

**MUNICIPALITY OF WHITE LAKE  
WHITE LAKE, SOUTH DAKOTA**

**AUDIT REPORT**

**FOR THE YEAR JANUARY 1, 2020 TO DECEMBER 31, 2020  
AND  
FOR THE YEAR JANUARY 1, 2021 TO DECEMBER 31, 2021**

*Schoenfish & Co., Inc.*

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

MUNICIPALITY OF WHITE LAKE

---

MUNICIPAL OFFICIALS  
DECEMBER 31, 2021

MAYOR:

Janice Thiry

GOVERNING BOARD:

Wyatt Krumvieda  
Dave Pursell  
Sharon Reeves  
Nathaniel Schroeder

FINANCE OFFICER:

Barbara Simpson

ATTORNEY:

Tim Bottum

*Schoenfish & Co., Inc.*

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

TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1-2
Schedule of Prior Audit Findings.....	3
Schedule of Current Audit Findings.....	4-7
Independent Auditor's Report .....	8-10
BASIC FINANCIAL STATEMENTS:	
As Of and For the Year Ended December 31, 2021:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis.....	11
Statement of Activities – Modified Cash Basis.....	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet – Modified Cash Basis.....	13
Statement of Revenues, Expenditures, and Changes In Fund Balance – Modified Cash Basis.....	14-15
Proprietary Funds:	
Statement of Net Position – Modified Cash Basis.....	16
Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis.....	17
As of and For the Year Ended December 31, 2020:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis.....	18
Statement of Activities – Modified Cash Basis.....	19
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet – Modified Cash Basis.....	20
Statement of Revenues, Expenditures, and Changes In Fund Balance – Modified Cash Basis.....	21-22
Proprietary Funds:	
Statement of Net Position – Modified Cash Basis.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis.....	24
Notes to the Modified Cash Basis Financial Statements.....	25-37

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS  
(Continued)

Supplementary Information:

For the Year Ended December 31, 2021:

Budgetary Comparison Schedules – Budgetary Basis:

General Fund..... 38-39

Liquor, Lodging and Dining Fund..... 40

For the Year Ended December 31, 2020:

Budgetary Comparison Schedules – Budgetary Basis:

General Fund..... 41-42

Liquor, Lodging and Dining Fund..... 43

Notes to the Supplementary Information – Budgetary Comparison Schedules..... 44

Schedule of the Municipality's Proportionate Share of Net Pension Liability (Asset)..... 45

Schedule of the Municipal Contributions..... 46

Notes to the Supplementary Information – Pension Schedules..... 47

Schedule of Long-Term Debt..... 48-50

*Schoenfish & Co., Inc.*

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

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

Governing Board  
Municipality of White Lake  
White Lake, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund, of the Municipality of White Lake, South Dakota (Municipality), as of December 31, 2021 and December 31, 2020 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated October 31, 2022, which was adverse because of the condition of the accounting records.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings as items 2021-001 and 2021-002 to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Current Audit Findings as item 2021-003 and 2021-004.

### Municipality's Response to Findings

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

### Purpose of this Report

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



Schoenfish & Co., Inc.  
 Certified Public Accountants  
 October 31, 2022

*Schoenfish & Co., Inc.*

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

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR OTHER AUDIT FINDINGS:

Internal Control Over Revenues:

Finding Number 2019-001:

A reportable condition and material weakness in internal controls was noted due to a lack of proper segregation of duties resulting in decreased reliability of reported financial data and increased potential for the loss of public assets. This comment has not been corrected and is restated as current audit finding numbers 2021-001 and 2021-002.

Compliance – Related Finding:

Finding Number 2019-002:

No budget was prepared for the Liquor, Lodging, and Dining Fund for 2018. The General Fund was budgeted to spend more money than was available in 2018. Expenditures were in excess of the amounts budgeted in several departments for the General Fund for 2018 and 2019. This comment has not been corrected and is restated as current audit finding number 2021-003.

*Schoenfish & Co., Inc.*

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

---

## SCHEDULE OF CURRENT AUDIT FINDINGS

### CURRENT OTHER AUDIT FINDINGS:

#### Internal Control – Related Findings – Material Weaknesses:

##### Finding Number 2021-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for the revenues. This is a continuing audit comment since 1999.

##### Criteria:

Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets.

##### Condition:

The Finance Officer processes all revenue transactions from beginning to end. The Finance Officer also receives money, issues receipts, records receipts, posts receipts in the accounting records, prepares bank deposits, reconciles bank statements, and prepares financial statements.

##### Effect:

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

##### Recommendation:

1. We recommend that the Municipality of White Lake officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever possible and practical.

##### Management's Response:

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

##### Finding Number 2021-002:

Material weaknesses were noted in internal accounting control and record keeping resulting in diminished assurance that transactions were properly executed and recorded and that assets were properly safeguarded. This has been a continuing audit comment since calendar year 1999.

##### Criteria:

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

##### Condition:

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

- a. Cash balances could not be determined by fund type. There is a significant difference between the bank balance and annual report balance. The unexplained variance was recorded to balance the financial statements in the amounts of (\$22,970.43) for 2020 and (\$9,753.37) for 2021.

*Schoenfish & Co., Inc.*

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



SCHEDULE OF CURRENT AUDIT FINDINGS  
(Continued)

- b. The following records were not maintained by employees of the Municipality:
  - i. General Fixed Asset, Enterprise Fixed Asset and Depreciation records did not exist.
  - ii. Inventories were not updated by the maintenance department.
  - iii. The Municipality did not maintain a general ledger or general journal.
  - iv. The accuracy of the beginning balances and ending balances reported in the financial statements was unable to be determined by individual fund.
- c. Two sets of financial records are being maintained by the finance officer. When transferring financial data from the spreadsheet records to the city software, errors and omissions have occurred causing two different financial records.

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

SDCL 9-14-19 states that the finance officer "shall supervise the accounting system for all departments and offices of the Municipality in accordance with the recommendations of the Department of Legislative Audit."

Effect:

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

Recommendations:

- 2. We recommend that all necessary accounting records be established and properly maintained.

Management's Response:

The Municipality of White Lake, Janice Thiry, is the contact person responsible for the corrective action plan for this comment. We will attempt to be more accurate and complete when preparing the financial statements and obtain sufficient expertise to do so.

Compliance – Related Finding:

Finding Number 2021-003:

The Liquor, Lodging and Dining Fund budget for 2020 and 2021 was presented as a line item in the General Fund rather than a separate fund budget. Expenditures were in excess of the amounts budgeted in several departments in the General Fund for 2020 and 2021. This is a continuing audit comment since 2017.

Criteria:

SDCL 9-21-2 states in part, "The governing body of each municipality shall, no later than its first regular meeting in September of each year or within ten days thereafter, introduce the annual appropriation ordinance for the ensuing fiscal year, in which it shall appropriate the sums of money necessary to meet all lawful expenses and liabilities of the municipality." Also, SDCL 9-21-9 states, "Neither the governing body nor any department or office of the municipality shall add to the municipal expenditures in any

*Schoenfish & Co., Inc.*

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

SCHEDULE OF CURRENT AUDIT FINDINGS  
(Continued)

fiscal year any sum in excess of the amount provided for in the annual appropriation ordinance except as otherwise specially provided. Nor shall the amount spent for any purpose or any department exceed the total amount appropriated for such purpose or for such department in the annual appropriation ordinance for such year, except as otherwise specially provided."

