	-	108,973,195
Assigned to:									
Transit System	-	-	-	-	-	-	-	13,877,938	13,877,938
911 Dispatch	-	-	-	-	-	-	-	2,721,356	2,721,356
2025 Budget	6,794,651	-	-	-	-	-	-	-	6,794,651
Total Assigned	6,794,651	-	-	-	-	-	-	16,599,294	23,393,945
Unassigned:									
	74,345,494	-	-	-	-	-	-	-	74,345,494
Total Fund Balances	\$ 92,938,904	\$ 30,819,607	\$ 98,507,167	\$ 35,295,802	\$ 20,734,833	\$ -	\$ 1,213,825	\$ 16,653,232	\$ 296,163,370

Note 4—Joint Ventures/Related Organizations

The City of Sioux Falls is a party to two joint ventures as described below:

1. The City of Sioux Falls and Minnehaha County jointly provide funding for the **Historical Museum Trust**. The Trust provides for operation of all City- and county-owned museums. Participation in the venture is funded equally. The City contribution to the venture for the year ended December 31, 2024, was \$900,945 and is reflected as an expenditure in the General Fund. These activities are also recorded within the General Fund of the County and, accordingly, individual financial statements of the trust are not available. Complete financial statements for Minnehaha County can be obtained at their administrative offices located at 415 North Dakota Avenue in Sioux Falls, South Dakota. There is no debt specifically

related to the trust. No future benefit or burden is anticipated other than the annual subsidy.

2. The City of Sioux Falls and Minnehaha County jointly provide funding for the **Siouxland Libraries**. The City received \$1,480,000 from the County for operations during 2024. All activities of the library system are recorded in the General Fund.

The City is a party to the following related organizations as described below:

The City is responsible for all of the board appointments of the **Sioux Falls Regional Airport Authority**; however, the City is not financially accountable for the Authority because the City does not have the ability to impose its will on the Authority, nor does it have a financial relationship that results in either a burden or a benefit to the City.

Notes to Financial Statements

The City is contractually obligated to provide financial support to the following entities: **Washington Pavilion Management Inc., Zoological Society, and Great Bear Recreation Park**; however, the City is not financially accountable for these organizations because the City does not have the ability to impose its will on these organizations, and these organizations are not fiscally dependent on the City. The City provided the Washington Pavilion Management Inc. and the Zoological society operational support in the amounts of \$2,496,760 and \$2,050,000, respectively.

Note 5—Jointly Governed Organizations

The City of Sioux Falls is a member of the Lewis & Clark Regional Water System, Inc. (the "System"). The System consists of 20 members, comprising 15 municipalities and five rural water systems within South Dakota, Iowa, and Minnesota, providing drinking water to consumers. As pipelines are completed, the System collects, treats, and distributes drinking water to its member communities. Sioux Falls began receiving water from the System in 2012, and it serves as a critical supplemental water supply for the City's continued growth. The System's Board of Directors is composed of 20 directors, each representing a member, with no member having an equity interest.

The City has made commitments for (1) its portion of the base system costs, and (2) costs associated with additional capacity modifications for the Lewis & Clark Regional Water System. The City capitalized an intangible asset to acknowledge its upfront payment to the System for the future option to purchase water. This asset is being amortized over the estimated lifespan of water purchases from the System.

Note 6—Commitments and Contingencies

A. Commitments

At December 31, 2024, the City has commitments on construction projects totaling \$303,241,965 as detailed in Note 3 (G).

Between 2005 and 2010, the City entered commitments to pay for (1) its portion of base system costs, and (2) costs associated with additional capacity modifications for the Lewis & Clark Regional Water System, securing 28.01 million gallons per day (MGD) to meet future supplemental water supply needs.

In 2022, the City entered commitments to pay for its portion of a 15.81 MGD Expansion, securing an additional 6.4 MGD per day for a total of 34 MGD to supplement the City's water supply needs. The City of Sioux Falls' portion is \$48,798,902 for the expansion project, which includes both the Lewis & Clark Expansion and the Lewis & Clark Raw Water Expansion. Completion of the expansion is expected by 2031. Lewis & Clark is also planning construction of a 2nd Collector Well at Site C. Completion is planned for 2028. The City of Sioux Falls' portion of this project is \$1,807,711, payable in 2026 and 2027.

The City's investment to date of \$76 million is recorded in the Water enterprise fund as an intangible asset. Of this investment, the City made prepayments totaling \$64.3 million for its share of the estimated project costs associated with base capacity and additional capacity. An interim true-up conducted between Lewis and Clark and the City shows that the City has fully utilized its interim true-up credit. Sioux Falls owes \$6,235,147.68 (as of 2/11/2025) toward the final true-up on the base system, indexed for inflation on Oct. 1, 2024. The City of Sioux Falls plans to make full payment of this Final True-Up in 2027. The final amount will continue to change, based on indexing due to inflation.

Construction of the base system is 95 percent complete, with the City having started to receive water from the System on July 30, 2012. The City is committed to purchasing a minimum of 2.75 million gallons of water per day.

The City pays a capacity charge of \$0.64 per 1000 gallons of available capacity and a volumetric charge of \$0.73 per 1000 gallons for water purchased. If the City uses 100 percent of its capacity, the effective rate is \$1.37 per 1000 gallons. Sioux Falls' effective rate varied from \$1.18 per 1000 gallons in August 2024 to \$1.47 per 1000 gallons in January 2024, with a yearly average of \$1.28 per 1000 gallons for 2024.

In 2024, the City received a daily average of 14.39 MGD (million gallons per day), with a peak day of 21.641 million gallons occurring on July 29, 2024. A total of 5.265 billion gallons of water was purchased for the year ending December 31, 2024.

The Power and Distribution Fund purchases power from the Western Area Power Association and has a supplemental commitment to meet all remaining power requirements from Heartland Consumers Power District until December 31, 2036.

B. Contingent Liabilities

Litigation

The City is a defendant in various lawsuits. The City's legal counsel estimates that there is a wide-range of potential claims against the City that may or may not be covered by insurance. The results from such litigation could possibly have a material effect upon some areas of the financial statements of the City. However, there is no indication at the time of publication that these claims will be incurred, and the potential losses cannot be reasonably estimated at this time. Although the City does carry adequate reserve balances within the funds to address unforeseen circumstances and events, no reserve has been recorded for any such liability arising out of the current pending litigation.

Notes to Financial Statements

Solid Waste Landfill Closure and Post-Closure Care Costs

The City owns and operates a landfill site located west of the City. State and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The City recognizes a portion of the closure and post-closure care costs in each operating period even though actual payments will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of December 31. The change in the liability for the year ended December 31, 2024, is as follows:

CHANGE IN LIABILITY		Amount
Balance at January 1		\$ 11,830,031
Change in liability due to usage and revision of estimates		543,795
Balance at December 31		<u>\$ 12,373,826</u>

As of December 31, 2024, the City estimate is as follows:

Site	Used to date	Recognized Liability	Remaining Liability	Life (Years)
Sioux Falls Regional Sanitary Landfill	47.6%	<u>\$ 12,373,826</u>	<u>\$ 13,626,312</u>	50.0
Totals		<u>\$ 12,373,826</u>	<u>\$ 13,626,312</u>	

The future estimated liability for these costs will be recognized as the remaining capacity is used. The estimated costs of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By local ordinance as well as state and federal laws, the City is required to establish a restricted financial assurance cash fund to accumulate assets needed for the actual payment of closure and post-closure care costs. Currently, assets reported as restricted cash and cash equivalents on the combined balance sheet include \$12.4 million held for this purpose.

Subsequent Events

In January 2025, the City approved an ordinance for the sale of bonds for the construction of new pools and recreation centers in an amount not to exceed \$68 million. As of the report date, no funds had been drawn and no bonds have been sold in relation to this approval.

Note 7—Risk Management

The City's risk management activities are recorded in the City Health/Life Benefit, Insurance Liability, and Workers' Compensation Funds. The purpose of these funds is to administer employee life, health, property and liability, and workers' compensation programs of the City on a cost-reimbursement basis. These funds account for the risk financing activities of the City but do not constitute a transfer of risk from the City.

Significant losses are covered by commercial insurance for all major programs. For insured losses, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for this year or the prior two years.

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

The City has reported approximate aggregate liabilities in the Health/Life Benefit Fund as follows:

	2023	2024
Balance January 1	\$ 2,000,000	\$ 2,800,000
Claims incurred during the year	21,659,829	22,745,879
Payments on claims during the year	(20,859,829)	(23,745,879)
Balance December 31	<u>\$ 2,800,000</u>	<u>\$ 1,800,000</u>

The Workers' Compensation Fund has total assets and total deferred outflows of resources of \$5,541,824 at December 31, 2024, which will be used to pay current expenses of the fund. The fund has total liabilities and deferred inflows of resources of \$3,802,594 which includes a loss reserve liability of \$3,756,330 for those claims incurred as of December 31, 2024, where it is probable that a liability has been incurred and for which the amount of loss could reasonably be estimated. The City purchases commercial insurance coverage for claims in excess of coverage provided by the Fund.

Component Unit

The Housing Commission manages risk by purchasing insurance from commercial insurance carriers for liability, workers' compensation, and employee health insurance. Paying into the unemployment compensation fund established by state law, and managed by the State of South Dakota, covers unemployment benefits.

Note 8—Conduit Debt Obligations

As authorized by South Dakota Codified Laws, Chapter 9-54, the City has issued health facility revenue bonds to acquire or construct facilities to promote the general economic welfare and health services, including housing for the elderly, of the State and City. The bonds are not general

Notes to Financial Statements

obligations nor payable by taxation, but are special, limited obligations, of the issuer, payable solely out of the revenues derived from the agreement and pledged and assigned for their payment in accordance with the indenture. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2024, there were two series of Industrial Revenue/Economic Development Bonds outstanding with an aggregate principal amount payable of \$45.6 million.

Note 9—Fair Value

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in active markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Pooled Cash				
Money Market Mutual Funds	\$ 58,835,898	\$ -	\$ -	\$ 58,835,898
U.S. Treasury Securities	-	316,496,104	-	316,496,104
Total Debt Service Trust Investments	\$ 58,835,898	\$ 316,496,104	\$ -	\$ 375,332,001
Debt Service Trust				
Money Market Mutual Funds	\$ 23,959,061	\$ -	\$ -	\$ 23,959,061
U.S. Treasury Securities	-	233,924	-	233,924
Total Debt Service Trust Investments	\$ 23,959,061	\$ 233,924	\$ -	\$ 24,192,985
Pension Investments				
Money Market Mutual Funds	\$ 30,134,948	\$ -	\$ -	\$ 30,134,948
Domestic Stocks	60,320,750	-	-	60,320,750
Foreign Stocks	4,526,041	-	-	4,526,041
U.S. Treasury Securities	-	68,609,346	-	68,609,346
Corporate Obligations	-	38,436,693	-	38,436,693
Foreign Obligations	-	12,653,714	-	12,653,714
Municipal Issues	-	8,828,060	-	8,828,060
Equity Funds	-	213,658,970	-	213,658,970
Partnership/Joint Ventures	-	-	59,849,208	59,849,208
Collective Investment Funds	-	-	334,778,643	334,778,643
	\$ 94,981,739	\$ 342,186,783	\$ 394,627,851	\$ 831,796,374
Investments measured at the net asset value (NAV)				
Pooled Cash Account				
South Dakota FIT	\$ 12,817,851			

Notes to Financial Statements

Money market mutual funds, domestic stocks, and foreign stocks classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for these securities. U.S. treasury securities, fixed income investments, corporate obligations, foreign obligations, municipal issues, and equity funds classified in Level 2 of the fair value hierarchy are valued using techniques such as quoted prices for similar investments in active and inactive markets as well as inputs other than quoted prices that are observable for these assets.

Partnerships and collective investment funds classified in level three are provided by the Fund holders and are updated based on valuations provided by the funds which are considered both unobservable and significant to the fair value measurement of these investments.

The South Dakota Public Investment Trust (SDFIT) is an external pool created for South Dakota local government investing purposes. It is regulated by a nine-member board with representation from municipalities, school districts, and counties.

The net asset value (NAV) of the SD FIT is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis. Since the City has ready access to the cash, it is reported as cash and cash equivalents.

Investments measured at NAV Pooled Cash Account	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
South Dakota FIT	\$ 12,817,851	-	1 day	1 day

It is important to note that the items held in pooled cash qualify for investment disclosures based on the standards in GASB 72 *Fair Value Measurement and Applications*, however these items can be liquidated into cash within three months or less and as such are classified as Cash and Cash Equivalents within the financial statements, themselves.

Note 10 – Tax Abatements

The City of Sioux Falls has created tax increment districts under the authority granted by South Dakota Codified Laws Section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the City through the promotion and advance of industrial, commercial, manufacturing, and agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the district. The tax increments are allocated until all costs of the tax increment district project has been repaid; however, it cannot exceed 20 years. The project sponsor bears the risk that the increments collected over the life of the TIF district will be less than sufficient to cover all eligible project expenses and the City bears no responsibility to make up any shortfall.

The City has 13 active tax increment districts in which taxes are passed directly to developers. Because the general property taxes on tax increment districts are allocated to the districts, these taxes are not available to the City during the life of the tax increment district. The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2024, that was not available to the City was \$6,600,528.

Note 11—Management Contract’s

The City has entered into the following management contracts in which the City has a vested interest in the entities and related assets, and therefore, should be included with the financial statements of the City.

Event Complex and Orpheum Theater

On November 2, 2012, the City entered into a five-year agreement with ASM Global, to provide professional management of the City’s event complex consisting of the T. Denny Sanford PREMIER Center, legacy arena, and convention center, and the Orpheum Theater. This contract was renewed for another five years starting with 2022 and ending in 2026 which now includes the City’s baseball stadium. As compensation for managing the event complex, ASM Global receives a base fee with annual increases and may earn additional performance incentives.

The City holds an asset for this management contract in the amount of \$11,851,186.

Municipal Golf Courses

On January 1, 2018, the City entered into a five -year agreement with Landscapes Management Company under which Landscapes Unlimited provides professional golf services for the City’s golf courses. This was extended in 2023 through 2027, and the Company will be compensated by a base fee with annual increases and may earn additional performance incentives.

The City holds an asset for this management agreement in the amount of \$2,900,771.

Note 12—Defined Benefit Pension and Other Post-Employment Benefit Plans

A. Defined Benefit Pension Plans

Plan Description

The City administers two separate single-employer defined benefit pension plans established to provide retirement, disability, and survivor benefits for all of its eligible employees hired prior to July 1, 2013. The City Employee’s Retirement System (CERS) and the City Firefighters’ Pension Fund (CFPF) are considered to be part of the City of Sioux Falls’ financial reporting entity and are included in the City’s financial reports as Pension Trust funds; therefore, they do not issue stand-alone financial reports nor are they included in the report of another entity. Each plan’s assets may be used only for the payment of benefits to the members of that plan or for payment of administrative expenses, in accordance with the terms of the plan as established or amended by City ordinance.

Notes to Financial Statements

Management of the CERS and the CFPF is vested in the Board of Trustees. The Board of Trustees of the CERS consists of seven members including the Mayor or his designee, two members who may or may not be members of the Council appointed by the Mayor with advice and consent of the Council to represent the Council; three members selected by the membership, two of whom shall be general members elected by the general division members and one of whom shall be a police member elected by the police division members; one resident and legal voter of the city who is not an official or employee of the City and whose membership on the Board of Trustees creates no conflict of interest.

The Board of Trustees of the CFPF consists of five members including the Mayor or his designee, one member who may or may not be a member of the Council appointed by the Mayor with advice and consent of the Council to represent the Council; two members selected by the membership, one resident and legal voter of the city who is not an official or employee of the City and whose membership on the Board of Trustees creates no conflict of interest.

Plan Membership

The CERS membership includes all uniformed and non-uniformed officers and employees who have certified civil service status and are not members or retirees of the CFPF, all officers and employees who are appointed by the Mayor and/or Council, and the Mayor. The CERS has two divisions, general and police. The police division covers all uniformed non-civilian police officers and the general division includes all members not included in the police division. The CFPF membership includes all non-civilian full-time officers and firefighters of the City. Membership of the plans consisted of the following at December 31, 2024, the date of the last actuarial valuation:

	CERS	CFPF
Retirees and beneficiaries receiving benefits	783	191
Vested former members not yet receiving benefits	90	7
Active plan members	<u>423</u>	<u>103</u>
Total	<u>1,296</u>	<u>306</u>

CERS general member employees are vested upon five years of service. CERS police and CFPF member employees become vested upon 15 years of service. All members of the CERS and CFPF are eligible for an actuarially reduced benefit upon completion of 20 years of service.

Benefits Provided

The City provides a defined benefit based upon years of service and final average pay. In addition, a stipend is provided based upon years of service.

All CERS and CFPF members are eligible for a cost-of-living adjustment equal to the increase in the Consumer

Price Index for All Urban Consumers, not to exceed 3 percent. Members become eligible on the first of the month following the thirty-sixth full month of retirement and each January 1 thereafter.

Contributions

During FY 2024, the CERS general division member employees contributed 5 percent of their gross earnings and police division member employees contributed 10 percent of their gross earnings. CFPF member employees contributed 10 percent of their gross earnings. The employee contribution rates are established by City ordinance. Employer contributions are made throughout the year in order to aggregate the total established by actuarial valuations determined necessary to cover: 1) all administrative costs; 2) the actuarially determined cost of future benefits accruing to members during the year; and 3) an amount sufficient to amortize any unfunded liability of the system through year 2039.

CERS			
	Computed Annual Required Contributions	Actual Contributions	Percentage Contributed
2015	\$ 11,397,261	\$ 11,417,873	100%
2016	11,417,873	11,417,873	100%
2017	11,610,968	11,623,730	100%
2018	10,623,760	11,166,523	105%
2019	10,011,563	10,213,721	102%
2020	10,045,628	10,045,628	100%
2021	10,712,257	10,712,257	100%
2022	9,997,846	10,313,219	103%
2023	9,350,722	9,350,722	100%
2024	10,172,827	10,172,827	100%

CFPF			
	Computed Annual Required Contributions	Actual Contributions	Percentage Contributed
2015	\$ 4,484,256	\$ 4,484,256	100%
2016	4,407,249	4,407,249	100%
2017	4,663,612	4,663,612	100%
2018	4,270,282	4,443,152	104%
2019	3,991,024	3,991,024	100%
2020	3,965,830	3,965,830	100%
2021	4,099,545	4,176,197	102%
2022	4,034,916	4,034,916	100%
2023	3,496,950	3,496,950	100%
2024	4,053,561	4,053,561	100%

Computed dollar contributions (actual contributions) are based on a UAL payment and normal cost contribution rate and actuarially projected valuation payroll information available on the valuation date.

Investments

The pension trust funds are governed by the prudent pension rule, that is, the Board of Trustees should use the

Notes to Financial Statements

same degree of skill, care, prudence, and diligence, under the circumstances then prevailing, of a prudent person, familiar with such matters and acting in a similar capacity as set forth by State law (SDCL 9-16-5.10) and City ordinance (Section 35). Under this standard, the Board of Trustees has an established investment policy which outlines the distinction of responsibilities, prohibitions, diversification, and performance measurement standards.

The policy prohibits the use of any securities whose effect would be to leverage the portfolio or whose expected returns are significantly unlike those expected from their appropriate asset classes. The following was a Board's adopted asset allocation policy as of December 31, 2024:

December 31, 2024	
Asset Class	Target Allocation
Domestic Equity	43%
International Equity	18%
Equity Real Estate	10%
Domestic Bonds	29%
Total	100%

Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.35 percent for the CERS and 10.36 percent for the CFPF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset)

The components of the net pension liability (asset) at December 31, 2024, were as follows:

	CERS	CFPF
Total Pension Liability	\$ 597,453,464.00	\$ 215,848,454.00
Plan Fiduciary Net Position	(622,519,532)	(226,200,024)
Net Pension Liability (Asset)	\$ (25,066,068.00)	\$ (10,351,570.00)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.20%	104.80%
Net Pension Liability (Asset) as a percentage of Covered Payroll	-66.30%	-96.84%

Changes in the Net Pension Liability (Asset) at December 31, 2024, are as follows:

Total Pension Liability (TPL)	CERS	CFPF
Service Cost	\$ 6,364	\$ 2,875
Interest on the Total Pension Liability (TPL)	39,605	14,435
Benefit Changes	-	-
Actual versus expected TPL #	4,841	(644)
Assumption Changes	-	-
Benefit Payments and Refunds	(31,919)	(11,177)
Net Change in Total Pension Liability	18,891	5,489
Total Pension Liability - Beginning	\$ 578,562	\$ 210,359
Total Pension Liability - Ending (a)	\$ 597,453	\$ 215,848
Plan Fiduciary Net Position		
Employer Contributions	\$ 10,173	\$ 4,053
Employee Contributions	2,553	1,129
Pension Plan Net Investment Income	59,159	21,475
Benefit Payments and Refunds	(31,919)	(11,177)
Pension Plan Administrative Expense	(245)	(154)
Other	-	-
Net Change in Plan Fiduciary Net Position	39,721	15,326
Plan Fiduciary Net Position - Beginning	582,799	210,874
Plan Fiduciary Net Position - Ending (b)	\$ 622,520	\$ 226,200
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (25,067)	\$ (10,352)

Experience gain made negative to facilitate addition
Dollar amounts above are in thousands

For the year ended December 31, 2024, the City recognized pension expense of \$0.4 million, which included total pension expense of \$10.6 net of contributions totaling \$10.2 million for the CERS plan. The City recognized pension income of \$2.2 million, which included total pension expense of \$1.9 million net of contributions totaling \$4.1 million for the CFPF plan. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CERS		CFPF	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,339,084	\$ 1,745,768	\$ -	\$ 960,915
Changes of Assumptions	650,770	-	-	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	9,702,115	-	3,466,769	-
Total	\$ 15,691,969	\$ 1,745,768	\$ 3,466,769	\$ 960,915

Amounts reported as deferred outflows of resources and deferred inflows of resources related to these pensions will be recognized in pension expense (reduction of pension expense) as follows:

	CERS	CFPF
Year Ended December 31:		
2025	\$ 10,629,579	\$ 2,089,716
2026	17,581,491	5,591,469
2027	(10,456,257)	(3,789,534)
2028	(3,808,612)	(1,385,797)
Thereafter	-	-
Total	\$ 13,946,201	\$ 2,505,854

The general fund is the primary governmental fund that is typically used to liquidate prior year pension liabilities.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Notes to Financial Statements

Inflation	3.50 percent
Salary increases	3.50 percent to 8.50 percent (CERS) 8.00 percent (CFPF) including inflation.
Investment rate of return	7.0 percent net of expenses
Post-Retirement Cost-of-Living Adjustments	Annual increase equal to 100 percent of the June CPI of each year with a cap of 3 percent applied to the member's current benefit. The first increase will be granted after 36 months of retirement.

The RP-2000 Combined Healthy Annuitant Mortality tables projected to 2020 using Projection Scale BB, with 100 percent of the table rates used for both men and women.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2024, these best estimates of geometric returns are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return*
Domestic Stocks	7.50%
International Stocks	8.50%
Real Estate Equity	4.50%
Domestic Bonds	2.50%
International Bonds	3.50%
* Real rate of return is net of administrative and investment expenses.	

