

# CITY OF YANKTON, SOUTH DAKOTA

## ANNUAL FINANCIAL REPORT

Year Ended

December 31, 2023



# CITY OF YANKTON, SOUTH DAKOTA

## ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023

PREPARED BY:  
FINANCE DEPARTMENT

LISA YARDLEY  
FINANCE OFFICER

Member of Government Finance Officers Association of the United States and Canada



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## FINANCIAL SECTION

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- AUDITORS' REPORT
- MANAGEMENT DISCUSSION AND ANALYSIS
- BASIC FINANCIAL STATEMENTS
- NOTES TO THE FINANCIAL STATEMENTS



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Yankton, South Dakota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Yankton Housing and Redevelopment Commission, the discretely presented component unit, as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Yankton Housing and Redevelopment Commission, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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



### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability (asset), and schedule of contributions to the South Dakota Retirement System on pages 4–12 and 53–61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements, budgetary compliance schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary compliance schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Williams & Company P.C.*  
Certified Public Accountants  
Le Mars, Iowa  
August 16, 2024

## **Management Discussion and Analysis December 31, 2023**

This discussion and analysis of the City of Yankton's financial performance provides an overview of the City's financial activities for the year ending December 31, 2023. We encourage the readers to consider the information presented here in conjunction with the City's financial statements, which follow this report, as well as the separately issued financial statements of the Yankton Housing and Redevelopment Commission, a discretely presented component unit of the City.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Yankton exceeded liabilities and deferred inflows of resources on December 31, 2023 by \$178,255,367. Of this amount \$48,983,089 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$13,624,881 during the year. Of this amount the net position of our Governmental Activities increased \$9,053,471 and the net position of our Business-Type Activities increased by \$4,571,410. The governmental net position increased in large part due to increases in capital grants and program revenues, and the business-type net position increased in large part due to increases in charges for services.
- The City's Governmental Fund Balances decreased slightly by (\$1,240,742) in 2023. While revenue increased by \$5,802,989, the expenditures increased by \$6,805,221 mostly in capital expenditures. Exhibit 4 details the decreases.
- The City's long-term debt decreased (\$1,408,405) in 2023 offset slightly by \$1,177,289 in Wastewater SRF borrowing. This decrease occurred from the normal annual debt service payments for outstanding loan obligations.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as an agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

### **REPORTING THE CITY AS A WHOLE**

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Yankton in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual

basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net position, which is the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

The government-wide financial statements of the City are reported in three categories:

- Governmental Activities -- This category includes most of the City's basic services, such as police, fire, public works, parks department, cemetery and general administration. Property taxes, sales taxes, charges for services, state and federal grants and interest earnings finance most of these activities.
- Business-Type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City's Water, Wastewater, Solid Waste Collection, Transfer Station, and Golf Course are included here.
- Component Units -- The City includes one other entity in its report – the Housing and Redevelopment Commission. Although legally separate, this “component unit” is important because the City is financially accountable for them.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond resolution. The City Commission also established funds to control and manage money for particular purposes (such as construction projects) and show that it is properly using certain revenues. The City has the following types of funds:

- Governmental Funds – Most of the City's basic services are included in the governmental funds, which focus on how money moves into and out of funds and the balances left at year-end that are available for spending. These funds are reported using the “modified accrual basis” of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following each Governmental Fund financial statement.
- Proprietary Funds – When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The major differences between the proprietary funds report and the business type activities we report in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary funds report.

## **THE CITY AS A WHOLE**

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### CITY OF YANKTON'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 34,287,167	\$ 34,744,898	\$ 30,089,510	\$ 28,083,295	\$64,376,677	\$ 62,828,193
Capital Assets	<u>96,935,309</u>	<u>87,607,852</u>	<u>84,314,124</u>	<u>82,535,713</u>	<u>181,249,433</u>	<u>170,143,565</u>
Total Assets	<u>131,222,476</u>	<u>122,352,750</u>	<u>114,403,634</u>	<u>110,619,008</u>	<u>245,626,110</u>	<u>232,971,758</u>
Pension Related						
Deferred Outflows	<u>2,285,667</u>	<u>2,599,045</u>	<u>571,120</u>	<u>639,022</u>	<u>2,856,787</u>	<u>3,238,067</u>
Long-term Liabilities						
Outstanding	13,441,256	14,347,009	45,383,430	45,841,378	58,824,686	60,188,387
Other Liabilities	<u>3,614,826</u>	<u>3,018,259</u>	<u>5,944,147</u>	<u>6,300,582</u>	<u>9,558,973</u>	<u>9,318,841</u>
Total Liabilities	<u>17,056,082</u>	<u>17,365,268</u>	<u>51,327,577</u>	<u>52,141,960</u>	<u>68,383,659</u>	<u>69,507,228</u>
Pension Related						
Deferred Inflows	<u>1,475,250</u>	<u>1,663,187</u>	<u>368,621</u>	<u>408,924</u>	<u>1,843,871</u>	<u>2,072,111</u>
Net Position:						
Net Investment in						
Capital Assets	84,067,423	73,711,742	36,765,199	33,992,109	120,832,622	107,703,851
Restricted	2,007,095	2,330,890	6,432,561	3,799,794	8,439,656	6,130,684
Unrestricted	<u>28,902,293</u>	<u>29,880,708</u>	<u>20,080,796</u>	<u>20,915,243</u>	<u>48,983,089</u>	<u>50,795,951</u>
Ending Net Position	<u>\$ 114,976,811</u>	<u>\$ 105,923,340</u>	<u>\$ 63,278,556</u>	<u>\$ 58,707,146</u>	<u>\$ 178,255,367</u>	<u>\$ 164,630,486</u>

This summary reflects an increase in net position of 8.55% for the Governmental Activities and an increase of 7.79% in the Business-Type Activities. The increase in Business-Type Activities net position was largely an increase in Capital Assets and a decrease in Long-term Liabilities. The overall liabilities of the City of Yankton decreased by (\$1,123,569) or (1.62%), due mainly to annual long term debt service payments.