Condition:

The Municipality expended money in excess of amounts budgeted without supplementing the budget as allowed by SDCL 9-21-7.

Effect:

Without amending the budget or limiting expenditures, expenditures are being made without proper authority. Also, budgets are not being properly adopted in accordance with budgetary guidelines.

Recommendation:

3. We recommend that budgets be adopted in accordance with SDCL 9-21-9 and that the expenditures be limited to amounts budgeted or budget supplements be made in accordance with SDCL 9-21-7 to allow for expenditures.

Management's Response:

The Municipality of White Lake Mayor, Janice Thiry, is the contact person responsible for the response for this comment. The Municipality will be more careful to follow the budgetary guidelines prescribed by law.

Finding Number 2021-004:

The Municipality of White Lake purchased a Komatsu Loader without advertising for competitive bids as required by SDCL 5-18A-14 and 5-18A-22. This is the first consecutive audit in which a similar deficiency has been reported.

Criteria:

SDCL 5-18A-14 states in part, "a contract for the purchase of supplies or services, other than professional services, that involves the expenditures of twenty-five thousand dollars or more, the purchasing agency shall advertise for bids or proposals." SDCL 5-18A-22(19) states "for political subdivisions, any purchase of equipment involving the expenditure of less than fifty thousand dollars."

Condition:

We examined several instances which required bidding and found that the above mentioned instance was improper. The Municipality entered into a contract with Diesel Machinery and Leasing Servicing Center, Inc. for \$60,000.00 without evidence of receiving competitive bids.

Effect:

The lack of bidding in this instance may have caused the entity to pay more for the equipment than it would have had competitive bids been obtained.

Recommendation:

1. We recommend that all expenditures for equipment over \$50,000 be bid as required by law.

*Schoenfish & Co., Inc.*

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

SCHEDULE OF CURRENT AUDIT FINDINGS  
(Continued)

Management's Response:

The Municipality of White Lake Mayor, Janice Thiry, is the contact person responsible for the corrective action plan for this comment. We will monitor all anticipated expenditures which may exceed the bid limit. We will advertise for bids if it is probable that the expenditure may exceed the bid limit.

CLOSING CONFERENCE

The audit was discussed with the Mayor and Finance Officer on November 9, 2022.

*Schoenfish & Co., Inc.*

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

## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Municipality of White Lake  
White Lake, South Dakota

### Adverse Opinion

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund, of the Municipality of White Lake, South Dakota, (Municipality) as of December 31, 2021, and December 31, 2020, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on the Financial Statements as a Whole section of our report, the financial statements referred to above do not present fairly the financial position, modified cash basis, of the City White Lake, South Dakota, as of December 31, 2021 and December 31, 2020, or the changes in financial position, modified cash basis, thereof for each of the years in the biennial period then ended in conformity with accounting principles generally accepted in the United States of America with the basis of accounting described in Note 1.c.

### Basis for Adverse Opinion on the Financial Statements as a Whole

Several errors and omissions were noted in the financial statements. The most serious item was not being able to determine cash balances by fund type.

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

### Emphasis of Matter

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

### Supplementary Information

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

*Schoenfish & Co., Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules, Schedule of Long-term Liabilities, the Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Municipal Contributions is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


#### Other Information

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

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Municipality's internal control over financial reporting and compliance.



Schoenfish & Co., Inc.  
Certified Public Accountants  
October 31, 2022

*Schoenfish & Co., Inc.*

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	201,842.88	376,157.20	578,000.08
Investments	40,223.46	69,966.88	110,190.34
<b>TOTAL ASSETS</b>	<b>242,066.34</b>	<b>446,124.08</b>	<b>688,190.42</b>
<b>NET POSITION:</b>			
Restricted for:			
Maintenance Building	100,000.00		100,000.00
Parks/City Promotion	37,192.53		37,192.53
Unrestricted	104,873.81	446,124.08	550,997.89
<b>TOTAL NET POSITION</b>	<b>242,066.34</b>	<b>446,124.08</b>	<b>688,190.42</b>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Year Ended December 31, 2021**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary Government:						
Governmental Activities:						
General Government						
Public Safety	102,998.32	9,608.00	53,106.80		(40,283.52)	(40,283.52)
Public Works	67,675.02				(67,675.02)	(67,675.02)
Health and Welfare	97,982.34	5,041.00	40,717.47	100,000.00	47,776.13	47,776.13
Culture and Recreation			1,117.63		1,117.63	1,117.63
Conservation and Development	63,209.13	8,145.42			(55,063.71)	(55,063.71)
Miscellaneous Expenditures	16,927.86				(16,927.86)	(16,927.86)
Payments on Long-Term Debt	9,753.37	5,436.15			(4,317.22)	(4,317.22)
	12,949.66				(12,949.66)	(12,949.66)
Total Governmental Activities	371,495.70	28,230.57	94,941.90	100,000.00	(148,323.23)	(148,323.23)
Business-type Activities:						
Water	119,611.41	115,523.10				(4,088.31)
Sewer	59,887.98	65,641.87			5,753.89	5,753.89
Daycare	144,361.42	115,911.83	43,676.69		15,227.10	15,227.10
Total Business-Type Activities	323,860.81	297,076.80	43,676.69	0.00	16,892.68	16,892.68
Total Primary Government	695,356.51	325,307.37	138,618.59	100,000.00	(148,323.23)	(131,430.55)
General Revenues:						
Taxes:						
Property Taxes					143,150.63	143,150.63
Sales Taxes					111,950.45	111,950.45
State Shared Revenues					4,529.77	4,529.77
Unrestricted Investment Earnings					4,133.69	4,133.69
Miscellaneous Revenue					3,592.33	3,592.33
Total General Revenues					267,356.87	267,356.87
Change in Net Position					119,033.64	135,926.32
Net Position - Beginning					123,032.70	429,231.40
NET POSITION - ENDING					242,066.34	688,190.42

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



**MUNICIPALITY OF WHITE LAKE  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2021**

	<u>General Fund</u>	<u>Liquor, Lodging and Dining Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	164,650.35	37,192.53	201,842.88
Investments	40,223.46		40,223.46
<b>TOTAL ASSETS</b>	<u>204,873.81</u>	<u>37,192.53</u>	<u>242,066.34</u>
<b>FUND BALANCES:</b>			
Restricted for Parks and City Promotion		37,192.53	37,192.53
Restricted for Maintenance Building	100,000.00		100,000.00
Assigned for Library	2,366.15		2,366.15
Unassigned	102,507.66		102,507.66
<b>TOTAL FUND BALANCES</b>	<u>204,873.81</u>	<u>37,192.53</u>	<u>242,066.34</u>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2021**