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments.

The next table presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption Results as of December 31, 2024			
CERS	6.00%	7.00%	8.00%
Total Pension Liability	\$ 671,146,923	\$ 597,453,464	\$ 535,798,464
Plan Fiduciary Net Position	(622,519,532)	(622,519,532)	(622,519,532)
Net Pension Liability (Asset)	\$ 48,627,391	\$ (25,066,068)	\$ (86,721,068)
CFPF			
Total Pension Liability	\$ 242,040,422	\$ 215,848,454	\$ 193,907,083
Plan Fiduciary Net Position	(226,200,024)	(226,200,024)	(226,200,024)
Net Pension Liability (Asset)	\$ 15,840,398	\$ (10,351,570)	\$ (32,292,941)

Plan Closure – Membership in the South Dakota Retirement System

Effective July 1, 2013, the CERS and CFPF were closed to new members. All full-time employees hired after this date will become members in the statewide South Dakota Retirement System (SDRS). 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 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://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

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

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

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and

Notes to Financial Statements

survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25 percent.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities the COLA will be
 - The increase in the third quarter CPI-W, no less than 0.5 percent and no greater than 3.5 percent.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the third quarter CPI-W, no less than 0.5 percent 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 percent of salary; Class B Judicial Members, 9.0 percent of salary; and Class B Public Safety Members, 8.0 percent of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. During the years ended December 31, 2024, 2023, and 2022, the cost to the City was \$4,562,505, \$3,695,166, and \$3,137,645 respectively.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to SDRS

At June 30, 2024, SDRS is 100.0 percent funded and accordingly has a net pension asset. The proportionate share of the components of the net pension liability of the South Dakota Retirement System for the City as of the measurement period ending June 30, 2024, and reported by the City as of December 31, 2024, are as follows:

Proportionate Share of Net Pension Liability	\$	371,164,705
Less Proportionate Share of Net Pension Restricted for Pension Benefits		(371,265,419)
Proportionate Share of Net Pension Liability (Asset)	\$	(100,714)

On December 31, 2024, the City reported an asset of \$100,715 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension asset used to calculate the net pension asset was based on a projection of the City's share of contributions to the pension plan relatively to contributions of all participating entities. At June 30, 2024, the City's proportion was 2.487989 percent, which was an increase of 0.071988 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$1,978,969. On December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,326,106	\$ -
Changes of Assumptions	1,660,464	12,656,995
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,793,604	-
Changes in proportion and difference between City contributions and proportionate share of contributions	339	622,171
City contributions subsequent to the measurement date	2,438,560	-
Total	\$ 17,219,073	\$ 13,279,166

There is \$2,438,559 reported as deferred outflow of resources related to pensions resulting from City contributions subsequent to the measurement date which will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. 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:	
2025	\$ (3,830,974)
2026	4,625,345
2027	413,250
2028	293,727
Total	\$ 1,501,348

The general fund is the primary governmental fund that is typically used to liquidate prior year pension liabilities.

Notes to Financial Statements

Actuarial Assumptions

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

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

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 percent of rates above age 65
- Other Class A Retirees: PubG-2010, 93 percent of rates through age 74, increasing by 2 percent per year until 111 percent of rates at 83 and above
- Public Safety Retirees: PubS-2010, 102 percent of rates at all ages

Beneficiaries:

- PubG-2010 contingent survivor mortality table

Disabled Members

- Public Safety: PubS-2010 disable member mortality table
- Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

Investments

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles

(equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
	<u>100.0%</u>	

Discount Rate

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

Sensitivity of (Asset)/Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of SDRS, calculated using the discount rate of 6.50 percent, as well as what SDRS net pension asset would be if it were calculated using a discount rate that is 1 percent point lower (5.50 percent) or 1 percent point higher (7.50 percent) than the current rate:

	5.50%	6.50%	7.50%
The City's proportionate Share of the Net Pension Liability/(Asset)	\$51,176,984	\$ (100,715)	\$ (42,061,843)

Pension Plan Fiduciary Net Position

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

Aggregate Pension Disclosures

At December 31, 2024, the City reported the following aggregate totals for all pension plans:

Notes to Financial Statements

Accumulated Totals for SDRS, CERS and CFPF Plans	
Total Net Pension Asset (Liability)	\$ 35,518,352
Total Deferred Outflows of Resources	36,377,811
Total Deferred Inflows of Resources	15,985,849
Total Pension Expense	14,415,417

B. Post-Employment Health Care Benefits (OPEB)

Plan Description and Administration

On December 20, 2016, the City approved the establishment of an irrevocable retiree health care OPEB Trust as of January 1, 2017, and the concurrent termination of the City Employee's Retirement System and the City Firefighters' Pension Fund 401(h) retiree health trusts as of December 31, 2016. The OPEB Trust is established under and conforms to all applicable sections of the Internal Revenue Code and received a final favorable determination from the Internal Revenue Service on July 13, 2017. The benefit and eligibility structure did not change because of this action. This plan is a single-employer OPEB plan.

The City transferred 401(h) assets to the OPEB Trust in amount sufficient to cover 100 percent of the actuarially determined liability for the remaining retirees and beneficiaries eligible to receive benefits. As the retiree health provisions of the 401(h) Trust and subsequently the OPEB Trust were closed to new members as of December 31, 2014, the value of assets remaining in excess of those needed to fund 100 percent of the outstanding liability were transferred to the City's internal service Health/Life Benefit Fund with a subsequent transfer of the excess assets to the City Employee's Retirement System and City Firefighters' Pension Fund.

The OPEB Trust and the investment of OPEB Trust assets are overseen by the City with the authority and guidance of City Council, with whom investments and benefit terms are established and can be amended.

Benefits Provided

The OPEB Trust provides for the payment of 50 percent of the premium for eligible retirees and their beneficiaries for their continued participation in the City's self-insured Health/Life Benefit Fund. The retiree/beneficiary pays the remaining 50 percent. The benefit levels are the same as those afforded to active employees for both health and dental coverage. As the Fund is self-insured, premium rates are established to recover the cost of benefits being provided. Rates for retirees/beneficiaries are established separately from those of active employees. Thus, there is no implicit rate subsidies for the OPEB Trust. Participation in the City's health benefit is terminated upon the eligible retiree/beneficiary reaching the age of 65.

The self-insured Health Life Benefit Fund is an internal service fund of the City and is included within the scope of this report; therefore, it does not issue a stand-alone financial report nor is it included in the report of another

entity. The benefit levels and contribution rates of the Fund are governed by the City.

Plan Membership

Membership of the plans consisted of 32 inactive employees as of December 31, 2024, the last measurement date.

Change in Plan Design – OPEB

Effective January 1, 2014, access to the City's health plan is no longer available to retiring employees. In its place, the City's pension plan provides a flat dollar stipend to retirees to purchase their own health insurance. The stipend is a benefit to the employee/retiree only (no survivorship to spouse) and is given until the retiree reaches the Medicare eligible age (i.e., 65). In 2024 the amount of the stipend was \$53.76 per month per year of service, an inflationary adjustment of 3 percent is applied each year.

Funding Policy and Contributions

The City's OPEB Trust is closed to new members and the liability is fully funded, requiring no further contributions.

Net OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2024.

The general fund is the primary governmental fund that is typically used to liquidate prior year OPEB liabilities.

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2024 valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified.

Healthcare cost trend rate	7.50 percent graded down to 3.50 percent in twelve years
Investment Rate of Return	3.00 percent, net of OPEB plan investment expense
Discount Rate	3.00 percent, 20-year municipal bond rate of December 31, 2024

The RP-2000 Combined Health Table projected using Projection Scale BB was used for both men and women.

OPEB Plan Investments

The OPEB Trust assets have a segregated interest within the City's short-term pooled cash portfolio and are governed by the City's Pooled Cash Investment Policy, with the latest amendments adopted on May 13, 2014. The investment policy conforms to all applicable laws of the State of South Dakota, which serves as the guide for proper diversification, maturity constraints, internal controls, and performance measurement. The objectives of the City's investment

Notes to Financial Statements

program as set forth by the investment policy are in order of importance: safety of principal, sufficient liquidity, and attaining a competitive rate of return throughout budgetary and economic cycles. These objectives guide the City's short-term investments with terms of five years or less, which, except under limited circumstances, are held to maturity.

The City's Retiree Health OPEB trust allocation is as follows:

Asset Class	Target Allocation
U.S. Treasury Notes & Bills	74.00%
Money Market Funds	9.00%
Certificates of Deposit	12.00%
Cash	5.00%

Changes in the Net OPEB Liability (Asset)

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2023	\$ 497,592	\$ 3,652,139	\$ (3,154,547)
Changes for the Year			
Service Cost	\$ -	\$ -	\$ -
Interest on the Total Pension Liability (TPL)	13,648	-	13,648
Benefit Clarification	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	(154,657)	-	(154,657)
Contributions Employer	-	30	(30)
Assumption Changes	-	-	-
OPEB Plan Net Investment Income	-	166,332	(166,332)
Benefit Payments and Refunds	(85,319)	(85,319)	-
Net Change in Total OPEB Liability	(226,328)	81,043	(307,371)
Balance at December 31, 2024	\$ 271,264	\$ 3,733,182	\$ (3,461,918)

Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB (asset) liability, calculated using the discount rate of 3.00 percent, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (2.00 percent) or one percentage point higher (4.00 percent) than the current rate:

	2.00%	3.00%	4.00%
Net OPEB liability (asset)	\$ (3,458,725)	\$ (3,461,918)	\$ (3,465,016)

Sensitivity of Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OEPB (asset) liability, calculated using the healthcare cost trend rate of 7.5 percent gradually decreasing to an ultimate trend rate of 3.5 percent in 12 years. In addition, the table shows the net OPEB (asset) liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB liability	\$ (3,468,704)	\$ (3,461,918)	\$ (3,455,002)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense of \$88,397. At the December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	14,918
Total	\$ -	\$ 14,918

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

Year Ended December 31:	
2025	\$ 21,765
2026	1,779
2027	(26,851)
2028	(11,611)
2029	-
Thereafter	-
Total	\$ (14,918)

Component Unit

Housing Commission Retirement Plan

All eligible employees of the Housing Commission participate in the Housing Renewal and Local Agency Retirement Plan, a cost sharing, multiple-employer public employee retirement system to provide retirement benefits for employees of local or regional housing authorities and commissions, urban renewal agencies, and other organizations that are eligible to participate in this plan subject to the approval of the agreement. Eligible employees are defined as staff scheduled to work 20 or more hours per week after attaining age 18 and completing one year of continuous and uninterrupted employment. The right to receive retirement benefits is 20 percent vested after one year credited service up to 100 percent vested after five years credited service. Authority for establishing, administering, and amending plan provisions is found in Internal Revenue Code Section 401(a). The Automated Data Processing (ADP) Retirement Services issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ADP Retirement Services, 462 South 4th Avenue, Suite 900, Louisville, KY 40202, or by calling (502) 561-4550.

On June 24, 2002, the Housing Commission adopted Resolution No. 268-06-02 effective July 1, 2002, which

Notes to Financial Statements

implemented a mandatory after-tax employee contribution to the plan of 1 percent of basic compensation and a corresponding employer contribution of 4 percent of basic compensation addition. The resolution permitted employees to voluntarily contribute additional after-tax amounts in excess of the 1 percent mandatory amount, which would be treated as voluntary contributions, and for which the employer would contribute additional corresponding

Note 13 —Adjustments To and Restatements of Beginning Balances

Change in Accounting Principle

As of January 1, 2024 the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a

amounts up to a maximum of 7 percent. Beginning July 1, 2002, the full amount of the employer's contributions will be subject to the plan's vesting schedule of 20 percent for each year of the employee's participation in the plan. During the years ended September 30, 2024, 2023, and 2022, the cost to the Commission was \$51,161, \$58,766, and \$58,938, respectively.

compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of this change in accounting principle is described in column B of the table below.

The Housing and Redevelopment Commission changed accounting estimates in relation to accumulated depreciation, resulting in an increase in net position shown in column C below.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances				
	1/1/2024 As Previously Reported	Change in Accounting Principle (B)	Change in Accounting Estimate (C)	1/1/2024 As Restated
Government-Wide				
Governmental Activities	\$ 1,740,970,041	\$ (13,305,519)	\$ -	\$ 1,727,664,522
Business-Type Activities	781,962,887	(1,640,223)	-	780,322,664
Total Primary Government	<u>\$ 2,522,932,928</u>	<u>\$ (14,945,742)</u>	<u>\$ -</u>	<u>\$ 2,507,987,186</u>
Proprietary Funds				
Power and Distribution	\$ 33,050,600	\$ (42,354)	\$ -	\$ 33,008,246
Public Parking	13,480,338	(58,893)	-	13,421,445
Sanitary Landfill	38,405,731	(175,399)	-	38,230,332
Water	376,868,093	(643,514)	-	376,224,579
Water Reclamation	314,966,761	(720,063)	-	314,246,698
Total Proprietary Funds	<u>\$ 776,771,523</u>	<u>\$ (1,640,223)</u>	<u>\$ -</u>	<u>\$ 775,131,300</u>
Internal Service Funds				
Fleet Revolving	<u>\$ 33,148,868</u>	<u>\$ (202,170)</u>	<u>\$ -</u>	<u>\$ 32,946,698</u>
Component Unit				
Housing and Redevelopment Commission	<u>\$ 4,550,940</u>	<u>\$ -</u>	<u>\$ 28,875</u>	<u>\$ 4,579,815</u>

Note 14 —Special Item

Transfer of Component Unit Operations

In October 2023, the City Council in agreement with Minnehaha County approved Metro Communications to dissolve operations as its own separate entity and become part of the City operations. Due to this legislation change, Metro Communications is part of the City and is no longer a discretely presented component unit. The transfer of these operations was shown as a special item in the current year non-major, governmental and government-wide financial statements.

All values transferred from Metro Communications were deemed accurate and fair upon transfer with the exception of the governmental fund current liabilities and fund balance. The ending liabilities reported on December 31, 2023 were \$873,063 compared to the amount transferred on January 1, 2024 was \$1,476,646. The ending fund balance reported as of December 31, 2023 was \$2,093,388 whereas the amount transferred on January 1, 2024 was \$1,489,805. This difference of \$603,853 was due to the timing of payments received from the State and County. In accordance with the City policy on the availability of

revenue within governmental funds, these amounts were considered to be unearned revenues and not revenues whereas with Metro Communications these were considered to be revenues based on its own policies.

In accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, paragraph 56, the City is required to disclose certain items being transferred from the prior component unit. These amounts are disclosed as follows:

Items Transferred From Metro Communications to the City of Sioux Falls		
	Government- Wide	Governmental Funds
Assets		
Current Assets	\$ 2,966,451	\$ 2,966,451
Other Assets	14,578	-
Capital Assets	2,407,564	-
Total Assets	<u>5,388,593</u>	<u>2,966,451</u>
Deferred Outflows of Resources	<u>1,118,024</u>	<u>-</u>
Liabilities		
Current Liabilities	873,063	1,476,646
Long Term Liabilities	340,505	-
Total Liabilities	<u>1,213,568</u>	<u>1,476,646</u>
Deferred Inflows of Resources	<u>742,314</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	2,407,564	-
Nonspendable	-	43,537
Restricted	14,578	-
Unrestricted/unassigned	<u>2,128,593</u>	<u>1,446,268</u>
Total Net Position/Fund Balance	<u>\$ 4,550,735</u>	<u>\$ 1,489,805</u>

Notes to Financial Statements - Fiduciary Funds Statement of Net Position

	Employee's Retirement System	Firefighters' Pension Fund	City of Sioux Falls OPEB Trust	Total Pension and Health Care Trust Funds	Police Custodial Fund
Assets					
Cash and Cash Equivalents	\$ 33,777,625	\$ 11,600,576	\$ 3,707,701	\$ 49,085,902	\$ 335,556
Receivables:					
Contribution	305,205	132,222	-	437,427	-
Interest	953,510	331,501	25,481	1,310,492	-
Total Receivables	1,258,715	463,723	25,481	1,747,919	-
Investments at Fair Value:					
US Government	50,636,839	17,972,507	-	68,609,346	-
Corporate Obligations	28,374,565	10,062,127	-	38,436,692	-
Foreign Obligations	9,231,881	3,421,833	-	12,653,714	-
State and Local Obligations	6,501,914	2,326,147	-	8,828,061	-
Domestic Stocks	44,147,989	16,172,761	-	60,320,750	-
Foreign Stocks	3,305,558	1,220,483	-	4,526,041	-
Index Funds:					
Equity	205,311,096	75,299,862	-	280,610,958	-
Government / Corporate Bonds	40,041,005	14,126,679	-	54,167,684	-
Mutual Funds:					
Foreign Equity	108,688,528	40,146,813	-	148,835,341	-
Domestic Equity	17,651,153	6,699,783	-	24,350,936	-
Fixed Income	29,614,165	10,858,527	-	40,472,692	-
Real Estate	44,005,088	15,844,121	-	59,849,209	-
Total Investments	587,509,781	214,151,643	-	801,661,424	-
Total Assets	622,546,121	226,215,942	3,733,182	852,495,245	335,556
Liabilities					
Accounts Payable	22,300	13,240	-	35,540	-
Accrued Wages	4,289	2,678	-	6,967	-
Total Liabilities	26,589	15,918	-	42,507	-
Net Position					
Restricted for Pension	\$ 622,519,532	\$ 226,200,024	\$ -	\$ 848,719,556	\$ -
Restricted for Post Employment Health Care Benefits	-	-	3,733,182	3,733,182	-
Restricted for Police Evidence and Found Property	-	-	-	-	335,556
Total Net Position	\$ 622,519,532	\$ 226,200,024	\$ 3,733,182	\$ 852,452,738	\$ 335,556

Notes to Financial Statements - Fiduciary Funds Changes in Net Position

	Employees' Retirement Pension	Firefighters' Pension	City of Sioux Falls OPEB Trust	Total Pension and Health Care Trust Funds	Police Custodial Fund
Additions					
Contributions					
Employer	\$ 10,172,827	\$ 4,053,561	\$ -	\$ 14,226,388	\$ -
Plan Members	2,553,032	1,129,325	-	3,682,357	-
Total Contributions	12,725,859	5,182,886	-	17,908,745	-
Investment Income (Loss)	60,133,549	21,873,119	166,332	82,173,000	-
Less Investment Expense	974,915	398,179	-	1,373,094	-
Net Investment Income (Loss)	59,158,634	21,474,940	166,332	80,799,906	-
Police Funds Received into Custody	-	-	-	-	158,025
Total Additions	71,884,493	26,657,826	166,332	98,708,651	158,025
Deductions					
Benefit Payments					
Pension	31,842,506	11,176,986	-	43,019,492	-
Health Premiums	-	-	85,289	85,289	-
Total Benefit Payments	31,842,506	11,176,986	85,289	43,104,781	-
Police Funds Released from Custody	-	-	-	-	101,263
Refunds	76,012	-	-	76,012	-
Administrative Expense	245,177	154,346	-	399,523	-
Total Deductions	32,163,695	11,331,332	85,289	43,580,316	101,263
Change in Net Position	39,720,798	15,326,494	81,043	55,128,335	56,762
Total Net Position, January 1	582,798,734	210,873,530	3,652,139	797,324,403	278,794
Total Net Position, December 31	<u>\$ 622,519,532</u>	<u>\$ 226,200,024</u>	<u>\$ 3,733,182</u>	<u>\$ 852,452,738</u>	<u>\$ 335,556</u>

**Required Supplementary Information - Budgetary Comparison
Schedule - Budgetary Basis - General Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property	\$ 84,949,435	\$ 84,949,435	\$ 85,067,481	\$ 118,046
Sales	97,617,614	97,617,614	93,648,127	(3,969,487)
Frontage	5,099,347	5,099,347	5,112,854	13,507
Lodging (Includes BID)	3,985,000	3,985,000	3,602,638	(382,362)
Amusement	13,500	13,500	-	(13,500)
Penalties and Interest	100,000	100,000	129,815	29,815
Total Taxes	191,764,896	191,764,896	187,560,915	(4,203,981)
Licenses and Permits	5,984,585	5,984,585	9,333,251	3,348,666
Intergovernmental Revenue				
Federal Shared Revenues:				
Federal Grants	8,415,852	8,415,852	7,135,628	(1,280,224)
State Shared Revenues:				
Motor Vehicle Licenses	1,100,000	1,100,000	1,137,951	37,951
Bank Franchise Tax	2,000,000	2,000,000	2,196,099	196,099
Liquor Tax Reversion	1,100,000	1,100,000	1,300,567	200,567
Health License Reversion	159,000	159,000	29,005	(129,995)
Fire Insurance Premium Reversion	900,000	900,000	1,228,045	328,045
Local Government Highway Bridge Fund	2,150,000	2,150,000	2,201,530	51,530
Port of Entry Fees	85,000	85,000	105,969	20,969
Total State Shared Revenues	7,494,000	7,494,000	8,199,166	705,166
State Grants	1,370,000	1,370,000	1,055,269	(314,731)
County Shared Revenues:				
Wheel Tax	201,759	201,759	206,354	4,595
Contributions	1,415,000	1,415,000	1,415,000	-
Total County Shared Revenues	1,616,759	1,616,759	1,621,354	4,595
Total Intergovernmental Revenues	18,896,611	18,896,611	18,011,417	(885,194)
Special Assessments	475,000	475,000	491,200	16,200
Charges for Goods and Services	9,061,405	9,061,405	8,675,068	(386,337)
Fines and Forfeitures	619,000	619,000	766,003	147,003
Investment Revenue	550,000	550,000	4,715,929	4,165,929
Rentals	56,300	56,300	67,455	11,155
Contributions	257,000	257,000	177,225	(79,775)
Miscellaneous Revenue	1,269,000	1,269,000	1,551,011	282,011
Total Revenues	228,933,797	228,933,797	231,349,474	2,415,677

**Budgetary Comparison Schedule -
Budgetary Basis - General Fund (cont)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
General Government:				
Mayor	\$ 940,766	\$ 940,766	\$ 890,818	\$ 49,948
City Council	2,129,035	2,204,035	1,820,979	383,056
Attorney	2,811,261	2,811,261	2,799,952	11,309
Human Resources	2,368,008	2,368,008	2,306,636	61,372
Finance	4,352,263	4,352,263	4,064,522	287,741
Facilities Management	2,309,598	2,309,598	2,109,737	199,861
Innovation & Technology	6,852,125	6,852,125	6,134,846	717,279
Communications	3,157,808	3,157,808	2,852,438	305,370
Total General Government	24,920,864	24,995,864	22,979,928	2,015,936
Public Safety:				
Fire	37,256,920	37,256,920	37,211,368	45,552
Police	52,422,581	52,422,581	52,020,888	401,693
Total Public Safety	89,679,501	89,679,501	89,232,256	447,245
Highways and Streets:				
Total Highways and Streets	33,920,441	33,920,441	31,786,255	2,134,186
Public Health:				
Total Health	19,512,583	19,512,583	17,264,408	2,248,175
Culture and Recreation:				
Parks and Recreation	27,047,315	27,097,315	25,706,471	1,390,844
Libraries	10,121,220	10,121,220	9,995,643	125,577
Total Culture and Recreation	37,168,535	37,218,535	35,702,114	1,516,421
Urban and Economic Development:				
Total Urban and Economic Development	16,601,211	17,051,211	14,318,164	2,733,047
Debt Service	3,055,543	3,055,543	2,722,367	333,176
Total Expenditures	224,858,678	225,433,678	214,005,492	11,428,186
Revenues Over (Under) Expenditures	4,075,119	3,500,119	17,343,982	13,843,863
Other Financing Sources (Uses)				
Sale of Surplus Property	26,000	26,000	45,784	19,784
Damage Recovery	105,000	105,000	68,442	(36,558)
Transfers Out	(10,530,039)	(19,580,039)	(19,580,039)	-
Total Other Financing Sources (Uses)	(10,399,039)	(19,449,039)	(19,465,813)	(16,774)
Net Change in Fund Balances	(6,323,920)	(15,948,920)	(2,121,831)	13,827,089
Fund Balance - Beginning	95,060,735	95,060,735	95,060,735	-
Fund Balance Ending	\$ 88,736,815	\$ 79,111,815	\$ 92,938,904	\$ 13,827,089

**Budgetary Comparison Schedule -
Budget-to-GAAP Reconciliation - General Fund**

Actual amounts to Expenditures and Outflows Budgetary Comparison Schedule		\$	233,585,531
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Differences - Budget to GAAP

Leases Issued	\$	13,630
Subscription Arrangements Issued		68,759

Total Expenditures as reported on the Statement of Revenues, Expenditures, and Charges in Fund Balances - General Fund		\$	233,667,920
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Actual Amount of Revenue and Inflows on Budgetary to Comparison Schedule		\$	231,463,700
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Differences - Budget to GAAP

Initial Capital Outlay on Leases Issued	\$	13,630
Initial Capital Outlay on Subscription Arrangements Issued		68,759

Total Revenues and Inflows as reported on the Statement of Revenues		\$	231,546,089
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Items shown in the Budget to GAAP reconciliation above represent required journal entries as a result of the implementation of GASB 87 and GASB 96. Items do not affect the usage of cash or net fund balance of the General Fund and are not considered necessary items to be appropriated as part of the annual budget.