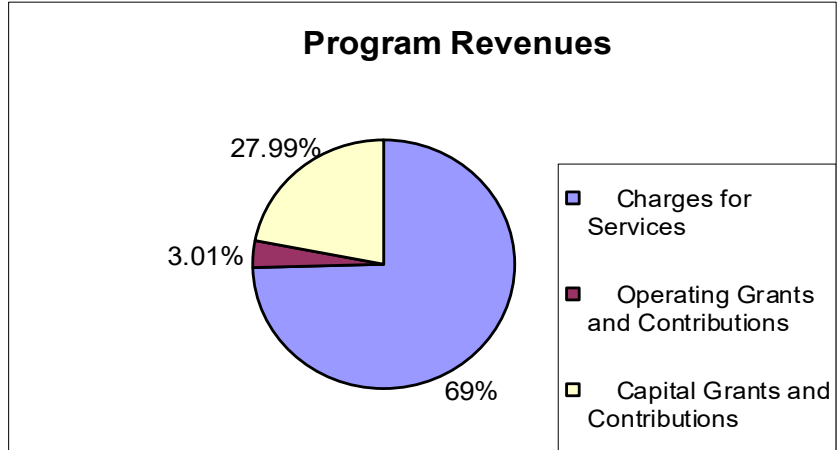
Total revenue reported in 2023 were \$51,616,846, an increase of \$4,286,411 or 9.06%. The largest increase in revenues was in Capital Grants and Contributions; an increase of \$2,222,355 or 37.65%. The Property Tax revenues increased \$229,143 or 4.85%, and Sales Tax revenues increased \$400,584 or 3.11%. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

**CITY OF YANKTON  
CHANGES IN NET POSITION**

Revenue Sources	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 4,080,755	\$ 3,966,020	\$ 15,948,895	\$ 16,100,444	\$ 20,029,650	\$ 20,066,464
Operating Grants and Contributions	871,853	936,111	-	-	871,853	936,111
Capital Grants and Contributions	5,762,325	1,698,772	2,362,162	4,203,360	8,124,487	5,902,132
<b>General Revenues:</b>						
Property Taxes	4,954,739	4,725,596	-	-	4,954,739	4,725,596
Sales Taxes	13,299,584	12,899,000	-	-	13,299,584	12,899,000
Other Taxes	994,538	930,208	-	-	994,538	930,208
Other	2,146,009	1,270,058	1,195,986	600,866	3,341,995	1,870,924
<b>Total Revenues</b>	<b>32,109,803</b>	<b>26,425,765</b>	<b>19,507,043</b>	<b>20,904,670</b>	<b>51,616,846</b>	<b>47,330,435</b>
<b>Expenses:</b>						
General Government	2,669,224	2,401,286	-	-	2,669,224	2,401,286
Public Safety	5,043,043	4,672,820	-	-	5,043,043	4,672,820
Public Works	4,441,646	7,431,240	-	-	4,441,646	7,431,240
Culture & Recreation	9,701,519	4,937,454	-	-	9,701,519	4,937,454
Community & Economic Development	892,304	1,413,434	-	-	892,304	1,413,434
Interest on Long-term Debt	416,425	439,059	-	-	416,425	439,059
Water	-	-	8,141,324	6,657,493	8,141,324	6,657,493
Wastewater	-	-	3,280,715	3,378,428	3,280,715	3,378,428
Golf	-	-	181,292	159,394	181,292	159,394
Non-Major Enterprise Funds	-	-	3,224,473	3,161,893	3,224,473	3,161,893
<b>Total Expenses</b>	<b>23,164,161</b>	<b>21,295,293</b>	<b>14,827,804</b>	<b>13,357,208</b>	<b>37,991,965</b>	<b>34,652,501</b>
<b>Increase (Decrease) in Net Position</b>						
Before Transfers	8,945,642	5,130,472	4,679,239	7,547,462	13,624,881	12,677,934
Transfers	107,829	(18,608)	(107,829)	18,608	-	-
<b>Increase in Net Position</b>	<b>9,053,471</b>	<b>5,111,864</b>	<b>4,571,410</b>	<b>7,566,070</b>	<b>13,624,881</b>	<b>12,677,934</b>
Net Position January 1	105,923,340	100,811,476	58,707,146	51,141,076	164,630,486	151,952,552
<b>Net Position December 31</b>	<b>\$114,976,811</b>	<b>\$105,923,340</b>	<b>\$ 63,278,556</b>	<b>\$ 58,707,146</b>	<b>\$178,255,367</b>	<b>\$164,630,486</b>

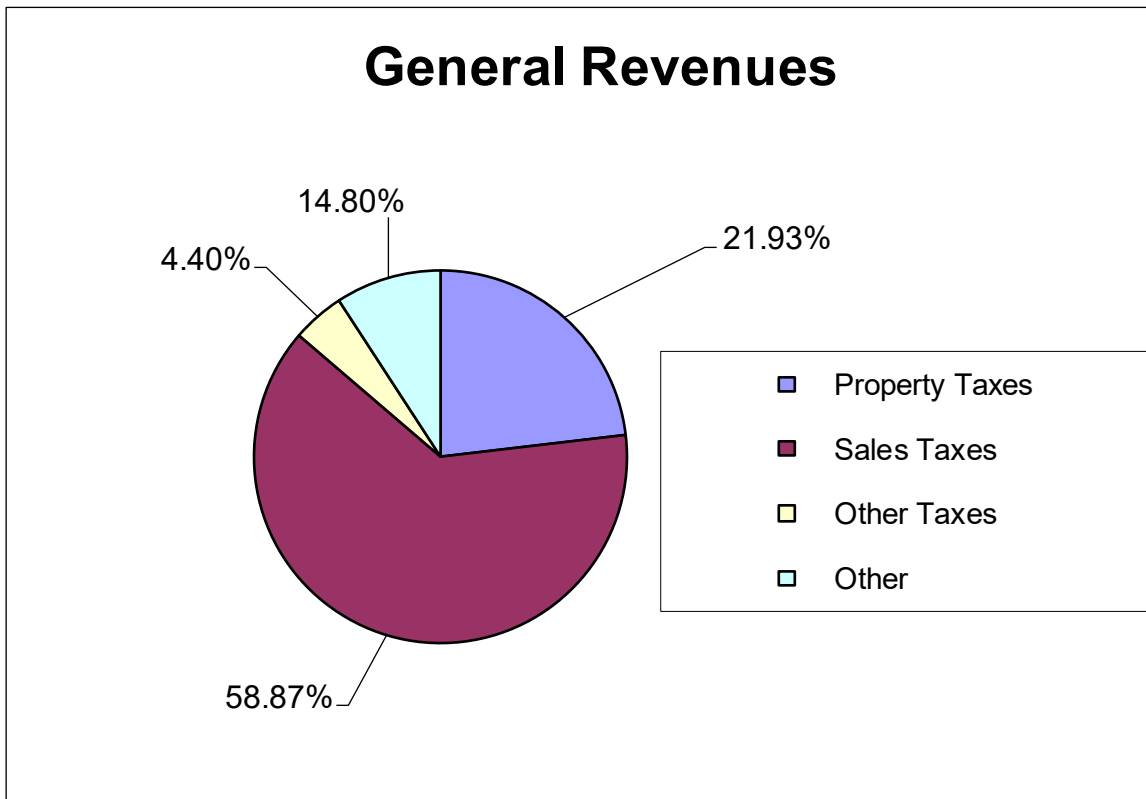
Other General Revenue in the Business-Type Activities increased \$595,120 or 99.04% due in most part to increased interest rates on cash balances in Water and Wastewater. Business-Type Activities Total Expenses increased by \$1,470,596 or 11.01%. Governmental Activities Total Expenses increased \$1,868,868 or 8.78%.