	<b>General Fund</b>	<b>Liquor, Lodging and Dining Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
<b>Taxes:</b>			
General Property Taxes	142,447.45		142,447.45
General Sales and Use Taxes	105,826.90	6,123.55	111,950.45
Penalties and Interest on Delinquent Taxes	703.18		703.18
<b>Total Taxes</b>	<b>248,977.53</b>	<b>6,123.55</b>	<b>255,101.08</b>
<b>Licenses and Permits</b>	<b>3,025.00</b>	<b>0.00</b>	<b>3,025.00</b>
<b>Intergovernmental Revenue:</b>			
Federal Grants	53,106.80		53,106.80
State Grants	1,117.63		1,117.63
<b>State Shared Revenue:</b>			
Bank Franchise Tax	1,761.79		1,761.79
Prorate License Fees	2,838.67		2,838.67
Liquor Tax Reversion	2,767.98		2,767.98
Motor Vehicle Licenses	9,050.19		9,050.19
Local Government Highway and Bridge Fund	23,711.68		23,711.68
<b>County Shared Revenue:</b>			
County Road Tax	1,033.44		1,033.44
County Wheel Tax	3,235.49		3,235.49
<b>Total Intergovernmental Revenue</b>	<b>98,623.67</b>	<b>0.00</b>	<b>98,623.67</b>
<b>Charges for Goods and Services:</b>			
Highways and Streets	5,041.00		5,041.00
Culture and Recreation	6,965.30		6,965.30
Other	58.00		58.00
<b>Total Charges for Goods and Services</b>	<b>12,064.30</b>	<b>0.00</b>	<b>12,064.30</b>
<b>Fines and Forfeits:</b>			
Library	1,180.12		1,180.12
<b>Total Fines and Forfeits</b>	<b>1,180.12</b>	<b>0.00</b>	<b>1,180.12</b>
<b>Miscellaneous Revenue:</b>			
Investment Earnings	4,133.69		4,133.69
Rentals	6,525.00		6,525.00
Special Assessments	848.00		848.00
Contributions and Donations from Private Sources	100,000.00		100,000.00
Liquor Operating Agreement Income	5,436.15		5,436.15
Other	3,592.33		3,592.33
<b>Total Miscellaneous Revenue</b>	<b>120,535.17</b>	<b>0.00</b>	<b>120,535.17</b>
<b>Total Revenue</b>	<b>484,405.79</b>	<b>6,123.55</b>	<b>490,529.34</b>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2021**

	<b>General Fund</b>	<b>Liquor, Lodging and Dining Fund</b>	<b>Total Governmental Funds</b>
<b>Expenditures:</b>			
General Government:			
Legislative	11,068.30		11,068.30
Executive	5,618.81		5,618.81
Elections	6.00		6.00
Financial Administration	42,109.86		42,109.86
Other	44,195.35		44,195.35
Total General Government	102,998.32	0.00	102,998.32
Public Safety:			
Police	35,589.16		35,589.16
Fire	32,085.86		32,085.86
Total Public Safety	67,675.02	0.00	67,675.02
Public Works:			
Highways and Streets	97,982.34		97,982.34
Total Public Works	97,982.34	0.00	97,982.34
Culture and Recreation:			
Recreation	28,051.86		28,051.86
Parks	18,396.21		18,396.21
Libraries	16,761.06		16,761.06
Total Culture and Recreation	63,209.13	0.00	63,209.13
Conservation and Development:			
Economic Development and Assistance	16,927.86		16,927.86
Total Conservation and Development	16,927.86	0.00	16,927.86
Debt Service	12,949.66	0.00	12,949.66
Miscellaneous:			
Unexplained Variance	9,753.37		9,753.37
Total Miscellaneous	9,753.37	0.00	9,753.37
Total Expenditures	371,495.70	0.00	371,495.70
Net Change in Fund Balance	112,910.09	6,123.55	119,033.64
Fund Balance - Beginning	91,963.72	31,068.98	123,032.70
FUND BALANCE - ENDING	204,873.81	37,192.53	242,066.34

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**December 31, 2021**

	<b>Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Daycare Fund</b>	<b>Totals</b>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	232,099.53	121,400.10	22,657.57	376,157.20
Investments	49,659.39	20,307.49		69,966.88
<b>TOTAL ASSETS</b>	<b>281,758.92</b>	<b>141,707.59</b>	<b>22,657.57</b>	<b>446,124.08</b>
<b>NET POSITION:</b>				
Unrestricted (Deficit)	281,758.92	141,707.59	22,657.57	446,124.08
<b>TOTAL NET POSITION</b>	<b>281,758.92</b>	<b>141,707.59</b>	<b>22,657.57</b>	<b>446,124.08</b>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2021**

	Enterprise Funds			
	Water Fund	Sewer Fund	Daycare Fund	Totals
<b>Operating Revenue:</b>				
Charges for Goods and Services	92,921.38	41,393.15	115,643.27	249,957.80
Revenue Dedicated to Servicing Debt	22,577.10	24,224.10		46,801.20
Miscellaneous	24.62	24.62	268.56	317.80
Total Operating Revenue	115,523.10	65,641.87	115,911.83	297,076.80
<b>Operating Expenses:</b>				
Personal Services	21,947.20	22,136.38	127,353.26	171,436.84
Other Current Expense	24,257.82	12,013.91	17,008.16	53,279.89
Materials	29,559.75			29,559.75
Total Operating Expenses	75,764.77	34,150.29	144,361.42	254,276.48
Operating Income (Loss)	39,758.33	31,491.58	(28,449.59)	42,800.32
<b>Nonoperating Revenue (Expense):</b>				
Operating Grants			43,676.69	43,676.69
Debt Service (Principal)	(28,719.06)	(14,321.14)		(43,040.20)
Interest Expense	(15,127.58)	(11,416.55)		(26,544.13)
Total Nonoperating Revenue (Expense)	(43,846.64)	(25,737.69)	43,676.69	(25,907.64)
Change in Net Position	(4,088.31)	5,753.89	15,227.10	16,892.68
Net Position - Beginning	285,847.23	135,953.70	7,430.47	429,231.40
<b>NET POSITION - ENDING</b>	<b>281,758.92</b>	<b>141,707.59</b>	<b>22,657.57</b>	<b>446,124.08</b>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	83,186.57	359,565.22	442,751.79
Investments	39,846.13	69,666.18	109,512.31
<b>TOTAL ASSETS</b>	<b>123,032.70</b>	<b>429,231.40</b>	<b>552,264.10</b>
<b>NET POSITION:</b>			
Restricted for:			
Parks/City Promotion	31,068.98		31,068.98
Unrestricted	91,963.72	429,231.40	521,195.12
<b>TOTAL NET POSITION</b>	<b>123,032.70</b>	<b>429,231.40</b>	<b>552,264.10</b>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary Government:						
Governmental Activities:						
General Government	80,480.94	3,048.00	5,842.07		(71,590.87)	(71,590.87)
Public Safety	64,025.90	65.00			(63,960.90)	(63,960.90)
Public Works	81,586.52	1,867.59	37,093.93	7,071.75	(35,553.25)	(35,553.25)
Culture and Recreation	54,163.58	727.72	2,000.00		(51,435.86)	(51,435.86)
Conservation and Development	8,945.00				(8,945.00)	(8,945.00)
Miscellaneous Expenditures	22,970.43	5,101.99			(17,868.44)	(17,868.44)
Payments on Long-Term Debt	7,408.28				(7,408.28)	(7,408.28)
Total Governmental Activities	319,580.65	10,810.30	44,936.00	7,071.75	(256,762.60)	(256,762.60)
Business-type Activities:						
Water	96,908.17	100,318.05				3,409.88
Sewer	57,142.14	65,615.52				8,473.38
Daycare	96,936.32	85,375.94	28,069.76			16,509.38
Total Business-Type Activities	250,986.63	251,309.51	28,069.76	0.00		28,392.64
Total Primary Government	570,567.28	262,119.81	73,005.76	7,071.75	(256,762.60)	(228,369.96)
General Revenues:						
Taxes:						
Property Taxes					133,282.66	133,282.66
Sales Taxes					109,321.57	109,321.57
State Shared Revenues					4,526.92	4,526.92
Unrestricted Investment Earnings					61.14	61.14
Debt Issued						88,988.00
Miscellaneous Revenue					1,669.03	1,669.03
Transfers					(8,500.00)	0.00
Total General Revenues and Transfers					240,361.32	337,849.32
Change in Net Position					(16,401.28)	109,479.36
Net Position - Beginning					139,433.98	303,350.76
NET POSITION - ENDING					123,032.70	429,231.40