**Budgetary Comparison Schedule -
Budgetary Basis - Entertainment Tax Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,558,160	\$ 11,558,160	\$ 11,842,503	\$ 284,343
Investment Revenue	50,000	50,000	911,017	861,017
Miscellaneous Revenue	-	-	2,872,825	2,872,825
Total Revenues	11,608,160	11,608,160	15,626,345	4,018,185
Expenditures				
Culture and Recreation:				
Entertainment Venues	13,091,103	30,101,761	14,788,325	15,313,436
Total Culture and Recreation	13,091,103	30,101,761	14,788,325	15,313,436
Total Expenditures	13,091,103	30,101,761	14,788,325	15,313,436
Revenues Over (Under) Expenditures	(1,482,943)	(18,493,601)	838,020	19,331,621
Other Financing Sources (Uses)				
Sale of Surplus Property	-	-	93,495	93,495
Total Other Financing Sources (Uses)	-	-	93,495	93,495
Net Change in Fund Balances	(1,482,943)	(18,493,601)	931,515	19,425,116
Fund Balances, January 1	29,888,092	29,888,092	29,888,092	-
Fund Balances, December 31	\$ 28,405,149	\$ 11,394,491	\$ 30,819,607	\$ 19,425,116

**Budgetary Comparison Schedule -
Budgetary Basis - Sales and Use Tax Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 98,551,436	\$ 98,551,436	\$ 93,648,127	\$ (4,903,309)
Special Assessments	3,210,000	3,710,000	3,740,483	30,483
Licenses and Permits	150,000	150,000	140,941	(9,059)
Intergovernmental	45,277,000	59,049,730	9,329,324	(49,720,406)
Investment Revenue	250,000	250,000	5,255,483	5,005,483
Rentals	-	-	8,258	8,258
Contributions	2,651,000	8,487,715	3,785,965	(4,701,750)
Miscellaneous Revenue	-	-	50,000	50,000
Total Revenues	150,089,436	170,198,881	115,958,581	(54,240,300)
Expenditures				
General Government:				
Facilities Management	560,000	2,282,507	2,190,654	91,853
Communications	160,000	483,963	232,760	251,203
Total General Government	720,000	2,766,470	2,423,414	343,056
Public Safety:				
Fire	3,127,000	6,078,750	3,016,427	3,062,323
Police	1,444,100	2,454,728	1,591,788	862,940
Total Public Safety	4,571,100	8,533,478	4,608,215	3,925,263
Highways and Streets:				
Total Highways and Streets	109,502,845	150,462,025	55,643,623	94,818,402
Public Health:				
Total Health	138,000	278,820	181,942	96,878
Culture and Recreation:				
Parks and Recreation	15,673,500	71,820,558	44,561,816	27,258,742
Library	921,000	1,226,833	942,359	284,474
Total Culture and Recreation	16,594,500	73,047,391	45,504,175	27,543,216
Urban and Economic Development:				
Total Urban and Economic Development	287,500	517,500	426,633	90,867
Debt Service	15,609,788	15,609,788	15,267,760	342,028
Total Expenditures	147,423,733	251,215,472	124,055,762	127,159,710
Revenues Over (Under) Expenditures	2,665,703	(81,016,591)	(8,097,181)	72,919,410
Other Financing Sources (Uses)				
Transfers In	-	9,050,000	9,185,063	135,063
Transfers Out	(2,665,703)	(2,665,703)	(2,665,703)	-
Total Other Financing Sources (Uses)	(2,665,703)	6,384,297	6,519,360	135,063
Net Change in Fund Balances	-	(74,632,294)	(1,577,821)	73,054,473
Fund Balances, January 1	100,084,988	100,084,988	100,084,988	-
Fund Balances, December 31	\$ 100,084,988	\$ 25,452,694	\$ 98,507,167	\$ 73,054,473

**Budgetary Comparison Schedule -
Budgetary Basis - Housing Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 4,105,099	\$ 4,105,099	\$ 2,897,325	\$ (1,207,774)
Charges	-	-	45,651	45,651
Investment Revenue	55,035	55,035	173,710	118,675
Miscellaneous Revenue	858,941	858,941	-	(858,941)
Total Revenues	5,019,075	5,019,075	3,116,686	(1,902,389)
Expenditures				
Urban and Economic Development:				
Affordable Housing	12,766,395	15,121,798	2,861,443	12,260,355
Debt Service	200	200	166	34
Total Expenditures	12,766,595	15,121,998	2,861,609	12,260,389
Revenues Over (Under) Expenditures	(7,747,520)	(10,102,923)	255,077	10,358,000
Other Financing Sources (Uses)				
Transfers In	2,170,232	2,170,232	2,050,232	(120,000)
Total Other Financing Sources (Uses)	2,170,232	2,170,232	2,050,232	(120,000)
Net Change in Fund Balances	(5,577,288)	(7,932,691)	2,305,309	10,238,000
Fund Balances, January 1	32,990,493	32,990,493	32,990,493	-
Fund Balances, December 31	\$ 27,413,205	\$ 25,057,802	\$ 35,295,802	\$ 10,238,000

**Budgetary Comparison Schedule -
Budgetary Basis - Storm Drainage Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 13,517,970	\$ 13,517,970	\$ 14,067,997	\$ 550,027
Special Assesments	1,774,820	1,774,820	1,887,368	112,548
Licenses and Permits	100	100	-	(100)
Investment Revenue	40,000	40,000	883,259	843,259
Miscellaneous Revenue	-	-	180	180
Total Revenues	<u>15,332,890</u>	<u>15,332,890</u>	<u>16,838,804</u>	<u>1,505,914</u>
Expenditures				
Highways and Streets:				
Total Highways and Streets	<u>17,332,994</u>	<u>28,980,702</u>	<u>8,819,413</u>	<u>20,161,289</u>
Debt Service	<u>1,732,702</u>	<u>1,732,702</u>	<u>1,323,562</u>	<u>409,140</u>
Total Expenditures	<u>19,065,696</u>	<u>30,713,404</u>	<u>10,142,975</u>	<u>20,570,429</u>
Revenues Over (Under) Expenditures	<u>(3,732,806)</u>	<u>(15,380,514)</u>	<u>6,695,829</u>	<u>22,076,343</u>
Other Financing Sources (Uses)				
Issuance of Debt	<u>3,500,000</u>	<u>7,968,620</u>	<u>-</u>	<u>(7,968,620)</u>
Total Other Funding Sources (Uses)	<u>3,500,000</u>	<u>7,968,620</u>	<u>-</u>	<u>(7,968,620)</u>
Net Change in Fund Balances	<u>(232,806)</u>	<u>(7,411,894)</u>	<u>6,695,829</u>	<u>14,107,723</u>
Fund Balances, January 1	<u>14,039,004</u>	<u>14,039,004</u>	<u>14,039,004</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 13,806,198</u>	<u>\$ 6,627,110</u>	<u>\$ 20,734,833</u>	<u>\$ 14,107,723</u>

Required Supplementary Information

Notes to Required Supplementary Information—Budgetary Reporting

The Schedule

The Budgetary Comparison Schedules present comparisons of the original and legally amended budget with actual amounts on a departmental level for the General Fund, Entertainment Tax Fund, Sales and Use Tax Fund, Housing Fund, and Storm Drainage Fund. These five funds presented have a legally adopted annual budget and are reported as major funds in the financial statements.

Each budget is adopted on a basis consistent with generally accepted accounting principles except for bad debt expense, compensated absences, and the reporting of capital outlay and debt service expenditures. The City budgets for compensated absences only to the extent they are expected to be paid rather than on the modified accrual method. The City budgets for debt service and capital outlay within the individual functions whereas they are reported separately within the financial statements.

The City may apply a portion of the prior years' fund balance, reported as net change in fund balance in the budget column, to the current year's budget as an offset to revenue. The original budget is the budget as originally adopted by the City Council. The final budget is the original budget adjusted by capital encumbrances and carry-forwards, allocation transfers within organizational units, and supplemental appropriations.

Summary of Significant Budget Policies

City Charter requires the Mayor to submit a budget to the City Council on or before the first day of August of each year. Upon publication and public hearing, the City Council must annually adopt the budget on or before the 30th day of September. If the City Council fails to adopt the budget by this date, the budget proposed by the Mayor shall go into effect.

The budget is adopted and appropriated by fund on a service function (i.e. general government, public safety, etc.) and departmental basis for all governmental funds, the legal level of control. Proprietary (enterprise and internal service), trust, and agency funds are not appropriated unless they are supported or subsidized by revenue derived

from the annual appropriated tax levy. Although non-appropriated, an annual budget for these funds must be published no later than the last day of December.

For each fund, the total of proposed expenditures shall not exceed the total of estimated income plus the fund balance carried forward, exclusive of reserves. If, during the year, the Mayor certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may, by ordinance, approve supplemental appropriations for the year up to the amount of the excess.

The City Council approved supplemental appropriations of \$28.1 million during 2024. A majority of the supplemental appropriations were funded by the General Fund, Entertainment Tax Fund, and Sales and Use Tax Fund unassigned balances carried forward from 2023.

Within the \$28.1 million supplemented, \$18.1 million was for the purchase of the Westside Recreation Center; \$9.1 million was transferred from the General Fund to the Sales Tax Fund for this purchase. Another \$8.1 million was supplemented in the Entertainment Tax Fund to purchase property for the construction of a convention and entertainment facility within the Riverline District.

Further breakdown and details of these supplements and the related projects can be found in the Notes to the Financial Statements.

Every appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended. Capital appropriations continue in force until expended, revised, or repealed; the purpose of any such appropriation is deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

Budget Compliance

There were no material violations of the annual appropriated budget for the fiscal year ending December 31, 2024.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2024

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedules of Changes in the Net Pension Liability and Related Ratios (\$Thousand)										
Fiscal Year Ending December 31,	City Employee's Retirement System (CERS)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability (TPL)										
Service Cost	\$ 6,364	\$ 6,594	\$ 6,689	\$ 7,976	\$ 7,898	\$ 8,222	\$ 8,060	\$ 8,142	\$ 8,510	\$ 8,300
Interest on the total Pension Liability	39,605	38,246	38,159	37,264	35,602	34,343	33,560	33,140	31,878	30,431
Actual versus expected TPL#	4,840	5,853	-	2,156	5,823	-	(2,569)	(7,243)	(2,996)	(192)
Assumption Changes	-	-	(13,769)	16,127	-	-	(5,000)	5,546	-	7,740
Benefit Payments and Refunds	# (31,918)	(30,397)	(29,192)	(27,250)	(25,923)	(24,402)	(22,423)	(20,923)	(19,834)	(18,441)
Net Change in Total Pension Liability	18,891	20,296	1,887	36,273	23,400	18,163	11,628	18,662	17,558	27,838
Total Pension Liability - Beginning	578,562	558,266	556,379	520,106	496,706	478,543	466,915	448,253	430,695	402,857
Total Pension Liability - Ending (a)	\$ 597,453	\$ 578,562	\$ 558,266	\$ 556,379	\$ 520,106	\$ 496,706	\$ 478,543	\$ 466,915	\$ 448,253	\$ 430,695
Plan Fiduciary Net Position										
Employer Contributions	\$ 10,173	\$ 9,351	\$ 10,313	\$ 10,712	\$ 10,046	\$ 10,214	\$ 11,166	\$ 11,624	\$ 11,418	\$ 11,418
Employee Contributions	2,553	2,578	2,656	2,724	2,923	2,943	3,026	3,113	3,237	3,331
Pension Plan Net Investment Income	59,159	69,802	(87,826)	80,216	65,402	87,784	(19,794)	68,398	30,218	60
Benefit Payments and Refunds	(31,919)	(30,397)	(29,193)	(27,250)	(25,923)	(24,402)	(22,423)	(20,923)	(19,834)	(18,441)
Pension Plan Administrative Expense	(245)	(211)	(205)	(227)	(191)	(214)	(203)	(232)	(228)	(182)
Other	-	-	-	-	-	-	-	21,965	-	-
Net Change in Plan Fiduciary Net Position	39,721	51,123	(104,255)	66,175	52,257	76,325	(28,228)	83,945	24,811	(3,814)
Plan Fiduciary Net Position - Beginning	582,799	531,676	635,931	569,756	517,499	441,174	469,402	385,457	360,646	364,460
Plan Fiduciary Net Position - Ending (b)	\$ 622,520	\$ 582,799	\$ 531,676	\$ 635,931	\$ 569,756	\$ 517,499	\$ 441,174	\$ 469,402	\$ 385,457	\$ 360,646
Net Pension Liability - Ending (a) - (b)	\$ (25,067)	\$ (4,237)	\$ 26,590	\$ (79,552)	\$ (49,650)	\$ (20,793)	\$ 37,369	\$ (2,487)	\$ 62,796	\$ 70,049
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.20%	100.73%	95.24%	114.30%	109.55%	104.19%	92.19%	100.53%	85.99%	83.74%
Covered Payroll *	\$ 37,804	\$ 38,800	\$ 39,219	\$ 44,182	\$ 43,712	\$ 45,329	\$ 44,454	\$ 46,306	\$ 48,755	\$ 49,318
Net Pension Liability as a Percentage of Covered Payroll	-66.30%	-10.92%	67.80%	-180.06%	-113.58%	-45.87%	84.06%	-5.37%	128.80%	142.04%
Fiscal Year Ending December 31,	City Firefighters' Pension Fund (CFPF)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability (TPL)										
Service Cost	\$ 2,875	\$ 2,954	\$ 3,065	\$ 3,506	\$ 3,418	\$ 3,445	\$ 3,375	\$ 3,205	\$ 3,223	\$ 3,051
Interest on the total Pension Liability	14,435	14,103	13,743	13,702	13,119	12,553	12,160	12,083	11,662	11,177
Actual versus expected TPL#	(644)	(1,374)	(1,280)	2,498	229	-	(2,365)	(2,091)	(1,965)	(723)
Assumption Changes	-	-	(1,262)	-	-	-	-	(237)	-	2,814
Benefit Payments and Refunds	(11,177)	(10,624)	(10,043)	(9,141)	(8,510)	(7,951)	(7,695)	(7,460)	(7,123)	(6,914)
Net Change in Total Pension Liability	5,489	5,059	5,485	9,303	8,256	8,047	5,475	5,500	5,797	9,405
Total Pension Liability - Beginning	210,359	205,300	199,815	190,512	182,256	174,209	168,734	163,234	157,437	148,032
Total Pension Liability - Ending (a)	\$ 215,848	\$ 210,359	\$ 205,300	\$ 199,815	\$ 190,512	\$ 182,256	\$ 174,209	\$ 168,734	\$ 163,234	\$ 157,437
Plan Fiduciary Net Position										
Employer Contributions	\$ 4,054	\$ 3,497	\$ 4,035	\$ 4,176	\$ 3,966	\$ 3,991	\$ 4,443	\$ 4,664	\$ 4,407	\$ 4,425
Employee Contributions	1,129	1,107	1,146	1,222	1,271	1,203	1,182	1,188	1,169	1,150
Pension Plan Net Investment Income	21,475	25,229	(31,820)	28,909	23,132	30,551	(6,743)	23,857	10,749	31
Benefit Payments and Refunds	(11,177)	(10,624)	(10,042)	(9,141)	(8,510)	(7,951)	(7,695)	(7,460)	(7,123)	(6,914)
Pension Plan Administrative Expense	(154)	(133)	(131)	(144)	(124)	(137)	(117)	(143)	(160)	(110)
Other	-	-	-	-	250	-	-	4,947	-	-
Net Change in Plan Fiduciary Net Position	15,327	19,076	(36,812)	25,022	19,985	27,657	(8,930)	27,053	9,042	(1,418)
Plan Fiduciary Net Position - Beginning	210,873	191,797	228,609	203,587	183,602	155,945	164,875	137,822	128,780	130,198
Plan Fiduciary Net Position - Ending (b)	\$ 226,200	\$ 210,873	\$ 191,797	\$ 228,609	\$ 203,587	\$ 183,602	\$ 155,945	\$ 164,875	\$ 137,822	\$ 128,780
Net Pension Liability - Ending (a) - (b)	\$ (10,352)	\$ (514)	\$ 13,503	\$ (28,794)	\$ (13,075)	\$ (1,346)	\$ 18,264	\$ 3,859	\$ 25,412	\$ 28,657
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.80%	100.24%	93.42%	114.41%	106.86%	100.74%	89.52%	97.71%	84.43%	81.80%
Covered Payroll *	\$ 10,690	\$ 10,949	\$ 11,362	\$ 12,212	\$ 11,831	\$ 11,948	\$ 11,710	\$ 11,407	\$ 11,479	\$ 11,230
Net Pension Liability as a Percentage of Covered Payroll	-96.84%	-4.70%	118.84%	-235.79%	-110.52%	-11.27%	155.97%	33.83%	221.38%	255.18%
* Payroll is pay provided in connection with the valuation as of December 31, of the applicable year.										
# Experience gain made negative to facilitate addition.										
These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.										

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedules of Employer's Net Pension Liability (\$Thousands)

Year Ended December 31	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as a % of Total Pension Liability (Asset)	Covered Payroll *	Net Pension Liability (Asset) as a % of Covered Payroll
City Employee's Retirement System (CERS)						
2015	\$ 430,695	\$ 360,647	\$ 70,048	83.74%	\$ 49,318	142.03%
2016	448,253	385,457	62,796	85.99%	48,755	128.80%
2024	466,915	469,402	(2,487)	100.53%	46,306	-5.37%
2018	478,543	441,174	37,369	92.19%	44,454	84.06%
2019	496,706	517,499	(20,793)	104.19%	45,329	-45.87%
2020	520,106	569,756	(49,650)	109.55%	43,712	-113.58%
2021	556,380	635,932	(79,552)	114.30%	44,182	-180.06%
2022	558,266	531,676	26,590	95.24%	39,219	67.80%
2023	578,562	582,799	(4,237)	100.73%	38,800	-10.92%
2024	597,453	622,520	(25,067)	104.20%	37,804	-66.30%
City Firefighters' Pension Fund (CFPF)						
2015	\$ 157,437	\$ 128,780	\$ 28,657	81.80%	\$ 11,230	255.18%
2016	163,235	137,823	25,412	84.43%	11,479	221.38%
2024	168,734	164,875	3,859	97.71%	11,407	33.83%
2018	174,209	155,945	18,264	89.52%	11,710	155.97%
2019	182,256	183,602	(1,346)	100.74%	11,948	-11.27%
2020	190,512	203,587	(13,075)	106.86%	11,831	-110.51%
2021	199,814	228,608	(28,794)	114.41%	12,212	-235.78%
2022	205,300	191,797	13,503	93.42%	11,362	118.84%
2023	210,359	210,873	(514)	100.24%	10,949	-4.70%
2024	215,848	226,200	(10,352)	104.80%	10,690	-96.84%

* Payroll is pay provided in connection with the valuation as of December 31, of the applicable year.

These schedules are intended to show information for ten years; additional information will be displayed as it becomes available.

Notes to Schedule

Methods and Assumptions Used to Determine Total Pension Liability (Asset) for the Fiscal Year Ending December 31, 2022

Inflation	3.50%
Salary Increases	3.50% to 8.50% (CERS) 8.00% (CFPF) including inflation.
Investment Rate of Return	7.0% net of expenses
Post-Retirement Cost of Living Adjustments	Annual increases equal to 100% of the June CPI of each year with a cap of 3% applied to the member's current benefit. The first increase will be granted after 36 months of retirement.

