

MUNICIPALITY OF WORTHING
WORTHING, SOUTH DAKOTA

AUDIT REPORT

FOR THE YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023
AND
FOR THE YEAR JANUARY 1, 2024 TO DECEMBER 31, 2024

Schoenfish & Co., Inc.

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

MUNICIPALITY OF WORTHING

MUNICIPAL OFFICIALS
DECEMBER 31, 2024

MUNICIPAL COMMISSION:

Crystal Jacobson – Mayor
Eric Bunkers
Jenn Edwards
Albert Oliver
Russ Olson

FINANCE OFFICER:

Heath McManaman

ATTORNEY:

Brenda Ask of Frieberg, Nelson & Ask, L.L.P.

Schoenfish & Co., Inc.

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

Governing Board
Municipality of Worthing
Worthing, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Worthing, South Dakota (Municipality), as of December 31, 2024, and 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 November 12, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2024-001 to be a material weakness.

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 and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Municipality's Response to Findings

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



Schoenfish & Co., Inc.
Certified Public Accountants
November 12, 2025

Schoenfish & Co., Inc.

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

Governing Board
Municipality of Worthing
Worthing, South Dakota

Report on Compliance for Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Purpose of this Report

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



Schoenfish & Co., Inc.
Certified Public Accountants
November 12, 2025

Schoenfish & Co., Inc.

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SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2022-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2024-001.

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

- a. An unmodified opinion was issued on the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information opinion units.
- b. A material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties for revenues as discussed in finding number 2024-001.
- c. Our audit did not disclose noncompliance which was material to the financial statements.

Federal Awards:

- d. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- e. Our audit did not disclose any audit findings that need to be disclosed in accordance with 2 CFR 200.516(a).
- f. The federal awards tested as major programs were:
 - 1. Coronavirus State and Local Fiscal Recovery Funds ALN 21.027
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- h. The Municipality of Worthing did not qualify as a low-risk auditee.

CURRENT OTHER AUDIT FINDINGS:Internal Control – Related Finding – Material Weakness:Finding Number 2024-001:Condition:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This is a continuing audit comment since 2001.

Criteria:

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

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

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SCHEDULE OF CURRENT AUDIT FINDINGS
(Continued)

Cause of Condition:

The Finance Officer processes all revenue transactions from beginning to end. The Finance Officer also receives money, issues receipts, records receipts, posts receipts in the accounting records, prepares bank deposits, reconciles bank statements, and prepares financial statements. A lack of proper segregation of duties existed for the revenues resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Potential Effect of Condition:

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

Recommendation:

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

CLOSING CONFERENCE

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

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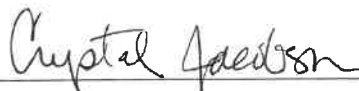
CORRECTIVE ACTION PLAN

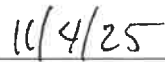
Finding Number 2024-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues.

Planned Corrective Action:

The City of Worthing is aware of the lack of proper segregation of duties as noted in the comment. Due to the size of the municipality, and its budget constraints, the City is unable to hire staff at the level required to properly segregate duties as would be needed for compliance. The City will continue to work on implementing further policies and controls that will assist in minimizing future risk.


Crystal Jacobson, Mayor


Date


Heath McManaman, Finance Officer


Date

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Municipality of Worthing
Worthing, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis of accounting financial statements of the governmental activities, the business-type activities, and each major fund of the Municipality of Worthing, South Dakota (Municipality), as of December 31, 2024, and 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 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 the Municipality of Worthing as of December 31, 2024, and December 31, 2023, and the respective changes in financial position thereof for the years in the biennial period then ended in accordance with the 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 qualified 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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1.c.; this includes determining that the 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 cash basis of accounting financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the cash basis of accounting financial statements that collectively comprise the Municipality's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by Title 2 U.S. Code of Federal

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Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Budgetary Comparison Schedules, Schedule of Long-term Liabilities, the Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Municipal Contributions are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, the Budgetary Comparison Schedules, Schedule of Long-term Liabilities, the Schedule of the Municipality's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Municipal Contributions is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2025 on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Municipality's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
November 12, 2025

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MUNICIPALITY OF WORTHING
STATEMENT OF NET POSITION - CASH BASIS
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	494,833.78	839,145.36	1,333,979.14
TOTAL ASSETS	494,833.78	839,145.36	1,333,979.14
NET POSITION:			
Restricted for City Promotion	49,442.46		49,442.46
Unrestricted	445,391.32	839,145.36	1,284,536.68
TOTAL NET POSITION	494,833.78	839,145.36	1,333,979.14

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

MUNICIPALITY OF WORTHING
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2024

Functions/Programs	Program Receipts			Net (Disbursements) Receipts and Changes in Net Position			
	Disbursements	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	232,513.43	7,162.24			(225,351.19)		(225,351.19)
Public Safety	101,145.51				(101,145.51)		(101,145.51)
Public Works	221,003.90		18,061.74	57,704.04	(145,238.12)		(145,238.12)
Health and Welfare	13,056.47		1,514.00		(11,542.47)		(11,542.47)
Culture and Recreation	31,804.00	2,800.00			(29,004.00)		(29,004.00)
Conservation and Development	16,636.38	14,006.59			(2,629.79)		(2,629.79)
Miscellaneous Disbursements	99.33				(99.33)		(99.33)
Total Governmental Activities	616,259.02	23,968.83	19,575.74	57,704.04	(515,010.41)	0.00	(515,010.41)
Business-type Activities:							
Water	200,074.32	207,195.80				7,121.48	7,121.48
Sewer	4,309,874.78	272,703.77		2,393,142.79	(1,644,028.22)		(1,644,028.22)
Solid Waste	54,791.80	77,182.87				22,391.07	22,391.07
Total Business-Type Activities	4,564,740.90	557,082.44	0.00	2,393,142.79	(1,614,515.67)	(1,614,515.67)	(1,614,515.67)
Total Primary Government	5,180,999.92	581,051.27	19,575.74	2,450,846.83	(515,010.41)	(1,614,515.67)	(2,129,526.08)
General Receipts:							
Taxes:							
Property Taxes					300,330.36		300,330.36
Sales Taxes					273,406.98		273,406.98
State Shared Receipts					10,376.56		10,376.56
Grants and Contributions not Restricted to Specific Programs					3,700.00		3,700.00
Unrestricted Investment Earnings					35,425.74		35,425.74
Liabilities Issued					15,850.00	1,744,883.00	1,760,733.00
Miscellaneous Receipts					22,398.18		22,398.18
Total General Receipts					661,487.82	1,744,883.00	2,406,370.82
Change in Net Position					146,477.41	130,367.33	276,844.74
Net Position - Beginning					348,356.37	708,778.03	1,057,134.40
NET POSITION - ENDING					494,833.78	839,145.36	1,333,979.14