Program Revenues total \$29,025,990 for 2023. Governmental Activities provided \$10,714,933 and Business-Type Activities provided \$18,311,057. Revenue collected for Charges for Services during 2023 was \$20,029,650 accounting for 69% of the total program revenues. Revenue collected for Capital Grants and Contributions accounts during 2023 was \$8,124,487 or 27.99% of the total program revenues. The following chart breaks down program revenues by sources:



General Revenues for 2023 totaled \$22,590,856. Governmental Activities provided \$21,394,870 and Business-Type Activities provided \$1,195,986. Sales Tax Revenues for 2023 totaled \$13,299,584 and Property Tax Revenue totaled \$4,954,739. The Sales Tax Revenues accounted for 58.87% and Property Tax Revenues were 21.93% of General Revenues. The following chart breaks down General Revenues by source:

### GENERAL REVENUES



Expenses for 2023 totaled \$37,991,965, an increase of 9.64%. Expenses for Governmental Activities totaled \$23,164,161 accounting for 60.97% of the total expenses. Expenses for Business-Type Activities totaled \$14,827,804 accounting for 39.03% of total expenses.

The following table shows the activities included within each program level:

Program Level	Activity
General Government	City Commission, City Manager, City Attorney, Finance Office, Information Systems, Contingency, Special Appropriations
Public Safety	Police Department, Custody of Prisoners, Animal Control, Fire Department, Civil Defense, Safety Center
Public Works	Engineering & Inspection, Streets & Highways, Snow & Ice Removal, City Hall, Traffic Control, Chan Gurney Airport
Culture & Recreation	Parks, Summit Activity Center, Marne Creek, Memorial Pool, Senior Citizens Center, Yankton Community Library
Community Development	Casualty Reserve, Tax Increment District
Capital Projects	Chan Gurney Airport Federal Capital Projects, Federal and State Pass Through Grants

### Governmental Activities

To aid in the understanding of the Statement of Activities (Exhibit 2) some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for General Government in 2023, the City spent \$2,669,224 and received \$2,229,803 in charges for services, \$6,417 in capital grants and contributions, thus leaving a cost to the taxpayers of (\$433,004) to be funded by various other methods. The new format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

General Government	Liquor licenses, cable television franchise, tower lease
Public Safety	Parking fines, prisoner reimbursement (work release)
Public Works	Street repairs, building permit fees,
Culture & Recreation	Recreation program fees, swimming pool fees

The total cost of governmental activities this year was \$23,164,161. Of these costs, \$4,080,755 was paid by those who directly benefited from the programs (Charges for Services). Costs paid by other governments and organizations that subsidized certain programs with operating grants and contributions were \$871,853, and costs paid by other governments and organizations that subsidized certain programs with capital grants and contributions were \$5,762,325, leaving a Net Expense of (\$12,449,228) for governmental activities. The Statement of Activities (Exhibit 2) in the financial statements provides further detail.

Total resources available during the year to finance governmental operations were \$138,140,972 consisting of Net Position January 1, 2023 of \$105,923,340, General Revenues and transfers of \$21,502,699, and Program Revenues of \$10,714,933. Total Governmental Activities during the year expended \$23,164,161; thus, Net Position was increased by \$9,053,471 to \$114,976,811.



## **Business Type Activities**

Business-Type Activities increased the City's net position by \$4,571,410.

The cost of all Business-Type Activities this year was \$14,827,804. As shown in the Statement of Activities, the amounts paid by users of the systems were \$15,948,895 and \$2,362,162 was funded from capital grants and contributions, and \$1,088,157 was funded by other revenues and transfers, resulting in a net gain for Business-Type Activities of \$4,571,410.

Total resources available during the year to finance Business-Type Activities were \$78,106,360 consisting of Net Position January 1, 2023 of \$58,707,146, Program Revenues of \$18,311,057, other General Revenues and Transfers of \$1,088,157. Total Business-Type Activities during the year expended \$14,827,804; thus Net Position was increased by \$4,571,410 to \$63,278,556.

## **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending as the end of a fiscal year. The City's governmental funds reported combined ending fund balances in 2023 of \$30,876,310 (12.23% non-spendable, 3.64% restricted, 62.35% committed, 8.86% assigned, and 12.92% unassigned). The combined Governmental Funds fund balance decreased (\$1,240,742) from the prior year. The fund balance amount consists of \$3,777,135 of non-spendable funds committed for 1) perpetual care for cemetery \$50,000, 2) \$37,743 of inventories, and 3) long term advances \$3,689,392; \$1,125,257 of restricted funds; \$19,247,186 of committed funds; \$2,736,376 of assigned funds, and \$3,990,356 of unassigned funds.

The general fund is the chief operating fund of the City of Yankton. At the end of the current fiscal year total general fund balance was \$16,744,535, an increase of \$468,487. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 64.35% of total general fund expenditures, while total fund balance represents 82.77% of that same amount.