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedules of Employer Contributions (\$Thousands)						
Year Ended December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a % of Covered Payroll	
City Employee's Retirement System (CERS)						
2015	\$ 11,397	\$ 11,418	\$ (21)	\$ 49,318	23.15%	
2016	11,417	11,417	-	48,754	23.42%	
2017	11,610	11,624	(14)	46,306	25.10%	
2024	10,624	11,166	(542)	44,454	25.12%	
2019	10,012	10,214	(202)	45,329	22.53%	
2020	10,046	10,046	-	43,712	22.98%	
2021	10,712	10,712	-	44,182	24.25%	
2022	9,998	10,313	(315)	39,219	26.30%	
2023	9,351	9,351	-	38,800	24.10%	
2024	10,173	10,173	-	37,804	26.91%	
City Firefighters' Pension Fund (CFPF)						
2015	\$ 4,425	\$ 4,425	\$ -	\$ 11,230	39.40%	
2016	4,407	4,407	-	11,479	38.39%	
2017	4,664	4,664	-	11,407	40.89%	
2018	4,270	4,443	(173)	11,710	37.94%	
2019	3,991	3,991	-	11,948	33.40%	
2020	3,966	3,966	-	11,831	33.52%	
2021	4,100	4,176	(76)	12,212	34.20%	
2022	4,035	4,035	-	11,362	35.51%	
2023	3,497	3,497	-	10,949	31.94%	
2024	4,053	4,053	-	10,690	37.91%	
<div>* Includes contributions transferred from the Unallocated Income Reserve</div> <div>** Payroll is pay provided in connection with the valuation as of December 31, of the applicable year.</div> <div>These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.</div>						
Schedule of Investment Returns						
	CERS	CFPF				
2015	-0.20%	-0.12%				
2016	8.42%	8.43%				
2017	16.68%	16.80%				
2018	-4.30%	-4.19%				
2019	20.11%	19.68%				
2020	12.76%	12.64%				
2021	14.21%	14.26%				
2022	-14.10%	-14.17%				
2023	13.41%	13.44%				
2024	10.35%	10.36%				
Notes to Schedule						
Valuation Date	Actuarially determined contribution amounts are calculated as of December 31 of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.					
Methods and Assumptions Used to Determine Contributions for the Fiscal Year Ending December 31, 2024*						
Actuarial Cost Method	Entry-Age Normal					
Amortization Method	Level Dollar, Closed					
Remaining Amortization Period	16 Years					
Asset Valuation Method	5-Year smoothed market					
Inflation	3.50%					
Salary Increases	3.50% to 8.50% (CERS) 8.00% (CFPF) including inflation.					
Investment Rate of Return	7.00% net of expenses					
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2007-2011.					
Mortality	A version of Pub-2010 tables with future mortality improvements projected to 2030 using scale MP-2020					
* Based on valuation assumptions used in the December 31, 2022 funding valuation						

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedule of City's Proportionate Share of the Net Pension Liability/(Asset)										
As of June 30										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Dakota Retirement System										
City's Proportion of the Net Pension Liability/(Asset)	2.4879890%	2.2666430%	2.0055210%	1.7345360%	1.5475804%	1.3411151%	1.1161784%	0.9423174%	0.7554055%	0.4407703%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ (100,713)	\$ (214,212)	\$ (189,534)	\$ (13,283,577)	\$ (67,211)	\$ (142,121)	\$ (26,031)	\$ (85,516)	\$ 2,551,686	\$ (1,869,433)
City's Covered Payroll	60,303,752	51,715,480	42,331,122	34,998,103	30,436,218	25,405,447	20,566,446	16,977,713	12,701,513	7,176,243
City's Proportionate share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	17.00%	-0.41%	-0.45%	-37.96%	-0.22%	-0.56%	-0.13%	-0.50%	20.09%	-26.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	100.1%	100.1%	105.5%	100.0%	100.1%	100.0%	100.1%	96.9%	104.1%
Schedule of City Contributions										
As of December 31										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Dakota Retirement System										
Contractually Required Contribution	4,562,506	3,695,166	3,137,645	2,614,874	2,232,547	1,889,387	\$ 1,558,009	\$ 1,275,856	\$ 1,038,645	\$ 686,864
Contributions in Relation to the Contractually Required Contribution	(4,562,506)	(3,695,166)	(3,137,645)	(2,614,874)	(2,232,547)	(1,889,387)	(1,558,009)	(1,275,856)	(1,038,645)	(686,864)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 67,142,982	\$ 54,251,041	\$ 45,858,665	\$ 38,439,816	\$ 34,180,820	\$ 27,954,227	\$ 22,714,519	\$ 18,676,953	\$ 15,153,220	\$ 9,953,235
Contributions as a Percentage of Covered Payroll	6.80%	6.81%	6.84%	6.80%	6.53%	6.76%	6.86%	6.83%	6.85%	6.90%
Notes to Schedules										
Changes from Prior Valuation	The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023 Actuarial Valuation.									
Benefit Provision Changes	During the 2024 Legislative Session no significant SDRS benefit changes were made.									
Actuarial Method Changes	No changes in actuarial methods were made since the prior valuation.									
Actuarial Assumption Changes	<p>The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.</p> <p>As of June 30, 2023, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% was less than 100% and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91%. For the June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.91%.</p> <p>As of June 30, 2024, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2025 SDRS COLA is limited to a restricted maximum of 1.71%.</p> <p>The July 2025 SDRS COLA will equal inflation, between 0% and 1.71%. For this June 30, 2024 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.71%.</p> <p>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.</p>									

These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.

Required Supplementary Information - Fiduciary Funds (OPEB Trust)

Schedules of Changes in the Employer's Net OPEB Liabilities (Assets)										
Fiscal Year Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017		
Total OPEB Liability										
Service Cost	\$ 13,648	\$ 19,661	\$ 31,485	\$ 35,375	\$ 59,174	\$ 125,926	\$ 148,241	\$ 123,986		
Interest on the total OPEB Liability	-	-	-	-	-	-	-	-		
Benefit Changes	(154,657)	(325,449)	(365,085)	55,333	(304,644)	(1,027,562)	(639,812)	(364,194)		
Actual versus expected experience	-	1,299	-	13,963	16,555	103,378	(34,571)	(135,976)		
2024	(85,319)	(143,444)	(240,437)	(314,655)	(386,671)	(501,667)	(619,906)	(1,055,768)		
Benefit Payments	(226,328)	(447,933)	(574,037)	(209,984)	(615,586)	(1,299,925)	(1,143,483)	(1,431,952)		
Total OEPB Liability - Beginning	497,592	945,525	1,519,562	1,729,546	2,345,132	3,645,057	4,788,540	6,220,492		
Total OPEB Liability - Ending (a)	\$ 271,264	\$ 497,592	\$ 945,525	\$ 1,519,562	\$ 1,729,546	\$ 2,345,132	\$ 3,645,057	\$ 4,788,540		
Plan Fiduciary Net Position										
Employer Contributions	\$ 30	\$ 45	\$ 80	\$ 110	\$ 227	\$ 339	\$ -	\$ 301,178		
Employee Contributions	166,332	156,472	(57,277)	(7,631)	77,362	138,246	71,934	13,111		
OPEB Plan Net Investment Income	(85,319)	(143,444)	(240,437)	(314,655)	(386,671)	(501,668)	(619,906)	(1,055,768)		
Employer Paid Benefit Payments	-	-	-	-	-	-	-	6,220,492		
Other	-	-	-	-	-	-	-	-		
Net Change in Plan Fiduciary Net Position	81,043	13,073	(297,634)	(322,176)	(309,082)	(363,083)	(547,972)	5,479,013		
Plan Fiduciary Net Position - Beginning	3,652,139	3,639,066	3,936,700	4,258,876	4,567,958	4,931,041	5,479,013	-		
Plan Fiduciary Net Position - Ending (b)	\$ 3,733,182	\$ 3,652,139	\$ 3,639,066	\$ 3,936,700	\$ 4,258,876	\$ 4,567,958	\$ 4,931,041	\$ 5,479,013		
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (3,461,918)	\$ (3,154,547)	\$ (2,693,541)	\$ (2,417,138)	\$ (2,529,330)	\$ (2,222,826)	\$ (1,285,984)	\$ (690,473)		
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)	1376.22%	733.96%	384.87%	259.07%	246.24%	194.78%	135.28%	114.42%		
Covered Payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		

* GASB Statement No. 74/75 was implemented for the fiscal year ended December 31, 2017 and does not require retroactive implementation. These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.

Required Supplementary Information - Fiduciary Funds (OPEB Trust)

Schedules of Employer OPEB Contributions								
Year Ended December 31	Actuarially Determined Contribution		Actual Contribution*		Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll	
City's OPEB Plan								
2024	\$	-	\$	-	\$	-	N/A	N/A
2023		-		-		-	N/A	N/A
2022		-		-		-	N/A	N/A
2021		-		-		-	N/A	N/A
2020		-		-		-	N/A	N/A
2019		-		-		-	N/A	N/A
2018		-		-		-	N/A	N/A
2017		-		301,178		(301,178)	N/A	N/A
<i>* Includes contributions and paid outside of the trust</i>								
<i>These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.</i>								

Notes to Schedule

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. As the plan is fully funded, no actuarial contributions are required. The amortization method shown below is illustrative if contributions are required.

Methods and Assumptions Used to Determine Contributions for the Fiscal Year Ending December 31, 2024

Valuation Date

December 31, 2022

Actuarial Cost Method

Entry-Age Normal

Amortization Method

Level Dollar

Asset Valuation Method

Market Value of Assets

Salary Increases

N/A - No active employees

Investment Rate of Return

3.00% net of OPEB plan investment expense

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition.

Mortality

A version of Pub-2010 tables with future mortality improvements projected to 2030 using scale MP-2020

Health Care Trend Rates

Initial trend of 7.50% gradually decrease to an ultimate trend of 3.50% in 12 years.

Aging Factors

Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

The assumptions used to determine the contribution requirements for the 2024 fiscal year are based on the December 31, 2022 actuarial valuation fo the Retiree Health Care Plan

**Supplementary Information - Budgetary Comparison Schedule -
Budgetary Basis - Public Safety Facility Construction Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ -	\$ -	\$ 101,309	\$ 101,309
Total Revenues	-	-	101,309	101,309
Expenditures				
Public Safety:				
Fire	-	678,673	638,002	40,671
Total Expenditures	-	678,673	638,002	40,671
Revenues Over (Under) Expenditures	-	(678,673)	(536,693)	141,980
Net Change in Fund Balances	-	(678,673)	(536,693)	141,980
Fund Balances, January 1	1,750,518	1,750,518	1,750,518	-
Fund Balances, December 31	<u>\$ 1,750,518</u>	<u>\$ 1,071,845</u>	<u>\$ 1,213,825</u>	<u>\$ 141,980</u>

Combining Statements

A. Nonmajor Special Revenue Funds

Transit Fund—to account for the provision of mass transportation services to the residents of the city. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and billing and collection.

911 Dispatch Fund—to account for the delivery of 24/7/365 emergency communication services for the residents of Minnehaha County, City of Sioux Falls, and City of Brandon. Revenue from E-911 surcharge fees, PSAP fees, and support from the county are accounted for in this fund as well as all other activities to ensure a reliable 911 system.

B. Nonmajor Debt Service Funds

T.I.F. District Fund—to account for the activities of the Tax Increment Financing Districts in the City of Sioux Falls.

C. Nonmajor Permanent Funds

Cottam Memorial Fund—to account for a bequest from the Cottam Estate, the interest from which is to be used to purchase medals or other awards as a reward for extraordinary meritorious or heroic service performed by any resident of the city of Sioux Falls.

Library Memorial Fund—to account for contributions provided through endowments to the Library.

D. Internal Service Funds

Fleet Revolving Fund—to account for the cost of supplying automobiles and fuel to City departments. Charges are billed to departments on a cost-plus basis to defray administrative, equipment maintenance, and depreciation costs.

City Health/Life Benefit Fund—to account for both the employees' and the City's contributions toward self-insurance of City employees' health/life benefits. Reserves were established and proportioned to fund regular as well as casualty-type benefits.

Workers' Compensation Fund—to account for monies provided by various City funds to be used for the payment of workers' compensation claims.

Technology Revolving Fund—to account for the cost of technology equipment used by City departments. Charges are billed to departments on a cost-plus basis to defray equipment maintenance and depreciation costs.

Property Liability and Risk Fund—to account for all insurance transactions for City departments. This involves purchasing insurance protection, paying claims, and maintaining a reserve. Departments reimburse the fund based on allocated premiums and loss history.

Centralized Facilities Fund—to account for the cost of facilities maintained and used by City departments. Charges are billed to departments on a cost-plus basis to defray facility maintenance and depreciation costs.

**Combining Balance Sheet
Nonmajor Governmental Funds**

	Special Revenue	Debt Service	Permanent	Total
Assets				
Cash and Cash Equivalents	\$ 17,422,759	\$ 357,890	\$ 53,549	\$ 17,834,198
Receivables:				
Accounts (net of allowance for uncollectibles)	36,518	-	-	36,518
Interest and Penalty	17,274	-	367	17,641
Due from Other Governments	1,180,024	-	-	1,180,024
Total Assets	<u>\$ 18,656,575</u>	<u>\$ 357,890</u>	<u>\$ 53,916</u>	<u>\$ 19,068,381</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 1,410,772	\$ 307,868	\$ -	\$ 1,718,640
Due to Other Funds	61,006	50,000	-	111,006
Unearned Revenue	585,503	-	-	585,503
Total Liabilities	<u>2,057,281</u>	<u>357,868</u>	<u>-</u>	<u>2,415,149</u>
Fund Balances				
Nonspendable	-	-	26,767	26,767
Restricted	-	22	27,149	27,171
Assigned	16,599,294	-	-	16,599,294
Total Fund Balances	<u>16,599,294</u>	<u>22</u>	<u>53,916</u>	<u>16,653,232</u>
Total Liabilities and Fund Balances	<u>\$ 18,656,575</u>	<u>\$ 357,890</u>	<u>\$ 53,916</u>	<u>\$ 19,068,381</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds**

	Special Revenue	Debt Service	Permanent	Total
Revenues				
Taxes	\$ -	\$ 6,600,528	\$ -	\$ 6,600,528
Intergovernmental	12,204,230	-	-	12,204,230
Charges for Goods and Services	3,144,763	-	-	3,144,763
Investment Revenue	130,377	-	2,383	132,760
Miscellaneous Revenue	16,255	-	-	16,255
Total Revenues	15,495,625	6,600,528	2,383	22,098,536
Expenditures				
Current:				
Public Safety	5,839,017	-	-	5,839,017
Urban and Economic Development	13,073,205	6,625,312	-	19,698,517
Capital Outlay:				
Public Safety	23,908	-	-	23,908
Urban and Economic Development	694,260	-	-	694,260
Total Expenditures	19,630,390	6,625,312	-	26,255,702
Revenues Over (Under) Expenditures	(4,134,765)	(24,784)	2,383	(4,157,166)
Other Financing Sources (Uses)				
Sale of Surplus Property	325	-	-	325
Damage Recovery	62,611	-	-	62,611
Transfers In	8,456,807	-	-	8,456,807
Total Other Financing Sources (Uses)	8,519,743	-	-	8,519,743
Special Item (Note 14)	1,489,535	-	-	1,489,535
Net Change in Fund Balances	5,874,513	(24,784)	2,383	5,852,112
Fund Balances, January 1	10,724,781	24,806	51,533	10,801,120
Fund Balances, December 31	<u>\$ 16,599,294</u>	<u>\$ 22</u>	<u>\$ 53,916</u>	<u>\$ 16,653,232</u>

Combining Balance Sheet
Nonmajor Special Revenue Funds

	<u>Transit</u>	<u>911 Dispatch</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 15,055,149	\$ 2,367,610	\$ 17,422,759
Receivables:			
Accounts (net of allowance for uncollectibles)	-	36,518	36,518
Interest and Penalty	-	17,274	17,274
Due from Other Governments	208,936	971,088	1,180,024
Total Assets	<u>\$ 15,264,085</u>	<u>\$ 3,392,490</u>	<u>\$ 18,656,575</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 1,386,147	\$ 24,625	\$ 1,410,772
Due to Other Funds	-	61,006	61,006
Unearned Revenue	-	585,503	585,503
Total Liabilities	<u>1,386,147</u>	<u>671,134</u>	<u>2,057,281</u>
Fund Balances			
Assigned	13,877,938	2,721,356	16,599,294
Total Fund Balances	<u>13,877,938</u>	<u>2,721,356</u>	<u>16,599,294</u>
Total Liabilities and Fund Balances	<u>\$ 15,264,085</u>	<u>\$ 3,392,490</u>	<u>\$ 18,656,575</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds**

	<u>Transit</u>	<u>911 Dispatch</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 8,400,134	\$ 3,804,096	\$ 12,204,230
Charges for Goods and Services	-	3,144,763	3,144,763
Investment Revenue	-	130,377	130,377
Miscellaneous Revenue	745	15,510	16,255
Total Revenues	<u>8,400,879</u>	<u>7,094,746</u>	<u>15,495,625</u>
Expenditures			
Current:			
Public Safety	-	5,839,017	5,839,017
Urban and Economic Development	13,073,205	-	13,073,205
Capital Outlay:			
Public Safety	-	23,908	23,908
Urban and Economic Development	694,260	-	694,260
Total Expenditures	<u>13,767,465</u>	<u>5,862,925</u>	<u>19,630,390</u>
Revenues Over (Under) Expenditures	<u>(5,366,586)</u>	<u>1,231,821</u>	<u>(4,134,765)</u>
Other Financing Sources (Uses)			
Sale of Surplus Property	325	-	325
Damage Recovery	62,611	-	62,611
Transfers In	8,456,807	-	8,456,807
Total Other Financing Sources (Uses)	<u>8,519,743</u>	<u>-</u>	<u>8,519,743</u>
Special Item (Note 14)	<u>-</u>	<u>1,489,535</u>	<u>1,489,535</u>
Net Change in Fund Balances	3,153,157	2,721,356	5,874,513
Fund Balances, January 1	<u>10,724,781</u>	<u>-</u>	<u>10,724,781</u>
Fund Balances, December 31	<u>\$ 13,877,938</u>	<u>\$ 2,721,356</u>	<u>\$ 16,599,294</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transit Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,706,658	\$ 3,706,658	\$ 8,400,134	\$ 4,693,476
Miscellaneous Revenue	-	-	745	745
Total Revenues	3,706,658	3,706,658	8,400,879	4,694,221
Expenditures				
Urban and Economic Development				
Transit	16,963,501	19,548,361	13,767,465	5,780,896
Total Expenditures	16,963,501	19,548,361	13,767,465	5,780,896
Revenues Over (Under) Expenditures	(13,256,843)	(15,841,703)	(5,366,586)	10,475,117
Other Financing Sources (Uses)				
Sale of Surplus Property	-	-	325	325
Damage Recovery	-	-	62,611	62,611
Transfers In	8,456,807	8,456,807	8,456,807	-
Total Other Financing Sources (Uses)	8,456,807	8,456,807	8,519,743	62,936
Net Change in Fund Balances	(4,800,036)	(7,384,896)	3,153,157	10,538,053
Fund Balances, January 1	10,724,781	10,724,781	10,724,781	-
Fund Balances, December 31	<u>\$ 5,924,745</u>	<u>\$ 3,339,885</u>	<u>\$ 13,877,938</u>	<u>\$ 10,538,053</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 911 Dispatch Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,160,948	\$ 3,160,948	\$ 3,804,096	\$ 643,148
Charges for Goods and Services	3,200,577	3,200,577	3,144,763	(55,814)
Investment Revenue	23,011	23,011	130,377	107,366
Miscellaneous Revenue	19,902	19,902	15,510	(4,392)
Total Revenues	6,404,438	6,404,438	7,094,746	690,308
Expenditures				
Public Safety				
Fire	6,676,632	6,692,132	5,862,925	829,207
Total Expenditures	6,676,632	6,692,132	5,862,925	829,207
Revenues Over (Under) Expenditures	(272,194)	(287,694)	1,231,821	1,519,515
Special Item (Note 14)	-	-	1,489,535	1,489,535
Net Change in Fund Balances	(272,194)	(287,694)	2,721,356	3,009,050
Fund Balances, January 1	-	-	-	-
Fund Balances, December 31	<u>\$ (272,194)</u>	<u>\$ (287,694)</u>	<u>\$ 2,721,356</u>	<u>\$ 3,009,050</u>

Combining Balance Sheet
Nonmajor Debt Service Funds

	T.I.F. District	Total
Assets		
Cash and Cash Equivalents	\$ 357,890	\$ 357,890
Total Assets	<u>\$ 357,890</u>	<u>\$ 357,890</u>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ 307,868	\$ 307,868
Due to Other Funds	50,000	50,000
Total Liabilities	<u>357,868</u>	<u>357,868</u>
Fund Balances		
Restricted	22	22
Total Fund Balances	<u>22</u>	<u>22</u>
Total Liabilities and Fund Balances	<u>\$ 357,890</u>	<u>\$ 357,890</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds**

	T.I.F. District	Total
Revenues		
Taxes	\$ 6,600,528	\$ 6,600,528
Total Revenues	6,600,528	6,600,528
Expenditures		
Current:		
Urban and Economic Development	6,625,312	6,625,312
Total Expenditures	6,625,312	6,625,312
Revenues Over (Under) Expenditures	(24,784)	(24,784)
Net Change in Fund Balances	(24,784)	(24,784)
Fund Balances, January 1	24,806	24,806
Fund Balances, December 31	\$ 22	\$ 22

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - T.I.F. District Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,285,000	\$ 8,285,000	\$ 6,600,528	\$ (1,684,472)
Total Revenues	8,285,000	8,285,000	6,600,528	(1,684,472)
Expenditures				
Urban and Economic Development				
T.I.F. District	8,285,000	8,285,000	6,625,312	1,659,688
Total Expenditures	8,285,000	8,285,000	6,625,312	1,659,688
Revenues Over (Under) Expenditures	-	-	(24,784)	(24,784)
Net Change in Fund Balances	-	-	(24,784)	(24,784)
Fund Balances, January 1	24,806	24,806	24,806	-
Fund Balances, December 31	\$ 24,806	\$ 24,806	\$ 22	\$ (24,784)

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**Combining Balance Sheet
Nonmajor Permanent Funds**

	Cottam Memorial	Library Memorial	Total
Assets			
Cash and Cash Equivalents	\$ 6,069	\$ 47,480	\$ 53,549
Receivables:			
Interest	41	326	367
Total Assets	<u>\$ 6,110</u>	<u>\$ 47,806</u>	<u>\$ 53,916</u>
Fund Balances			
Nonspendable	\$ 2,000	\$ 24,767	\$ 26,767
Restricted	4,110	23,039	27,149
Total Fund Balances	<u>\$ 6,110</u>	<u>\$ 47,806</u>	<u>\$ 53,916</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Permanent Funds

	Cottam Memorial	Library Memorial	Total
Revenues			
Investment Revenue	\$ 270	\$ 2,113	\$ 2,383
Total Revenues	270	2,113	2,383
Expenditures			
Public Safety:			
Cottam Memorial	-	-	-
Culture and Recreation:			
Library Memorial	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	270	2,113	2,383
Fund Balances, January 1	5,840	45,693	51,533
Fund Balances, December 31	\$ 6,110	\$ 47,806	\$ 53,916

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cottam Memorial Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ 50	\$ 50	\$ 270	\$ 220
Total Revenues	50	50	270	220
Expenditures				
Public Safety:				
Cottam Memorial	2,000	2,000	-	2,000
Total Expenditures	2,000	2,000	-	2,000
Revenues Over (Under) Expenditures	(1,950)	(1,950)	270	2,220
Net Change in Fund Balance	(1,950)	(1,950)	270	2,220
Fund Balances, January 1	5,840	5,840	5,840	-
Fund Balances, December 31	<u>\$ 3,890</u>	<u>\$ 3,890</u>	<u>\$ 6,110</u>	<u>\$ 2,220</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Library Memorial Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ 300	\$ 300	\$ 2,113	\$ 1,813
Total Revenues	300	300	2,113	1,813
Expenditures				
Culture and Recreation:				
Library Memorial	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Revenues Over (Under) Expenditures	(4,700)	(4,700)	2,113	6,813
Net Change in Fund Balance	(4,700)	(4,700)	2,113	6,813
Fund Balances, January 1	45,693	45,693	45,693	-
Fund Balances, December 31	\$ 40,993	\$ 40,993	\$ 47,806	\$ 6,813