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

**MUNICIPALITY OF WORTHING
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2024**

	General Fund	Gross Receipts Fund	Total
ASSETS:			
Cash and Cash Equivalents	445,391.32	49,442.46	494,833.78
TOTAL ASSETS	<u>445,391.32</u>	<u>49,442.46</u>	<u>494,833.78</u>
FUND BALANCES:			
Restricted for City Promotion		49,442.46	49,442.46
Assigned for Recreation	10,501.25		10,501.25
Assigned for Civic Center	43,124.27		43,124.27
Unassigned	391,765.80		391,765.80
TOTAL FUND BALANCES	<u>445,391.32</u>	<u>49,442.46</u>	<u>494,833.78</u>

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

MUNICIPALITY OF WORTHING
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General Fund	Gross Receipts Fund	Total
Receipts:			
Taxes:			
General Property Taxes	299,138.60		299,138.60
General Sales and Use Taxes	263,880.00	9,526.98	273,406.98
Penalties & Interest on Delinquent Taxes	1,191.76		1,191.76
Total Taxes	564,210.36	9,526.98	573,737.34
Licenses and Permits	19,966.59	0.00	19,966.59
Intergovernmental Receipts:			
State Grants	1,514.00		1,514.00
State Shared Receipts:			
Bank Franchise Tax	4,036.61		4,036.61
Prorate License Fees	669.94		669.94
Liquor Tax Reversion	6,339.95		6,339.95
Motor Vehicle Licenses	10,234.37		10,234.37
Local Government Highway and Bridge Fund	4,094.94		4,094.94
County Shared Receipts:			
County Road and Bridge Tax	537.37		537.37
County Wheel Tax	2,525.12		2,525.12
Total Intergovernmental Receipts	29,952.30	0.00	29,952.30
Charges for Goods and Services:			
Culture and Recreation	1,340.00		1,340.00
Total Charges for Goods and Services	1,340.00	0.00	1,340.00
Miscellaneous Receipts:			
Investment Earnings	35,425.74		35,425.74
Rentals	2,662.24		2,662.24
Special Assessments	57,704.04		57,704.04
Contributions and Donations from Private Sources	3,700.00		3,700.00
Other	5,948.18		5,948.18
Total Miscellaneous Receipts	105,440.20	0.00	105,440.20
Total Receipts	720,909.45	9,526.98	730,436.43

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

MUNICIPALITY OF WORTHING
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General Fund	Gross Receipts Fund	Total
Disbursements:			
General Government:			
Legislative	44,833.65		44,833.65
Financial Administration	160,887.16		160,887.16
Other	26,792.62		26,792.62
Total General Government	232,513.43	0.00	232,513.43
Public Safety:			
Police	51,178.31		51,178.31
Fire	49,967.20		49,967.20
Total Public Safety	101,145.51	0.00	101,145.51
Public Works:			
Highways and Streets	221,003.90		221,003.90
Total Public Works	221,003.90	0.00	221,003.90
Health and Welfare:			
Health	9,377.34		9,377.34
Other	3,679.13		3,679.13
Total Health and Welfare	13,056.47	0.00	13,056.47
Culture and Recreation:			
Recreation	1,380.45		1,380.45
Parks	30,423.55		30,423.55
Total Culture and Recreation	31,804.00	0.00	31,804.00
Conservation and Development:			
Economic Development and Assistance	16,636.38		16,636.38
Total Conservation and Development	16,636.38	0.00	16,636.38
Miscellaneous:			
Other	99.33		99.33
Total Miscellaneous	99.33	0.00	99.33
Total Disbursements	616,259.02	0.00	616,259.02
Excess Receipts Over (Under) Disbursements	104,650.43	9,526.98	114,177.41
Other Financing Sources (Uses):			
Sale of Municipal Property	16,450.00		16,450.00
Long-Term Liabilities Issued	15,850.00		15,850.00
Total Other Financing Sources (Uses)	32,300.00	0.00	32,300.00
Net Change in Fund Cash Balance	136,950.43	9,526.98	146,477.41
Fund Cash Balance - Beginning	308,440.89	39,915.48	348,356.37
FUND CASH BALANCE- ENDING	445,391.32	49,442.46	494,833.78

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

MUNICIPALITY OF WORTHING
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
December 31, 2024

	Enterprise Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	<u>303,997.50</u>	<u>319,958.27</u>	<u>215,189.59</u>	<u>839,145.36</u>
TOTAL ASSETS	<u>303,997.50</u>	<u>319,958.27</u>	<u>215,189.59</u>	<u>839,145.36</u>
NET POSITION:				
Unrestricted	<u>303,997.50</u>	<u>319,958.27</u>	<u>215,189.59</u>	<u>839,145.36</u>
TOTAL NET POSITION	<u>303,997.50</u>	<u>319,958.27</u>	<u>215,189.59</u>	<u>839,145.36</u>