General fund revenues in 2023 increased \$4,265,535 or 25.52% due mostly to increases in intergovernmental and investment interest revenues. Expenditures increased \$4,522,309 or 28.79%. The increase in expenditures included an increase of \$1,201,206 in current expenditures, an increase of 9.34%, an increase of \$3,323,064 in capital outlay, an increase of 190.7% from 2022's expenditures and a decrease of (\$1,451) in debt service, an decrease of (0.1)% from 2022.

The Special Capital Improvements Fund showed an increase in fund balance of \$2,314,975. This reflects an increase in revenues of \$804,802, and an increase in expenditures of \$301,709.

The TID #5 Fund balance remained a negative fund balance to end 2023 at (\$3,689,392) due to no expenditures being made for Capital Improvements or operating as well as no revenues received in excess of debt service. The negative fund balance should be reduced by future tax receipts.

The TID #12 Fund balance had a negative fund balance to end 2023 at (\$3,730,887) due to infrastructure and capital improvements on the Mead Property. The negative fund balance should be reduced by future tax receipts.

The Other Governmental Funds ended 2023 with a decrease in combined balance of (\$368,156) to \$2,304,868.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the 2023 original (adopted) General Fund budget of \$21,863,158 to the final budget amount of \$26,706,554 shows a net increase of \$4,843,396. However, actual expenditures were \$1,633,514 less than the original adopted budget.

The City is prohibited by statute from spending in excess of appropriated amounts at the department level in the general fund. Expenditures in the Special Appropriations department did exceed appropriations within the general fund for the year ended December 31, 2023.

## CAPITAL ASSETS

The City's investment in capital assets, including land, construction in progress, building and structures, equipment, streets, water system, wastewater system, transfer station and recycling facilities, and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of December 31, 2023 was \$120,832,622 (net of accumulated depreciation and outstanding financings). This was an increase of \$13,128,771 or 12.19%. The comparative totals for capital assets for 2023 and 2022 are as follows:

### CITY OF YANKTON CAPITAL ASSETS (net of depreciation/amortization)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 5,015,772	\$ 5,015,772	\$ 814,623	\$ 814,623	\$ 5,830,395	\$ 5,830,395
Construction in Progress	12,269,800	2,885,360	12,151,284	7,775,154	24,421,084	10,660,514
Buildings & Structures /						
Infrastructure	70,592,788	70,446,341	67,320,522	70,183,389	137,913,310	140,629,730
Land Improvements	-	-	2,104,994	2,106,414	2,104,994	2,106,414
Furniture and Equipment	9,001,219	9,175,818	1,922,701	1,656,133	10,923,920	10,831,951
Right of Use Leased Assets	55,730	84,561	-	-	55,730	84,561
<b>Total</b>	<b><u>\$96,935,309</u></b>	<b><u>\$87,607,852</u></b>	<b><u>\$84,314,124</u></b>	<b><u>\$82,535,713</u></b>	<b><u>\$181,249,433</u></b>	<b><u>\$170,143,565</u></b>

Construction in progress was the major increase in capital outlays for both 2023 Governmental Activities and Business-Type Activities. See note 6 in the financial statements for more information on the City's capital assets.

## **DEBT ADMINISTRATION**

At 2023 year end the City had \$60,707,349 of debt outstanding, a decrease of (\$1,726,555) (total debt not offset by funds restricted to debt service).

Of the total debt, \$13,825,360 or 22.77% is to be paid from Governmental Activities including \$1,146,311 specifically from sales tax funds, \$52,535 of lease obligations and \$12,626,514 from property tax opt-out dollars; and \$46,881,989 or 77.23% in Business Type Activities including \$42,576,291 to be repaid from water user fees, \$455,922 to be paid from landfill revenues and \$3,849,776 to be repaid from wastewater user fees.

The City continues to operate well under the State legal debt margins. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of taxable property in the city. Thus, the debt capacity is \$66,177,546 with outstanding debt of \$18,078,522, leaving an unused balance of \$48,099,024 or 72.68% of the legal debt limit available. The State allows an additional 10% legal debt margin of the assessed value for Water and Wastewater debt that is secured and backed by surcharges. The City has \$42,576,291 of outstanding debt backed by surcharges with the legal debt capacity being \$132,355,092 leaving \$89,778,801 or 67.83% available. More detailed information on debt administration is provided in Notes 8 and 9 of the financial statements.

## **ECONOMIC FACTORS**

The total building permit value for 2023 was \$100,501,620. It was an increase of \$62,997,768 or 167.98% of the 2022 total of \$37,503,852. The average annual building permit value for the last ten years was \$41,757,468 and the 2023 total value was 140.68% of that average. There were forty-one new home-building permits issued during the year, a decrease of one from 2022. There were also 109 apartments in two new apartment complexes.

The City continues to reinvest in its infrastructure with street improvements, wastewater distribution improvements, and the water utility continues to replace water mains to improve the reliability of the water supply as well as finishing construction on water treatment facility.

Another indicator of economic activity is the taxable sales for Yankton that are reported by the South Dakota Department of Revenue. Our 2023 sales were up 3.37% over 2022's figures and totaled \$709,998,896, an increase of \$23,177,222.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Finance Office at 605-668-5240.