**Combining Statement of Net Position
Internal Service Funds**

	Fleet Revolving	City Health/Life Benefit	Workers' Compensation
Assets			
Current:			
Cash and Cash Equivalents	\$ 10,418,482	\$ 16,276,565	\$ 5,109,884
Receivables, net:			
Accounts	114,024	285,542	12,710
Interest	67,713	112,219	35,757
Prepaid Expense	-	310,900	354,250
Due from Other Funds	-	-	-
Due from Other Governments	21,660	-	-
Inventory of Supplies	1,657,997	-	-
Total Current Assets	<u>12,279,876</u>	<u>16,985,226</u>	<u>5,512,601</u>
Noncurrent:			
Net Pension Asset	478,270	62,125	171
Buildings	2,705,385	-	-
Improvements Other Than Buildings	1,334,217	-	-
Machinery and Equipment	60,571,855	-	-
Construction in Progress	46,644	-	-
Less Accumulated Depreciation	(40,437,307)	-	-
Right to Use Leased Assets	8,213	-	-
Less: Accumulated Amortization	(6,160)	-	-
Subscription Assets	-	-	-
Less: Accumulated Amortization	-	-	-
Total Noncurrent Assets	<u>24,701,117</u>	<u>62,125</u>	<u>171</u>
Total Assets	<u>36,980,993</u>	<u>17,047,351</u>	<u>5,512,772</u>
Deferred Outflow of Resources			
City Employee's Retirement System	298,419	38,854	-
South Dakota Retirement System	271,800	9,960	29,052
Total Deferred Outflow of Resources	<u>570,219</u>	<u>48,814</u>	<u>29,052</u>
Liabilities			
Current:			
Accounts Payable	148,741	394,149	17,839
Accrued Wages	69,117	4,400	5,850
Loss Reserve on Workers' Comp Claims	-	-	800,000
Accrued Compensated Absences	77,608	-	-
Incurred But Not Reported Claims	-	1,800,000	-
Lease Liabilities	2,067	-	-
Subscription Liabilities	-	-	-
Lease and Subscription Interest Payable	3	-	-
Total Current Liabilities	<u>297,536</u>	<u>2,198,549</u>	<u>823,689</u>
Noncurrent:			
Loss Reserve on Workers' Comp Claims	-	-	2,956,330
Accrued Compensated Absences	288,164	-	-
Subscription Liabilities	-	-	-
Total Noncurrent Liabilities	<u>288,164</u>	<u>-</u>	<u>2,956,330</u>
Total Liabilities	<u>585,700</u>	<u>2,198,549</u>	<u>3,780,019</u>
Deferred Inflow of Resources			
City Employee's Retirement System	33,200	4,323	-
South Dakota Retirement System	208,483	7,968	22,575
Total Deferred Inflow of Resources	<u>241,683</u>	<u>12,291</u>	<u>22,575</u>
Net Position			
Net Investment in Capital Assets	24,220,780	-	-
Restricted for Pension	478,270	62,125	171
Unrestricted	12,024,779	14,823,200	1,739,059
Total Net Position	<u>\$ 36,723,829</u>	<u>\$ 14,885,325</u>	<u>\$ 1,739,230</u>

**Combining Statement of Net Position
Internal Service Funds (cont)**

Technology Revolving	Property Liability and Risk	Centralized Facilities	Total
\$ 2,719,430	\$ 2,635,759	\$ 8,473,583	\$ 45,633,703
-	-	-	412,276
12,787	17,559	54,656	300,691
-	25,000	-	690,150
61,006	-	-	61,006
79,571	-	74,415	175,646
-	-	-	1,657,997
<u>2,872,794</u>	<u>2,678,318</u>	<u>8,602,654</u>	<u>48,931,469</u>
-	171	355,932	896,669
-	-	-	2,705,385
-	-	-	1,334,217
4,917,695	-	-	65,489,550
-	-	-	46,644
(3,636,650)	-	-	(44,073,957)
89,114	-	1,714,893	1,812,220
(44,557)	-	(906,611)	(957,328)
4,378,160	-	-	4,378,160
(1,389,605)	-	-	(1,389,605)
<u>4,314,157</u>	<u>171</u>	<u>1,164,214</u>	<u>30,241,955</u>
<u>7,186,951</u>	<u>2,678,489</u>	<u>9,766,868</u>	<u>79,173,424</u>
-	-	221,952	559,225
-	31,072	239,834	581,718
-	31,072	461,786	1,140,943
509,139	46,744	573,070	1,689,682
-	8,111	-	87,478
-	-	-	800,000
-	-	-	77,608
-	-	-	1,800,000
44,618	-	1,549,898	1,596,583
1,349,679	-	-	1,349,679
31,954	-	4,273	36,230
<u>1,935,390</u>	<u>54,855</u>	<u>2,127,241</u>	<u>7,437,260</u>
-	-	-	2,956,330
-	-	-	288,164
<u>1,020,422</u>	<u>-</u>	<u>-</u>	<u>1,020,422</u>
<u>1,020,422</u>	<u>-</u>	<u>-</u>	<u>4,264,916</u>
<u>2,955,812</u>	<u>54,855</u>	<u>2,127,241</u>	<u>11,702,176</u>
-	-	24,693	62,216
-	22,575	183,252	444,853
-	22,575	207,945	507,069
1,835,984	-	(787,907)	25,268,857
-	171	355,932	896,669
<u>2,395,155</u>	<u>2,631,960</u>	<u>8,325,443</u>	<u>41,939,596</u>
<u>\$ 4,231,139</u>	<u>\$ 2,632,131</u>	<u>\$ 7,893,468</u>	<u>\$ 68,105,122</u>

**Combining Statement of Revenues, Expenses and Changes
in Net Position - Internal Service Funds**

	Fleet Revolving	City Health/Life Benefit	Workers' Compensation
Operating Revenues:			
Charges for Goods and Services - Internal	\$ 17,118,007	\$ 12,679,360	\$ 1,571,225
Charges for Goods and Services - Other	388,774	12,765,077	-
Total Operating Revenues	17,506,781	25,444,437	1,571,225
Operating Expenses:			
Personnel Services	3,197,885	197,647	216,397
Casualty Loss	-	24,468,282	2,238,923
Insurance	138,914	198,621	281,783
Professional Services	34,471	2,036,789	121,035
Rent	212,006	-	252
Repairs and Maintenance	1,897,938	-	-
Supplies and Materials	5,146,314	-	82,522
Utilities and Bulk Energy	43,963	-	-
Depreciation	4,333,808	-	-
Amortization - Lease	2,053	-	-
Amortization - Subscription	-	-	-
Other Current Expenses	17,912	11,455	11,864
Total Operating Expenses	15,025,264	26,912,794	2,952,776
Operating Income (Loss)	2,481,517	(1,468,357)	(1,381,551)
Nonoperating Revenues (Expenses):			
Investment Revenue	431,633	765,082	266,504
Gain (Loss) on Capital Assets	315,485	-	-
Transfers of Capital Assets (Net)	176,380	-	-
Contributions	-	-	-
Operating Grant	-	-	-
Miscellaneous	122,123	-	3,030
Lease Interest Expense	(7)	-	-
Subscription Interest Expense	-	-	-
Total Nonoperating Revenues (Expenses)	1,045,614	765,082	269,534
Income (Loss) Before Transfers	3,527,131	(703,275)	(1,112,017)
Transfers In	250,000	-	-
Change in Net Position	3,777,131	(703,275)	(1,112,017)
Net Position - Beginning	33,148,868	15,588,600	2,851,247
Adjustments (Note 13)	(202,170)	-	-
Net Position - Beginning, as Restated	32,946,698	15,588,600	2,851,247
Net Position - Ending	\$ 36,723,829	\$ 14,885,325	\$ 1,739,230

**Combining Statement of Revenues, Expenses and Changes
in Net Position - Internal Service Funds (cont)**

Technology Revolving	Property Liability and Risk	Centralized Facilities	Total
\$ 8,198,858	\$ 2,176,713	\$ 6,988,600	\$ 48,732,763
151,794	-	-	13,305,645
8,350,652	2,176,713	6,988,600	62,038,408
-	243,098	2,566,675	6,421,702
-	238,071	-	26,945,276
-	2,196,782	-	2,816,100
1,306,294	177,011	57,296	3,732,896
33,657	-	323,800	569,715
554	544,478	2,000,390	4,443,360
4,258,316	2,678	732,470	10,222,300
118,176	920	1,452,991	1,616,050
929,076	-	-	5,262,884
44,597	-	49,165	95,815
1,758,210	-	15,169	1,773,379
-	7,083	11,107	59,421
8,448,880	3,410,121	7,209,063	63,958,898
(98,228)	(1,233,408)	(220,463)	(1,920,490)
162,983	136,588	294,275	2,057,065
(29,502)	-	-	285,983
-	-	(1,023,288)	(846,908)
-	-	144,632	144,632
-	320	74,415	74,735
31,725	83,829	17,546	258,253
(236)	-	(4,134)	(4,377)
(45,991)	-	140	(45,851)
118,979	220,737	(496,414)	1,923,532
20,751	(1,012,671)	(716,877)	3,042
-	-	2,438,703	2,688,703
20,751	(1,012,671)	1,721,826	2,691,745
4,210,388	3,644,802	6,171,642	65,615,547
-	-	-	(202,170)
4,210,388	3,644,802	6,171,642	65,413,377
\$ 4,231,139	\$ 2,632,131	\$ 7,893,468	\$ 68,105,122

**Combining Statement of Cash Flows
Internal Service Funds**

	Fleet Revolving	City Health/Life Benefit	Workers' Compensation
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 388,902	\$ 12,585,430	\$ (12,710)
Cash Receipts from Interfund Services Provided	17,102,436	12,679,360	1,571,225
Payments to Suppliers	(7,536,259)	(1,896,570)	(490,045)
Payment for Interfund Services Used	(17,770)	-	-
Payments to Employees	(3,043,680)	(204,566)	(170,626)
Claims Paid	-	(25,468,282)	(1,402,322)
Other Receipts/Payments	122,124	-	3,028
Net Cash Provided (Used) by Operating Activities	7,015,753	(2,304,628)	(501,450)
Cash Flows Provided (Used) By Noncapital Financing Activities:			
Transfers In	250,000	-	-
Net Cash Flows Provided (Used) By Noncapital Financing Activities	250,000	-	-
Cash Flows from Capital and Related Financing Activities:			
Sale of Capital Assets	436,825	-	-
Purchase of Capital Assets	(5,656,563)	-	-
Purchase of Subscription Assets	-	-	-
Proceeds from Lease and Subscription Liabilities	-	-	-
Principal Payments - Lease Liabilities and Subscription Assets	(2,056)	-	-
Interest Payments - Lease and Subscription Liabilities	(18)	-	-
Net Cash Flows Used by Capital and Related Financing Activities	(5,221,812)	-	-
Cash Flows from Investing Activities:			
Investment Revenue Received	408,310	761,699	264,896
Net Increase (Decrease) in Cash and Cash Equivalents During the Year	2,452,251	(1,542,929)	(236,554)
Cash and Cash Equivalents, January 1	7,966,231	17,819,494	5,346,438
Cash and Cash Equivalents, December 31	\$ 10,418,482	\$ 16,276,565	\$ 5,109,884
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 2,481,517	\$ (1,468,357)	\$ (1,381,551)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,333,808	-	-
Amortization	2,053	-	-
(Increase) Decrease in - Receivables	(15,571)	(179,647)	(12,710)
- Inventory	(75,210)	-	-
- Due From Other Funds	-	-	-
- Due From Other Governments	128	-	-
- Net Pension Asset	(375,610)	(52,576)	4,776
- Pension Related Deferred Outflows	685,094	52,973	30,833
Increase (Decrease) in - Accounts Payable	12,699	350,295	7,411
- Accrued Wages	5,555	740	1,480
- Due to Other Funds	-	-	-
- Compensated Absences	(61,839)	-	-
- Pension Related Deferred Inflows	(98,995)	(8,056)	8,682
- Loss Reserve on Workers' Comp Claim	-	-	836,601
Other Revenue Sources (Uses)	122,124	-	3,028
Net Cash Provided (Used) by Operating Activities	\$ 7,015,753	\$ (2,304,628)	\$ (501,450)
Noncash Investing, Capital and Financing Activities:			
Capital Asset Purchases in Accounts Payable	\$ -	\$ -	\$ -
Net Interfund Transfers of Capital Assets	176,380	-	-

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2024

Combining Statement of Cash Flows
Internal Service Funds (cont)

Technology Revolving	Property Liability and Risk	Centralized Facilities	Total
\$ 170,636	\$ -	\$ -	\$ 13,132,258
8,137,852	2,176,713	6,957,607	48,625,193
(6,308,063)	(2,918,407)	(4,483,539)	(23,632,883)
-	-	-	(17,770)
-	(236,953)	(2,498,543)	(6,154,368)
-	(238,071)	-	(27,108,675)
2,061	84,149	219,047	430,409
2,002,486	(1,132,569)	194,572	5,274,164
-	-	2,438,703	2,688,703
-	-	2,438,703	2,688,703
-	-	-	436,825
(481,309)	-	(976,997)	(7,114,869)
(2,992,803)	-	-	(2,992,803)
2,992,803	-	-	2,992,803
(1,536,576)	-	(53,728)	(1,592,360)
(32,838)	-	(8,843)	(41,699)
(2,050,723)	-	(1,039,568)	(8,312,103)
161,408	135,679	262,291	1,994,283
113,171	(996,890)	1,855,998	1,645,047
2,606,259	3,632,649	6,617,585	43,988,656
\$ 2,719,430	\$ 2,635,759	\$ 8,473,583	\$ 45,633,703
\$ (98,228)	\$ (1,233,408)	\$ (220,463)	\$ (1,920,490)
929,076	-	-	5,262,884
1,802,807	-	64,334	1,869,194
-	-	-	(207,928)
-	-	-	(75,210)
(61,006)	-	-	(61,006)
18,842	-	(30,993)	(12,023)
-	224	(288,127)	(711,313)
-	(317)	387,431	1,156,014
(591,066)	10,545	100,432	(109,684)
-	4,814	-	12,589
-	-	(5,917)	(5,917)
-	-	-	(61,839)
-	1,424	(31,172)	(128,117)
-	-	-	836,601
2,061	84,149	219,047	430,409
\$ 2,002,486	\$ (1,132,569)	\$ 194,572	\$ 5,274,164
\$ 63,454	\$ -	\$ 46,291	\$ 109,745
-	-	(1,023,288)	(846,908)

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Statistical Section

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

Contents	Page
Financial Trends	125
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	135
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources, the sales and use tax, and property tax.</i>	
Debt Capacity	138
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	142
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	144
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

Statistics (Unaudited)

Table I
Net Position by Component (accrual basis of accounting)
Last Ten Fiscal Years

	2015	2016	2017	2018
Governmental Activities				
Net Investment in Capital Assets	\$ 918,392,160	\$ 949,588,727	\$ 994,726,890	\$ 1,021,045,334
Restricted	45,769,849	66,444,710	62,906,294	59,535,309
Unrestricted	47,230,423	10,622,500	70,158,874	89,007,611
Total Governmental Activities Net Position	1,011,392,432	1,026,655,937	1,127,792,058	1,169,588,254
Business-type Activities				
Net Investment in Capital Assets	373,898,313	398,711,113	441,954,230	460,700,572
Restricted	7,420,528	6,990,751	3,442,244	5,201,229
Unrestricted	60,840,349	63,253,372	55,829,094	66,130,912
Total Business-type Activities Net Position	442,159,190	468,955,236	501,225,568	532,032,713
Primary Government				
Net Investment in Capital Assets	1,292,290,473	1,348,299,840	1,436,681,120	1,481,745,906
Restricted	53,190,377	73,435,461	66,348,538	64,736,538
Unrestricted	108,070,772	73,875,872	125,987,968	155,138,523
Total Primary Government Net Position	\$ 1,453,551,622	\$ 1,495,611,173	\$ 1,629,017,626	\$ 1,701,620,967

Table II
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
General Government	\$ 16,186,279	\$ 16,556,020	\$ 13,766,907	\$ 17,310,632
Public Safety				
Fire Protection	28,909,163	31,223,012	20,119,516	27,829,382
Police Protection	34,995,848	37,065,313	25,225,870	36,740,314
Highways and Streets	56,489,047	58,516,026	52,617,614	68,023,930
Public Health	11,506,819	12,326,094	10,426,180	12,032,129
Culture and Recreation:				
Libraries	8,202,420	9,220,828	6,273,321	8,139,253
Museum	539,345	574,510	587,155	601,386
Parks and Recreation	23,198,516	25,301,964	24,930,414	25,799,818
Entertainment Venues	7,434,826	9,763,936	8,467,290	9,176,901
Urban and Economic Development:				
Affordable Housing	2,759,033	5,759,679	1,599,111	1,758,721
Economic Development	6,539,607	6,209,883	6,346,062	6,379,016
Transit	-	-	-	-
TIF	6,971,201	7,155,112	7,767,376	7,903,235
Planning and Development Services	6,086,958	6,617,020	4,881,994	7,077,539
Interest on Long-Term Debt	6,626,453	6,684,824	6,693,992	6,343,156
Total Governmental Activities Expenses	216,445,515	232,974,221	189,702,802	235,115,412
Business-type Activities:				
Power and Distribution	8,808,582	9,066,599	8,803,782	9,562,823
Public Parking	2,418,497	2,239,595	1,897,465	2,741,375
Sanitary Landfill	8,664,217	11,499,421	10,686,231	10,216,724
Water	26,828,879	27,523,869	26,305,766	27,002,192
Water Reclamation	22,186,415	22,462,997	21,218,037	25,132,533
Total Business-type Activities Expenses	68,906,590	72,792,481	68,911,281	74,655,647
Total Primary Government Expenses	\$ 285,352,105	\$ 305,766,702	\$ 258,614,083	\$ 309,771,059

Statistics (Unaudited)

Table I (continued)
Net Position by Component (accrual basis of accounting)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 1,049,886,149	\$ 1,127,131,127	\$ 1,185,537,873	\$ 1,243,066,720	\$ 1,355,703,795	\$ 1,447,919,753
57,891,297	57,034,868	96,723,009	101,702,482	84,333,528	112,643,307
116,803,795	169,820,005	217,791,071	241,988,181	300,932,718	271,924,019
1,224,581,241	1,353,986,000	1,500,051,953	1,586,757,383	1,740,970,041	1,832,487,079
483,654,265	507,724,678	534,322,603	617,383,847	691,436,401	715,850,898
5,420,269	4,929,108	5,254,070	9,718,628	5,782,434	8,259,275
76,246,911	83,329,821	101,620,413	70,969,228	84,744,052	107,682,381
565,321,445	595,983,607	641,197,086	698,071,703	781,962,887	831,792,554
1,533,540,414	1,634,855,805	1,719,860,476	1,860,450,567	2,047,140,196	2,163,770,651
63,311,566	61,963,976	101,977,079	111,421,110	90,115,962	120,902,582
193,050,706	253,149,826	319,411,484	312,957,409	385,676,770	379,606,400
\$ 1,789,902,686	\$ 1,949,969,607	\$ 2,141,249,039	\$ 2,284,829,086	\$ 2,522,932,928	\$ 2,664,279,633

Table II (continued)
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 15,753,554	\$ 16,368,596	\$ 16,056,067	\$ 19,876,258	\$ 21,710,991	\$ 25,292,915
26,925,310	22,163,779	21,325,245	34,337,771	35,579,245	47,281,856
35,383,827	30,595,771	31,514,689	45,234,825	48,827,933	55,923,429
64,083,924	63,559,050	67,513,954	79,768,892	82,385,649	85,503,190
12,727,539	11,767,581	12,711,057	16,235,562	19,476,603	18,130,943
8,454,201	8,032,897	8,379,016	10,157,559	11,282,478	14,385,925
633,560	688,099	3,361	3,361	3,361	3,361
27,720,537	25,691,770	27,056,634	31,692,510	33,052,495	34,313,218
11,083,954	12,026,835	9,842,274	10,073,504	10,320,735	10,765,522
2,346,464	3,539,815	3,123,059	3,703,196	4,085,672	2,901,883
-	-	-	-	-	-
-	8,562,349	9,198,977	9,983,812	10,974,190	13,075,871
8,528,728	2,854,070	3,111,217	3,346,430	6,145,138	6,711,839
13,964,699	10,887,445	10,767,083	27,396,437	14,104,665	16,367,275
5,911,897	5,846,714	5,963,138	5,379,052	5,056,113	4,504,920
233,518,194	222,584,771	226,565,771	297,189,168	303,005,268	335,162,147
9,273,379	9,170,719	10,011,887	9,417,813	9,079,572	9,148,994
2,601,031	3,191,297	2,945,638	3,379,597	3,196,534	3,507,732
9,690,174	8,960,066	10,051,934	11,614,441	11,397,303	12,586,311
25,573,099	26,617,691	26,505,185	29,564,158	31,073,556	33,328,598
25,401,970	25,725,220	26,185,994	29,733,235	31,418,178	34,799,541
72,539,653	73,664,993	75,700,638	83,709,244	86,165,143	93,371,176
\$ 306,057,847	\$ 296,249,764	\$ 302,266,409	\$ 380,898,412	\$ 389,170,411	\$ 428,533,323

Statistics (Unaudited)

Table II (cont)
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

	2015	2016	2017	2018
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 1,990,147	\$ 2,301,159	\$ 2,322,206	\$ 2,685,163
Public Health	5,186,248	4,763,133	4,604,936	4,446,066
Urban and Economic Development	5,700,195	6,075,495	4,478,990	4,344,827
Other Activities	2,701,709	3,255,196	3,880,707	3,558,292
Operating Grants and Contributions	12,499,343	16,792,102	16,081,817	14,222,835
Capital Grants and Contributions	19,365,839	28,342,191	18,666,162	21,112,481
Total Governmental Activities Program Revenues	47,443,481	61,529,276	50,034,818	50,369,664
Business-type Activities:				
Charges for Services				
Water	32,610,302	35,061,789	35,680,449	34,480,725
Water Reclamation	25,474,334	28,488,007	29,233,798	31,282,531
Other Activities	21,513,114	21,575,174	22,368,836	23,704,610
Operating Grants and Contributions	69,765	95,253	181,301	75,559
Capital Grants and Contributions	8,983,113	11,488,226	11,623,136	11,766,244
Total Business-Type Activities Program Revenues	88,650,628	96,708,449	99,087,520	101,309,669
Total Primary Government Program Revenues	136,094,109	158,237,725	149,122,338	151,679,333
Net (Expense)/Revenue				
Governmental Activities	(169,002,034)	(171,444,945)	(139,667,984)	(184,745,748)
Business-type Activities	19,744,038	23,915,968	30,176,239	26,654,022
Total Primary Government Net Expense	(149,257,996)	(147,528,977)	(109,491,745)	(158,091,726)
General Revenue and Transfers				
Governmental Activities:				
Taxes				
Property Tax	55,360,779	57,526,833	60,115,348	62,653,215
Sales Tax	126,603,392	129,901,666	132,448,059	137,004,842
Frontage Tax	11,064,584	11,977,806	12,852,386	13,907,487
Amusement Tax	10,164	10,248	10,800	9,768
Unrestricted State and County Shared Revenues	33,104,745	5,313,720	5,886,719	6,070,876
Unrestricted Investment Earnings	736,628	1,119,262	1,580,596	2,845,228
Miscellaneous Revenue, Net	1,601,309	965,526	2,276,359	3,856,605
Market Value Adjustment to Land Held for Resale	-	(20,523,616)	-	-
Change in Accounting Estimates	-	-	-	-
Special Items	-	-	-	-
Transfers of Fixed Assets	-	-	-	-
Transfers	373,312	417,005	2,001,008	193,923
Total Governmental Activities General Revenues	228,854,913	186,708,450	217,171,275	226,541,944
Business-type Activities:				
Unrestricted Investment Earnings	702,138	622,327	736,462	1,679,659
Miscellaneous Revenue, Net	2,422,923	2,674,756	3,358,639	2,667,387
Transfers of fixed assets	-	-	-	-
Transfers	(373,312)	(417,005)	(2,001,008)	(193,923)
Total Business-type Activities General Revenues	2,751,749	2,880,078	2,094,093	4,153,123
Total Primary Government General Revenues	231,606,662	189,588,528	219,265,368	230,695,067
Change in Net Position				
Governmental Activities	59,852,879	15,263,505	77,503,291	41,796,196
Business-type Activities	22,495,787	26,796,046	32,270,332	30,807,145
Total Primary Government	\$ 82,348,666	\$ 42,059,551	\$ 109,773,623	\$ 72,603,341

