

**Municipality of Wilmot**

**Independent Auditor's Report  
and Financial Statements**

**For the Years Ended  
December 31, 2023 and 2022**

# Municipality of Wilmot

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**Independent Auditor’s Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Council Members  
Municipality of Wilmot, South Dakota

We have audited, in accordance with the 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 Wilmot, South Dakota, as of December 31, 2023, 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 June 9, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings as items 2023-01, 2023-02, and 2023-03 to be significant deficiencies.

## **Report on Compliance and Other Matters**

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

## **Municipality's Response to Finding**

*Government Auditing Standards* required the auditor to perform limited procedures on the Municipality's response to the findings identified in our audit. The Municipality's response 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 other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

A handwritten signature in black ink that reads "CIO of LLC". The signature is written in a cursive, slightly slanted style.

Chamberlain, South Dakota  
June 9, 2025

**Municipality of Wilmot**  
Schedule of Prior and Current Audit Findings  
December 31, 2023 and 2022

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**Schedule of Prior Audit Findings**

Internal Control-Related Findings – Significant Deficiencies:

Finding No. 2022-01 – Lack of segregation of duties

A reportable condition and material weakness in internal controls was noted due to lack of proper segregation of duties for revenues. The City Council has added procedures for the Council to help reduce the risks of not having proper segregation of duties for revenues but not eliminate the finding. The finding is restated as a current audit finding number 2023-001.

Finding No. 2022-02 – Financial reporting

A reportable condition and material weakness in internal controls was noted due to the Municipality requesting external auditors to prepare the financial statements and related notes for the Year ended December 31, 2022. The Municipality reviews, approves, and accepts responsibility for the financial statements and related notes. The finding is rested as a current auditing finding number 2023-02.

**Schedule of Current Audit Findings**

Finding No. 2023-01 – Lack of segregation of duties (internal control)

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

Condition: The small size of the Municipality indicates a significant deficiency in internal controls for lack of segregation of duties for revenue and expenditures procedures.

Cause: The finance officer processes all revenue transactions from beginning to end as well as receives money, issues receipts, posts receipts in the accounting records, prepares bank deposits, reconciles bank statements, and prepares the financial statements.

Effect: 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: Municipality officials should be cognizant of this lack of segregation of duties for revenues and expenditures, and attempt to provide compensating internal control whenever and wherever possible and practical.

View of Responsible Officials: The Municipality agrees with this finding and is willing to accept the risk. Due to the small size of the Municipality, it is not cost beneficial to employ additional personnel to adequately segregate the duties above. The Municipality will continue to regularly provide compensating controls.

Repeat Finding From Prior Years: Finding No. 2023-01 is a repeat finding since 2017.

**Municipality of Wilmot**  
Schedule of Prior and Current Audit Findings  
December 31, 2023 and 2022

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Finding No. 2023-02 – Internal control over financial reporting

Criteria: Establishing internal control over the preparation of the financial statements and drafting the financial statements is the responsibility of management. The Municipality should have an internal control system designed for the drafting of the financial statements being audited.

Condition: The small size of the Municipality limits the ability of the Municipality office to prepare the financial statements and notes to the financial statements.

Cause: This condition exists due to small staff size within the Municipality's office. These issues are common in a Municipality of this size.

Effect: The Municipality engages the auditor to draft the financial statements and the notes to the financial statements. The possibility of error occurring and not being detected or corrected is present.

Recommendation: Municipality officials need to be cognizant of accepting the risk with the auditor drafting the financial. If the Municipality chooses not to accept the risk, training should be provided to those employees responsible for drafting the financial statements.

View of Responsible Officials: The Municipality agrees with this finding and is willing to accept the risk. Due to the small size of the Municipality, it is not cost beneficial to employ additional personnel. The Municipality will continue to regularly provide compensating controls.

Repeat Finding From Prior Years: Finding No. 2023-02 is a repeat finding since 2017

**Municipality of Wilmot**  
Schedule of Prior and Current Audit Findings  
December 31, 2023 and 2022

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Finding No. 2023-03 – Violations of SDCL

Criteria: The governing board spent in excess of budgeted amounts without making appropriate supplemental budget amendments to pay for operating costs throughout the year.

SDCL 9-21-2 requires municipalities to adopt an annual appropriation ordinance to appropriate enough funds to operate within that budget. As per SDCL 9-21-9, expenditures are limited to appropriated amounts and per SDCL 9-21-7, the municipality is not allowed to exceed those expenditures unless it passes a supplemental budget ordinance that authorizes additional spending.

Condition: The Municipality spent in excess of budgeted amounts without passing appropriate supplemental budget ordinances to pay for operating costs throughout the year.

Cause: A lack of continuing oversight of budget balances to expenditures caused the Municipality to not be aware of budget overages and not be compliant with the applicable SDCLs noted above.

Effect: Violation of SDCL 9-21-2, SDCL 9-21-9, and SDCL 9-21-7.

Recommendation: We recommend that management and those in charge of governance ensure that expenditures do not exceed the budget and we recommend that the Municipality keep better track of budget overages and pass supplements accordingly.

View of Responsible Officials: Management agrees with the finding and recommendations.

Repeat Finding From Prior Years: This is not a repeat finding.



## Independent Auditor's Report

To the Council Members  
Municipality of Wilmot, South Dakota

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 these 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 statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the modified 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 judgement 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 judgement 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 purposes 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 judgement, 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 Changes in Long-Term Debt, and Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Budgetary Comparison Schedules, the Schedule of Changes in Long-Term Debt, and the Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025 on our consideration of the Municipality's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide 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 the Municipality's internal control over financial reporting and compliance.