## BASIC FINANCIAL STATEMENTS

**CITY OF YANKTON, SOUTH DAKOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment
<b>Assets</b>				
Cash and Cash Equivalents	\$ 28,055,438	\$ 17,966,413	\$ 46,021,851	\$ 162,494
Receivables (Net where applicable, of allowance for uncollectibles):				
Taxes	34,825	-	34,825	-
Accounts	82,547	2,081,602	2,164,149	-
Special Assessments	28,865	-	28,865	-
Other Receivables	-	-	-	11,786
Internal Balances	(1,405,807)	1,405,807	-	-
Due from Other Governmental Agencies	6,103,639	1,453,662	7,557,301	-
Prepaid Expenses	204,405	98,645	303,050	1,682
Inventories	328,834	620,611	949,445	-
Property Held for Resale, at Cost	651,937	-	651,937	-
Restricted Assets:				
Cash and Cash Equivalents	172,987	6,455,400	6,628,387	-
Net Pension Asset	29,497	7,370	36,867	-
Land	5,015,772	814,623	5,830,395	-
Construction in Progress	12,269,800	12,151,284	24,421,084	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation/Amortization	79,649,737	71,348,217	150,997,954	59
Total Assets	131,222,476	114,403,634	245,626,110	176,021
<b>Deferred Outflows of Resources</b>				
Pension Related Deferred Outflows	2,285,667	571,120	2,856,787	-
<b>Liabilities</b>				
Accounts Payable	2,052,329	1,270,650	3,322,979	361
Accrued Expenses	18,023	-	18,023	-
Accrued Wages	408,663	96,852	505,515	4,210
Accrued Interest Payable	18,552	232,708	251,260	-
Unearned Revenue	-	2,656,084	2,656,084	-
Customer Deposits	35,511	8,145	43,656	-
Noncurrent Liabilities:				
Due within one year:				
Accrued Compensated Absences	139,529	36,229	175,758	2,464
Revenue Bonds Payable	-	1,643,479	1,643,479	-
General Obligation Bonds Payable	179,590	-	179,590	-
Notes Payable	737,660	-	737,660	-
Lease Agreements	24,969	-	24,969	-
Due in more than one year:				
Accrued Compensated Absences	558,115	144,920	703,035	2,687
Revenue Bonds Payable	-	45,238,510	45,238,510	-
General Obligation Bonds Payable	966,721	-	966,721	-
Notes Payable	11,888,854	-	11,888,854	-
Lease Agreements	27,566	-	27,566	-
Total Liabilities	17,056,082	51,327,577	68,383,659	9,722
<b>Deferred Inflows of Resources</b>				
Pension Related Deferred Inflows	1,475,250	368,621	1,843,871	-
Total Deferred Inflows of Resources	1,475,250	368,621	1,843,871	-
<b>Net Position</b>				
Net Investment in Capital Assets	84,067,423	36,765,199	120,832,622	59
Restricted:				
SDRS Pension Purposes	839,914	209,869	1,049,783	-
Debt Service	189,952	6,222,692	6,412,644	-
Perpetual Care				
Nonexpendable	50,000	-	50,000	-
Expendable	108,793	-	108,793	-
Lodging Sales Tax	729,225	-	729,225	-
Other Purposes	89,211	-	89,211	-
Unrestricted	28,902,293	20,080,796	48,983,089	166,240
Total Net Position	\$ 114,976,811	\$ 63,278,556	\$ 178,255,367	\$ 166,299

See Accompanying Notes to Financial Statements

**CITY OF YANKTON, SOUTH DAKOTA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 2,669,224	\$ 2,229,803	\$ -	\$ 6,417
Public Safety	5,043,043	7,699	155,852	-
Public Works	4,441,646	823,237	328,318	2,251,257
Culture and Recreation	9,701,519	1,020,016	387,683	3,498,963
Community Development	892,304	-	-	5,688
Debt Service	416,425	-	-	-
Total Governmental Activities	<u>23,164,161</u>	<u>4,080,755</u>	<u>871,853</u>	<u>5,762,325</u>
<b>Business-Type Activities:</b>				
Water	8,141,324	7,829,753	-	39,588
Wastewater	3,280,715	4,910,762	-	2,322,574
Solid Waste	1,355,928	1,361,005	-	-
Joint Powers / Transfer Station	1,868,545	1,847,375	-	-
Golf Course	181,292	-	-	-
Total Business-Type Activities	<u>14,827,804</u>	<u>15,948,895</u>	<u>-</u>	<u>2,362,162</u>
Total Primary Government	<u>\$ 37,991,965</u>	<u>\$ 20,029,650</u>	<u>\$ 871,853</u>	<u>\$ 8,124,487</u>
<b>Component Unit:</b>				
Housing & Redevelopment	<u>\$ 698,338</u>	<u>\$ 18,687</u>	<u>\$ 701,454</u>	<u>\$ -</u>
<b>General Revenues:</b>				
Property Taxes				
Sales and Other Taxes				
Lodging Sales Tax				
Interest				
Reimbursements				
Miscellaneous				
Gain on Sale of Capital Assets				
Interfund Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit Housing &amp; Redevelopment</b>
\$ (433,004)	\$ -	\$ (433,004)	\$ -
(4,879,492)	-	(4,879,492)	-
(1,038,834)	-	(1,038,834)	-
(4,794,857)	-	(4,794,857)	-
(886,616)	-	(886,616)	-
(416,425)	-	(416,425)	-
<u>(12,449,228)</u>	<u>-</u>	<u>(12,449,228)</u>	<u>-</u>
-	(271,983)	(271,983)	-
-	3,952,621	3,952,621	-
-	5,077	5,077	-
-	(21,170)	(21,170)	-
-	(181,292)	(181,292)	-
<u>-</u>	<u>3,483,253</u>	<u>3,483,253</u>	<u>-</u>
\$ (12,449,228)	\$ 3,483,253	\$ (8,965,975)	\$ -
			<u>21,803</u>
4,954,739	-	4,954,739	-
13,299,584	-	13,299,584	-
994,538	-	994,538	-
1,712,423	1,084,911	2,797,334	1,110
141,032	-	141,032	-
4	93,350	93,354	-
292,550	17,725	310,275	-
107,829	(107,829)	-	-
<u>21,502,699</u>	<u>1,088,157</u>	<u>22,590,856</u>	<u>1,110</u>
9,053,471	4,571,410	13,624,881	22,913
<u>105,923,340</u>	<u>58,707,146</u>	<u>164,630,486</u>	<u>143,386</u>
<u>\$ 114,976,811</u>	<u>\$ 63,278,556</u>	<u>\$ 178,255,367</u>	<u>\$ 166,299</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**BALANCE SHEET**  
**Governmental Funds**  
**December 31, 2023**