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

MUNICIPALITY OF WORTHING
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
NET POSITION - CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	Enterprise Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
Operating Receipts:				
Charges for Goods and Services	180,853.17	108,315.90	77,182.87	366,351.94
Receipts Dedicated to Servicing Debt	26,342.63	164,387.87		190,730.50
Total Operating Receipts	207,195.80	272,703.77	77,182.87	557,082.44
Operating Disbursements:				
Personal Services	45,802.79	49,528.85		95,331.64
Other Current Disbursements	40,564.09	4,202,048.29	54,791.80	4,297,404.18
Materials	70,903.00			70,903.00
Total Operating Disbursements	157,269.88	4,251,577.14	54,791.80	4,463,638.82
Operating Income (Loss)	49,925.92	(3,978,873.37)	22,391.07	(3,906,556.38)
Non-operating Receipts (Disbursements):				
Debt Service (Principal)	(32,584.57)	(37,805.56)		(70,390.13)
Debt Service (Interest)	(10,219.87)	(20,492.08)		(30,711.95)
Proceeds from Long-Term Liabilities	15,850.00	1,729,033.00		1,744,883.00
Total Non-operating Receipts (Disbursements)	(26,954.44)	1,670,735.36	0.00	1,643,780.92
Income (Loss) Before Contributions	22,971.48	(2,308,138.01)	22,391.07	(2,262,775.46)
Capital Contributions		2,393,142.79		2,393,142.79
Change in Net Position	22,971.48	85,004.78	22,391.07	130,367.33
Net Position - Beginning	281,026.02	234,953.49	192,798.52	708,778.03
NET POSITION- ENDING	303,997.50	319,958.27	215,189.59	839,145.36

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

MUNICIPALITY OF WORTHING
STATEMENT OF NET POSITION - CASH BASIS
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	<u>348,356.37</u>	<u>708,778.03</u>	<u>1,057,134.40</u>
TOTAL ASSETS	<u>348,356.37</u>	<u>708,778.03</u>	<u>1,057,134.40</u>
NET POSITION:			
Restricted for City Promotion	<u>39,915.48</u>		<u>39,915.48</u>
Unrestricted	<u>308,440.89</u>	<u>708,778.03</u>	<u>1,017,218.92</u>
TOTAL NET POSITION	<u>348,356.37</u>	<u>708,778.03</u>	<u>1,057,134.40</u>

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

MUNICIPALITY OF WORTHING
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2023

Functions/Programs	Program Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities Total
Primary Government:						
Governmental Activities:						
General Government	211,567.16	6,085.90			(205,481.26)	(205,481.26)
Public Safety	118,932.05				(118,932.05)	(118,932.05)
Public Works	191,749.73	1,950.17	10,493.35	51,049.67	(128,256.54)	(128,256.54)
Health and Welfare	3,443.68		1,083.64		(2,360.04)	(2,360.04)
Culture and Recreation	20,347.40	870.00			(19,477.40)	(19,477.40)
Conservation and Development	48,156.13	7,440.70			(40,715.43)	(40,715.43)
Total Governmental Activities	594,196.15	16,346.77	11,576.99	51,049.67	(515,222.72)	(515,222.72)
Business-type Activities:						
Water	188,517.79	194,161.27				5,643.48
Sewer	236,024.55	184,572.85			(51,451.70)	(51,451.70)
Solid Waste	42,977.16	72,367.81			29,390.65	29,390.65
Total Business-Type Activities	467,519.50	451,101.93	0.00	0.00	(16,417.57)	(16,417.57)
Total Primary Government	1,061,715.65	467,448.70	11,576.99	51,049.67	(515,222.72)	(531,640.29)
General Receipts:						
Taxes:						
Property Taxes					286,951.58	286,951.58
Sales Taxes					172,626.01	172,626.01
State Shared Receipts					11,355.42	11,355.42
Grants and Contributions not Restricted to Specific Programs					3,898.55	3,898.55
Miscellaneous Receipts					6,859.66	6,859.66
Total General Receipts					481,691.22	481,691.22
Change in Net Position					(33,531.50)	(49,949.07)
Net Position - Beginning					381,887.87	1,107,083.47
NET POSITION - ENDING					348,356.37	1,057,134.40

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

**MUNICIPALITY OF WORTHING
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2023**

	General Fund	Gross Receipts Fund	Total
ASSETS:			
Cash and Cash Equivalents	308,440.89	39,915.48	348,356.37
TOTAL ASSETS	<u>308,440.89</u>	<u>39,915.48</u>	<u>348,356.37</u>
FUND BALANCES:			
Restricted for City Promotion		39,915.48	39,915.48
Assigned for Recreation	10,501.25		10,501.25
Assigned for Civic Center	39,424.27		39,424.27
Unassigned	258,515.37		258,515.37
TOTAL FUND BALANCES	<u>308,440.89</u>	<u>39,915.48</u>	<u>348,356.37</u>

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

MUNICIPALITY OF WORTHING
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	General Fund	Gross Receipts Fund	Total
Receipts:			
Taxes:			
General Property Taxes	286,480.21		286,480.21
General Sales and Use Taxes	165,615.79	7,010.22	172,626.01
Penalties & Interest on Delinquent Taxes	471.37		471.37
Total Taxes	452,567.37	7,010.22	459,577.59
Licenses and Permits	11,985.70	0.00	11,985.70
Intergovernmental Receipts:			
State Grants	1,083.64		1,083.64
State Shared Receipts:			
Bank Franchise Tax	4,983.50		4,983.50
Prorate License Fees	438.45		438.45
Liquor Tax Reversion	6,371.92		6,371.92
Motor Vehicle Licenses	3,503.04		3,503.04
Local Government Highway and Bridge Fund	4,080.21		4,080.21
County Shared Receipts:			
County Road and Bridge Tax	1,103.51		1,103.51
County Wheel Tax	1,368.14		1,368.14
Total Intergovernmental Receipts	22,932.41	0.00	22,932.41
Charges for Goods and Services:			
Highways and Streets	1,950.17		1,950.17
Culture and Recreation	700.00		700.00
Total Charges for Goods and Services	2,650.17	0.00	2,650.17
Miscellaneous Receipts:			
Rentals	1,710.90		1,710.90
Special Assessments	51,049.67		51,049.67
Contributions and Donations from Private Sources	3,898.55		3,898.55
Other	6,859.66		6,859.66
Total Miscellaneous Receipts	63,518.78	0.00	63,518.78
Total Receipts	553,654.43	7,010.22	560,664.65