Chamberlain, South Dakota  
June 9, 2025

**Municipality of Wilmot**  
Statement of Net Position – Modified Cash Basis  
For the Year December 31, 2023 and December 31, 2022

	<b>December 31, 2023</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 760,741	\$ 259,201	\$ 1,019,942
Restricted Assets:			
Cash and cash equivalents	--	359,736	359,736
<b>Total Assets</b>	<b>\$ 760,741</b>	<b>\$ 618,937</b>	<b>\$ 1,379,678</b>

<b>Net Position</b>			
Restricted for:			
Revenue bond debt service	\$ --	\$ 130,013	\$ 130,013
Revenue bond retirement	--	177,823	177,823
Capital outlay	--	51,900	51,900
Unrestricted	760,741	259,201	1,019,942
<b>Total Net Position</b>	<b>\$ 760,741</b>	<b>\$ 618,937</b>	<b>\$ 1,379,678</b>

	<b>December 31, 2022</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 656,435	\$ 195,723	\$ 852,158
Restricted Assets:			
Cash and cash equivalents	--	246,623	246,623
<b>Total Assets</b>	<b>\$ 656,435</b>	<b>\$ 442,346</b>	<b>\$ 1,098,781</b>

<b>Net Position</b>			
Restricted for:			
Revenue bond debt service	\$ --	\$ 27,996	\$ 27,996
Revenue bond retirement	--	171,527	171,527
Capital outlay	--	47,100	47,100
Unrestricted	656,435	195,723	852,158
<b>Total Net Position</b>	<b>\$ 656,435</b>	<b>\$ 442,346</b>	<b>\$ 1,098,781</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Activities – Modified Cash Basis  
For the Year December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General government	\$ 90,833	\$ 2,096	\$ --	\$ 1,619	\$ (87,118)	\$ --	\$ (87,118)
Public safety	57,199	--	--	--	(57,199)	--	(57,199)
Public works	156,102	56,617	26,450	7,843	(65,192)	--	(65,192)
Health and welfare	3,760	--	--	--	(3,760)	--	(3,760)
Culture and recreation	47,273	9,465	--	--	(37,808)	--	(37,808)
Conservation and development	250	--	--	--	(250)	--	(250)
Miscellaneous Expenditures	7,991	17,700	--	--	9,709	--	9,709
Total Governmental Activities	<u>363,408</u>	<u>85,878</u>	<u>26,450</u>	<u>9,462</u>	<u>(241,618)</u>	<u>--</u>	<u>(241,618)</u>
Business-type Activities:							
Water	105,406	154,859	--	--	--	49,453	49,453
Sewer	384,392	166,691	--	--	--	(217,701)	(217,701)
Total Business-Type Activities	<u>489,798</u>	<u>321,550</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(168,248)</u>	<u>(168,248)</u>
Total Primary Government	<u>\$ 853,206</u>	<u>\$ 407,428</u>	<u>\$ 26,450</u>	<u>\$ 9,462</u>	<u>(241,618)</u>	<u>(168,248)</u>	<u>(409,866)</u>
General Revenues:							
Taxes:							
Property tax					126,075	--	126,075
Sales tax					156,470	--	156,470
State shared revenues					4,353	--	4,353
Unrestricted investment earnings					1,172	6,639	7,811
Debt Issued					--	338,200	338,200
Contributions and donations from private sources					26,767	--	26,767
Compensation for loss or damage to capital assets					25,549	--	25,549
Miscellaneous revenue					5,538	--	5,538
Total General Revenues and Transfers					<u>345,924</u>	<u>344,839</u>	<u>690,763</u>
Change in Net Position					104,306	176,591	280,897
<b>Net Position-Beginning of Year</b>					<u>656,435</u>	<u>442,346</u>	<u>1,098,781</u>
<b>Net Position-End of Year</b>					<u>\$ 760,741</u>	<u>\$ 618,937</u>	<u>\$ 1,379,678</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Activities – Modified Cash Basis  
For the Year December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 81,964	\$ 1,970	\$ --	\$ --	\$ (79,994)	\$ --	\$ (79,994)
Public safety	17,219	--	--	--	(17,219)	--	(17,219)
Public works	139,684	55,523	27,807	6,886	(49,468)	--	(49,468)
Health and welfare	1,956	--	--	--	(1,956)	--	(1,956)
Culture and recreation	40,053	8,821	--	--	(31,232)	--	(31,232)
Miscellaneous Expenditures	18,901	17,600	--	--	(1,301)	--	(1,301)
Total Governmental Activities	<u>299,777</u>	<u>83,914</u>	<u>27,807</u>	<u>6,886</u>	<u>(181,170)</u>	<u>--</u>	<u>(181,170)</u>
Business-type Activities:							
Water	101,657	154,743	--	--	--	53,086	53,086
Sewer	66,605	63,765	--	45,808	--	42,968	42,968
Total Business-Type Activities	<u>168,262</u>	<u>218,508</u>	<u>--</u>	<u>45,808</u>	<u>--</u>	<u>96,054</u>	<u>96,054</u>
Total Primary Government	<u>\$ 468,039</u>	<u>\$ 302,422</u>	<u>\$ 27,807</u>	<u>\$ 52,694</u>	<u>(181,170)</u>	<u>96,054</u>	<u>(85,116)</u>
General Revenues:							
Taxes:							
Property tax					116,212	--	116,212
Sales tax					183,753	--	183,753
State shared revenues					5,418	--	5,418
Unrestricted investment earnings					139	790	929
Contributions and donations from private sources					150	--	150
Miscellaneous revenue					836	--	836
Total general Revenues and Transfers					<u>306,508</u>	<u>790</u>	<u>307,298</u>
Change in Net Position					125,338	96,844	222,182
<b>Net Position-Beginning of Year</b>					<u>531,097</u>	<u>345,502</u>	<u>876,599</u>
<b>Net Position-End of Year</b>					<u>\$ 656,435</u>	<u>\$ 442,346</u>	<u>\$ 1,098,781</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Balance Sheet – Modified Cash Basis  
Governmental Funds  
December 31, 2023 and 2022

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	<b>December 31, 2023</b>
	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 760,741
Total Assets	\$ 760,741