Statistics (Unaudited)

Table II (cont)
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 2,921,525	\$ 1,992,317	\$ 2,133,231	\$ 6,829,319	\$ 4,001,503	\$ 2,920,273
3,922,843	4,232,830	3,150,472	4,230,973	5,567,825	5,308,129
4,591,793	5,121,323	5,693,465	10,075,793	6,673,209	6,246,808
3,163,729	2,752,919	4,060,966	4,738,595	4,736,264	7,658,141
13,353,539	60,862,777	19,566,692	18,147,797	40,967,648	23,852,594
14,584,653	30,964,335	65,006,346	39,378,506	62,388,264	34,193,238
42,538,082	105,926,501	99,611,172	83,400,983	124,334,713	80,179,183
33,393,265	39,680,667	40,588,378	41,029,032	44,822,440	44,605,494
33,339,627	35,166,721	36,374,385	38,501,561	40,420,824	45,606,455
23,832,273	23,245,937	24,660,955	26,208,545	26,523,170	27,371,378
145,976	356,932	40,408	260,000	30,450	-
10,300,249	13,572,824	12,100,727	33,418,736	50,236,294	15,057,984
101,011,390	112,023,081	113,764,853	139,417,874	162,033,178	132,641,311
143,549,472	217,949,582	213,376,025	222,818,857	286,367,891	212,820,494
(190,980,112)	(116,658,270)	(126,954,599)	(213,788,185)	(178,670,555)	(254,982,964)
28,471,737	38,358,088	38,064,215	55,708,630	78,323,934	39,270,135
(162,508,375)	(78,300,182)	(88,890,384)	(158,079,555)	(100,346,621)	(215,712,829)
66,606,043	70,347,223	74,268,771	77,477,025	85,422,885	91,842,331
150,230,509	145,208,619	174,351,412	191,842,140	196,204,090	205,839,294
14,738,508	15,362,566	16,327,123	16,946,752	17,868,934	19,180,851
9,948	10,332	228	-	-	-
6,657,602	12,010,898	7,385,678	10,958,647	13,324,870	18,456,018
4,784,546	2,798,038	2,041	(1,717,960)	13,616,803	14,360,347
2,688,629	1,707,136	3,655,711	3,769,050	4,931,027	5,349,063
-	-	-	-	-	-
-	-	(2,086,979)	-	-	-
-	-	-	-	-	4,550,735
-	-	-	-	-	91,820
257,314	781,450	(883,433)	1,217,961	362,428	135,062
245,973,099	248,226,262	273,020,552	300,493,615	331,731,037	359,805,521
2,744,970	1,675,369	(11,953)	(1,181,158)	3,631,600	4,750,375
2,329,339	9,307,233	6,277,784	3,565,106	4,753,977	7,676,262
-	-	-	-	-	(91,820)
(257,314)	(781,450)	883,433	(1,217,961)	(362,428)	(135,062)
4,816,995	10,201,152	7,149,264	1,165,987	8,023,149	12,199,755
250,790,094	258,427,414	280,169,816	301,659,602	339,754,186	372,005,276
54,992,987	131,567,992	146,065,953	86,705,430	153,060,482	104,822,557
33,288,732	48,559,240	45,213,479	56,874,617	83,891,184	51,469,890
\$ 88,281,719	\$ 180,127,232	\$ 191,279,432	\$ 143,580,047	\$ 236,951,666	\$ 156,292,447

Statistics (Unaudited)

Table III
Fund Balances of Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 1,500,337	\$ 1,900,996	\$ 1,874,905	\$ 1,412,454
Restricted	482,427	244,518	133,904	124,675
Committed	-	-	459,992	587,967
Assigned	5,414,824	2,156,362	3,922,353	3,748,292
Unassigned	38,129,793	40,025,896	42,771,535	48,307,674
Total General Fund	\$ 45,527,381	\$ 44,327,772	\$ 49,162,689	\$ 54,181,062
Sales/Use Tax Fund				
Nonspendable	\$ -	\$ 6,725,070	\$ 6,725,070	\$ 6,725,070
Restricted	22,333,307	25,758,873	24,458,155	21,591,279
Committed	27,198,260	14,208,698	18,466,766	25,600,285
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Sales/Use Tax Fund	\$ 49,531,567	\$ 46,692,641	\$ 49,649,991	\$ 53,916,634
All Other Governmental Funds				
Nonspendable	\$ 27,624,149	\$ 449,872	\$ 26,767	\$ 57,332
Restricted	20,758,622	38,027,058	46,100,244	32,947,590
Committed	6,503,267	7,209,231	10,600,236	13,283,731
Assigned	2,596,844	6,870,924	5,142,548	3,894,960
Unassigned	(2,379)	-	-	-
Total All Other Governmental Funds	\$ 57,480,503	\$ 52,557,085	\$ 61,869,795	\$ 50,183,613

Statistics (Unaudited)

Table III (cont)
Fund Balances, Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 1,624,447	\$ 2,059,101	\$ 2,874,421	\$ 2,373,125	\$ 4,863,435	\$ 6,054,839
185,877	445,312	350,899	269,406	1,637,636	2,843,149
689,246	990,427	1,585,708	2,017,777	2,545,495	2,900,771
3,273,637	5,415,925	4,793,169	1,631,843	6,323,922	6,794,651
52,430,111	79,692,536	72,880,386	81,185,114	79,690,247	74,345,494
\$ 58,203,318	\$ 88,603,301	\$ 82,484,583	\$ 87,477,265	\$ 95,060,735	\$ 92,938,904
\$ 6,725,070	\$ 5,960,780	\$ 4,808,186	\$ 4,494,610	\$ 4,463,657	\$ 4,506,845
21,482,589	17,043,609	16,437,284	16,699,320	28,038,286	18,747,505
32,728,604	21,868,150	53,608,572	61,533,898	67,583,045	75,252,817
-	-	-	-	-	-
-	-	-	-	-	-
\$ 60,936,263	\$ 44,872,539	\$ 74,854,042	\$ 82,727,828	\$ 100,084,988	\$ 98,507,167
\$ 57,332	\$ 127,261	\$ 127,261	\$ 127,261	\$ 77,980	\$ 119,281
30,600,887	78,429,095	79,026,437	59,121,335	48,778,374	57,179,117
14,330,127	11,986,573	15,692,992	22,969,388	30,643,950	30,819,607
4,865,199	5,973,504	8,405,938	11,918,653	9,968,923	16,599,294
-	-	-	-	-	-
\$ 49,853,545	\$ 96,516,433	\$ 103,252,628	\$ 94,136,637	\$ 89,469,227	\$ 104,717,299

Statistics (Unaudited)

Table IV
Changes in Fund Balances of Governmental Funds (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

	2015	2016	2017	2018
Revenues				
Taxes	\$ 192,686,024	\$ 199,433,538	\$ 205,299,070	\$ 213,646,562
Licenses and Permits	5,984,144	6,454,811	6,341,922	6,686,566
Intergovernmental	44,640,901	17,931,385	18,604,384	20,653,942
Charges for Goods and Services	7,057,084	7,593,729	8,197,334	7,625,412
Fines and Forfeitures	653,200	603,324	675,779	643,186
Investment Revenue	482,795	891,242	1,352,449	2,438,863
Miscellaneous Revenue	4,612,269	9,885,564	8,657,161	7,673,483
Total Revenues	256,116,417	242,793,593	249,128,099	259,368,014
Expenditures				
General Government	15,217,034	14,671,542	15,116,233	17,118,939
Public Safety	57,246,696	58,992,557	60,009,602	62,576,455
Highways and Streets	26,526,746	26,378,226	24,941,562	27,869,307
Public Health	10,662,930	11,444,358	11,991,217	11,777,284
Culture and Recreation	25,226,642	28,675,260	28,296,000	27,827,396
Urban and Economic Development	21,336,137	24,463,096	21,543,950	21,656,795
Capital Outlay	62,055,526	71,276,140	75,557,810	80,333,818
Debt Service:				
Principal-Bonds	10,683,225	12,552,939	11,548,174	24,606,227
Principal-Right to Use Leases	-	-	-	-
Principal-Subscription-Based IT Arrangements	-	-	-	-
Interest and Fiscal Charges	6,947,931	6,673,616	7,203,378	6,845,551
Total Expenditures	235,902,867	255,127,734	256,207,926	280,611,772
Revenues Over (Under) Expenditures	20,213,550	(12,334,141)	(7,079,827)	(21,243,758)
Other Financing Sources (Uses)				
Sale of Surplus Property	91,122	544,874	929,322	328,304
Impairment of Land Held for Resale	-	-	-	-
Loss on Sale of Land Held for Resale	-	(20,523,616)	-	-
Damage Recovery	807,902	62,013	65,648	239,198
Revenue Bonds Issued	-	20,260,000	-	17,523,868
Revenue Bond Premiums	-	3,734,423	-	1,388,307
Issuance of Debt	-	-	-	-
Leases Issued	-	-	-	-
Subscription Arrangements Issued	-	-	-	-
Cost of Issuance	-	(110,000)	-	-
Underwriter Discount	-	(145,699)	-	-
Transfers In	7,049,671	18,425,374	7,782,375	9,090,213
Transfers Out	(7,476,359)	(18,875,181)	(8,225,371)	(9,727,298)
Total Other Financing Sources (Uses)	472,336	3,372,188	551,974	18,842,592
Special Item (Note 14)	-	-	-	-
Net Change in Fund Balances	\$ 20,685,886	\$ (8,961,953)	\$ (6,527,853)	\$ (2,401,166)
Debt service as a percentage of noncapital expenditures	10.14%	10.46%	10.38%	15.70%

Statistics (Unaudited)

Table IV (cont)
Changes in Fund Balances, Governmental Funds (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 227,694,022	\$ 229,392,793	\$ 262,506,977	\$ 287,231,157	\$ 301,013,392	\$ 313,720,070
7,222,519	6,675,773	7,350,385	16,290,052	11,338,445	9,474,192
18,544,630	71,585,043	24,363,428	29,188,681	34,804,997	42,442,296
6,707,246	6,745,535	6,813,302	8,755,386	8,749,580	11,865,482
608,262	624,945	617,266	698,003	857,951	766,003
4,098,656	2,250,791	(74,731)	(1,224,280)	11,785,180	12,173,467
7,149,296	8,017,038	16,988,142	12,875,601	30,381,595	14,648,225
272,024,631	325,291,918	318,564,769	353,814,600	398,931,140	405,089,735
16,051,289	17,157,976	18,013,384	19,111,341	20,250,629	22,979,928
65,210,253	68,324,683	73,811,670	78,071,143	82,755,839	95,112,107
30,077,674	27,624,064	29,727,408	36,072,125	38,485,457	36,194,316
12,722,437	12,798,311	14,441,751	16,001,401	19,185,410	17,264,408
32,626,555	32,615,794	33,082,743	36,247,293	37,958,890	40,186,605
23,617,920	25,550,223	26,726,280	43,201,877	34,140,493	36,878,124
65,406,226	88,007,834	74,552,688	103,199,746	129,814,676	124,900,913
10,163,450	39,962,243	10,369,505	10,917,738	12,845,311	11,309,833
-	-	-	1,123,828	1,978,510	2,373,746
-	-	-	-	188,559	186,605
6,531,959	6,388,421	6,768,427	6,160,531	5,883,566	5,443,671
262,407,763	318,429,549	287,493,856	350,107,023	383,487,340	392,830,256
9,616,868	6,862,369	31,070,913	3,707,577	15,443,800	12,259,479
50,768	25,515	150,771	219,970	87,518	139,604
-	-	-	(774,698)	-	-
-	(178,609)	-	-	-	-
75,735	77,653	98,377	71,681	150,780	131,053
1,511,132	42,315,000	-	-	-	-
-	11,613,131	-	-	-	-
-	302,638	2,474,636	1,408,089	33,706	-
-	-	-	781,229	6,994,660	13,630
-	-	-	-	145,108	68,759
-	-	-	-	-	-
-	-	-	-	-	-
7,569,232	34,346,677	24,816,683	9,654,625	14,595,702	19,692,102
(8,111,918)	(34,365,227)	(28,012,400)	(11,317,996)	(17,178,054)	(22,245,742)
1,094,949	54,136,778	(471,933)	42,900	4,829,420	(2,200,594)
-	-	-	-	-	1,489,535
\$ 10,711,817	\$ 60,999,147	\$ 30,598,980	\$ 3,750,477	\$ 20,273,220	\$ 11,548,420
8.47%	20.12%	8.05%	7.37%	8.24%	7.21%

Statistics (Unaudited)

Table V

Changes in Fund Balance of General Fund (modified accrual and budget basis of accounting)

Last Ten Fiscal Years

Revenues	2015	2016	2017	2018
Taxes				
Property	\$ 53,344,081	\$ 55,003,521	\$ 57,591,924	\$ 60,238,488
Sales	58,087,990	59,752,884	60,858,378	63,129,282
Other	7,611,387	7,819,721	7,840,216	7,623,778
Total Taxes	119,043,458	122,576,126	126,290,518	130,991,548
Licenses and Permits	5,891,551	6,358,512	6,244,892	6,592,722
Intergovernmental (Federal/State/County)	11,861,325	12,520,695	12,861,715	13,156,642
Charges for Goods and Services	6,820,346	7,352,332	7,901,982	7,505,118
Fines and Forfeitures	653,200	603,246	675,779	643,186
Investment Revenue	416,004	506,557	624,818	1,525,462
Miscellaneous Revenue	(751,315)	966,278	998,820	1,074,787
Total Revenues	143,934,569	150,883,746	155,598,524	161,489,465
Expenditures				
General Government				
Mayor	529,895	491,501	380,368	438,090
City Council	1,248,982	1,564,985	1,336,895	1,541,964
Attorney	1,611,802	1,652,169	1,721,801	1,695,939
Human Resources	1,462,764	1,368,656	1,341,094	1,445,483
Finance	2,600,444	2,685,762	3,056,468	3,081,463
Facilities Management	2,732,090	1,645,147	1,773,706	1,782,463
Innovation and Technology	3,263,792	3,464,036	3,636,253	3,949,079
Communications	1,740,244	1,797,448	1,865,398	1,923,443
Total General Government	15,190,013	14,669,704	15,111,983	15,857,924
Public Safety				
Fire	25,558,281	26,075,093	26,208,602	27,037,032
Police	31,572,267	32,917,464	33,784,986	35,539,023
Total Public Safety	57,130,548	58,992,557	59,993,588	62,576,055
Highways and Streets	24,407,469	23,686,638	21,776,451	24,677,397
Health	10,662,930	11,444,358	11,991,217	11,777,284
Culture and Recreation				
Parks and Recreation	15,635,862	16,966,026	17,969,194	17,197,750
Libraries	6,611,144	7,439,872	6,818,309	6,869,696
Museum	518,610	552,936	575,582	582,848
Total Culture and Recreation	22,765,616	24,958,834	25,363,085	24,650,294
Urban and Economic Development				
Planning and Development Services	5,070,746	5,427,327	5,443,391	5,572,369
Economic Development	4,806,417	4,632,115	4,760,818	4,373,239
Total Urban and Economic Development	9,877,163	10,059,442	10,204,209	9,945,608
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	140,033,739	143,811,533	144,440,533	149,484,562
Revenues Over (Under) Expenditures	3,900,830	7,072,213	11,157,991	12,004,903
Other Financing Sources (Uses)				
Sale of Surplus Property	54,524	84,443	36,952	39,857
Damage Recovery	73,851	62,013	60,577	72,220
Leases Issued	-	-	-	-
Subscription Arrangements Issued	-	-	-	-
Transfers Out	(6,726,359)	(8,418,278)	(7,160,607)	(7,098,607)
Total Other Financing Sources (Uses)	(6,597,984)	(8,271,822)	(7,063,078)	(6,986,530)
Net Change in Fund Balances	\$ (2,697,154)	\$ (1,199,609)	\$ 4,094,913	\$ 5,018,373

2014 - Engineering, Public Works Administration, and Streets combined into Highways and Streets.

2019 - Economic Development combined into Planning and Development Services

2021 - Museum combined into Libraries

Statistics (Unaudited)

Table V (cont)
Changes in Fund Balance of General Fund (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 63,876,772	\$ 67,680,168	\$ 71,238,553	\$ 74,004,197	\$ 79,096,811	\$ 85,067,481
67,476,813	67,135,048	79,605,916	89,379,982	91,478,955	93,648,127
7,951,750	7,190,129	8,200,710	8,485,204	8,697,682	8,845,307
139,305,335	142,005,345	159,045,179	171,869,383	179,273,448	187,560,915
7,134,410	6,502,389	7,186,778	16,135,111	11,189,508	9,333,251
13,883,537	65,040,580	16,381,687	18,356,117	20,466,010	18,011,417
6,611,258	6,468,305	6,509,776	8,572,791	8,731,601	8,675,068
608,262	624,945	617,246	698,003	857,951	766,003
1,805,304	1,115,743	(13,202)	(881,581)	4,363,106	4,715,929
1,073,872	1,433,859	1,729,022	1,429,173	1,647,783	2,286,891
170,421,978	223,191,166	191,456,486	216,178,997	226,529,407	231,349,474
694,804	787,202	780,093	771,446	858,836	890,818
1,252,717	1,559,494	1,453,236	1,624,898	1,388,131	1,820,979
1,844,077	1,848,104	1,974,899	2,292,788	2,460,380	2,799,952
1,534,973	1,518,889	1,767,622	1,956,376	2,118,329	2,306,636
3,053,437	3,203,946	3,203,263	3,557,383	3,721,598	4,064,522
1,710,712	1,850,791	1,978,474	1,946,395	1,999,992	2,109,737
4,110,842	4,278,188	4,702,385	4,845,044	5,309,941	6,134,846
1,843,762	1,733,322	2,153,412	2,117,011	2,393,422	2,852,438
16,045,324	16,779,936	18,013,384	19,111,341	20,250,629	22,979,928
28,372,246	29,533,311	31,720,669	33,047,888	34,005,308	37,211,368
36,838,007	38,748,970	41,896,117	45,023,255	48,103,883	52,020,888
65,210,253	68,282,281	73,616,786	78,071,143	82,109,191	89,232,256
27,019,132	24,485,075	25,433,789	29,266,886	34,599,881	31,786,255
12,722,437	12,798,311	14,441,751	16,001,401	19,185,410	17,264,408
19,666,616	18,172,878	20,596,649	23,131,394	24,263,616	25,706,471
7,366,182	7,611,264	8,714,279	8,978,074	9,355,256	9,995,643
630,199	684,738	-	-	-	-
27,662,997	26,468,880	29,310,928	32,109,468	33,618,872	35,702,114
10,481,748	10,463,726	11,166,783	26,141,612	12,887,338	14,318,164
-	-	-	-	-	-
10,481,748	10,463,726	11,166,783	26,141,612	12,887,338	14,318,164
-	-	-	1,129,640	2,281,162	2,722,367
-	-	-	781,230	7,139,768	82,389
159,141,891	159,278,209	171,983,421	202,612,721	212,072,251	214,087,881
11,280,087	63,912,957	19,473,065	13,566,276	14,457,156	17,261,593
32,052	24,600	12,240	39,543	37,365	45,784
72,035	77,653	98,377	71,681	150,780	68,442
-	-	-	781,229	6,994,660	13,630
-	-	-	-	145,108	68,759
(7,361,918)	(33,615,227)	(25,702,400)	(9,466,047)	(14,201,599)	(19,580,039)
(7,257,831)	(33,512,974)	(25,591,783)	(8,573,594)	(6,873,686)	(19,383,424)
\$ 4,022,256	\$ 30,399,983	\$ (6,118,718)	\$ 4,992,682	\$ 7,583,470	\$ (2,121,831)

Statistics (Unaudited)

Table VI
General Governmental Tax Revenues by Source (modified accrual basis of accounting) ¹
Last Ten Fiscal Years

Fiscal Year	General Property Tax	General Sales Tax 1st Penny	Capital Improvement Sales Tax 2nd Penny	Entertainment Tax	Lodging Tax	Hotel BID Tax	Frontage Taxes	Other Taxes	Total Taxes
2015	\$ 55,407,666	\$ 58,087,990	\$ 58,087,425	\$ 7,027,300	\$ 955,585	\$ 1,955,180	\$ 11,064,584	\$ 100,294	\$ 192,686,024
2016	57,411,400	59,752,884	59,752,704	7,374,191	1,023,271	2,043,914	11,977,806	97,368	199,433,538
2017	60,129,933	60,858,378	60,857,879	7,463,517	1,125,751	1,909,540	12,852,386	101,686	205,299,070
2018	62,523,959	63,129,282	63,129,280	8,048,978	788,997	2,032,009	13,907,487	86,570	213,646,562
2019	66,576,460	67,476,813	67,476,813	8,294,905	956,580	2,059,028	14,738,508	114,915	227,694,022
2020	70,288,580	67,135,048	67,135,016	7,170,446	681,346	1,492,011	15,362,566	127,780	229,392,793
2021	74,349,770	79,605,916	79,605,916	9,368,174	1,100,744	2,018,919	16,327,123	130,415	262,506,977
2022	77,350,627	89,379,982	89,379,981	10,584,396	1,319,748	2,170,107	16,946,752	99,564	287,231,157
2023	85,266,733	91,478,955	91,478,955	11,260,215	1,364,047	2,181,783	17,868,934	113,770	301,013,392
2024	91,668,009	93,648,127	93,648,127	11,842,503	1,412,081	2,190,557	19,180,851	129,815	313,720,070

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds

Table VII
Direct and Overlapping Property Tax Rates (\$ / \$ thousand of taxable value)
Last Ten Fiscal Years

Fiscal Year	City Direct	Overlapping Rates ¹				Total Rate
	Operating Rate ²	COUNTYS		SCHOOL DISTRICTS		
		Minnehaha	Lincoln	Sioux Falls	Others	
2015	4.96	3.42	2.31	8.88	10.6-13.11	16.15-21.49
2016	4.88	3.47	2.31	8.97	9.50-12.60	16.16-20.95
2017	4.71	3.34	2.25	8.44	8.84-11.10	15.40-19.07
2018	4.65	3.33	2.15	8.28	8.89-11.23	15.08-19.21
2019	4.46	3.38	2.20	8.44	8.55-10.90	15.10-18.74
2020	4.40	3.32	2.13	8.39	8.90-11.00	14.92-18.72
2021	4.29	3.25	2.04	8.28	8.36-10.46	14.61-18.00
2022	4.23	3.07	1.86	8.15	8.29-10.66	14.24-17.96
2023	3.89	3.04	1.95	7.66	7.65-10.15	13.49-17.08
2024	3.62	2.97	1.88	7.30	7.30-9.35	12.80-15.94

Source: Minnehaha and Lincoln Counties

¹ Overlapping rates are those of school and county governments that apply to property owners within the City of Sioux Falls.