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

**MUNICIPALITY OF WHITE LAKE  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2020**

	<u>General Fund</u>	<u>Liquor, Lodging and Dining Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	52,117.59	31,068.98	83,186.57
Investments	39,846.13		39,846.13
<b>TOTAL ASSETS</b>	<u>91,963.72</u>	<u>31,068.98</u>	<u>123,032.70</u>
<b>FUND BALANCES:</b>			
Restricted for Parks and City Promotion		31,068.98	31,068.98
Assigned for Library	1,973.36		1,973.36
Unassigned	89,990.36		89,990.36
<b>TOTAL FUND BALANCES</b>	<u>91,963.72</u>	<u>31,068.98</u>	<u>123,032.70</u>

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



**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2020

	General Fund	Liquor, Lodging and Dining Fund	Total Governmental Funds
<b>Revenues:</b>			
Taxes:			
General Property Taxes	132,697.61		132,697.61
General Sales and Use Taxes	103,566.45	5,755.12	109,321.57
Amusement Taxes	96.00		96.00
Penalties and Interest on Delinquent Taxes	489.05		489.05
Total Taxes	236,849.11	5,755.12	242,604.23
Licenses and Permits	2,960.00	0.00	2,960.00
Intergovernmental Revenue:			
Federal Grants	12,913.82		12,913.82
State Grants	2,000.00		2,000.00
State Shared Revenue:			
Bank Franchise Tax	1,952.04		1,952.04
Prorate License Fees	2,394.58		2,394.58
Liquor Tax Reversion	2,574.88		2,574.88
Motor Vehicle Licenses	7,935.42		7,935.42
Local Government Highway and Bridge Fund	22,756.97		22,756.97
County Shared Revenue:			
County Road Tax	1,033.44		1,033.44
County Wheel Tax	2,973.52		2,973.52
Total Intergovernmental Revenue	56,534.67	0.00	56,534.67
Charges for Goods and Services:			
Highways and Streets	953.64		953.64
Sanitation	913.95		913.95
Culture and Recreation	727.72		727.72
Other	88.00		88.00
Total Charges for Goods and Services	2,683.31	0.00	2,683.31
Fines and Forfeits:			
Court Fines and Costs	65.00		65.00
Total Fines and Forfeits	65.00	0.00	65.00
Miscellaneous Revenue:			
Investment Earnings	61.14		61.14
Liquor Operating Agreement Income	5,101.99		5,101.99
Other	1,669.03		1,669.03
Total Miscellaneous Revenue	6,832.16	0.00	6,832.16
Total Revenue	305,924.25	5,755.12	311,679.37

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2020

	General Fund	Liquor, Lodging and Dining Fund	Total Governmental Funds
<b>Expenditures:</b>			
General Government:			
Legislative	9,990.95		9,990.95
Executive	2,726.79		2,726.79
Financial Administration	48,762.09		48,762.09
Other	19,001.11		19,001.11
Total General Government	80,480.94	0.00	80,480.94
Public Safety:			
Police	34,803.97		34,803.97
Fire	29,221.93		29,221.93
Total Public Safety	64,025.90	0.00	64,025.90
Public Works:			
Highways and Streets	80,062.19		80,062.19
Sanitation	1,524.33		1,524.33
Total Public Works	81,586.52	0.00	81,586.52
Culture and Recreation:			
Recreation	27,960.09		27,960.09
Parks	6,660.86		6,660.86
Libraries	19,542.63		19,542.63
Total Culture and Recreation	54,163.58	0.00	54,163.58
Conservation and Development:			
Economic Development and Assistance	8,945.00		8,945.00
Total Conservation and Development	8,945.00	0.00	8,945.00
Debt Service	7,408.28	0.00	7,408.28
Miscellaneous:			
Unexplained Variance	22,970.43		22,970.43
Total Miscellaneous	22,970.43	0.00	22,970.43
Total Expenditures	319,580.65	0.00	319,580.65
Excess of Revenues Over (Under)			
Expenditures	(13,656.40)	5,755.12	(7,901.28)
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(8,500.00)		(8,500.00)
Total Other Financing Sources (Uses)	(8,500.00)	0.00	(8,500.00)
Net Change in Fund Balance	(22,156.40)	5,755.12	(16,401.28)
Fund Balance - Beginning	114,120.12	25,313.86	139,433.98
FUND BALANCE - ENDING	91,963.72	31,068.98	123,032.70

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**December 31, 2020**

	Enterprise Funds			
	Water Fund	Sewer Fund	Daycare Fund	Totals
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	236,387.55	115,747.20	7,430.47	359,565.22
Investments	49,459.68	20,206.50		69,666.18
<b>TOTAL ASSETS</b>	<b>285,847.23</b>	<b>135,953.70</b>	<b>7,430.47</b>	<b>429,231.40</b>
<b>NET POSITION:</b>				
Unrestricted (Deficit)	285,847.23	135,953.70	7,430.47	429,231.40
<b>TOTAL NET POSITION</b>	<b>285,847.23</b>	<b>135,953.70</b>	<b>7,430.47</b>	<b>429,231.40</b>

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

**MUNICIPALITY OF WHITE LAKE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2020

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Daycare Fund	
<b>Operating Revenue:</b>				
Charges for Goods and Services	77,951.16	41,357.51	85,375.94	204,684.61
Revenue Dedicated to Servicing Debt	22,366.89	24,258.01		46,624.90
Total Operating Revenue	100,318.05	65,615.52	85,375.94	251,309.51
<b>Operating Expenses:</b>				
Personal Services	18,765.53	19,282.40	82,984.74	121,032.67
Other Current Expense	22,149.45	14,892.76	13,951.58	50,993.79
Materials	25,228.50			25,228.50
Total Operating Expenses	66,143.48	34,175.16	96,936.32	197,254.96
Operating Income (Loss)	34,174.57	31,440.36	(11,560.38)	54,054.55
<b>Nonoperating Revenue (Expense):</b>				
Operating Grants			28,069.76	28,069.76
Debt Service (Principal)	(18,022.99)	(11,617.61)		(29,640.60)
Interest Expense	(12,741.70)	(11,349.37)		(24,091.07)
Long-Term Debt Issued	88,988.00			88,988.00
Total Nonoperating Revenue (Expense)	58,223.31	(22,966.98)	28,069.76	63,326.09
Income (Loss) Before Transfers	92,397.88	8,473.38	16,509.38	117,380.64
Transfers In		6,000.00	2,500.00	8,500.00
Change in Net Position	92,397.88	14,473.38	19,009.38	125,880.64
Net Position - Beginning	193,449.35	121,480.32	(11,578.91)	303,350.76
<b>NET POSITION - ENDING</b>	<b>285,847.23</b>	<b>135,953.70</b>	<b>7,430.47</b>	<b>429,231.40</b>

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

---

## NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Financial Reporting Entity:

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

The Municipality participates in a cooperative unit with twenty-nine other governmental entities. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit, but are discussed in these notes because of the nature of their relationship with the Municipality.