<b>Fund Balances</b>	
Unassigned	\$ 760,741
Total Fund Balances	\$ 760,741

	<b>December 31, 2022</b>
	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 656,435
Total Assets	\$ 656,435

<b>Fund Balances</b>	
Unassigned	\$ 656,435
Total Fund Balances	\$ 656,435

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis  
Governmental Funds  
For the Year December 31, 2023

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	<b>General Fund</b>
<b>Revenues:</b>	
Taxes:	
General property taxes	\$ 125,243
General sales and use taxes	156,470
Penalties and interest on delinquent taxes	832
Total Taxes	282,545
Licenses and permits	2,096
Intergovernmental:	
State Grants	1,619
Bank franchise tax	1,384
Motor vehicle commercial prorata	1,993
Liquor tax reversion (25%)	2,969
Motor vehicle licenses	8,336
Local government highway and bridge fund	15,543
County road tax (25%)	578
Total Intergovernmental Revenues	32,422
Charges for goods and services:	
Sanitation	56,617
Culture and recreation	4,380
Total Charges for Goods and Services	60,997
Fines and Forfeits:	
Other	100
Total Fines and Forfeits	100
Miscellaneous revenue:	
Investment earnings	1,172
Rentals	5,085
Special assessments	7,843
Compensation for loss or damage to capital assets	25,549
Contributions and donations from private sources	26,767
Liquor operating agreement income	17,600
Other	538
Total Miscellaneous Revenue	84,554
Total Revenue	\$ 462,714

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis  
Governmental Funds  
For the Year December 31, 2023 (Continued)

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<b>Expenditures:</b>	
Current:	
General government:	
Legislative	11,780
Executive	4,173
Elections	18
Financial administration	72,114
Other	<u>2,748</u>
Total General Government	<u>90,833</u>
Public safety:	
Fire	<u>57,199</u>
Total Public Safety	<u>57,199</u>
Public works:	
Highways and streets	119,719
Sanitation	<u>36,383</u>
Total Public Works	<u>156,102</u>
Health and welfare:	
Health	<u>3,760</u>
Total Health and Welfare	<u>3,760</u>
Culture and recreation	
Parks	5,114
Libraries	19,761
Auditorium	<u>22,398</u>
Total Culture and Recreation	<u>47,273</u>
Conservation and development:	
Economic development and assistance (industrial development)	<u>250</u>
Total Conservation and Development	<u>250</u>
Miscellaneous:	
Liquor operating agreements	<u>7,991</u>
Total Miscellaneous	<u>7,991</u>
Total Expenditures	<u>363,408</u>
Excess of Revenues Over (Under) Expenditures	<u>99,306</u>
Other Financing Sources:	
Sale of Municipal Property	<u>5,000</u>
Total Other Financing Sources	<u>5,000</u>
Net Change in Fund Balance	104,306
<b>Fund Balance - Beginning of Year</b>	<u>656,435</u>
<b>Fund Balance - End of Year</b>	<u>\$ 760,741</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis  
Governmental Funds  
For the Year December 31, 2022

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	<b>General Fund</b>
<b>Revenues:</b>	
Taxes:	
General property tax	\$ 115,699
General sales and use tax	183,753
Penalties and interest on delinquent taxes	513
Total Taxes	299,965
Licenses and permits	1,970
Intergovernmental:	
State grants	1,804
State Shared Revenue:	
Bank franchise tax	2,391
Prorate license feeds	1,972
Liquor tax reversion (25%)	3,027
Motor vehicle licenses	8,337
Local government highway and bridge fund	15,116
County Shared Revenue:	
County road tax (25%)	578
Total Intergovernmental Revenues	33,225
Charges for Goods and Services:	
Sanitation	55,523
Culture and recreation	3,830
Total Charges for Goods and Services	59,353
Fines and Forfeits:	
Other	25
Total Fines and Forfeits	25
Miscellaneous Revenue:	
Investment earnings	139
Rentals	4,991
Special assessments	6,886
Contributions and donations from private sources	150
Liquor operating agreement income	17,600
Other	611
Total Miscellaneous Revenue	30,377
Total Revenue	\$ 424,915

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis  
Governmental Funds  
For the Year December 31, 2022 (Continued)

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<b>Expenditures:</b>	
General Government:	
Legislative	\$ 10,313
Executive	2,841
Elections	17
Financial administration	62,431
Building repairs	6,362
Total General Government	81,964
Public Safety:	
Fire	17,219
Total Public Safety	17,219
Public Works:	
Highways and streets	104,603
Sanitation	35,081
Total Public Works	139,684
Health and Welfare:	
Health	1,956
Total Health and Welfare	1,956
Culture and Recreation:	
Parks	4,548
Libraries	12,421
Auditorium	23,084
Total Culture and Recreation	40,053
Miscellaneous:	
Liquor operating agreements	18,901
Total Miscellaneous	18,901
Total Expenditures	299,777
Excess of Revenues Over (Under) Expenditures	125,138
Other Financing Sources (Uses):	
Sale of municipal property	200
Total Other Financing Sources (Uses)	200
Net Change in Fund Balance	125,338
<b>Fund Balance - Beginning of Year</b>	531,097
<b>Fund Balance - End of Year</b>	\$ 656,435

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Net Position – Modified Cash Basis  
Proprietary Funds  
December 31, 2023

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	December 31, 2023		
	Water Fund	Sewer Fund	Totals
<b>Assets</b>			
Unrestricted Assets:			
Cash and cash equivalents	\$ 147,363	\$ 111,838	\$ 259,201
Restricted Assets:			
Restricted cash and cash equivalents for:			
Bond debt service	16,272	113,741	130,013
Bond retirement	105,043	72,780	177,823
Capital outlay	19,200	32,700	51,900
Total restricted assets	140,515	219,221	359,736
Total Assets	\$ 287,878	\$ 331,059	\$ 618,937
 <b>Net Position</b>			
Restricted for:			
Revenue bond debt service	\$ 16,272	\$ 113,741	\$ 130,013
Revenue bond retirement	105,043	72,780	177,823
Capital outlay	19,200	32,700	51,900
Unrestricted	147,363	111,838	259,201
Total Net Position	\$ 287,878	\$ 331,059	\$ 618,937