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

MUNICIPALITY OF WORTHING
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	<u>General Fund</u>	<u>Gross Receipts Fund</u>	<u>Total</u>
Disbursements:			
General Government:			
Legislative	25,063.59		25,063.59
Financial Administration	158,628.85		158,628.85
Other	27,874.72		27,874.72
Total General Government	211,567.16	0.00	211,567.16
Public Safety:			
Police	55,721.64		55,721.64
Fire	63,210.41		63,210.41
Total Public Safety	118,932.05	0.00	118,932.05
Public Works:			
Highways and Streets	191,749.73		191,749.73
Total Public Works	191,749.73	0.00	191,749.73
Health and Welfare:			
Health	3,443.68		3,443.68
Total Health and Welfare	3,443.68	0.00	3,443.68
Culture and Recreation:			
Recreation	364.82		364.82
Parks	19,982.58		19,982.58
Total Culture and Recreation	20,347.40	0.00	20,347.40
Conservation and Development:			
Economic Development and Assistance	48,156.13		48,156.13
Total Conservation and Development	48,156.13	0.00	48,156.13
Total Disbursements	594,196.15	0.00	594,196.15
Net Change in Fund Cash Balance	(40,541.72)	7,010.22	(33,531.50)
Fund Cash Balance - Beginning	348,982.61	32,905.26	381,887.87
FUND CASH BALANCE- ENDING	308,440.89	39,915.48	348,356.37

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

MUNICIPALITY OF WORTHING
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
December 31, 2023

	Enterprise Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	<u>281,026.02</u>	<u>234,953.49</u>	<u>192,798.52</u>	<u>708,778.03</u>
TOTAL ASSETS	<u>281,026.02</u>	<u>234,953.49</u>	<u>192,798.52</u>	<u>708,778.03</u>
NET POSITION:				
Unrestricted	<u>281,026.02</u>	<u>234,953.49</u>	<u>192,798.52</u>	<u>708,778.03</u>
TOTAL NET POSITION	<u>281,026.02</u>	<u>234,953.49</u>	<u>192,798.52</u>	<u>708,778.03</u>

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

MUNICIPALITY OF WORTHING
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
NET POSITION - CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	Enterprise Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
Operating Receipts:				
Charges for Goods and Services	168,044.73	107,236.94	72,367.81	347,649.48
Receipts Dedicated to Servicing Debt	26,116.54	77,335.91		103,452.45
Total Operating Receipts	194,161.27	184,572.85	72,367.81	451,101.93
Operating Disbursements:				
Personal Services	32,714.96	33,879.13		66,594.09
Other Current Disbursements	41,554.29	143,847.78	42,977.16	228,379.23
Materials	71,444.10			71,444.10
Total Operating Disbursements	145,713.35	177,726.91	42,977.16	366,417.42
Operating Income (Loss)	48,447.92	6,845.94	29,390.65	84,684.51
Non-operating Receipts (Disbursements):				
Debt Service (Principal)	(31,415.87)	(36,609.34)		(68,025.21)
Debt Service (Interest)	(11,388.57)	(21,688.30)		(33,076.87)
Total Non-operating Receipts (Disbursements)	(42,804.44)	(58,297.64)	0.00	(101,102.08)
Change in Net Position	5,643.48	(51,451.70)	29,390.65	(16,417.57)
Net Position - Beginning	275,382.54	286,405.19	163,407.87	725,195.60
NET POSITION- ENDING	281,026.02	234,953.49	192,798.52	708,778.03

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

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

b. Basis of Presentation:

Government-wide Financial Statements:

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

The Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each segment of the business-type activities of the Municipality and for each function of the Municipality's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program receipts 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. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

Fund Financial Statements:

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

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

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

See Independent Auditor's Report.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Governmental Funds:

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

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

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

Proprietary Funds:

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

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

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

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.

Solid Waste Fund – financed primarily by user charges, this fund accounts for the collection and disposal of solid waste from the Municipality. (SDCL 9-32-11 and 34A-6) 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.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

The Municipality's basis of accounting is the 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 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 – Cash Basis and Statement of Activities – Cash Basis, both governmental and business-type activities are presented using the economic resources measurement focus, applied within the limitations of the 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 and applied with the limitations of the cash basis of accounting.

Basis of Accounting:

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

The 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 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 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.

As a result of the use of this 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 and fiduciary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Deposits and Investments:

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

e. Capital Assets:

Capital assets include land, buildings, improvements other than buildings, furnishings and equipment, construction/development in progress, infrastructure, intangible lease assets, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

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.

f. Long-Term Liabilities:

Long-term liabilities include Revenue Bonds and Notes Payable.

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

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

g. Revenue Received in Advance:

Under the cash basis of accounting, cash may have been received in advance of the Municipality's providing a good or service to a customer. These amounts are reported in the financial statements, as applicable.

h. Program Receipts:

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

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

i. Proprietary Funds Receipt and Disbursement Classifications:

In the proprietary fund's Statement of Receipts, Disbursements and Changes in Cash Net Position, receipts and disbursements are classified as operating or non-operating receipts and disbursements. Operating receipts and disbursements directly relate to the purpose of the fund.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

k. Application of Net Position:

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

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:

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

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

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

<u>Major Special Revenue Fund:</u>	<u>Revenue Source:</u>
Gross Receipts Fund	Sales Tax

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

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

	<u>Year Ended</u> <u>12/31/2023</u>	<u>Year Ended</u> <u>12/31/2024</u>
General Fund:		
<u>Activity</u>		
Financial Administration		5,837.16
General Government - Other	874.72	
Health	143.68	77.34
Miscellaneous - Other		99.33

The Municipality plans to take the following actions to address these violations: Use supplemental budgets when allowed by law.

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

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

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

Investments – In general, SDCL 4-5-6 permits municipal funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

As of December 31, 2024, and 2023, 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.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

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

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Municipality's policy is to credit all income from deposits and investments to the General Fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund should be reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings should be reported, while in the government-wide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. The amount of investment earnings is immaterial.

4. PROPERTY TAXES

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

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

5. RESTRICTED NET POSITION

Restricted net position for the two years ended December 31, 2023, and December 31, 2024 were as follows:

	<u>Year Ended</u> <u>12/31/2023</u>	<u>Year Ended</u> <u>12/31/2024</u>
Major Funds:		
Gross Receipts Tax Fund:		
City Promotions	\$ 39,915.48	\$ 49,442.46
Total Restricted Net Position	<u>\$ 39,915.48</u>	<u>\$ 49,442.46</u>

These balances are restricted due to statutory requirements.