	General	Special Capital Improvements	TID #5 Menards	TID #12 Meade Property Development	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 12,322,263	\$ 11,099,387	\$ -	\$ 3,874	\$ 4,551,068	\$ 27,976,592
Receivables (Net where applicable, of allowance for uncollectibles):						
Taxes	34,825	-	-	-	-	34,825
Accounts	81,378	-	-	-	27	81,405
Special Assessments	12,907	-	-	-	15,958	28,865
Due from Other Funds	332,842	6,823,139	-	-	-	7,155,981
Due from Other Governmental Agencies	5,020,562	838,160	-	53,345	183,303	6,095,370
Inventories	37,743	-	-	-	-	37,743
Advances to Other Funds	3,689,392	828,515	-	-	-	4,517,907
Property Held for Resale, at Cost	-	-	-	-	651,937	651,937
Restricted Assets:						
Cash and Cash Equivalents	19,740	-	-	-	153,247	172,987
Total Assets	<u>21,551,652</u>	<u>19,589,201</u>	<u>-</u>	<u>57,219</u>	<u>5,555,540</u>	<u>46,753,612</u>
<b>Liabilities</b>						
Accounts Payable	469,441	245,587	-	117,972	1,162,003	1,995,003
Accrued Expenses	18,023	-	-	-	-	18,023
Accrued Wages	366,073	-	-	-	39,773	405,846
Due to Other Funds	3,740,396	-	-	3,616,789	1,195,718	8,552,903
Customer Deposits	35,511	-	-	-	-	35,511
Advances from Other Funds	-	-	3,689,392	-	828,515	4,517,907
Total Liabilities	<u>4,629,444</u>	<u>245,587</u>	<u>3,689,392</u>	<u>3,734,761</u>	<u>3,226,009</u>	<u>15,525,193</u>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property Taxes	34,824	-	-	-	-	34,824
Unavailable Revenue - Special Assessments	12,907	-	-	-	14,187	27,094
Unavailable Revenue - Other Taxes	127,823	96,428	-	-	10,476	234,727
Unavailable Revenue - Other	2,119	-	-	53,345	-	55,464
Total Deferred Inflows of Resources	<u>177,673</u>	<u>96,428</u>	<u>-</u>	<u>53,345</u>	<u>24,663</u>	<u>352,109</u>
<b>Fund Balances</b>						
Reserved for:						
Non-Spendable:						
Perpetual Care	-	-	-	-	50,000	50,000
Inventories	37,743	-	-	-	-	37,743
Long Term Advances	3,689,392	-	-	-	-	3,689,392
Restricted:						
Debt Service	-	-	-	-	208,504	208,504
Perpetual Care	-	-	-	-	108,793	108,793
Lodging Sales Tax	-	-	-	-	718,749	718,749
Library	-	-	-	-	62,968	62,968
Historic Easement Trust	-	-	-	-	25,330	25,330
Dispatch	-	-	-	-	913	913
Committed:						
Special Capital Improvements (Sales Tax)	-	19,247,186	-	-	-	19,247,186
Assigned:						
Capital Projects	-	-	-	-	2,736,376	2,736,376
Unassigned	13,017,400	-	(3,689,392)	(3,730,887)	(1,606,765)	3,990,356
Total Fund Balances	<u>16,744,535</u>	<u>19,247,186</u>	<u>(3,689,392)</u>	<u>(3,730,887)</u>	<u>2,304,868</u>	<u>30,876,310</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 21,551,652</u>	<u>\$ 19,589,201</u>	<u>\$ -</u>	<u>\$ 57,219</u>	<u>\$ 5,555,540</u>	<u>\$ 46,753,612</u>



**CITY OF YANKTON, SOUTH DAKOTA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2023**

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

Total Fund Balance - Governmental Funds (page 16)	\$ 30,876,310
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds:	96,758,289
Unavailable revenues that do not provide current financial resources for governmental activities:	352,109
Interest on long-term debt is not accrued in governmental funds, but rather, is recognized as an expenditure when due.	(18,552)
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources:	201,424
Pension related deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, are not due and payable in the current year and therefore are not reported in the governmental funds:	797,577
Long-term liabilities, including bonds payables, notes payable, lease agreements, and accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds	(14,512,412)
The net pension liability (asset) does not provide resources in the current period and therefore is not reported in the funds	29,030
Internal service funds are used by management to charge the costs of certain activities, such as the central garage to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund are included in governmental activities in the Statement of Net Position.	493,036
	<hr/>
Total Net Position - Governmental Activities (page 13)	<u>\$ 114,976,811</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General	Special Capital Improvements	TID #5 Menards	TID #12 Meade Property Development	Other Governmental Funds	Total Governmental Funds
Revenue:						
Property Taxes	\$ 4,224,447	\$ -	\$ 174,227	\$ -	\$ 559,540	\$ 4,958,214
Sales and Other Taxes	7,830,703	5,309,885	-	-	1,016,337	14,156,925
Special Assessments	-	-	-	-	4,403	4,403
Licenses and Permits	474,423	-	-	-	-	474,423
Intergovernmental	3,966,420	659,153	-	-	1,703,377	6,328,950
Charges for Services	3,357,916	-	-	-	19,778	3,377,694
Fines and Forfeits	7,286	-	-	-	-	7,286
Interest on Investments	735,807	878,927	-	-	95,978	1,710,712
Contributions	182,062	-	-	-	216,201	398,263
Miscellaneous	195,632	10,000	-	-	19,929	225,561
Total Revenue	<u>20,974,696</u>	<u>6,857,965</u>	<u>174,227</u>	<u>-</u>	<u>3,635,543</u>	<u>31,642,431</u>
Current Expenditures:						
General Government	2,530,760	-	-	-	-	2,530,760
Public Safety	3,678,092	-	-	-	824,873	4,502,965
Public Works	3,564,949	-	-	-	550,729	4,115,678
Culture and Recreation	4,284,313	-	-	-	210,369	4,494,682
Community Development	-	-	-	195,570	684,592	880,162
Capital Outlay:						
Public Works	318,228	3,923,644	-	-	2,281,704	6,523,576
Culture and Recreation	4,348,947	-	-	3,526,801	655,957	8,531,705
General Government	36,210	-	-	-	-	36,210
Public Safety	362,225	-	-	-	-	362,225
Debt Service	1,105,920	-	-	-	207,904	1,313,824
Total Expenditures	<u>20,229,644</u>	<u>3,923,644</u>	<u>-</u>	<u>3,722,371</u>	<u>5,416,128</u>	<u>33,291,787</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>745,052</u>	<u>2,934,321</u>	<u>174,227</u>	<u>(3,722,371)</u>	<u>(1,780,585)</u>	<u>(1,649,356)</u>
Other Financing Sources (Uses):						
Proceeds from Sale of Capitalized Assets	25,600	-	-	-	275,185	300,785
Transfers In	902,589	-	-	66,323	1,417,969	2,386,881
Transfers Out	(1,204,754)	(619,346)	(174,227)	-	(280,725)	(2,279,052)
Total Other Financing Sources (Uses)	<u>(276,565)</u>	<u>(619,346)</u>	<u>(174,227)</u>	<u>66,323</u>	<u>1,412,429</u>	<u>408,614</u>
Net Changes in Fund Balances	468,487	2,314,975	-	(3,656,048)	(368,156)	(1,240,742)
Fund Balances (Deficits) - Beginning of Year	16,276,048	16,932,211	(3,689,392)	(74,839)	2,673,024	32,117,052
Fund Balances (Deficits) - End of Year	<u>\$ 16,744,535</u>	<u>\$ 19,247,186</u>	<u>\$ (3,689,392)</u>	<u>\$ (3,730,887)</u>	<u>\$ 2,304,868</u>	<u>\$ 30,876,310</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