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Net Position – Modified Cash Basis  
Proprietary Funds  
December 31, 2022

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	December 31, 2022		
	Water Fund	Sewer Fund	Totals
<b>Assets</b>			
Unrestricted Assets:			
Cash and cash equivalents	\$ 101,007	\$ 94,716	\$ 195,723
Restricted Assets:			
Restricted cash and cash equivalents for:			
Bond debt service	16,272	11,724	27,996
Bond retirement	101,378	70,149	171,527
Capital outlay	16,800	30,300	47,100
Total restricted assets	134,450	112,173	246,623
Total Assets	\$ 235,457	\$ 206,889	\$ 442,346
 <b>Net Position</b>			
Restricted for:			
Revenue bond debt service	\$ 16,272	\$ 11,724	\$ 27,996
Revenue bond retirement	101,378	70,149	171,527
Capital outlay	16,800	30,300	47,100
Unrestricted	101,007	94,716	195,723
Total Net Position	\$ 235,457	\$ 206,889	\$ 442,346

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis  
Proprietary Funds  
For the Year Ended December 31, 2023

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Charges for goods and services	\$ 134,622	\$ 50,319	\$ 184,941
Revenue dedicated to servicing debt	19,937	116,372	136,309
Miscellaneous	300	--	300
<b>Total Operating Revenues</b>	<b>154,859</b>	<b>166,691</b>	<b>321,550</b>
<b>Operating Expenses:</b>			
Personal services	25,258	22,803	48,061
Other current expense	6,649	11,665	18,314
Supplies & materials	57,227	--	57,227
<b>Total Operating Expenses</b>	<b>89,134</b>	<b>34,468</b>	<b>123,602</b>
<b>Operating Income</b>	<b>65,725</b>	<b>132,223</b>	<b>197,948</b>
<b>Nonoperating Revenues (Expenses):</b>			
Capital assets	--	(338,200)	(338,200)
Investment income	2,968	3,671	6,639
Debt service	(8,398)	(8,350)	(16,748)
Interest expense	(7,874)	(3,374)	(11,248)
Long-Term Debt Issued	--	338,200	338,200
<b>Total Nonoperating (Expense)</b>	<b>(13,304)</b>	<b>(8,053)</b>	<b>(21,357)</b>
<b>Change in Net Position</b>	<b>52,421</b>	<b>124,170</b>	<b>176,591</b>
<b>Fund Balance - Beginning of Year</b>	<b>235,457</b>	<b>206,889</b>	<b>442,346</b>
<b>Fund Balance - End of Year</b>	<b>\$ 287,878</b>	<b>\$ 331,059</b>	<b>\$ 618,937</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis  
Proprietary Funds  
For the Year Ended December 31, 2022

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Charges for goods and services	\$ 135,004	\$ 49,915	\$ 184,919
Revenue dedicated to servicing debt	19,739	13,850	33,589
<b>Total Operating Revenues</b>	<b>154,743</b>	<b>63,765</b>	<b>218,508</b>
<b>Operating Expenses:</b>			
Personal services	23,011	23,011	46,022
Other current expense	4,353	31,870	36,223
Supplies & materials	54,616	--	54,616
<b>Total Operating Expenses</b>	<b>81,980</b>	<b>54,881</b>	<b>136,861</b>
<b>Operating Income</b>	<b>72,763</b>	<b>8,884</b>	<b>81,647</b>
<b>Nonoperating Revenues (Expenses):</b>			
Capital assets	(3,405)	--	(3,405)
ARPA grant	--	45,808	45,808
Investment income	353	437	790
Debt service	(8,171)	(8,144)	(16,315)
Interest expense	(8,101)	(3,580)	(11,681)
<b>Total Nonoperating Revenue (Expense)</b>	<b>(19,324)</b>	<b>34,521</b>	<b>15,197</b>
<b>Change in Net Position</b>	<b>53,439</b>	<b>43,405</b>	<b>96,844</b>
<b>Fund Balance - Beginning of Year</b>	<b>182,018</b>	<b>163,484</b>	<b>345,502</b>
<b>Fund Balance - End of Year</b>	<b>\$ 235,457</b>	<b>\$ 206,889</b>	<b>\$ 442,346</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Cash Flows – Modified Cash Basis  
Proprietary Funds  
December 31, 2023

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>			
Receipt from customers	\$ 154,859	\$ 166,691	\$ 321,550
Payments to suppliers	(63,876)	(11,665)	(75,541)
Payments to employees	(25,258)	(22,803)	(48,061)
<b>Net Cash Provided by Operating Activities</b>	<u>65,725</u>	<u>132,223</u>	<u>197,948</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from Capital Debt	--	338,200	338,200
Purchase of Capital Assets	--	(338,200)	(338,200)
Principal Paid on Capital Debt	(8,398)	(8,350)	(16,748)
Interest Paid on Capital Debt	(7,874)	(3,374)	(11,248)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(16,272)</u>	<u>(11,724)</u>	<u>(27,996)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest earnings	2,968	3,671	6,639
<b>Net Cash Provided by Investing Activities</b>	<u>2,968</u>	<u>3,671</u>	<u>6,639</u>
Net Increase in Cash and Cash Equivalents	52,421	124,170	176,591
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>235,457</u>	<u>206,889</u>	<u>442,346</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 287,878</u>	<u>\$ 331,059</u>	<u>\$ 618,937</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$ 65,725	\$ 132,223	\$ 197,948
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 65,725</u>	<u>\$ 132,223</u>	<u>\$ 197,948</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Statement of Cash Flows – Modified Cash Basis  
Proprietary Funds  
December 31, 2022