6. PENSION PLAN

Plan Information:

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Benefits Provided:

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

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

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

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 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2024, 2023, and 2022, were \$13,450.71, \$10,295.24, and \$6,390.27, respectively, equal to the required contributions each year.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

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

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

Proportionate share of net position restricted for pension benefits	\$ 1,233,441.86
Less proportionate share of total pension liability	<u>\$ 1,233,776.55</u>
Proportionate share of net pension liability (asset)	<u>\$ (334.69)</u>

The net pension liability (asset) was measured as of June 30, 2024 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the Municipality's proportion was 0.00826800%, which is an increase (decrease) of 0.003842% from its proportion measured as of June 30, 2023.

At June 30, 2023, SDRS is 100.1% funded and accordingly has net pension asset. The proportionate share of the components of the net pension asset of the South Dakota Retirement System, for the Municipality as of the measurement period ending June 30, 2023, and reported by the Municipality as of December 31, 2023 are as follows:

Proportionate share of net position restricted for pension benefits	\$ 641,358.06
Less proportionate share of total pension liability	<u>\$ 641,790.06</u>
Proportionate share of net pension liability (asset)	<u>\$ (432.00)</u>

The net pension liability (asset) was measured as of June 30, 2023 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Municipality's proportion was 0.00442600%, which is an increase (decrease) of 0.0001790% from its proportion measured as of June 30, 2022.

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2024, and June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.71% for 2024 1.91% for 2023

See Independent Auditor's Report.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Mortality Rates:

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

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 percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(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 pension plan's investment policy) are summarized in the following table using geometric means:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100%</u>	

Discount Rate:

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

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

As of June 30, 2024, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$170,069.61	\$(334.69)	\$(139,778.48)

As of June 30, 2023, the following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Municipality's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipality's proportionate share of the net pension liability (asset)	\$88,544.30	\$(432.00)	\$(73,197.63)

Pension Plan Fiduciary Net Position:

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

7. SIGNIFICANT CONTINGENCIES – LITIGATION

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

See Independent Auditor's Report.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

8. 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, 2024, the Municipality managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

The Municipality joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The Municipality's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the Municipality. The Municipality pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the member based on their exposure or type of coverage. The Municipality pays an annual premium to the pool to provide coverage for general officials, vehicles, and property liability.

The agreement with the SDPAA provides that the above coverages will be provided to a \$1,000,000 limit. However, the coverage on the building and personal property is stated at \$2,121,336. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit.

The Municipality carries a \$0 or \$250 deductible for most coverages.

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.

Worker's Compensation:

The Municipality joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The 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 worker's compensation claims. The Municipality pays an annual premium, to provide worker's compensation coverage for its employees, under a retrospectively rated policy 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 an additional \$2,000,000 per individual 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 over the past three years.

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS
(Continued)

Unemployment Benefits:

The Municipality has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits. During the two years ended December 31, 2024, no claims for unemployment benefits were paid. At December 31, 2024, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

9. RELATED PARTY TRANSACTIONS

Purchases totaling \$9,177.57 in 2023 and \$7,984.92 in 2024 were made from a business owned by a municipal commissioner. This contract falls within the provisions of SDCL 6-1-2.

10. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through November 12, 2024, the date on which the financial statements were available to be issued.

In 2024, the board approved resolutions to authorize the issuance of a Clean Water Surcharge Revenue Bond not to exceed \$1,078,000.00. As of December 31, 2024, \$658,183.00 had been drawn down on the bond with \$419,817.00 remaining to be drawn.

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WORTHING
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Receipts:				
Taxes:				
General Property Taxes	303,048.00	303,048.00	299,138.60	(3,909.40)
General Sales and Use Taxes	195,000.00	195,000.00	263,880.00	68,880.00
Penalties and Interest on				
Delinquent Taxes	0.00	0.00	1,191.76	1,191.76
Total Taxes	498,048.00	498,048.00	564,210.36	66,162.36
Licenses and Permits	9,650.00	9,650.00	19,966.59	10,316.59
Intergovernmental Receipts:				
State Grants	0.00	0.00	1,514.00	1,514.00
State Shared Receipts:				
Bank Franchise Tax	3,500.00	3,500.00	4,036.61	536.61
Prorate License Fees	0.00	0.00	669.94	669.94
Liquor Tax Reversion	6,500.00	6,500.00	6,339.95	(160.05)
Motor Vehicle Licenses	6,500.00	6,500.00	10,234.37	3,734.37
Local Government Highway				
and Bridge Fund	3,500.00	3,500.00	4,094.94	594.94
County Shared Receipts:				
County Road and Bridge Tax	0.00	0.00	537.37	537.37
County Wheel Tax	1,200.00	1,200.00	2,525.12	1,325.12
Total Intergovernmental Receipts	21,200.00	21,200.00	29,952.30	8,752.30
Charges for Goods and Services:				
Culture and Recreation	0.00	0.00	1,340.00	1,340.00
Total Charges for Goods and Services	0.00	0.00	1,340.00	1,340.00
Miscellaneous Receipts:				
Investment Earnings	0.00	0.00	35,425.74	35,425.74
Rentals	3,400.00	3,400.00	2,662.24	(737.76)
Special Assessments	60,000.00	60,000.00	57,704.04	(2,295.96)
Contributions and Donations				
from Private Sources	0.00	0.00	3,700.00	3,700.00
Other	12,000.00	12,000.00	5,948.18	(6,051.82)
Total Miscellaneous Receipts	75,400.00	75,400.00	105,440.20	30,040.20
Total Receipts	604,298.00	604,298.00	720,909.45	116,611.45