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

Net change in fund balances - total governmental funds (page 18)		\$ (1,240,742)
<p>Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current year:</p>		
Expenditures for capital assets	\$ 13,902,533	
Depreciation/amortization Expense	<u>(4,572,208)</u>	9,330,325
Revenues reported in the funds that are not available to provide current financial resources:		139,534
Accrued interest expense that does not require current financial resources:		1,355
Governmental funds report special assessments as revenue when it becomes available, but the statement of activities includes special assessments as revenue when levied:		(3,672)
Pension expenses reported in the Statement of Activities do not require the use of current financial resources:		(404,946)
The current year City employer share of SDRS contributions are reported as expenditures in the governmental funds but reported as a deferred outflow of resources in the Statement of Net Position:		282,282
Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the loss on the sale of capital assets. This is the effect on the change in net position on the statement of activities.		(8,235)
Internal service funds are used by management to charge the costs of certain activities, such as the central garage to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities:		38,958
Prepaid expenses are not reported in the governmental funds as they are not available to provide current financial resources:		34,325
Other postemployment benefits that do not require current financial resources:		2,473
Compensated absences that do not require current financial resources:		(44,541)
The repayment of principal on bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The Statement of Activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:		<u>926,355</u>
Change in net position of governmental activities (page 15)		<u><u>\$ 9,053,471</u></u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**December 31, 2023**

	<b>Business-Type</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Joint Powers / Transfer Station</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 13,101,864	\$ 3,546,947	\$ 499
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	938,957	788,457	96,435
Due from Other Funds	949,111	533,501	-
Due from Other Governmental Agencies	-	1,453,662	-
Prepaid Expenses	32,627	32,949	8,882
Inventories	455,332	165,279	-
Total Current Assets	<u>15,477,891</u>	<u>6,520,795</u>	<u>105,816</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	3,873,971	2,455,081	72,976
Net Pension Asset	2,452	2,301	1,314
Land	128,117	66,666	11,414
Construction in Progress	348,724	11,802,560	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	58,093,674	8,951,669	1,547,725
Total Noncurrent Assets	<u>62,446,938</u>	<u>23,278,277</u>	<u>1,633,429</u>
Total Assets	<u>77,924,829</u>	<u>29,799,072</u>	<u>1,739,245</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Deferred Outflows	<u>190,030</u>	<u>178,272</u>	<u>101,826</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	108,903	1,056,800	70,281
Accrued Wages	31,246	29,338	13,598
Accrued Interest Payable	215,178	16,703	406
Accrued Compensated Absences	12,015	10,187	7,028
Unearned Revenue	-	2,656,084	-
Due to Other Funds	-	-	76,805
Customer Deposits	8,145	-	-
Current Portion of Revenue Bonds Payable	1,315,676	210,709	68,536
Total Current Liabilities	<u>1,691,163</u>	<u>3,979,821</u>	<u>236,654</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	48,060	40,750	28,112
Revenue Bonds Payable	41,260,615	3,639,067	134,637
Total Noncurrent Liabilities	<u>41,308,675</u>	<u>3,679,817</u>	<u>162,749</u>
Total Liabilities	<u>42,999,838</u>	<u>7,659,638</u>	<u>399,403</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Deferred Inflows	<u>122,652</u>	<u>115,063</u>	<u>65,722</u>
<b>Net Position</b>			
Net Investment in Capital Assets	15,994,224	16,304,183	1,355,966
Restricted for:			
SDRS Pension Purposes	69,830	65,510	37,418
Debt Service	3,658,793	2,438,378	72,570
Unrestricted	15,269,522	3,394,572	(90,008)
Total Net Position	<u>\$ 34,992,369</u>	<u>\$ 22,202,643</u>	<u>\$ 1,375,946</u>