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>			
Receipt from customers	\$ 154,743	\$ 63,765	\$ 218,508
Payments to suppliers	(58,969)	(31,870)	(90,839)
Payments to employees	(23,011)	(23,011)	(46,022)
<b>Net Cash Provided by Operating Activities</b>	<u>72,763</u>	<u>8,884</u>	<u>81,647</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Grants	--	45,808	45,808
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>--</u>	<u>45,808</u>	<u>45,808</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchase of Capital Assets	(3,405)	--	(3,405)
Principal Paid on Capital Debt	(8,171)	(8,144)	(16,315)
Interest Paid on Capital Debt	(8,101)	(3,580)	(11,681)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(19,677)</u>	<u>(11,724)</u>	<u>(31,401)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest earnings	353	437	790
<b>Net Cash Provided by Investing Activities</b>	<u>353</u>	<u>437</u>	<u>790</u>
Net Increase in Cash and Cash Equivalents	53,439	43,405	96,844
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>182,018</u>	<u>163,484</u>	<u>345,502</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 235,457</u>	<u>\$ 206,889</u>	<u>\$ 442,346</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	<u>\$ 72,763</u>	<u>\$ 8,884</u>	<u>\$ 81,647</u>
Net Cash Provided by Operating Activities	<u>\$ 72,763</u>	<u>\$ 8,884</u>	<u>\$ 81,647</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**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 Municipality:

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

b. Basis of Presentation:

**Government-wide Financial Statements:**

The Statements of Net Position and Statements of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity. 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 Statements of Activities present 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 Municipality are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Municipality or it meets the following criteria:

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**1. Summary of Significant Accounting Policies: (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's financial reporting Municipality 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 considered to be 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.

1. The activity is financed with debt that is secured solely by 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.)
2. Laws or regulations require that the activity's costs of providing service, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
3. 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.

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**1. Summary of Significant Accounting Policies: (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.

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:**

Government-wide Financial Statements:

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

Fund Financial Statements:

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

**Basis of Accounting:**

In the government-wide Statement of Net Position and Statements 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, the statement of financial position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed, and assets and liabilities are recognized to the extent that cash has been received or disbursed. An acceptable modification to the cash basis of accounting implemented by the Municipality is these financial statements is:

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**1. Summary of Significant Accounting Policies: (Continued)**

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

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

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

d. Deposits and Investments:

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity of 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. Capital Assets:

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

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

**Government-Wide Financial Statements:**

Under the modified cash basis of accounting, capital assets are considered a cost of the program for which they were acquired, for the amount paid in cash. In the Statement of Activities, cash payments for capital assets are recorded in the program category for which they were acquired. Allocations between programs are made, where necessary to match the cost with the program that benefits from the use of the capital assets.

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**1. Summary of Significant Accounting Policies: (Continued)**

**Fund Financial Statements:**

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as expenditures of the governmental fund when paid for in cash. Capital assets acquired for use in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

f. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, Revenue Bonds, and SRF Loans.

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

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

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the 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 particular program.

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**1. Summary of Significant Accounting Policies: (Continued)**

h. Proprietary Funds Revenue and Expense Classifications:

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

i. Cash and Cash Equivalents:

The 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 Statements of Cash Flows.

j. Equity Classifications:

**Government-wide Financial Statements:**

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

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position – All other net position that does not meet the definition of Restricted Net Position.

**Fund Financial Statements:**

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

k. Application of Net Position:

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

l. 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:

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**1. Summary of Significant Accounting Policies: (Continued)**

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 nor committed. Fund Balance may be assigned by the governing body or Finance Officer.

Unassigned – included 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 Government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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

**2. Deposits and Investments Credit Risk, Concentrations of Credit Risk, and Interest Rate Risk:**

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

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

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**2. Deposits and Investments Credit Risk, Concentrations of Credit Risk, and Interest Rate Risk: (Continued)**

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

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

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

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 securities 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 investments to the fund making the investment.

**3. 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 real property in the Municipality.

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**4. Pension Plan:**

a. Plan Information:

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

b. Benefits Provided:

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

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

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

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**4. Pension Plan: (Continued)**

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

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

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

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

c. Contributions:

Per SDCL 3-12, contribution requirements of the active employees and 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% of salary; Class B Judicial Members, 9% of salary; and Class B Public Safety Members, 8% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2023, 2022, and 2021 were \$6,437, \$5,871, and \$5,487, respectively, equal to the required contributions each year.

d. Pension (Asset):

At June 30, 2023, SDRS is 100.1% 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 this measurement period ending June 30, 2023 and reported by the Municipality as of December 31, 2023 are as follows:

	<b>2023</b>
Proportionate share of pension liability	\$ 576,440
Less proportionate share of net pension restricted for pension benefits	(576,828)
Proportionate share of net pension liability (asset)	\$ (388)

The net pension (asset) was measured as of June 30, 2023, and the total pension (asset) used to calculate the net pension (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Municipality's proportion was 0.00397800% which is a decrease of 0.0000700% from its proportion measured as of June 30, 2022.

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**4. Pension Plan: (Continued)**

e. Actuarial Assumptions:

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

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

Mortality Rates:

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

Active and Terminated vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010  
Other Class A Members: PubG-2010  
Public Safety Members: PubS-2010

Retired Members:

Teachers, Certified Regents, and Judicial Retirees: PubT-210, 108% of rates above age 65  
Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above  
Public Safety Retirees: PubS-210, 102% of rates at all ages

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-210 disabled member mortality table  
Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July, 1, 2016, to June 30, 2022.