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WORTHING
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Disbursements:				
General Government:				
Legislative	33,750.00	45,950.00	44,833.65	1,116.35
Contingency	25,000.00	25,000.00		
Amount Transferred		(25,000.00)		0.00
Elections	650.00	650.00	0.00	650.00
Financial Administration	144,450.00	155,050.00	160,887.16	(5,837.16)
Other	22,000.00	30,490.00	26,792.62	3,697.38
Total General Government	225,850.00	232,140.00	232,513.43	(373.43)
Public Safety:				
Police	57,900.00	57,900.00	51,178.31	6,721.69
Fire	50,900.00	50,900.00	49,967.20	932.80
Total Public Safety	108,800.00	108,800.00	101,145.51	7,654.49
Public Works:				
Highways and Streets	226,235.00	229,735.00	221,003.90	8,731.10
Total Public Works	226,235.00	229,735.00	221,003.90	8,731.10
Health and Welfare:				
Health	1,800.00	9,300.00	9,377.34	(77.34)
Other	0.00	3,680.00	3,679.13	0.87
Total Health and Welfare	1,800.00	12,980.00	13,056.47	(76.47)
Culture and Recreation:				
Recreation	350.00	1,580.00	1,380.45	199.55
Parks	27,300.00	33,300.00	30,423.55	2,876.45
Total Culture and Recreation	27,650.00	34,880.00	31,804.00	3,076.00
Conservation and Development:				
Economic Development and Assistance	51,800.00	23,600.00	16,636.38	6,963.62
Total Conservation and Development	51,800.00	23,600.00	16,636.38	6,963.62
Miscellaneous:				
Other	0.00	0.00	99.33	(99.33)
Total Miscellaneous	0.00	0.00	99.33	(99.33)
Total Disbursements	642,135.00	642,135.00	616,259.02	25,875.98
Excess of Receipts Over (Under)				
Disbursements	(37,837.00)	(37,837.00)	104,650.43	142,487.43
Other Financing Sources (Uses):				
Sale of Municipal Property	0.00	0.00	16,450.00	16,450.00
Long-Term Liabilities Issued	0.00	0.00	15,850.00	15,850.00
Total Other Financing Sources (Uses)	0.00	0.00	32,300.00	32,300.00
Net Change in Fund Cash Balances	(37,837.00)	(37,837.00)	136,950.43	174,787.43
Fund Cash Balance - Beginning	308,440.89	308,440.89	308,440.89	0.00
FUND CASH BALANCE - ENDING	270,603.89	270,603.89	445,391.32	174,787.43

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WORTHING
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GROSS RECEIPTS TAX FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Receipts:				
Taxes:				
General Sales and Use Taxes	5,800.00	5,800.00	9,526.98	3,726.98
Total Receipts	5,800.00	5,800.00	9,526.98	3,726.98
Disbursements:				
Culture and Recreation:				
Parks	5,800.00	5,800.00	0.00	5,800.00
Total Culture and Recreation	5,800.00	5,800.00	0.00	5,800.00
Total Disbursements	5,800.00	5,800.00	0.00	5,800.00
Net Change in Fund Cash Balances	0.00	0.00	9,526.98	9,526.98
Fund Cash Balance - Beginning	39,915.48	39,915.48	39,915.48	0.00
FUND CASH BALANCE - ENDING	39,915.48	39,915.48	49,442.46	9,526.98

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WORTHING
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Receipts:				
Taxes:				
General Property Taxes	295,600.00	295,600.00	286,480.21	(9,119.79)
General Sales and Use Taxes	165,000.00	165,000.00	165,615.79	615.79
Penalties and Interest on Delinquent Taxes	0.00	0.00	471.37	471.37
Total Taxes	460,600.00	460,600.00	452,567.37	(8,032.63)
Licenses and Permits	10,450.00	10,450.00	11,985.70	1,535.70
Intergovernmental Receipts:				
State Grants	0.00	0.00	1,083.64	1,083.64
State Shared Receipts:				
Bank Franchise Tax	0.00	0.00	4,983.50	4,983.50
Prorate License Fees	0.00	0.00	438.45	438.45
Liquor Tax Reversion	6,500.00	6,500.00	6,371.92	(128.08)
Motor Vehicle Licenses	6,500.00	6,500.00	3,503.04	(2,996.96)
Local Government Highway and Bridge Fund	3,500.00	3,500.00	4,080.21	580.21
County Shared Receipts:				
County Road and Bridge Tax	537.00	537.00	1,103.51	566.51
County Wheel Tax	1,000.00	1,000.00	1,368.14	368.14
Total Intergovernmental Receipts	18,037.00	18,037.00	22,932.41	4,895.41
Charges for Goods and Services:				
Highways and Streets	0.00	0.00	1,950.17	1,950.17
Culture and Recreation	0.00	0.00	700.00	700.00
Total Charges for Goods and Services	0.00	0.00	2,650.17	2,650.17
Miscellaneous Receipts:				
Rentals	0.00	0.00	1,710.90	1,710.90
Special Assessments	65,000.00	65,000.00	51,049.67	(13,950.33)
Contributions and Donations from Private Sources	0.00	0.00	3,898.55	3,898.55
Other	11,000.00	11,000.00	6,859.66	(4,140.34)
Total Miscellaneous Receipts	76,000.00	76,000.00	63,518.78	(12,481.22)
Total Receipts	565,087.00	565,087.00	553,654.43	(11,432.57)

SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WORTHING
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Disbursements:				
General Government:				
Legislative	31,600.00	31,600.00	25,063.59	6,536.41
Contingency	25,000.00	25,000.00		
Amount Transferred		(24,115.00)		885.00
Elections	650.00	650.00	0.00	650.00
Financial Administration	155,500.00	167,400.00	158,628.85	8,771.15
Other	15,500.00	27,000.00	27,874.72	(874.72)
Total General Government	228,250.00	227,535.00	211,567.16	15,967.84
Public Safety:				
Police	56,850.00	57,100.00	55,721.64	1,378.36
Fire	63,156.00	63,256.00	63,210.41	45.59
Total Public Safety	120,006.00	120,356.00	118,932.05	1,423.95
Public Works:				
Highways and Streets	194,135.00	194,135.00	191,749.73	2,385.27
Total Public Works	194,135.00	194,135.00	191,749.73	2,385.27
Health and Welfare:				
Health	3,300.00	3,300.00	3,443.68	(143.68)
Total Health and Welfare	3,300.00	3,300.00	3,443.68	(143.68)
Culture and Recreation:				
Recreation	0.00	365.00	364.82	0.18
Parks	18,700.00	20,050.00	19,982.58	67.42
Total Culture and Recreation	18,700.00	20,415.00	20,347.40	67.60
Conservation and Development:				
Economic Development and Assistance	50,900.00	50,900.00	48,156.13	2,743.87
Total Conservation and Development	50,900.00	50,900.00	48,156.13	2,743.87
Total Disbursements	615,291.00	616,641.00	594,196.15	22,444.85
Net Change in Fund Cash Balances	(50,204.00)	(51,554.00)	(40,541.72)	11,012.28
Fund Cash Balance - Beginning	348,982.61	348,982.61	348,982.61	0.00
FUND CASH BALANCE - ENDING	298,778.61	297,428.61	308,440.89	11,012.28