#### b. Basis of Presentation:

##### Government-wide Financial Statements:

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

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

##### Fund Financial Statements:

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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

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

**Governmental Funds:**

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

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

Liquor, Lodging and Dining Gross Receipts Tax Fund – to account for the collection of a one percent tax on the gross receipts of lodgings, alcoholic beverages, prepared food and admissions which tax shall be used for the purpose of land acquisition, architectural fees, construction costs, payments for civic center, auditorium or athletic facility buildings, including the maintenance, staffing, and operations of such facilities and the promotion and advertising of the municipality (SDCL 10-52A-2). This fund may be established at the direction of the governing body through local ordinance. This is a major fund.

**Proprietary Funds:**

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

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

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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

Daycare Fund – financed primarily by user charges, this fund accounts for the operation of a daycare center. This is a major fund.

c. Measurement Focus and Basis of Accounting:

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

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

Measurement Focus:

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

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

Basis of Accounting:

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

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed. Acceptable modifications to the cash basis of accounting implemented by the Municipality in these financial statements are:

- a. Recording long-term investments in marketable securities (those with maturities more than 90 days (three months) from the date of acquisition) acquired with cash assets at cost.
- b. Recording assets and liabilities related to interfund receivables and payables resulting from cash transactions between funds.

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

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

d. Deposits and Investments:

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

e. Long-Term Liabilities:

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

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

f. Program Revenues:

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

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

g. Proprietary Funds Revenue and Expense Classifications:

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

h. Cash and Cash Equivalents:

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



NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

i. Equity Classifications:

Government-wide Statements:

Equity is classified as net position and is displayed in one component.

1. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

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

j. Application of Net Position:

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

k. Fund Balance Classification Policies and Procedures:

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

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

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

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

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

Special Revenue Fund:

Liquor, Lodging and Dining Gross Receipts Tax Fund

Revenue Source:

Sales Tax

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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

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

	<u>Ended</u> <u>12/31/2020</u>	<u>Ended</u> <u>12/31/2021</u>
General Fund:		
General Government:		
Executive		\$ 118.81
Financial Administration	\$ 2,422.09	2,982.86
Other		1,595.35
Public Safety:		
Police	192.97	
Public Works:		
Sanitation	1,524.33	
Culture and Recreation:		
Recreation	19,245.09	
Parks		10,651.71
Libraries	1,327.63	
Conservation and Development:		
Economic Development and Assistance	1,245.00	10,927.86
Debt Service	1,108.28	6,649.66
Miscellaneous Expense	22,970.43	9,753.37

The Municipality plans to take the following actions to address these violations:

Use supplemental budgets when legal authority exists.

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

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

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

**Investments** – In general, SDCL 4-5-6 permits Municipality funds to be invested only in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end,

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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

As of December 31, 2021 and December 31, 2020, the Municipality did not have any investments. The investments reported in the financial statements consist of only certificates of deposit.

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

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the Municipality's deposits may not be returned to it. The Municipality does not have a deposit policy for custodial credit risk.

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

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

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Municipality's policy is to credit all income from deposits and investments to the general fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income except where legal or contractual requirements require investment income to be credited to a fund other than the one associated with the assets. This amount is not material.

#### 4. PROPERTY TAXES

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

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

#### 5. RESTRICTED NET POSITION

Restricted net position for the years ended December 31, 2020 and 2021 were as follows:

Major Purposes:	12/31/2020	12/31/2021
Maintenance Building		\$ 100,000.00
Parks and City Promotion Purposes	\$ 31,068.98	37,192.53
Total Restricted Net Position	<u>\$ 31,068.98</u>	<u>\$ 137,192.53</u>

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

6. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2020, were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>		
	<u>Sewer Fund</u>	<u>Daycare Fund</u>	<u>Total</u>
Major Funds:			
General Fund	\$ 6,000.00	\$ 2,500.00	\$ 8,500.00
	<u>\$ 6,000.00</u>	<u>\$ 2,500.00</u>	<u>\$ 8,500.00</u>

The Municipality typically budgets transfers from the General Fund to conduct the indispensable functions of the Municipality. No interfund transfers were made in 2021.

7. LONG-TERM COMMITMENTS

The Municipality of White Lake entered into a forty-year commitment with Aurora-Brule Rural Water System to provide water to the Municipality. A monthly charge in the amount of \$385.00 along with a charge of \$2.75 per 1,000 gallons of water consumed is paid by the Municipality to Aurora-Brule Rural Water System. The monthly charge represents a contribution by the Municipality to aid Aurora-Brule Rural Water System in the construction of the facilities necessary to provide the Municipality with water. The Municipality will not acquire ownership of any of these water facilities through these payments. Payments are made from the Municipality's Water Fund.

8. PENSION PLAN

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

Benefits Provided:

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund members.

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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

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

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
  - The increase in the 3<sup>rd</sup> quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
  - The increase in the 3<sup>rd</sup> quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2021, 2020, and 2019, were \$10,303.61, \$7,125.68, and \$6,829.26, respectively, equal to the required contributions each year.

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

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

Proportionate share of pension liability	\$ 936,950.63
Less proportionate share of net position restricted for pension benefits	<u>\$ 988,697.69</u>
Proportionate share of net pension liability (asset)	<u>\$ (51,747.06)</u>

The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2021, the Municipality's proportion was 0.005675700%, which is an increase (decrease) of 0.0022708% from its proportion measured as of June 30, 2020.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

At June 30, 2020, SDRS is 100.04% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the Municipality as of the measurement period ending June 30, 2020 are as follows:

Proportionate share of pension liability	\$ 551,488.35
Less proportionate share of net position restricted for pension benefits	<u>\$ 551,683.19</u>
Proportionate share of net pension liability (asset)	<u>\$ (194.84)</u>

The net pension liability (asset) was measured as of June 30, 2020 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2020, the Municipality's proportion was 0.00448620%, which is an increase (decrease) of (0.0010313%) from its proportion measured as of June 30, 2019.

Actuarial Assumptions:

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

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

The total pension liability (asset) in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense
Future COLAs	1.41%

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

The actuarial assumptions used in the June 30, 2021 and 2020 valuations were based on the results of an actuarial experience study for the period of July 1, 2011 and June 30, 2016

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

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

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

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

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, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	5.1%
Fixed Income	30.0%	1.5%
Real Estate	10.0%	6.2%
Cash	2.0%	1.0%
Total	100%	

Discount Rate:

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

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

At December 31, 2021, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50 percent as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$83,791.36	\$ (51,747.06)	\$(161,772.70)

See Independent Auditor's Report.

NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

At December 31, 2020, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50 percent as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$75,582.98	\$ (194.83)	\$(62,179.60)

Pension Plan Fiduciary Net Position:

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

9. JOINT VENTURE

The Municipality participates in a joint venture, known as the Tri-County Landfill Association, Inc., formed for the purpose of providing solid waste disposal services to participating members.