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

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**4. Pension Plan: (Continued)**

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, 2023 (see the discussion of the investment plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	1.7%
High Yield Debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9%	0.8%
Total	100.0%	

f. Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at 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).

g. Sensitivity of Liability (Asset) to Changes in the Discount Rate:

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

	1% Decrease	Current Discount Rate	1% Increase
Municipality's proportionate share of the net pension liability (asset)	\$ 79,582	\$ (388)	\$ (65,789)

h. Pension Plan Fiduciary Net Position:

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

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**5. Risk Management:**

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2023, the Municipality managed its risks as:

Employee Health Insurance:

The Municipality purchases health insurance for its employees from a commercial insurance carrier. Settled claims 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, with the exception of the Fire Department which is insured in a separate policy as a separate named Municipality, from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Workers' Compensation:

The Municipality joined the South Dakota Municipal League Workers' Compensation Fund (Fund), a public Municipality risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of workers' compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Municipality's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any workers' compensation claims.

The Municipality pays an annual premium, to provide workers' compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first \$650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of \$2,000,000 per incident.

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

Unemployment Benefits:

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

**Municipality of Wilmot**  
Notes to the Modified Cash Basis Financial Statements  
December 31, 2023 and 2022

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**6. Violations of Finance-Related Legal and Contractual Provisions:**

The City 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.

<b>General Fund</b>	<b>Year Ended</b>
Activity:	12/31/2023
Fire	\$24,999

## **Supplemental Information**

**Municipality of Wilmot**  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property tax	\$ 126,059	\$ 126,059	\$ 125,243	\$ (816)
General sales and use tax	160,509	160,509	156,470	(4,039)
Amusement tax	40	40	--	(40)
Penalties and interest on delinquent taxes	150	150	832	682
Total Taxes	<u>286,758</u>	<u>286,758</u>	<u>282,545</u>	<u>(4,213)</u>
Licenses and permits	550	550	2,096	1,546
Intergovernmental:				
State grants	--	--	1,619	1,619
State Shared Revenue:				
Bank franchise tax	2,000	2,000	1,384	(616)
Prorate license feeds	1,800	1,800	1,993	193
Liquor tax reversion (25%)	3,300	3,300	2,969	(331)
Motor vehicle licenses	7,000	7,000	8,336	1,336
Local government highway and bridge fund	14,250	14,250	15,543	1,293
County road tax (25%)	577	577	578	1
Total Intergovernmental Revenues	<u>28,927</u>	<u>28,927</u>	<u>32,422</u>	<u>3,495</u>
Charges for Goods and Services:				
Sanitation	51,230	51,230	56,617	5,387
Culture and recreation	2,000	2,000	4,380	2,380
Total Charges for Goods and Services	<u>53,230</u>	<u>53,230</u>	<u>60,997</u>	<u>7,767</u>
Fines and Forfeits:				
Animal control fines	800	800	--	(800)
Library	5,660	5,660	--	(5,660)
Other	--	--	100	100
Total Fines and Forfeits	<u>6,460</u>	<u>6,460</u>	<u>100</u>	<u>(6,360)</u>
Miscellaneous Revenue:				
Investment earnings	150	150	1,172	1,022
Rentals	4,860	4,860	5,085	225
Special assessments	6,400	6,400	7,843	1,443
Compensation for loss or damage to capital assets	--	--	25,549	25,549
Contributions and donations from private sources	20,000	20,000	26,767	6,767
Liquor operating agreement income	17,600	17,600	17,600	--
Other	500	500	538	38
Total Miscellaneous Revenue	<u>49,510</u>	<u>49,510</u>	<u>84,554</u>	<u>35,044</u>
Total Revenue	<u>\$ 425,435</u>	<u>\$ 425,435</u>	<u>\$ 462,714</u>	<u>\$ 37,279</u>

See accompanying Note to Budgetary Comparison Schedules.

**Municipality of Wilmot**  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 December 31, 2023 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures:				
General Government:				
Legislative	\$ 14,982	\$ 15,832	\$ 11,780	\$ 4,052
Contingency	21,276	21,276	--	21,276
Amount Transferred	--	(21,276)	--	(21,276)
Executive	3,961	4,396	4,173	223
Elections	700	700	18	682
Financial administration	71,307	81,007	72,114	8,893
Buildings repairs	7,000	7,000	2,748	4,252
Total General Government	<u>119,226</u>	<u>108,935</u>	<u>90,833</u>	<u>18,102</u>
Public Safety:				
Fire	<u>18,700</u>	<u>32,200</u>	<u>57,199</u>	<u>(24,999)</u>
Total Public Safety	<u>18,700</u>	<u>32,200</u>	<u>57,199</u>	<u>(24,999)</u>
Public Works:				
Highways and streets	133,540	133,540	119,719	13,821
Sanitation	<u>50,475</u>	<u>50,475</u>	<u>36,383</u>	<u>14,092</u>
Total Public Works	<u>184,015</u>	<u>184,015</u>	<u>156,102</u>	<u>27,913</u>
Health and Welfare:				
Health	<u>2,300</u>	<u>3,800</u>	<u>3,760</u>	<u>40</u>
Total Health and Welfare	<u>2,300</u>	<u>3,800</u>	<u>3,760</u>	<u>40</u>
Culture and Recreation:				
Parks	5,963	5,963	5,114	849
Libraries	22,481	25,486	19,761	5,725
Auditorium	<u>58,100</u>	<u>58,100</u>	<u>22,398</u>	<u>35,702</u>
Total Culture and Recreation	<u>86,544</u>	<u>89,549</u>	<u>47,273</u>	<u>42,276</u>
Conservation and Development:				
Urban redevelopment and housing	5,000	5,000	--	5,000
Economic development and assistance	<u>250</u>	<u>250</u>	<u>250</u>	<u>--</u>
Total Conservation and Development	<u>5,250</u>	<u>5,250</u>	<u>250</u>	<u>5,000</u>
Miscellaneous:				
Liquor operating agreements	<u>9,500</u>	<u>9,500</u>	<u>7,991</u>	<u>1,509</u>
Total Miscellaneous	<u>9,500</u>	<u>9,500</u>	<u>7,991</u>	<u>1,509</u>
Total Expenditures	<u>425,535</u>	<u>433,249</u>	<u>363,408</u>	<u>69,841</u>
Excess of Revenues Over (Under) Expenditures	(100)	(7,814)	99,306	107,120
Other Financing Sources (Uses):				
Sale of municipal property	<u>100</u>	<u>100</u>	<u>5,000</u>	<u>4,900</u>
Total Other Financing Sources (Uses)	<u>100</u>	<u>100</u>	<u>5,000</u>	<u>4,900</u>
Net Change in Fund Balance	--	(7,714)	104,306	112,020
<b>Beginning Budgetary Fund Balance</b>	<u>656,435</u>	<u>656,435</u>	<u>656,435</u>	<u>--</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 656,435</u>	<u>\$ 648,721</u>	<u>\$ 760,741</u>	<u>\$ 112,020</u>