² The City has no other components to the direct rate other than the operating component.

Statistics (Unaudited)

Table VIII
Assessed Value and Estimated Actual Value of Taxable Property ¹
Last Ten Fiscal Years

Fiscal Year Payable	Real Property		Public Utilities		Total		Ratio Taxable to Actual Assessed Value	Total Direct Tax Rate	Estimated Market Value
	Assessed Taxable Value	Assessed Actual Value	Assessed Taxable Value	Assessed Actual Value	Assessed Taxable Value	Assessed Actual Value			
2015	\$ 10,543,239,769	\$ 11,647,031,391	\$131,847,637	\$153,676,531	\$ 10,675,087,406	\$ 11,800,707,922	90.5%	4.96	\$ 12,558,926,360
2016	11,228,332,224	12,348,858,266	139,175,098	139,175,556	11,367,507,322	12,488,033,822	91.0%	4.88	13,373,538,026
2017	12,067,961,831	13,209,559,260	146,080,552	146,080,552	12,214,042,383	13,355,639,812	91.5%	4.71	14,369,461,627
2018	12,808,865,205	13,875,226,960	160,606,935	160,606,935	12,969,472,140	14,035,833,895	92.4%	4.92	15,258,202,518
2019	14,135,506,224	15,593,580,381	168,056,198	168,056,198	14,303,562,422	15,761,636,579	90.7%	4.46	16,827,720,496
2020	15,168,793,753	16,166,530,005	166,353,280	166,353,280	15,335,147,033	16,332,883,285	93.9%	4.40	18,041,349,451
2021	16,569,903,868	17,836,523,788	293,883,376	293,883,376	16,863,787,244	18,130,407,164	93.0%	4.29	19,839,749,699
2022	17,355,742,391	18,564,497,948	165,472,027	165,472,027	17,521,214,418	18,729,969,975	93.5%	4.23	20,613,193,433
2023	20,307,671,848	22,108,343,264	175,267,390	175,267,390	20,482,939,238	22,283,610,654	91.9%	3.89	24,097,575,574
2024	23,784,961,978	25,494,595,313	178,540,396	178,540,396	23,963,502,374	25,673,135,709	93.3%	3.62	28,192,355,734

Source: Minnehaha and Lincoln Counties

¹ Beginning in 1997, the taxable value is set by the state based on sales ratios and cannot be less than 85% of the assessed value.

Table IX
Property Tax Levies and Collections ¹
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	Total Direct Rate Applied ²
2015	\$ 53,102,806	\$ 52,500,037	98.86%	\$ 515,165	\$ 53,015,202	99.84%	4.96
2016	55,490,728	54,945,198	99.02%	529,710	55,474,908	99.97%	4.88
2017	57,561,503	57,058,986	99.13%	544,126	57,603,112	100.07%	4.71
2018	60,256,166	59,628,143	98.96%	422,408	60,050,551	99.66%	4.92
2019	63,851,103	63,277,470	99.10%	522,076	63,799,546	99.92%	4.46
2020	67,657,791	66,993,824	99.02%	618,847	67,612,671	99.93%	4.40
2021	71,108,045	70,800,001	99.57%	631,876	71,431,877	100.46%	4.29
2022	74,200,403	73,567,743	99.15%	512,303	74,080,046	99.84%	4.23
2023	79,390,763	78,496,975	98.87%	559,608	79,056,583	99.58%	3.89
2024	85,224,072	83,948,660	98.50%	742,731	84,691,391	99.37%	3.62

¹ Tax collections do not include mobile home taxes, payments-in-lieu of taxes, tax increment financing, refunds, additions and abatements.

² Total Tax Levy divided by Total Assessed Taxable Value

Statistics (Unaudited)

Table X
Principal Property Taxpayers
Current Year and Ten Years Ago

2024 TOTAL ASSESSED TAXABLE VALUATION		\$ 23,963,502,374					
Taxpayer	Type of Business	2024			2015		
		Assessed Taxable Value	Rank	% of Total City Taxable Assessed Value	Assessed Taxable Value	Rank	% of Total City Taxable Assessed Value
Sanford Health (Sioux Valley Hospital)	Medical	\$ 420,740,000	1	1.76%	\$ 109,385,982	3	1.02%
Lloyd Property Management	Real Estate	367,381,500	2	1.53%	173,407,372	1	1.62%
USRE Stampede LLC	Warehouse/Shopping	163,561,100	3	0.68%	-	-	n/a
Tzadik Sioux Falls LLC	Property Mgmt	121,986,700	4	0.51%	-	-	n/a
Avera Health (Presentation Sisters)	Medical	79,891,300	5	0.33%	59,040,410	4	0.55%
Lineage Logistics, LLC	Food Storage	75,414,600	6	0.31%	-	-	n/a
SM Empire Mall LLC	Shopping Malls	73,461,100	7	0.31%	111,476,123	2	1.04%
Cherapa Place, LLC	Office	65,521,600	8	0.27%	-	-	n/a
Ronning Enterprises	Real Estate	56,198,100	9	0.23%	42,390,582	6	0.40%
Blackstreet Partners, LLC	Financial	53,867,600	10	0.22%	-	-	n/a
Wal-Mart (Wal-Mart & Sams)	Real Estate	-	-	n/a	45,665,935	5	0.43%
Dunham Homes, LLC	Real Estate	-	-	n/a	42,080,021	7	0.39%
Billion Family	Auto Dealer	-	-	n/a	40,654,086	8	0.38%
123 Sioux Falls LLC (Citibank)	Financial	-	-	n/a	35,426,340	9	0.33%
First National Bank	Financial	-	-	n/a	32,732,582	10	0.31%
Totals		\$ 1,478,023,600		6.17%	\$ 692,259,433		6.48%

Source: Minnehaha County, Assessors Office
Note: Taxpayer name is the current taxpayer name of record.

Table XI
Taxable Sales by Category (in thousands)
Last Ten Fiscal Years

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture, Forestry, & Fishing	\$ 52,794	\$ 58,605	\$ 63,483	\$ 72,087	\$ 80,676	\$ 79,753	\$ 90,563	\$ 103,776	\$ 122,172	\$ 125,994
Mining & Construction	113,977	122,760	130,855	130,587	133,185	121,444	142,582	225,058	221,815	202,178
Manufacturing	189,362	208,465	208,963	206,269	234,957	237,203	317,832	410,220	408,866	367,269
Transportation & Public Utilities	609,153	617,413	634,813	650,263	689,143	625,617	620,313	696,517	676,627	700,433
Wholesale Trade	371,604	390,562	378,277	422,672	482,900	465,150	580,612	750,398	758,764	734,321
Retail Trade	3,155,507	3,199,944	3,231,286	3,339,745	3,537,812	3,688,235	4,424,382	4,867,661	5,003,243	5,145,039
Finance, Insurance, & Real Estate	171,440	196,085	202,994	225,700	227,432	222,615	265,061	276,312	139,099	249,658
Services	1,188,977	1,234,127	1,278,421	1,334,234	1,426,328	1,324,875	1,596,408	1,696,067	1,883,979	1,915,726
Public Administration	390	953	445	414	319	417	541	239	265	677
Other	92	1	-	33	24	37	210	162	72	136
Total	\$ 5,853,296	\$ 6,028,915	\$ 6,129,537	\$ 6,382,004	\$ 6,812,776	\$ 6,765,346	\$ 8,038,504	\$ 9,026,410	\$ 9,214,902	\$ 9,441,431

Source: State of South Dakota, Department of Revenue
* Beginning in 2010 taxable sales was reported by municipality general sales not portion of State taxable sales.

Statistics (Unaudited)

Table XII
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percent of Personal Income ¹	Per Capita ¹
	Sales Tax Revenue Bonds	Tax Increment Financing District Bonds	State Revolving Fund Notes	State Flex Notes	Right to Use Liabilities	Revenue Bonds	State Revolving Fund Notes	Right to Use Liabilities			
2015	\$ 177,986,405	\$ 2,060,000	\$ 7,785,280	\$ 500,000	\$ -	\$ 64,545,000	\$ -	\$ -	\$ 341,341,262	2.52%	\$ 1,912
2016	194,050,721	1,335,000	3,577,342	500,000	-	62,585,000	-	-	350,274,095	2.52%	1,912
2017	185,410,013	810,000	729,168	500,000	-	36,602,380	-	-	316,549,911	2.18%	1,691
2018	173,032,612	425,000	7,331,809	500,000	-	52,230,717	-	-	323,957,834	2.05%	1,698
2019	162,880,690	170,000	8,549,491	500,000	-	49,302,803	80,230,517	-	301,633,501	1.81%	1,540
2020	177,386,774	-	7,799,885	600,000	-	45,300,105	81,223,600	-	312,310,364	1.70%	1,542
2021	167,095,440	-	9,445,016	600,000	-	41,236,268	87,705,329	-	306,082,053	1.52%	1,465
2022	156,293,821	-	9,990,367	600,000	3,368,429	36,935,572	85,938,064	57,039	293,183,292	1.35%	1,371
2023	143,794,185	-	8,838,763	600,000	9,625,647	32,159,929	132,540,911	66,616	327,626,051	1.42%	1,532
2024	132,785,185	-	7,598,930	600,000	8,500,917	11,518,345	-	19,804	161,023,181	n/a	733

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See table XX for personal income and population data.

Table XIII
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Total Net Debt		Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
	Debt Limit	Applicable to the Limit		
2015	\$ 719,709,875	\$ 340,420,898	\$ 379,288,977	47.30%
2016	624,401,691	329,399,883	295,001,808	52.75%
2017	667,781,991	276,105,831	391,676,160	41.35%
2018	701,791,695	284,178,868	417,612,827	40.49%
2019	788,081,829	265,101,846	522,979,983	33.64%
2020	816,644,164	287,849,999	528,794,165	35.25%
2021	906,520,385	282,973,690	623,546,695	31.22%
2022	936,498,499	256,241,381	680,257,118	27.36%
2023	1,114,180,533	294,847,941	819,332,592	26.46%
2024	1,283,656,785	337,685,730	945,971,055	26.31%

Note: Details regarding the City's legal debt limit can be found in the notes to the financial statements

Statistics (Unaudited)

Table XIV
Computation of Direct and Overlapping Debt

Government	Debt Outstanding	City's Share of Debt	
		Percentage ¹	Total
City of Sioux Falls	\$ 149,485,032	100.00%	\$ 149,485,032
Total Direct Debt			149,485,032
Sioux Falls School District	250,165,000	98.63%	246,737,740
Tri-Valley School District	59,240,000	44.61%	26,426,964
Brandon Valley School District	49,790,000	33.54%	16,699,566
Harrisburg School District	214,363,228	70.10%	150,268,623
Tea Area School District	84,792,002	90.56%	76,787,637
West Central	14,885,000	3.66%	544,791
Lennox School District	26,985,000	14.65%	3,953,303
Minnehaha County	97,555,000	84.19%	82,131,555
Lincoln County	59,425,000	55.83%	33,176,978
Total Overlapping Debt			636,727,157
Total Direct and Overlapping Debt			\$ 786,212,189

Source: The individual entity specified.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Sioux Falls. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city's boundaries and dividing it by the entity's total taxable assessed value.

Table XV
Revenue Bond/Note Coverage-Sales and Use Tax
Last Ten Fiscal Years

Fiscal Year	Total Sales Tax Revenues ¹	Pledged ²				Repayment ³			
		Principal ⁴	Interest	Total Debt Service	Ratio of Sales Tax Revenues to Debt Service	Principal	Interest	Total Debt Service	Ratio of Sales Tax Revenues to Debt Service
2015	\$ 58,087,425	\$ 9,434,952	\$ 9,644,950	\$ 19,079,902	3.04	\$ 10,261,589	\$ 6,770,714	\$ 17,032,303	3.41
2016	59,752,704	10,728,214	9,342,255	20,070,469	2.98	11,520,756	6,500,648	18,021,404	3.32
2017	60,857,879	11,387,190	10,161,146	21,548,336	2.82	10,743,992	7,097,700	17,841,692	3.41
2018	63,129,280	12,510,000	8,699,717	21,209,717	2.98	9,680,000	6,766,142	16,446,142	3.84
2019	67,476,813	12,370,000	8,424,797	20,794,797	3.24	9,615,000	6,404,629	16,019,629	4.21
2020	67,135,016	13,660,000	7,977,984	21,637,984	3.10	9,940,000	6,087,729	16,027,729	4.19
2021	79,605,916	13,225,000	8,176,645	21,401,645	3.72	9,540,000	6,446,261	15,986,261	4.98
2022	89,379,981	13,890,000	7,607,624	21,497,624	4.16	10,055,000	6,040,948	16,095,948	5.55
2023	91,478,955	15,845,000	7,026,089	22,871,089	4.00	11,660,000	5,631,828	17,291,828	5.29
2024	93,648,127	15,215,000	6,376,274	21,591,274	4.34	10,070,000	5,172,878	15,242,878	6.14

¹ The sales and use tax revenues are the revenues of the City's second penny sales and use tax only (prior to 2009 the rate of the second penny was .92).

² The pledge of the second penny includes all issues that are secured on a parity basis by the City's second penny sales and use tax.

³ The repayment of the second penny shows actual debt service paid by the City's second penny sales and use tax (Sales and Use Tax Fund). This differs from the pledged as the second penny is pledged as security on issues that are being repaid by other sources.

⁴ Amounts calculated using required annual bond payments and do not include prepayments for bond refundings.

Statistics (Unaudited)

Table XVI
Revenue Note Coverage-Storm Drainage
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
						Principal	Interest	Total	
2015	\$ 7,400,595	\$ 35,325	\$ 7,435,920	\$ 2,118,527	\$ 5,317,393	\$ 316,636	\$ 37,702	\$ 354,338	15.01
2016	8,536,236	54,774	8,591,010	2,683,830	5,907,180	307,183	29,871	337,054	17.53
2017	9,510,704	66,886	9,577,590	3,165,111	6,412,479	279,182	22,605	301,787	21.25
2018	10,280,808	120,280	10,401,088	3,191,910	7,209,178	286,227	15,560	301,787	23.89
2019	11,122,896	218,229	11,341,125	3,058,542	8,282,583	293,450	89,408	382,858	21.63
2020	12,214,239	92,666	12,306,905	3,138,989	9,167,916	952,243	82,666	1,034,909	8.86
2021	11,376,491	(12,467)	11,364,024	3,092,839	8,271,185	829,505	76,462	905,968	9.13
2022	12,050,967	(155,666)	11,895,301	3,774,454	8,120,847	862,738	92,570	955,308	8.50
2023	12,830,852	609,672	13,440,524	3,885,576	9,554,948	1,185,311	95,513	1,280,824	7.46
2024	14,067,997	-	14,067,997	4,408,061	9,659,936	1,239,832	83,686	1,323,518	7.30

Note: Pursuant to statutory changes, qualifying revenues were changed in 2024 to no longer include investment revenue

Table XVII
Revenue Note Coverage-Water
Last Ten Fiscal Years

Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				
						Principal		Interest	Total	Coverage
						Revenue Bonds	State Revolving Fund			
2015	\$ 32,745,819	\$ 1,104,389	\$ 33,850,208	\$ 15,827,688	\$ 18,022,520	\$ 1,885,000	\$ 3,890,932	\$ 3,356,111	\$ 9,132,043	1.97
2016	35,061,789	1,032,509	36,094,298	16,000,976	20,093,322	1,960,000	3,655,509	3,189,064	8,804,573	2.28
2017	35,680,449	1,378,125	37,058,574	16,659,216	20,399,358	2,085,000	2,765,783	3,139,036	7,989,818	2.55
2018	34,480,725	1,242,717	35,723,442	17,229,226	18,494,216	2,095,000	2,832,576	1,696,593	6,624,169	2.79
2019	33,393,265	1,435,605	34,828,870	15,953,676	18,875,194	2,300,000	3,537,352	1,506,627	7,343,979	2.57
2020	39,680,667	1,732,224	41,412,891	18,216,121	23,196,770	2,600,000	1,143,541	1,352,555	5,096,096	4.55
2021	40,588,378	2,399,767	42,988,145	18,469,305	24,518,840	2,700,000	979,799	1,190,987	4,870,786	5.03
2022	41,029,032	1,567,132	42,596,164	19,716,607	22,879,557	2,800,000	-	1,050,000	3,850,000	5.94
2023	44,822,440	2,089,067	46,911,507	20,220,346	26,691,161	3,100,000	-	908,125	4,008,125	6.66
2024	44,605,494	1,374,614	45,980,108	22,406,039	23,574,069	3,950,000	-	749,410	4,699,410	5.02

Statistics (Unaudited)

Table XVIII
Revenue Note Coverage-Water Reclamation
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
						Principal	Interest	Total	Coverage
2015	\$ 25,474,334	\$ 1,892,830	\$ 27,367,164	\$ 9,320,423	\$ 18,046,741	\$ 9,202,746	\$ 1,458,251	\$ 10,660,997	1.69
2016	23,926,310	1,887,529	25,813,839	9,249,831	16,564,008	9,351,715	1,267,455	10,619,170	1.56
2017	24,559,960	2,054,034	26,613,994	9,721,395	16,892,599	9,252,159	1,265,966	10,518,125	1.61
2018	26,607,934	2,173,639	28,781,573	10,500,011	18,281,562	9,137,643	1,023,389	10,161,032	1.80
2019	28,590,693	2,678,939	31,269,632	11,056,234	20,213,398	10,806,527	906,073	11,712,600	1.73
2020	30,453,984	8,008,185	38,462,169	11,594,661	26,867,508	8,501,779	931,626	9,433,405	2.85
2021	31,673,156	4,301,302	35,974,458	11,786,413	24,188,045	8,930,900	1,021,871	9,952,771	2.43
2022	33,722,856	2,291,566	36,014,422	13,070,452	22,943,970	10,023,408	1,291,611	11,315,018	2.03
2023	35,499,565	3,505,231	39,004,796	14,058,773	24,946,023	8,751,759	1,383,457	10,135,217	2.46
2024	40,330,813	2,742,369	43,073,182	14,602,642	28,470,540	9,122,807	2,996,081	12,118,888	2.35

Note: Pursuant to statutory changes, qualifying revenues were changed in 2024 to no longer include investment revenue

Table XIX
Revenue Note Coverage-Public Parking
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
						Principal	Interest	Total	Coverage
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	3,043,277	310,716	3,353,993	1,874,046	1,479,947	735,000	397,653	1,132,653	1.31
2019	3,171,168	281,409	3,452,577	1,660,202	1,792,375	455,000	587,043	1,042,043	1.72
2020	2,585,491	86,409	2,671,900	1,377,086	1,294,814	1,120,000	574,005	1,694,005	0.76
2021	2,692,493	(2,555)	2,689,938	1,358,593	1,331,345	985,000	544,759	1,529,759	0.87
2022	2,805,290	28,724	2,834,014	1,596,573	1,237,441	1,035,000	516,676	1,551,676	0.80
2023	3,044,194	189,015	3,233,209	1,434,221	1,798,988	1,085,000	486,136	1,571,136	1.15
2024	2,978,475	268	2,978,743	1,794,492	1,184,251	1,195,000	453,987	1,648,987	0.72

Statistics (Unaudited)

Table XX
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population ¹	MSA Population ²	Personal Income (in thousands) ³	Per Capita Personal Income ³	Annual Pay for Workers Covered by Unemployment ⁴	Annual Average Labor Force ⁴	Annual Average Employment ⁴	Annual Average Unemployment Rate ⁴	School Enrollment ⁵
2015	173,300	247,800	\$ 13,541,813	\$ 53,769	\$ 44,885	145,453	141,742	2.6%	23,281
2016	178,500	256,250	13,925,347	54,454	46,035	147,694	143,992	2.5%	23,679
2017	183,200	259,094	14,495,500	55,947	47,313	150,227	146,317	2.6%	24,866
2018	187,200	267,293	15,811,766	59,250	48,736	152,136	148,418	2.4%	24,987
2019	190,750	272,500	16,631,099	62,003	50,378	155,553	151,574	2.6%	25,167
2020	195,850	276,730	18,360,818	67,117	55,066	156,271	149,984	4.0%	24,856
2021	202,600	284,800	20,179,679	71,570	57,300	158,800	154,428	2.8%	24,949
2022	208,884	291,300	21,639,890	74,725	60,563	163,101	159,830	2.0%	25,124
2023	213,891	300,534	23,114,847	78,354	62,382	165,377	162,497	1.7%	25,228
2024	219,588	315,471	n/a	n/a	n/a	165,337	162,373	1.8%	25,060

¹ Source: City Planning Department end of year estimates

² Source: South Dakota Department of Labor and U.S. Census Bureau mid-year population estimates (as of July 1st each year)

³ Source: South Dakota Department of Labor and U.S. Bureau of Economic Analysis (for the Sioux Falls Metropolitan Statistical Area)

⁴ Source: South Dakota Department of Labor (for the Sioux Falls Metropolitan Statistical Area)

⁵ Source: South Dakota Department of Education fall enrollment (for Sioux Falls Public Schools)

Note: n/a denotes that more recent data is not available as of the publication date of this report.