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WORTHING
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GROSS RECEIPTS TAX FUND
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Receipts:				
Taxes:				
General Sales and Use Taxes	5,800.00	5,800.00	7,010.22	1,210.22
Total Receipts	5,800.00	5,800.00	7,010.22	1,210.22
Disbursements:				
Culture and Recreation:				
Parks	5,800.00	5,800.00	0.00	5,800.00
Total Culture and Recreation	5,800.00	5,800.00	0.00	5,800.00
Total Disbursements	5,800.00	5,800.00	0.00	5,800.00
Net Change in Fund Cash Balances	0.00	0.00	7,010.22	7,010.22
Fund Cash Balance - Beginning	32,905.26	32,905.26	32,905.26	0.00
FUND CASH BALANCE - ENDING	32,905.26	32,905.26	39,915.48	7,010.22

NOTES TO THE SUPPLEMENTARY INFORMATION

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

NOTE 1. Budgets and Budgetary Accounting

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

1. At the first regular board meeting in September of each year or within ten days thereafter, the Municipal Commission introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Municipal Commission, 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 Municipal Commission to any other budget category that is deemed insufficient during the year. No amount of expenditures may be charged directly to the contingency line item in the budget.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpected appropriations lapse at year end unless encumbered by resolution of the Municipal Commission.

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

The Municipality did not encumber any amounts at December 31, 2024 and 2023.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
7. Budgets for the General Fund and each major special revenue fund are adopted on a basis consistent with the accounting principles generally accepted in the United States (USGAAP).

NOTE 2. GAAP/Budgetary Accounting Basis Differences

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

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

South Dakota Retirement System

Last Ten Years *

	Municipality's proportion of the net pension liability/asset	Municipality's proportionate share of net pension liability (asset)	Municipality's covered-employee payroll	Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.0082680%	(334.69)	\$ 208,129.95	0.16%	100.00%
2023	0.0044260%	(432.00)	\$ 133,193.89	0.32%	100.10%
2022	0.0042470%	(401.37)	\$ 100,561.42	0.40%	100.10%
2021	0.0043270%	(33,137.41)	\$ 94,728.71	34.98%	105.52%
2020	0.0045625%	(198.15)	\$ 98,883.21	0.20%	100.04%
2019	0.0072484%	(768.13)	\$ 152,828.22	0.50%	100.09%
2018	0.0062605%	(146.01)	\$ 130,144.40	0.11%	100.02%
2017	0.0073474%	(666.78)	\$ 143,642.15	0.46%	100.10%
2016	0.0072669%	24,546.87	\$ 134,526.53	18.25%	96.89%
2015	0.0078818%	(33,428.97)	\$ 144,001.56	23.21%	104.10%

* The amounts presented for each year were determined as of the measurement date of the collective net pension liability (asset) which is 06/30.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE PENSION CONTRIBUTIONS
 South Dakota Retirement System
 Last Ten Years

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Municipality's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2024	13,450.71	13,450.71	\$ -	222,292.02	6.05%
2023	10,295.24	10,295.24	\$ -	173,476.09	5.93%
2022	6,390.27	6,390.27	\$ -	106,503.02	6.00%
2021	5,795.46	5,795.46	\$ -	96,582.26	6.00%
2020	5,772.88	5,772.88	\$ -	96,214.15	6.00%
2019	7,883.74	7,883.74	\$ -	131,395.52	6.00%
2018	8,112.40	8,112.40	\$ -	135,872.01	5.97%
2017	8,525.98	8,525.98	\$ -	142,098.83	6.00%
2016	8,219.59	8,219.59	\$ -	136,992.92	6.00%
2015	8,327.07	8,327.07	\$ -	140,015.46	5.95%

MUNICIPALITY OF WORTHING
Notes to Required Supplementary Information
for the Year Ended December 31, 2024

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

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

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

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

MUNICIPALITY OF WORTHING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended December 31, 2023 and 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures 2023	Total Federal Expenditures 2024
US Department of Treasury - Direct Programs:				
COVID 19-Coronavirus State and Local Fiscal Recovery Funds (Note 3)	21.027	*	0.00	1,699,961.00
Total US Department of Treasury			0.00	1,699,961.00
GRAND TOTAL			0.00	1,699,961.00

*No Pass-thru Entity Identifying Number was provided.

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Municipality under programs of the federal government for the year ended December 31, 2023 and 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Municipality, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Municipality.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Major Federal Financial Assistance Program

This represents a Major Federal Financial Assistance Program.

SUPPLEMENTAL INFORMATION

LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Beginning Balance 01/01/23	Additions	Deletions	Ending Balance 12/31/2024	Due Within One Year
Primary Government:					
Governmental Activities:					
Notes Payable: First Nat. Bank in Sioux Falls		15,937.50		15,937.50	3,186.03
Total Governmental Activities	0.00	15,937.50	0.00	15,937.50	3,186.03
Business-Type Activities:					
Notes Payable: First Nat. Bank in Sioux Falls		31,875.00		31,875.00	6,372.05
Bonds Payable:					
Revenue - SRF - Drinking Water # 1	48,369.86		38,355.98	10,013.88	10,013.88
Revenue - SRF - Clean Water # 2	395,519.77		33,982.01	361,537.76	17,900.05
Revenue - USDA Rural Development Drinking Water # 2	181,893.14		16,605.02	165,288.12	8,904.11
Revenue - SRF - Drinking Water # 2	60,191.05		9,039.44	51,151.61	4,726.43
Revenue - SRF - Clean Water # 3	276,175.76		40,432.89	235,742.87	21,141.05
Revenue - SRF - Clean Water # 5		1,055,000.00		1,055,000.00	19,023.60
Revenue - SRF - Clean Water # 6		658,183.00		658,183.00	
Total Debt	962,149.58	1,745,058.00	138,415.34	2,568,792.24	88,081.17
Total Business-Type Activities	962,149.58	1,745,058.00	138,415.34	2,568,792.24	88,081.17
TOTAL PRIMARY GOVERNMENT	962,149.58	1,760,995.50	138,415.34	2,584,729.74	91,267.20

Long-term liabilities at December 31, 2024 are comprised of the following:

Notes Payable:

The Municipality was granted a promissory note from First National Bank in Sioux Falls for the purchase of a Chevy pickup. This note was issued for \$47,812.50. Interest is at a rate of 7.75%. Maturity will be on January 1, 2029. Payments for this loan are made by the General, Water, and Sewer Funds.