See accompanying Note to Budgetary Comparison Schedules.

**Municipality of Wilmot**  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property tax	\$ 117,000	\$ 117,000	\$ 115,699	\$ (1,301)
General sales and use tax	144,010	144,010	183,753	39,743
Amusement tax	60	60	--	(60)
Penalties and interest on delinquent taxes	150	150	513	363
Total Taxes	<u>261,220</u>	<u>261,220</u>	<u>299,965</u>	<u>38,745</u>
Licenses and permits	420	420	1,970	1,550
Intergovernmental:				
State grants	--	--	1,804	1,804
State Shared Revenue:				
Bank franchise tax	1,400	1,400	2,391	991
Prorate license feeds	1,700	1,700	1,972	272
Liquor tax reversion (25%)	3,200	3,200	3,027	(173)
Motor vehicle licenses	7,650	7,650	8,337	687
Local government highway and bridge fund	14,250	14,250	15,116	866
County Shared Revenue:				
County road tax (25%)	577	577	578	1
Total Intergovernmental Revenues	<u>28,777</u>	<u>28,777</u>	<u>33,225</u>	<u>4,448</u>
Charges for Goods and Services:				
Sanitation	51,230	51,230	55,523	4,293
Culture and recreation	1,500	1,500	3,830	2,330
Total Charges for Goods and Services	<u>52,730</u>	<u>52,730</u>	<u>59,353</u>	<u>6,623</u>
Fines and Forfeits:				
Animal control fines	500	500	--	(500)
Library	5,140	5,140	--	(5,140)
Other	--	--	25	25
Total Fines and Forfeits	<u>5,640</u>	<u>5,640</u>	<u>25</u>	<u>(5,615)</u>
Miscellaneous Revenue:				
Investment earnings	20	20	139	119
Rentals	4,860	4,860	4,991	131
Special assessments	6,400	6,400	6,886	486
Contributions and donations from private sources	--	--	150	150
Liquor operating agreement income	17,600	17,600	17,600	--
Other	500	500	611	111
Total Miscellaneous Revenue	<u>29,380</u>	<u>29,380</u>	<u>30,377</u>	<u>997</u>
Total Revenue	<u>\$ 378,167</u>	<u>\$ 378,167</u>	<u>\$ 424,915</u>	<u>\$ 46,748</u>

See accompanying Note to Budgetary Comparison Schedules.

**Municipality of Wilmot**  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 December 31, 2022 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General Government:				
Legislative	\$ 13,212	\$ 15,212	\$ 10,313	\$ 4,899
Contingency	18,913	18,913	--	18,913
Amount Transferred	--	(18,913)	--	(18,913)
Executive	2,743	3,043	2,841	202
Elections	700	700	17	683
Financial administration	68,372	68,922	62,431	6,491
Building repairs	7,000	7,000	6,362	638
Total General Government	<u>110,940</u>	<u>94,877</u>	<u>81,964</u>	<u>12,913</u>
Public Safety:				
Fire	<u>15,936</u>	<u>18,186</u>	<u>17,219</u>	<u>967</u>
Total Public Safety	<u>15,936</u>	<u>18,186</u>	<u>17,219</u>	<u>967</u>
Public Works:				
Highways and streets	144,091	144,191	104,603	39,588
Sanitation	<u>46,888</u>	<u>51,688</u>	<u>35,081</u>	<u>16,607</u>
Total Public Works	<u>190,979</u>	<u>195,879</u>	<u>139,684</u>	<u>56,195</u>
Health and Welfare:				
Health	<u>500</u>	<u>2,304</u>	<u>1,956</u>	<u>348</u>
Total Health and Welfare	<u>500</u>	<u>2,304</u>	<u>1,956</u>	<u>348</u>
Culture and Recreation:				
Parks	3,954	5,454	4,548	906
Libraries	20,608	20,608	12,421	8,187
Auditorium	<u>22,250</u>	<u>26,013</u>	<u>23,084</u>	<u>2,929</u>
Total Culture and Recreation	<u>46,812</u>	<u>52,075</u>	<u>40,053</u>	<u>12,022</u>
Conservation and Development:				
Economic development and assistance	2,000	2,000	--	2,000
Economic opportunity	<u>250</u>	<u>250</u>	<u>--</u>	<u>250</u>
Total Conservation and Development	<u>2,250</u>	<u>2,250</u>	<u>--</u>	<u>2,250</u>
Debt service				
Liquor operating agreements	<u>10,850</u>	<u>21,950</u>	<u>18,901</u>	<u>3,049</u>
Total Miscellaneous	<u>10,850</u>	<u>21,950</u>	<u>18,901</u>	<u>3,049</u>
Total Expenditures	<u>378,267</u>	<u>387,521</u>	<u>299,777</u>	<u>87,744</u>
Excess of Revenues Over (Under) Expenditures	<u>(100)</u>	<u>(9,354)</u>	<u>125,138</u>	<u>134,492</u>
Other Financing Sources (Uses):				
Sale of municipal property	<u>100</u>	<u>100</u>	<u>200</u>	<u>100</u>
Total Other Financing Sources (Uses)	<u>100</u>	<u>100</u>	<u>200</u>	<u>100</u>
Net Change in Fund Balance	--	(9,254)	125,338	134,592
<b>Beginning Budgetary Fund Balance</b>	<u>531,097</u>	<u>531,097</u>	<u>531,097</u>	<u>--</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 531,097</u>	<u>\$ 521,843</u>	<u>\$ 656,435</u>	<u>\$ 134,592</u>

See accompanying Note to Budgetary Comparison Schedules.