The members of the joint venture are as follows:

Alpena City	New Witten City
Aurora County	Oacoma City
Brule County	Plankinton City
Buffalo County	Presho City
Chamberlain City	Pukwana City
Colome City	Reliance City
Draper City	Stickney City
Jerauld County	Tripp County
Jones County	Vivian City
Kennebec City	Wessington Springs City
Kimball City	White Lake City
Lane City	White River City
Lyman County	Winner City
Mellette County	Wood City
Murdo City	

The joint venture's governing board is composed of 12 representatives—one from each of the 8 counties and 4 members at large. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

The Municipality retains no equity in the net assets of the joint venture but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

At December 31, 2021, financial information for this joint venture was not available.

10. SIGNIFICANT CONTINGENCIES - LITIGATION

At December 31, 2021, the Municipality was not involved in any significant litigation.

See Independent Auditor's Report.



NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS  
(Continued)

11. RISK MANAGEMENT

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2021 and December 31, 2020, the Municipality managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

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

Workmen's Compensation:

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

Unemployment Benefits:

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

12. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through October 31, 2022, the date on which the financial statements were available to be issued.

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Taxes:				
General Property Taxes	153,964.00	153,964.00	142,447.45	(11,516.55)
General Sales and Use Taxes	107,928.00	107,928.00	105,826.90	(2,101.10)
Amusement Tax	98.00	98.00	0.00	(98.00)
Penalties and Interest on Delinquent Taxes	1,071.00	1,071.00	703.18	(367.82)
Licenses and Permits	175.00	175.00	3,025.00	2,850.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	53,106.80	53,106.80
State Grants	0.00	0.00	1,117.63	1,117.63
State Shared Revenue:				
Bank Franchise Tax	2,000.00	2,000.00	1,761.79	(238.21)
Prorate License Fees	2,400.00	2,400.00	2,838.67	438.67
Liquor Tax Reversion	2,400.00	2,400.00	2,767.98	367.98
Motor Vehicle Licenses	7,500.00	7,500.00	9,050.19	1,550.19
Local Government Highway and Bridge Fund	22,900.00	22,900.00	23,711.68	811.68
County Shared Revenue:				
County Road Tax	2,900.00	2,900.00	0.00	(2,900.00)
County Road and Bridge Tax (25%)	1,000.00	1,000.00	1,033.44	33.44
County Wheel Tax	5,620.00	5,620.00	3,235.49	(2,384.51)
Charges for Goods and Services:				
General Government	2,800.00	2,800.00	0.00	(2,800.00)
Highways and Streets	140.00	140.00	5,041.00	4,901.00
Culture and Recreation	3,000.00	3,000.00	6,965.30	3,965.30
Other	0.00	0.00	58.00	58.00
Fines and Forfeits:				
Library	0.00	0.00	1,180.12	1,180.12
Other	185.00	185.00	0.00	(185.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	4,133.69	4,133.69
Rentals	0.00	0.00	6,525.00	6,525.00
Special Assessments	0.00	0.00	848.00	848.00
Contributions and Donations from Private Sources	0.00	0.00	100,000.00	100,000.00
Liquor Operating Agreement Income	7,000.00	7,000.00	5,436.15	(1,563.85)
Other	1,537.00	1,537.00	3,592.33	2,055.33
<b>Total Revenue</b>	<b>324,618.00</b>	<b>324,618.00</b>	<b>484,405.79</b>	<b>159,787.79</b>
<b>Expenditures:</b>				
General Government:				
Legislative	11,344.00	11,344.00	11,068.30	275.70
Contingency	34,567.00	34,567.00		
Amount Transferred		(16,000.00)		18,567.00
Executive	3,000.00	5,500.00	5,618.81	(118.81)
Elections	1,000.00	1,000.00	6.00	994.00
Financial Administration	35,127.00	39,127.00	42,109.86	(2,982.86)
Other	42,600.00	42,600.00	44,195.35	(1,595.35)
<b>Total General Government</b>	<b>127,638.00</b>	<b>118,138.00</b>	<b>102,998.32</b>	<b>15,139.68</b>

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget -</b>
				<b>Positive (Negative)</b>
<b>Expenditures (continued):</b>				
Public Safety:				
Police	36,005.00	53,505.00	35,589.16	17,915.84
Fire	38,000.00	38,000.00	32,085.86	5,914.14
Total Public Safety	74,005.00	91,505.00	67,675.02	23,829.98
Public Works:				
Highways and Streets	102,687.00	102,687.00	97,982.34	4,704.66
Total Public Works	102,687.00	102,687.00	97,982.34	4,704.66
Culture and Recreation:				
Recreation	30,063.50	39,563.50	28,051.86	11,511.64
Parks	7,744.50	7,744.50	18,396.21	(10,651.71)
Libraries	18,448.00	18,448.00	16,761.06	1,686.94
Total Culture and Recreation	56,256.00	65,756.00	63,209.13	2,546.87
Conservation and Development:				
Economic Development and Assistance	6,000.00	6,000.00	16,927.86	(10,927.86)
Total Conservation and Development	6,000.00	6,000.00	16,927.86	(10,927.86)
Debt Service	6,300.00	6,300.00	12,949.66	(6,649.66)
Miscellaneous:				
Unexplained Variance	0.00	0.00	9,753.37	(9,753.37)
Total Miscellaneous	0.00	0.00	9,753.37	(9,753.37)
Total Expenditures	372,886.00	390,386.00	371,495.70	18,890.30
Excess of Revenue Over (Under)				
Expenditures	(48,268.00)	(65,768.00)	112,910.09	178,678.09
<b>Other Financing Sources (Uses):</b>				
Transfers In	7,319.00	7,319.00	0.00	(7,319.00)
Total Other Financing Sources (Uses)	7,319.00	7,319.00	0.00	(7,319.00)
Net Change in Fund Balances	(40,949.00)	(58,449.00)	112,910.09	171,359.09
Fund Balance - Beginning	91,963.72	91,963.72	91,963.72	0.00
FUND BALANCE - ENDING	51,014.72	33,514.72	204,873.81	171,359.09