\$ 47,812.50

Revenue Bonds:

The Municipality was granted a loan from the Drinking Water State Revolving Fund program with the South Dakota Department of Environment and Natural Resources. This revenue bond was issued for \$288,000. Interest is at a rate of 3.5% which includes a 1.0% administration surcharge. Maturity will be on April 1, 2025. Payments for this loan are made by the Water Fund.

\$ 10,013.88

The Municipality was granted a loan from the Clean Water State Revolving Fund program with the South Dakota Department of Environment and Natural Resources. This revenue bond was issued for \$580,000. Interest is at a rate of 3.5%. Final payment is due April 15, 2040. Payments for this loan are made by the Sewer Fund.

\$361,537.76

SUPPLEMENTAL INFORMATION

The Municipality was granted a loan from the USDA – Rural Development. This revenue bond is issued for \$300,000 at an interest rate of 4.5%. The final amount of this loan for Drinking Water will depend on the actual costs of the associated improvements. Final payment is due October 23, 2038. Payments for this loan are made by the Water Fund. \$ 165,288.12

The Municipality was granted a loan from the Clean Water State Revolving Fund program with the South Dakota Department of Environment and Natural Resources. This revenue bond was issued for \$301,227. Interest is at a rate of 3.0%. Final Payment is due April 15, 2034. Payments for this loan are made by the Water Fund. \$ 51,151.61

The Municipality was granted a loan from the Clean Water State Revolving Fund program with the South Dakota Department of Environment and Natural Resources. This revenue bond was issued for \$459,832. Interest is at a rate of 3.0%. Final Payment is due July 15, 2034. Payments for this loan are made by the Sewer Fund. \$ 235,742.87

The Municipality was granted a loan from the Clean Water State Revolving Fund program with the South Dakota Department of Environment and Natural Resources. This revenue bond was issued for \$1,055,000. Interest is at a rate of 2.125%. Final Payment is due February 15, 2055. Payments for this loan are made by the Sewer Fund. \$1,055,000.00

The Municipality was granted a loan from the Clean Water State Revolving Fund program with the South Dakota Department of Environment and Natural Resources. This revenue bond was issued for \$1,078,000 when fully disbursed. Interest is at a rate of 3.75%. Final Payment is due August 15, 2056. Payments for this loan are made by the Sewer Fund. \$ 658,183.00

SUPPLEMENTAL INFORMATION

The annual requirements to amortize all liabilities outstanding as of December 31, 2024 are as follows:

Annual Requirements to Maturity for Long-Term Liabilities
December 31, 2024

Year Ending December 31,	Revenue Borrower Bond, Series 2003, SRF Loan - Drinking Water #1		Revenue Borrower Bond, Series 2008, SRF Loan - Clean Water # 2		Revenue Bond -USDA Rural Development - Note Payable - Drinking Water # 2	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	10,013.88	131.76	17,900.05	12,420.59	8,904.11	7,400.89
2026			18,534.83	11,785.81	9,304.80	7,000.20
2027			19,192.11	11,128.53	9,723.52	6,581.48
2028			19,872.70	10,447.94	10,161.07	6,143.93
2029			20,577.43	9,743.21	10,618.32	5,686.68
2030-2034			114,364.43	37,238.77	60,703.80	20,821.20
2035-2039			136,132.53	15,470.67	55,803.08	9,416.92
2040-2044			14,963.68	196.64		
Totals	10,013.88	131.76	361,537.76	108,432.16	165,218.70	63,051.30

Year Ending December 31,	Revenue Borrower Bond, Series 2012, SRF Loan - Drinking Water # 2		Revenue Borrower Bond, Series 2012, SRF Loan - Clean Water # 3		Notes Payable - Chevy Pickup	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	4,726.43	1,481.73	21,141.05	6,835.95	9,558.08	1,955.66
2026	4,869.83	1,338.33	21,782.45	6,194.55	8,507.85	3,005.89
2027	5,017.57	1,190.59	22,443.31	5,533.69	9,176.36	2,337.38
2028	5,169.80	1,038.36	23,124.22	4,852.78	9,897.41	1,616.33
2029	5,326.64	881.52	23,825.80	4,151.20	10,672.80	840.94
2030-2034	26,041.34	1,895.38	123,426.04	9,464.71		
Totals	51,151.61	7,825.91	235,742.87	37,032.88	47,812.50	9,756.20

Year Ending December 31,	Revenue Borrower Bond, Series 2024, SRF Loan - Clean Water # 5		Revenue Borrower Bond, Series 2024, SRF Loan - Clean Water # 6		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	19,023.60	16,713.36			91,267.20	46,939.94
2026	25,839.79	21,809.49	2,989.39	6,170.47	91,828.94	57,304.74
2027	26,393.26	21,256.02	12,240.47	24,398.97	104,186.60	72,426.66
2028	26,958.60	20,690.68	12,705.99	23,933.45	107,889.79	68,723.47
2029	27,536.06	20,113.22	13,189.20	23,450.24	111,746.25	64,867.01
2030-2034	146,784.41	91,461.99	73,862.47	109,334.73	545,182.49	270,216.78
2035-2039	163,193.01	75,053.39	89,017.37	94,179.83	444,145.99	194,120.81
2040-2044	181,435.89	56,810.51	107,281.71	75,915.49	303,681.28	132,922.64
2045-2049	201,718.07	36,528.33	129,293.46	53,903.74	331,011.53	90,432.07
2050-2054	224,267.57	13,978.83	155,821.52	27,375.68	380,089.09	41,354.51
2055-2056	11,849.74	62.58	61,781.42	2,337.60	73,631.16	2,400.18
Totals	1,055,000.00	374,478.40	658,183.00	441,000.20	2,584,660.32	1,041,708.81