**Municipality of Wilmot**  
Notes to Budgetary Comparison Schedules  
December 31, 2023 and 2022

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**Note 1:** Budgets and Budgetary Accounting:

The Municipality follows these procedures in establishing the budgetary data reflected in the schedules:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year end unless encumbered by resolution of the Governing Board.
6. 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.
7. The Municipality did not encumber any amounts at December 31, 2023 or 2022.
8. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
9. The Municipality of Wilmot presents its budget on the modified cash basis of accounting to coincide with the basis of accounting utilized by the basic financial statements. See Note 1 to the basic financial statements for a definition of modified cash basis.

**Municipality of Wilmot**  
Schedule of Changes in Long-Term Debt  
December 31, 2023 and 2022

<u>Indebtedness</u>	<b>December 31, 2023</b>			
	<u>Long-Term Debt 1/1/23</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt 12/31/23</u>
Enterprise Long-Term Debt:				
Revenue bonds	\$ 428,914	\$ --	\$ 16,748	\$ 412,166
SRF Loan	--	338,200	--	338,200
Total Long-Term Debt:	<u>\$ 428,914</u>	<u>\$ 338,200</u>	<u>\$ 16,748</u>	<u>\$ 750,366</u>

<u>Indebtedness</u>	<b>December 31, 2022</b>			
	<u>Long-Term Debt 1/1/22</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt 12/31/22</u>
Enterprise Long-Term Debt:				
Revenue bonds	\$ 445,229	\$ --	\$ 16,315	\$ 428,914
Total Long-Term Debt:	<u>\$ 445,229</u>	<u>\$ --</u>	<u>\$ 16,315</u>	<u>\$ 428,914</u>

The annual requirements to amortize all debt outstanding as of December 31, 2023 including interest, are listed below:

<u>Years Ending Dec. 31,</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 17,400	\$ 10,800
2025	17,900	10,300
2026	18,400	9,900
2027	18,900	9,400
2028	19,400	8,900
2029	19,900	8,400
Thereafter	638,466	65,673
Total	<u>\$ 750,366</u>	<u>\$ 123,373</u>

**Municipality of Wilmot**  
Schedule of Changes in Long-Term Debt  
December 31, 2023 and 2022

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Notes Payable or Other Long-Term Debt	<b>2023</b>
<b>Rural Development Debt:</b>	\$ 130,422
Sewer Utility Revenue Bond, Series 2015	
Use of proceeds: Sewer Improvements Project	
Interest rate: 2.5% Fixed	
Maturity date: 2055 (anticipated)	
Fund servicing debt: Sewer	
<b>Rural Development Debt:</b>	281,744
Water Utility Revenue Bond, Series 2015	
Use of proceeds: Water Improvements Project	
Interest rate: 2.75% Fixed	
Maturity date: 2055 (anticipated)	
Fund servicing debt: Water	
<b>State Relvolving Fund Debt:</b>	338,200
Use of proceeds: Wastewater Collection Improvements Project	
Interest rate: 2.125% Fixed	
Maturity date: 2055 (anticipated)	
Fund servicing debt: Sewer	
	\$ 750,366
Notes Payable or Other Long-Term Debt	<b>2022</b>
<b>Rural Development Debt:</b>	\$ 138,772
Sewer Utility Revenue Bond, Series 2015	
Use of proceeds: Sewer Improvements Project	
Interest rate: 2.5% Fixed	
Maturity date: 2055 (anticipated)	
Fund servicing debt: Sewer	
<b>Rural Development Debt:</b>	290,142
Water Utility Revenue Bond, Series 2015	
Use of proceeds: Water Improvements Project	
Interest rate: 2.75% Fixed	
Maturity date: 2055 (anticipated)	
Fund servicing debt: Water	
	\$ 428,914

**Municipality of Wilmot**  
Schedule of Proportionate Share of the Net Pension Liability (Asset)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Municipality's proportion of the net pension liability (asset)	0.003978%	0.004048%	0.003836%	0.004373%	0.004417%	0.004161%	0.003937%	0.004534%	0.004184%
Municipality's proportionate share of net pension liability (asset)	<u>\$ (388)</u>	<u>\$ (383)</u>	<u>\$ (29,377)</u>	<u>\$ (190)</u>	<u>\$ (468)</u>	<u>\$ (97)</u>	<u>\$ (357)</u>	<u>\$ 15,316</u>	<u>\$ (17,744)</u>
Municipality's covered payroll	<u>\$ 102,604</u>	<u>\$ 96,648</u>	<u>\$ 87,057</u>	<u>\$ 95,977</u>	<u>\$ 93,906</u>	<u>\$ 86,017</u>	<u>\$ 81,203</u>	<u>\$ 83,217</u>	<u>\$ 75,413</u>
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.38%	0.40%	33.74%	0.20%	0.50%	0.11%	0.44%	18.40%	23.53%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.10%	100.10%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%

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

See accompanying Note to Schedule of Proportionate Share of the Net Pension Liability (Asset).

**Municipality of Wilmot**  
Notes to Schedule of Proportionate Share of the Net Pension Liability (Asset)  
December 31, 2023 and 2022

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Changes from Prior Valuation:

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

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

Benefit Provision Changes:

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

Actuarial Method Changes:

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

Actuarial Assumption Changes:

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

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

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

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