**SUPPLEMENTARY INFORMATION  
MUNICIPALITY OF WHITE LAKE  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
LIQUOR, LODGING & DINING FUND  
For the Year Ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Taxes:				
General Sales and Use Taxes	6,382.00	6,382.00	6,123.55	(258.45)
Total Taxes	6,382.00	6,382.00	6,123.55	(258.45)
Total Revenue	6,382.00	6,382.00	6,123.55	(258.45)
<b>Expenditures:</b>				
Total Expenditures	0.00	0.00	0.00	0.00
Net Change in Fund Balances	6,382.00	6,382.00	6,123.55	(258.45)
Fund Balance - Beginning	31,068.98	31,068.98	31,068.98	0.00
FUND BALANCE - ENDING	37,450.98	37,450.98	37,192.53	(258.45)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF WHITE LAKE**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Taxes:				
General Property Taxes	137,299.00	137,299.00	132,697.61	(4,601.39)
General Sales and Use Taxes	13,800.00	13,800.00	103,566.45	89,766.45
Amusement Tax	0.00	0.00	96.00	96.00
Penalties and Interest on Delinquent Taxes	450.00	450.00	489.05	39.05
Licenses and Permits	3,225.00	3,225.00	2,960.00	(265.00)
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	12,913.82	12,913.82
State Grants	0.00	0.00	2,000.00	2,000.00
State Shared Revenue:				
Bank Franchise Tax	1,900.00	1,900.00	1,952.04	52.04
Prorate License Fees	0.00	0.00	2,394.58	2,394.58
Liquor Tax Reversion	2,300.00	2,300.00	2,574.88	274.88
Motor Vehicle Licenses	10,700.00	10,700.00	7,935.42	(2,764.58)
Local Government Highway and Bridge Fund	23,000.00	23,000.00	22,756.97	(243.03)
County Shared Revenue:				
County Road and Bridge Tax (25%)	0.00	0.00	1,033.44	1,033.44
County Wheel Tax	3,100.00	3,100.00	2,973.52	(126.48)
Charges for Goods and Services:				
Highways and Streets	400.00	400.00	953.64	553.64
Sanitation	0.00	0.00	913.95	913.95
Culture and Recreation	0.00	0.00	727.72	727.72
Other	0.00	0.00	88.00	88.00
Fines and Forfeits:				
Court Fines and Costs	0.00	0.00	65.00	65.00
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	61.14	61.14
Liquor Operating Agreement Income	0.00	0.00	5,101.99	5,101.99
Other	8,500.00	8,500.00	1,669.03	(6,830.97)
<b>Total Revenue</b>	<b>204,674.00</b>	<b>204,674.00</b>	<b>305,924.25</b>	<b>101,250.25</b>
<b>Expenditures:</b>				
General Government:				
Legislative	10,489.00	10,489.00	9,990.95	498.05
Contingency	33,000.00	33,000.00		
Amount Transferred		(5,000.00)		28,000.00
Executive	3,500.00	3,500.00	2,726.79	773.21
Elections	1,000.00	1,000.00	0.00	1,000.00
Financial Administration	42,340.00	46,340.00	48,762.09	(2,422.09)
Other	25,550.00	25,550.00	19,001.11	6,548.89
<b>Total General Government</b>	<b>115,879.00</b>	<b>114,879.00</b>	<b>80,480.94</b>	<b>34,398.06</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF WHITE LAKE**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget - Positive (Negative)</b>
<b>Expenditures (continued):</b>				
Public Safety:				
Police	34,611.00	34,611.00	34,803.97	(192.97)
Fire	30,500.00	30,500.00	29,221.93	1,278.07
Total Public Safety	65,111.00	65,111.00	64,025.90	1,085.10
Public Works:				
Highways and Streets	132,888.00	132,888.00	80,062.19	52,825.81
Sanitation	0.00	0.00	1,524.33	(1,524.33)
Total Public Works	132,888.00	132,888.00	81,586.52	51,301.48
Culture and Recreation:				
Recreation	8,715.00	8,715.00	27,960.09	(19,245.09)
Parks	10,215.00	10,215.00	6,660.86	3,554.14
Libraries	17,215.00	18,215.00	19,542.63	(1,327.63)
Total Culture and Recreation	36,145.00	37,145.00	54,163.58	(17,018.58)
Conservation and Development:				
Economic Development and Assistance	7,700.00	7,700.00	8,945.00	(1,245.00)
Total Conservation and Development	7,700.00	7,700.00	8,945.00	(1,245.00)
Debt Service	6,300.00	6,300.00	7,408.28	(1,108.28)
Miscellaneous:				
Unexplained Variance	0.00	0.00	22,970.43	(22,970.43)
Total Miscellaneous	0.00	0.00	22,970.43	(22,970.43)
Total Expenditures	364,023.00	364,023.00	319,580.65	44,442.35
Excess of Revenue Over (Under) Expenditures	(159,349.00)	(159,349.00)	(13,656.40)	145,692.60
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(11,000.00)	(11,000.00)	(8,500.00)	2,500.00
Total Other Financing Sources (Uses)	(11,000.00)	(11,000.00)	(8,500.00)	2,500.00
Net Change in Fund Balances	(170,349.00)	(170,349.00)	(22,156.40)	148,192.60
Fund Balance - Beginning	114,120.12	114,120.12	114,120.12	0.00
FUND BALANCE - ENDING	(56,228.88)	(56,228.88)	91,963.72	148,192.60

**SUPPLEMENTARY INFORMATION  
MUNICIPALITY OF WHITE LAKE  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
LIQUOR, LODGING & DINING FUND  
For the Year Ended December 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Taxes:				
General Sales and Use Taxes	5,675.00	5,675.00	5,755.12	80.12
Total Taxes	5,675.00	5,675.00	5,755.12	80.12
Total Revenue	5,675.00	5,675.00	5,755.12	80.12
<b>Expenditures:</b>				
Total Expenditures	0.00	0.00	0.00	0.00
Net Change in Fund Balances	5,675.00	5,675.00	5,755.12	80.12
Fund Balance - Beginning	25,313.86	25,313.86	25,313.86	0.00
FUND BALANCE - ENDING	30,988.86	30,988.86	31,068.98	80.12

---

NOTES TO THE SUPPLEMENTARY INFORMATION

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

NOTE 1. Budgets and Budgetary Accounting:

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

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent of the total municipal budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpected appropriations lapse at year end unless encumbered by resolution of the Governing Board.

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

The Municipality did not encumber any amounts at December 31, 2021 and 2020.

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

NOTE 2. GAAP/Budgetary Accounting Basis Differences:

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



REQUIRED SUPPLEMENTARY INFORMATIONSCHEDULE OF THE MUNICIPALITY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY (ASSET)

## South Dakota Retirement System

\* Last Seven Years

	District's proportion of the net pension liability/asset	District's proportionate share of net pension liability (asset)	District's covered- employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2021	0.0067570%	\$ (51,747)	\$ 163,330	31.68%	105.52%
2020	0.0044862%	\$ (195)	\$ 98,454	0.20%	100.04%
2019	0.0051750%	\$ (585)	\$ 116,281	0.50%	100.09%
2018	0.0056440%	\$ (132)	\$ 117,337	0.11%	100.02%
2017	0.0052835%	\$ (479)	\$ 106,484	0.45%	100.10%
2016	0.0048290%	\$ 16,312	\$ 91,816	17.77%	96.89%
2015	0.0045927%	\$ (19,479)	\$ 83,845	23.23%	104.10%

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

REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF THE MUNICIPALITY CONTRIBUTIONS

## South Dakota Retirement System

\* Last Seven Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 10,304	\$ 10,304	\$ -	\$ 181,714	5.67%
2020	\$ 7,126	\$ 7,126	\$ -	\$ 118,761	6.00%
2019	\$ 6,829	\$ 6,829	\$ -	\$ 113,816	6.00%
2018	\$ 6,919	\$ 6,919	\$ -	\$ 115,320	6.00%
2017	\$ 6,820	\$ 6,820	\$ -	\$ 113,666	6.00%
2016	\$ 5,643	\$ 5,643	\$ -	\$ 94,044	6.00%
2015	\$ 6,213	\$ 6,213	\$ -	\$ 103,534	6.00%

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

**Notes to Required Supplementary Information  
for the Year Ended December 31, 2021**

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

**Changes from Prior Valuation**

The June 30, 2021 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2020 Actuarial Valuation. One change in actuarial assumptions and one plan provision change are reflected and described below.