Table XXI
Major Employers
Current Year and Ten Years Ago

Employer	Type of Business	2024			2015		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Sanford Health (Sioux Valley Hospital)	Health Care	10,212	1	6.3%	8,617	1	6.1%
Avera Health	Health Care	7,709	2	4.7%	6,734	2	4.8%
Sioux Falls School District	Education	3,609	3	2.2%	3,200	4	2.3%
Smithfield Foods (John Morrell)	Meat Processing	3,106	4	1.9%	3,350	3	2.4%
Hy-Vee Food Stores	Retail Grocery	2,446	5	1.5%	2,964	5	2.1%
Amazon	Retail	2,000	6	1.2%	-	-	-
Wells Fargo	Financial	1,700	7	1.0%	2,786	6	2.0%
City of Sioux Falls	Government	1,682	8	1.0%	1,193	10	0.8%
Walmart/Sam's Club	Retail	1,641	9	1.0%	1,215	9	0.9%
Citigroup	Financial	1,300	10	0.8%	2,200	7	1.6%
Evangelical Lutheran Good Samaritan Society	Health Care	-	-	-	1,440	8	1.0%
Totals		35,405		21.8%	33,699		23.8%

Source: Sioux Falls Development Foundation

Statistics (Unaudited)

Table XXII
Nonfarm Wage and Salaried Workers
Sioux Falls MSA Annual Averages
Last Ten Fiscal Years

Industry	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Natural Resources, Mining & Construction	7,900	8,200	8,500	8,700	9,300	9,400	10,200	10,600	11,700	12,700
Manufacturing	13,600	13,500	13,900	14,500	14,400	14,000	14,400	14,600	14,700	14,600
Wholesale Trade	8,200	8,300	8,200	8,300	8,500	8,500	8,700	9,000	9,000	9,100
Retail Trade	18,400	18,900	18,400	17,800	18,500	17,800	18,500	19,000	19,300	18,800
Transportation, Warehousing & Utilities	5,600	5,500	5,500	5,600	5,800	5,600	5,700	6,100	7,500	8,200
Information	2,700	2,600	2,600	2,500	2,600	2,500	2,600	2,600	2,600	2,500
Financial Activities	16,200	15,800	15,700	15,800	15,800	15,400	15,200	15,200	14,800	13,800
Professional & Business Services	14,200	14,700	14,900	15,700	15,700	15,300	15,900	17,200	17,300	16,600
Private Education & Health Services	30,400	31,100	32,000	32,400	33,200	33,800	34,400	35,300	36,100	36,900
Leisure & Hospitality	14,600	15,100	15,400	15,600	15,600	13,300	15,000	16,300	16,900	16,700
Other Services	4,900	5,100	5,900	6,100	5,900	5,800	6,000	6,500	6,600	6,500
Total Government	13,500	13,800	14,400	14,700	14,600	14,400	14,900	15,100	15,600	16,100
Total	150,200	152,600	155,400	157,700	159,900	155,800	161,500	167,500	172,100	172,500

Source: South Dakota Department of Labor, Labor Market Information Center, produced in cooperation with the U.S. Bureau of Labor Statistics
Note: Totals may not sum due to rounding.

Table XXIII
Building Permit and Construction Values
Last Ten Fiscal Years

Fiscal Year	New Non-Residential		New Residential		Existing		Total		City Square Miles
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	New Residential Units Value	
2015	156	\$ 250,760,624	933	\$ 171,611,176	11,002	\$ 253,920,491	12,091	1,738 \$ 676,292,291	76.04
2016	121	303,066,532	1,060	198,625,903	6,208	200,159,054	7,389	2,647 701,851,489	77.80
2017	173	268,943,178	1,191	231,818,332	5,391	238,563,308	6,755	2,410 739,324,818	78.21
2018	128	302,273,068	1,077	221,750,033	5,668	262,576,554	6,873	2,202 786,599,655	78.94
2019	96	317,691,673	1,000	215,865,900	6,259	237,926,025	7,355	1,642 771,483,598	79.81
2020	137	488,361,738	1,146	248,917,623	5,939	182,322,751	7,222	2,717 919,602,112	80.12
2021	390	536,856,433	1,311	300,325,906	6,238	303,070,052	7,939	3,132 1,140,252,391	81.38
2022	480	1,215,430,436	1,079	234,006,901	11,171	480,566,470	12,730	4,384 1,930,003,807	83.34
2023	313	618,767,879	773	183,516,693	6,238	313,386,834	7,324	2,682 1,115,671,406	84.28
2024	274	602,503,031	894	214,781,107	4,813	259,348,652	5,981	2,150 1,076,632,790	85.22

Source: Sioux Falls Planning and Building Services Department as measured by issued permits excluding state/federal projects

Statistics (Unaudited)

Table XXIV
City Government Employees by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Mayor	7	7	3	5	4	5	5	4	5	5
Finance	25	26	32	28	28	28	28	29	31	32
Attorney	14	15	15	15	15	15	15	16	17	17
Human Resources	13	13	13	14	14	16	16	16	17	19
City Council	16	16	16	16	16	16	16	16	14	15
Facilities Management	19	20	21	21	26	26	27	27	28	31
Innovation and Technology	26	26	32	34	36	37	38	40	44	50
Communications	14	15	15	15	19	20	19	21	21	21
Total General Government	134	138	147	148	158	163	164	169	177	190
Public Safety										
Fire	210	210	208	208	208	211	226	226	228	229
Police	282	289	296	300	306	311	316	321	325	332
Metro Communications										55
Total Public Safety	492	499	504	508	514	522	542	547	553	616
Highways and Streets										
Public Works										
Administration	4	4	4	5	5	5	5	8	8	8
Engineering	70	70	63	52	52	53	53	52	52	49
Street Maintenance	50	50	50	50	50	50	47	49	51	52
Street Lights and Traffic	0	0	0	10	10	10	10	10	10	13
Storm Drainage	0	0	8	8	8	9	13	15	15	16
Total Highways and Streets	124	124	125	125	125	127	128	134	136	138
Public Health	73	78	78	80	82	83	84	84	86	86
Culture and Recreation										
Libraries	63	63	63	63	63	62	62	62	63	63
Parks and Recreation	72	76	74	75	75	78	78	78	80	81
Total Culture and Recreation	135	139	137	138	138	140	140	140	143	144
Urban and Economic Development										
Planning and Development Services	43	45	46	50	49	50	51	53	55	58
Economic Development	6	6	6	0	0	0	0	0	0	0
Affordable Housing	13	13	6	6	6	6	6	6	6	6
Total Urban and Economic Development	62	64	58	56	55	56	57	59	61	64
Enterprise										
Fleet	22	24	27	27	27	25	26	26	26	26
Power and Distribution	12	12	12	12	12	12	12	14	14	14
Public Parking	11	11	11	11	11	11	10	9	9	8
Sanitary Landfill	28	28	28	28	28	27	25	26	28	28
Water	63	63	63	63	63	63	64	67	68	70
Water Reclamation	51	54	47	47	47	51	54	55	56	57
Total Enterprise	187	192	188	188	188	189	191	197	201	203
Total	1207	1234	1237	1243	1260	1280	1306	1330	1357	1441

Source: City Human Resources Department

Statistics (Unaudited)

Table XXV										
Operating Indicators by Function/Program										
Last Ten Fiscal Years										
Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Number of Employees (Uniformed)	195	195	195	195	195	195	209	209	210	215
Number of Employees (Non-Uniform)	15	15	13	13	13	14	17	17	18	14
Total Responses	12,608	12,924	12,830	12,854	13,606	14,345	14,509	15,554	15,478	16,084
Structure Fires	134	139	166	149	162	209	176	194	155	136
Vehicle Fires	16	67	88	88	50	76	59	59	65	77
EMS Calls	6,793	6,821	6,760	6,487	6,487	7,276	7,487	8,045	8,328	8,353
Water Hydrants	8,209	8,343	8,513	8,734	8,865	9,089	9,349	9,636	9,874	10,002
Fire Insurance Rating	1	1	1	1	1	1	1	1	1	1
Police										
Number of Sworn Officers	247	247	256	263	269	274	280	284	288	302
Number of Civilian Employees	35	37	37	37	37	37	36	37	37	37
Aggravated Assaults	584	621	562	600	722	1,017	961	1031	1047	1008
Arsons	28	48	47	41	31	47	40	43	35	31
Auto Thefts	472	697	544	638	759	1,121	1,337	1,361	1,602	1,366
Burglaries	973	896	667	682	718	775	819	858	825	763
Drunk Driving Arrests	1,128	1,152	1,220	1,009	904	862	870	769	739	796
Homicides	3	6	10	8	8	13	5	7	2	16
Larcenies	4,885	4,822	4,545	5,049	5,321	5,333	5,427	5,847	6,079	5,961
Rapes	138	160	122	128	121	116	119	90	66	71
Robberies	110	132	103	119	98	136	113	169	144	147
Traffic Citations Issued	27,386	29,491	32,283	24,607	24,322	25,282	25,741	23,015	21,920	24,721
Highways and Streets										
Snow Events	6	3	5	7	7	2	3	2	4	3
Pothole Patching (Tons)	645	906	704	749	1,587	1,095	956	597	1,112	527
Street Sweeping (Curb Miles)	5,572	9,098	9,660	9,500	7,900	10,354	9,135	10,845	9,235	10,323
Library										
Number of Items Borrowed	2,140,127	2,345,779	2,366,356	2,225,400	2,114,823	1,381,668	1,725,946	1,797,523	1,979,881	2,133,309
Number of Active Library Cardholders	94,997	94,515	93,356	97,122	103,840	96,842	89,354	87,386	84,935	82,121
Power and Distribution										
Private Accounts	2,242	2,308	2,316	2,319	2,407	2,506	2,504	2,522	2,513	2,531
Governmental Accounts	429	420	403	396	512	464	412	409	406	405
Kilowatt Hours Sold	85,075,089	83,566,165	84,529,684	84,859,014	83,669,155	82,285,608	83,870,145	83,556,619	89,825,006	84,273,932
Capacity (KVA)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	25,000	25,000	25,000

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Statistics (Unaudited)

Table XXV (cont)
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Parks and Recreation										
Rounds of Golf Played (all courses)	91,412	85,719	92,081	75,850	84,401	97,351	105,400	105,998	118,009	130,425
Special Events	450,074	402,223	306,840	276,845	294,686	58,549	155,729	189,245	178,865	183,480
Pool Attendance (indoor pool added in 2016)	265,733	299,344	394,348	409,195	386,848	93,006	350,497	418,355	420,712	434,436
Public Parking										
Parking Ramps-Parking Spaces	1,621	1,621	1,611	1,608	1,796	2,326	2,326	2,326	2,326	2,326
Surface Parking Lots-Parking Spaces	900	804	726	580	604	643	641	591	591	591
Total Spaces Available for Lease	2,381	2,327	2,337	2,188	2,400	2,969	2,967	2,917	2,917	2,917
On Street Parking Meters	899	899	855	866	866	967	960	866	866	866
On Street Handicapped Spaces	37	37	37	37	37	37	37	37	37	37
Total Number of Parking Spaces	3,487	3,391	3,391	3,091	3,303	3,973	3,994	3,944	3,944	3,944
Lease Rate	90%	100%	98%	98%	94%	66%	65%	71%	70%	73%
Transit										
Ridership-Transit	885,143	802,575	796,663	782,129	769,437	445,205	400,692	385,565	506,020	509,780
Ridership-Paratransit	121,398	113,377	101,046	91,407	82,636	38,288	50,022	54,388	53,354	52,084
Regular Routes	12	12	12	12	12	12	12	12	12	9
Seasonal Routes	4	-	-	-	-	-	-	-	-	-
Miles Driven-Transit	776,323	763,809	759,595	747,922	746,493	660,906	667,702	536,316	573,973	511,194
Miles Driven-Paratransit	603,599	559,209	533,605	497,412	470,058	277,513	331,757	372,310	357,092	274,042
Miles Driven-On-Demand	-	-	-	-	-	-	-	-	-	176,697
Sanitary Landfill										
MSW Landfill Closure Year	2082	2076	2075	2076	2075	2075	2075	2075	2072	2069
MSW Tons Received	161,116	174,109	181,795	184,996	205,957	198,496	211,669	211,251	214,302	243,457
C&D Landfill Closure Year	2058	2058	2058	2059	2061	2027	2027	2026	2025	2025
C&D Tons Received	66,003	66,138	59,992	60,807	68,255	68,349	77,500	118,290	101,796	94,514
Cubic Feed of Landfill Gas Sold	919,412,596	867,693,000	809,219,262	720,781,000	602,435,000	358,552,817	524,208,000	536,991,000	454,177,000	491,906,520
Water										
Customers	52,622	53,145	54,095	56,500	57,359	58,563	59,763	61,910	63,190	64,215
Daily Plant Capacity (thousands of gallons)	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Average Daily Consumption (thousands of gallon	19,406	20,850	21,167	19,769	18,826	21,891	22,259	22,421	24,339	23,014
Wastewater										
Customers	51,813	52,606	53,750	54,979	56,365	57,198	58,409	59,681	61,022	62,066
Daily Plant Capacity (thousands of gallons)	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Average Daily Flow-Domestic (thousands)	11,137	12,639	12,460	12,476	12,679	12,612	12,578	12,789	13,167	13,790
Average Daily Flow-Industrial (thousands)	754	678	694	766	768	626	682	605	706	706
Average Daily Flow-Extraneous (thousands)	1,534	4,836	3,241	7,672	9,789	4,608	3,320	3,256	3,297	5,284

Statistics (Unaudited)

Table XXVI
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Fire Stations	11	11	11	11	11	11	12	12	12	12
Fire Training Center	1	1	1	1	1	1	1	1	1	1
Fire Trucks	20	20	20	20	20	20	22	22	22	22
Emergency Management										
Emergency Warning Sirens	75	77	77	78	79	79	80	80	81	82
Police										
Patrol Units (marked)	68	68	68	72	72	72	80	82	84	92
Highways and Streets										
Streets paved (centerline miles)	928	946	959	977	995	1,010	1,028	1,060	1,115	1,131
Street Lights	19,006	19,447	20,121	19,652	20,642	21,550	21,871	22,480	22,839	23,572
Traffic Signals	266	267	270	272	278	280	290	296	299	306
Library										
Books	245,372	230,312	231,442	228,571	222,982	223,734	221,377	225,579	229,294	234,732
eMaterials	23,406	19,771	23,518	28,915	32,509	31,078	35,623	38,682	41,751	53,698
Audio/Visual Items	52,337	51,555	49,352	50,141	48,597	47,674	45,340	46,016	46,021	36,983
Decrease due to removal of old, outdated, and unused books and audio/visual items.										
Power and Distribution										
Primary three-phase distribution lines (miles)	93	96	96	95	95	83	82	81	80	78
Underground distribution lines (miles)	60	60	65	65	63	65	68	69	73	74
Parks and Recreation										
Acreage	3,178	3,178	3,178	3,349	3,346	3,367	3,392	3,393	3,452	3,469
Parks	80	80	80	80	80	80	81	81	81	81
Swimming Pools	5	6	6	6	6	6	6	6	6	6
Wading Pools	3	3	3	3	3	3	3	3	3	3
Spray Parks	1	1	2	2	2	2	2	3	3	4
Soccer Fields	60	60	60	60	60	60	61	61	61	61
Tennis Courts	41	40	40	40	40	40	40	48	46	46
Golf Courses	3	3	3	3	3	3	3	3	3	3
Football Fields	13	13	13	13	14	14	14	14	14	14

Statistics (Unaudited)

Table XXVI (cont)
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Parks and Recreation (cont)										
Baseball Fields	34	34	33	33	33	33	35	35	35	35
Softball Fields	74	73	73	73	73	73	70	70	70	70
Zoo	1	1	1	1	1	1	1	1	1	1
Park Bandshells	2	2	2	2	2	2	2	2	3	3
Moveable Bandshell	1	1	1	1	1	1	1	1	1	1
Greenway Recreation Trail (Miles)	27.95	28.95	28.95	30.20	36.87	36.87	36.87	36.87	36.87	36.90
Winter Recreation/Ski Area	1	1	1	1	1	1	1	1	1	1
Skate Park	2	2	2	2	2	2	2	2	2	3
Outdoor Ice Rinks (Seasonal)	6	6	6	6	6	6	6	6	6	6
Volleyball Courts (Sand)	18	17	16	16	18	18	18	15	15	15
Public Parking										
Parking Ramps	4	4	4	4	5	6	6	6	6	6
Surface Parking Lots	14	14	13	11	11	11	11	10	10	10
Sanitary Landfill										
Landfill area (acres)	706	706	783	783	783	783	783	783	783	783
Transit										
Fixed Route Buses	31	29	25	26	26	26	26	26	26	26
Paratransit Buses	23	23	27	25	25	25	23	21	21	22
On-Demand	-	-	-	-	-	-	-	-	-	12
Water										
Water Mains (miles)	1,020	1,036	1,055	1,077	1,091	1,100	1,146	1,172	1,196	1,212
Wellfield (miles)	57	57	57	57	61	61	61	62	61	61
Wastewater										
Storm Sewer (miles)	428	449	459	470	485	596	614	626	638	646
Sanitary Sewer (miles)	870	886	899	917	927	941	954	971	990	998



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sioux Falls, as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Sioux Falls' basic financial statements and have issued our report thereon dated May 21, 2025. Our report includes a reference to other auditors who audited the financial statements of the Housing and Redevelopment Commission, a discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sioux Falls, South Dakota
May 21, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Sioux Falls' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the Housing and Redevelopment Commission (discretely presented component unit), which expended \$16,765,200 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2024. Our compliance audit, described in the "Opinion on Each Major Federal Program" does not include the operations of the Housing and Redevelopment Commission because the component unit has a separately issued audit in accordance with 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).

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sioux Falls as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 21, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sioux Falls, South Dakota

May 21, 2025

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2024

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Sub- recipients
<u>Department of Agriculture</u>				
<i>Direct Federal Funding:</i>				
Inflation Reduction Act Urban and Community Forestry Program	10.727		19,820	-
<u>Department of Housing and Urban Development</u>				
<i>Direct Federal Funding:</i>				
<i>Community Development Block Grants/Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218		\$ 1,648,654	\$ 339,465
COVID-19-Community Development Block Grants/Entitlement Grants	14.218		140,254	140,254
			1,788,908	
Home Investment Partnerships Program	14.239		528,683	365,612
Total Department of Housing and Urban Development				2,317,591 845,331
<u>Department of Interior</u>				
<i>Indirect Federal Funding passed through:</i>				
<i>State Historical Preservation Office</i>				
Historic Preservation Fund Grants-In-Aid	15.904	2023G-567	18,991	-
<u>Department of Justice</u>				
<i>Direct Federal Funding:</i>				
Edward Byrne Memorial Justice Assistance Grant				
Edward Byrne Memorial Justice Assistance Grant Program - 2023	16.738		\$ 156,070	47,691
Total 16.738			156,070	47,691
Public Safety Partnership & Community Policing Grant				
Cops Hiring Program (CHP)	16.710		78,754	-
Cops Hiring Program (CHP)	16.710		163,457	-
Law Enforcement Mental Health and Wellness	16.710		68,035	-
Total 16.710			310,246	-
Total Department of Justice				466,316 47,691
<u>Department of Transportation</u>				
<i>Direct Federal Funding:</i>				
Federal Transit Formula Grants	20.507		\$ 5,377,697	-
<i>Indirect Federal Funding passed through:</i>				
<i>South Eastern Council of Governments</i>				
Highway Planning and Construction	20.205	311603	1,009,624	-
<i>National Highway Traffic Safety Administration</i>				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	2024-00-58	384,957	-
State and Community Highway Safety	20.600	2025-00-37	56,236	-
National Priority Safety Training Program	20.616	2025-00-43	14,900	-
			456,094	-
<i>State of South Dakota</i>				
HAZMAT Public Sector Training and Planning Grant	20.703	693JK32240043HMEP	23,010	-
Total Department of Transportation				6,866,425 -
<u>Department of Treasury</u>				
<i>Direct Federal Funding:</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		10,918,879	1,346,620
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Agriculture and Natural Resources</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	*	8,000,000	-
Total Department of Treasury				18,918,879 1,346,620
<u>Equal Employment Opportunity Commission</u>				
<i>Direct Federal Funding:</i>				
Clearinghouse Services, Civil Rights Discrimination Complaints	29.001		10,640	-
<u>Environmental Protection Agency</u>				
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Agriculture and Natural Resources</i>				
<i>Clean Water State Revolving Fund Cluster</i>				
Clean Water State Revolving Fund	66.458	*	36,277,914	-
<i>Drinking Water State Revolving Fund Cluster</i>				
Drinking Water State Revolving Fund Cluster	66.468	*	1,886,302	-

* No Pass-Through Identification Number Given
See Notes to Schedule of Expenditures of Federal Awards.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2024

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Sub-recipients
<u>Department of Health and Human Services</u>				
<i>Direct Federal Funding:</i>				
US Dept of Health & Human Services				
<i>Health Center Cluster</i>				
Health Center Program-CHC24	93.224		\$ 3,048,204	-
Grants for New and Expanded Services under HCP-UDS24	93.527		9,960	-
Total Health Center Cluster			3,058,164	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		85,524	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		237,390	-
Total 93.918			322,915	-
<i>Indirect Federal Funding passed through:</i>				
<i>Community HealthCare Association of the Dakotas</i>				
Co-op Agreements for State-Based Diabetes Control Programs-24AZA	93.988	*	21,185	-
<i>South Dakota Department of Health-Division of Healthcare Access</i>				
Public Health Emergency Preparedness-23PHP/CRI	93.069	NU90TP922021	32,728	-
Public Health Emergency Preparedness-24PHP/CRI	93.069	NU90TU000023	56,852	-
Total 93.069			89,580	-
COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response-21PHC	93.354	NU90TP922021	143,642	-
<i>South Dakota Department of Health-Division of Licensure and Accreditation</i>				
COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response-24PHI	93.354	NE11OE000033	48,696	-
CDC's Collaboration with Academia to Strengthen Public Health-24PHI	93.967	NE11OE000033	18,572	-
<i>South Dakota Department of Health-Division of Family and Community Health</i>				
COVID-19-Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	*	59,110	-
HIV Prevention Activities-Health Department Based	93.940	NU62PS924534	27,716	-
HIV Prevention Activities-Health Department Based	93.940	NU62PS924825	48,230	-
Total 93.940			75,946	-
Organized Approaches to Increase Colorectal Cancer Screening	93.800	NU58DP006763	8,683	-
Organized Approaches to Increase Colorectal Cancer Screening	93.800	NU58DP006763	31,591	-
Organized Approaches to Increase Colorectal Cancer Screening Follow-up After Positive CRC Test	93.800	*	5,702	-
Total 93.800			45,976	-
Total Department of Health and Human Services			3,883,786	-
<u>Department of Homeland Security</u>				
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Public Safety</i>				
Homeland Security Grant Program-SHSP Local Regional Response	97.067	GY21-9438	\$ 44,055	-
Homeland Security Grant Program-SHSP Local Regional Response	97.067	GY23-0339	104,189	-
Homeland Security Grant Program-SHSP Local Regional Response	97.067	2020-SS-00008-S01	48,165	-
Homeland Security Grant Program-SHSP Local Regional Response	97.067	2019-SS-00007-S01	31,494	-
Total 97.067			227,903	-
Disaster Grants-Public Assistance (Presidentially Declared Disaster)	97.036	DR-4656-SD	28,306	-
Total 97.036			28,306	-
Total Department of Homeland Security			256,209	-
<u>Executive Office of the President - Office of National Drug Control Policy</u>				
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Division of Criminal Investigations</i>				
High Intensity Drug Trafficking Areas Program	95.001	G24MW0004A	183,308	-
Total Federal Financial Assistance			<u>\$ 71,106,181</u>	<u>\$ 2,239,642</u>

* No Pass-Through Identification Number Given
See Notes to Schedule of Expenditures of Federal Awards.

Notes Schedule of Expenditures of Federal Awards

Note A – Basis of Presentation

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

Note B – Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

The City has not elected to use the 15% de minimus cost rate.

Note D – Notes Payable

Expenditures reported in this schedule consist of a portion of the beginning of year outstanding State Revolving Fund loan balances plus advances made on the loans during the year. The outstanding balances of these loans at December 31, 2024 was \$209,766,152

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Health Center Program Cluster	93.224, 93.527
CDBG-Entitlement/Special Purpose Grants Cluster	14.218
Drinking Water State Revolving Fund	66.468
Dollar threshold used to distinguish between type A and type B programs:	\$2,133,185
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