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

**Benefit Provision Changes**

Legislation enacted in 2021 reduced the minimum SDRS COLA from 0.5% to 0%. This change will impact the SDRS COLA only when inflation is very low or when a restricted maximum COLA of 0.5% is not affordable. The change had no impact on the current assets or liabilities of SDRS.

**Actuarial Assumption Changes**

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. That condition existed as of June 30, 2020 and the July 2021 SDRS COLA was limited to a restricted maximum of 1.41%. As of June 30, 2021, the FVFR assuming the COLA is equal to the baseline COLA assumption is greater than 100%. The July 2022 SDRS COLA will equal inflation, between 0% and 3.5%. For the June 30, 2020 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.41%. For this June 30, 2021 Actuarial Valuation, future COLAs are assumed to equal the baseline COLA assumption of 2.25%.

The change in the COLA assumption increased the Actuarial Accrued Liability by \$1,135 million, or 8.9% of the Actuarial Accrued Liability based on the 1.41% restricted maximum COLA.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2022 Actuarial Valuation.

**Actuarial Method Changes**

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

SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

LONG-TERM DEBT

A summary of changes in long-term debt follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government:					
Governmental Activities:					
Lease Purchase-Payloader		30,000.00	6,458.43	23,541.57	5,787.98
Bonds Payable:					
Sales Tax Revenue Bond -					
Main Street	66,953.45		8,184.78	58,768.67	4,313.60
Total Debt	66,953.45	30,000.00	14,643.21	82,310.24	10,101.58
Accrued Compensated Absences -					
Governmental Funds	1,675.99	4,939.45	4,717.40	1,898.04	1,898.04
Total Governmental Activities	68,629.44	34,939.45	19,360.61	84,208.28	11,999.62
Business-Type Activities:					
Lease Purchase-Payloader		30,000.00	6,458.43	23,541.57	5,787.98
Bonds Payable:					
Sales Tax Revenue Bond -					
Main Street	133,906.88		16,369.35	117,537.53	8,627.19
Water Utility Revenue Bond	100,514.81		11,611.54	88,903.27	6,231.54
Drinking Water SRF Series 2013	246,525.10		14,654.98	231,870.12	7,577.82
Clean Water SRF Series 2013	278,597.98		14,524.82	264,073.16	7,622.72
NRWA Water Tower Loan	0.00	88,988.00	9,061.60	79,926.40	8,023.23
Total Debt	759,544.77	118,988.00	72,680.72	805,852.05	43,870.48
Accrued Compensated Absences -					
Business-Type Funds	1,438.97	6,884.74	5,604.48	2,719.23	2,719.23
Total Business-Type Activities	760,983.74	125,872.74	78,285.20	808,571.28	46,589.71
Total Primary Government	829,613.18	160,812.19	97,645.81	892,779.56	58,589.33

Debt payable at December 31, 2021, is comprised of the following:

**PRIMARY GOVERNMENT**

Sales Tax Revenue Bond \$ 176,306.20  
 Maturity Date: March 18, 2044  
 Interest Rate: 3.50%  
 Payable from 1/3 General, 1/3 Water, and 1/3 Sewer Fund

Water Utility Revenue Bond \$ 88,903.27  
 Maturity Date: January 11, 2039  
 Interest Rate: 4.75%  
 Payable from Water Fund

Drinking Water Borrower Bond Series 2013 \$ 231,870.12  
 Maturity Date: May 15, 2045  
 Interest Rate: 2.25%  
 Payable from Water Fund

SUPPLEMENTARY INFORMATION  
MUNICIPALITY OF WHITE LAKE  
(Continued)

Clean Water Borrower Bond Series 2013	\$ 264,073.16
Maturity Date: May 15, 2045	
Interest Rate: 3.25%	
Payable from Sewer Fund	
NRWA Water Tower Loan	\$ 79,926.40
Maturity Date: October 1, 2030	
Interest Rate: 3.00%	
Payable from Water Fund	
Lease Purchase Agreement with	
Lease Servicing Center for 2016 Komatsu Payloader	\$ 47,083.14
Maturity Date: October 25, 2023	
Interest Rate: 3.25%	
Payable from General Fund (50%), Water Fund (25%), Sewer Fund (25%)	
Compensated Absences	
General Fund	\$ 1,898.04
Water Fund	\$ 428.49
Sewer Fund	\$ 428.49
Daycare Fund	\$ 1,862.25

The purchase price at the commencement of the financing (capital acquisition) leases were:

Principal	\$ 60,000.00
Interest	<u>6,496.80</u>
TOTAL	<u>\$ 66,496.80</u>

**SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF WHITE LAKE**  
**(Continued)**

The annual requirements to amortize all debt outstanding as of December 31, 2021, including interest payments, are as follows:

Annual Requirements to Maturity for Long-Term Debt  
December 31, 2021

Year Ending December 31,	Sales Tax Revenue Bond		Water Utility Revenue Bond		Drinking Water Borrower Bond Series 2013	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	12,940.79	5,959.21	6,231.54	4,088.46	7,577.82	5,153.46
2023	13,401.05	5,498.95	6,534.06	3,785.94	7,749.76	4,981.52
2024	13,877.69	5,022.31	6,851.30	3,468.70	7,925.61	4,805.67
2025	14,371.27	4,528.73	7,183.91	3,136.09	8,105.44	4,625.84
2026	14,882.40	4,017.60	7,532.63	2,787.37	8,289.37	4,441.91
2027-2031	82,738.60	11,761.40	43,517.00	8,083.00	44,355.00	19,301.40
2032-2036	24,094.40	1,105.60	11,052.83	987.17	49,620.83	14,035.57
2037-2041					55,511.77	8,144.63
2042-2046					42,734.52	1,824.96
Totals	176,306.20	37,893.80	88,903.27	26,336.73	231,870.12	67,314.96

Year Ending December 31,	Clean Water Borrower Bond Series 2013		Capital Acquisition Lease Purchase-Payloader	
	Principal	Interest	Principal	Interest
2022	7,622.72	8,490.12	11,575.96	1,723.40
2023	7,873.49	8,239.35	12,062.14	1,237.22
2024	8,132.52	7,980.32	12,568.76	730.60
2025	8,400.05	7,712.79	10,876.28	206.52
2026	8,676.40	7,436.44		
2027-2031	47,856.13	32,708.07		
2032-2036	56,263.31	24,300.89		
2037-2041	66,147.43	14,416.77		
2042-2046	53,101.11	3,293.83		
Totals	264,073.16	114,578.58	47,083.14	3,897.74

Year Ending December 31,	NRWA Water Tower Loan		Total	
	Principal	Interest	Principal	Interest
2022	8,023.23	2,288.01	53,972.06	27,702.66
2023	8,267.26	2,043.98	55,887.76	25,786.96
2024	8,518.72	1,792.52	57,874.60	23,800.12
2025	8,777.82	1,533.42	57,714.77	21,743.39
2026	9,044.81	1,266.43	48,425.61	19,949.75
2027-2031	37,294.56	2,231.86	255,761.29	74,085.73
2032-2036			141,031.37	40,429.23
2037-2041			121,659.20	22,561.40
2042-2046			95,835.63	5,118.79
Totals	79,926.40	11,156.22	888,162.29	261,178.03

The above long-term debt information is presented for informational purposes only. The financial statements are prepared on the modified cash basis so no liabilities are shown.