EXHIBIT 5

Nonmajor Enterprise Funds	Business-Type Totals	Governmental Activities- Internal Service Fund
\$ 1,317,103	\$ 17,966,413	\$ 78,846
257,753	2,081,602	1,142
-	1,482,612	-
-	1,453,662	8,269
24,187	98,645	2,981
-	620,611	291,091
<u>1,599,043</u>	<u>23,703,545</u>	<u>382,329</u>
53,372	6,455,400	-
1,303	7,370	467
608,426	814,623	7,000
-	12,151,284	-
<u>2,755,149</u>	<u>71,348,217</u>	<u>170,020</u>
<u>3,418,250</u>	<u>90,776,894</u>	<u>177,487</u>
<u>5,017,293</u>	<u>114,480,439</u>	<u>559,816</u>
<u>100,992</u>	<u>571,120</u>	<u>36,215</u>
34,666	1,270,650	57,326
22,670	96,852	2,817
421	232,708	-
6,999	36,229	2,118
-	2,656,084	-
-	76,805	8,885
-	8,145	-
48,558	1,643,479	-
<u>113,314</u>	<u>6,020,952</u>	<u>71,146</u>
27,998	144,920	8,474
204,191	45,238,510	-
<u>232,189</u>	<u>45,383,430</u>	<u>8,474</u>
<u>345,503</u>	<u>51,404,382</u>	<u>79,620</u>
<u>65,184</u>	<u>368,621</u>	<u>23,375</u>
3,110,826	36,765,199	177,020
37,111	209,869	13,307
52,951	6,222,692	-
1,506,710	20,080,796	302,709
<u>\$ 4,707,598</u>	<u>\$ 63,278,556</u>	<u>\$ 493,036</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	<b>Business-Type</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Joint Powers / Transfer Station</b>
Operating Revenues:			
Charges for Services	\$ 7,829,753	\$ 4,910,762	\$ 1,847,375
Operating Expenses:			
Personal Services	756,672	819,702	412,894
Insurance	106,899	116,657	21,187
Professional Services	76,531	117,345	57,933
Tipping Fees	-	-	-
State Fees	5,822	15,908	-
Repairs and Maintenance	1,860,866	222,789	209,364
Cost of Sales and Service	-	-	880,096
Supplies and Materials	589,062	40,323	3,552
Travel and Conference	5,198	2,216	-
Utilities	472,441	221,496	30,072
Billing and Administration	721,496	689,429	-
Depreciation	2,500,454	941,084	247,464
Total Operating Expenses	<u>7,095,441</u>	<u>3,186,949</u>	<u>1,862,562</u>
Operating Income (Loss)	734,312	1,723,813	(15,187)
Nonoperating Income (Expense):			
Interest Income	831,057	191,174	-
Gain on Disposition of Assets	7,100	-	-
Miscellaneous, net	5,386	2,748	6,170
Interest Expense	(1,045,883)	(93,766)	(5,983)
Total Nonoperating Income (Expenses)	<u>(202,340)</u>	<u>100,156</u>	<u>187</u>
Income (Loss) Before Contributions and Transfers	531,972	1,823,969	(15,000)
Transfers In	-	-	-
Transfers Out	(71,346)	(60,046)	-
Capital Grants and Contributions	<u>39,588</u>	<u>2,322,574</u>	<u>-</u>
Net Changes in Net Position	500,214	4,086,497	(15,000)
Net Position - Beginning	<u>34,492,155</u>	<u>18,116,146</u>	<u>1,390,946</u>
Net Position - Ending	<u>\$ 34,992,369</u>	<u>\$ 22,202,643</u>	<u>\$ 1,375,946</u>

EXHIBIT 6

Nonmajor Enterprise Funds	Business-Type Totals	Governmental Activities- Internal Service Fund
\$ 1,361,005	\$ 15,948,895	\$ 1,153,786
556,286	2,545,554	153,880
16,576	261,319	-
77,816	329,625	5,491
236,587	236,587	-
-	21,730	-
224,480	2,517,499	5,827
-	880,096	-
2,098	635,035	906,103
-	7,414	-
829	724,838	19,368
280,399	1,691,324	-
136,458	3,825,460	32,909
1,531,529	13,676,481	1,123,578
(170,524)	2,272,414	30,208
62,680	1,084,911	-
10,625	17,725	8,750
79,046	93,350	-
(5,691)	(1,151,323)	-
146,660	44,663	8,750
(23,864)	2,317,077	38,958
23,563	23,563	-
-	(131,392)	-
-	2,362,162	-
(301)	4,571,410	38,958
4,707,899	58,707,146	454,078
\$ 4,707,598	\$ 63,278,556	\$ 493,036

**CITY OF YANKTON, SOUTH DAKOTA**  
**STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Business-Type				Totals	Governmental
	Water	Wastewater	Joint Powers / Transfer Station	Nonmajor Enterprise Funds		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 7,681,994	\$ 4,744,021	\$ 1,837,132	\$ 1,324,465	\$ 15,587,612	\$ 819,681
Cash Received from Interfund Services Provided	62,639	3,822	-	2,447	68,908	334,079
Cash Paid to Suppliers for Goods and Services	(3,797,140)	(1,453,148)	(997,471)	(718,907)	(6,966,666)	(970,650)
Cash Paid to Employees for Services	(754,459)	(790,386)	(404,642)	(553,482)	(2,502,969)	(153,385)
Cash Paid for Interfund Services	(63,842)	(25,611)	(196,652)	(114,390)	(400,495)	(2,491)
Other Nonoperating Revenues	5,386	2,748	6,170	92,078	106,382	-
Net Cash Provided by Operating Activities	<u>3,134,578</u>	<u>2,481,446</u>	<u>244,537</u>	<u>32,211</u>	<u>5,892,772</u>	<u>27,234</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>						
Acquisition and Construction of Capital Assets	(488,694)	(2,319,776)	(394,364)	(38,873)	(3,241,707)	(38,276)
Proceeds from Sale of Capital Assets	7,100	-	-	10,625	17,725	8,750
Proceeds from Note and Bond Issuance	-	1,177,289	-	-	1,177,289	-
Principal Paid on Notes, Bonds and Leases	(1,284,260)	(578,776)	(66,852)	(47,601)	(1,977,489)	-
Interest Paid on Notes and Bonds	(1,052,368)	(98,425)	(6,122)	(5,771)	(1,162,686)	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,818,222)</u>	<u>(1,819,688)</u>	<u>(467,338)</u>	<u>(81,620)</u>	<u>(5,186,868)</u>	<u>(29,526)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund Balances--Payments from Other Funds	-	-	76,805	-	76,805	2,430
Interfund Balances--Payments (to) Other Funds	(713,592)	(533,501)	-	-	(1,247,093)	-
Due from Other Governments	-	2,445,055	-	-	2,445,055	-
Transfers In (Out)	(71,346)	(60,046)	-	23,563	(107,829)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(784,938)</u>	<u>1,851,508</u>	<u>76,805</u>	<u>23,563</u>	<u>1,166,938</u>	<u>2,430</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and Dividends on Investments	831,057	191,174	-	62,680	1,084,911	-
Net Cash Provided from Investing Activities	<u>831,057</u>	<u>191,174</u>	<u>-</u>	<u>62,680</u>	<u>1,084,911</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	362,475	2,704,440	(145,996)	36,834	2,957,753	138
Cash and Cash Equivalents at Beginning of Year	16,613,360	3,297,588	219,471	1,333,641	21,464,060	78,708
Cash and Cash Equivalents at End of Year	<u>\$ 16,975,835</u>	<u>\$ 6,002,028</u>	<u>\$ 73,475</u>	<u>\$ 1,370,475</u>	<u>\$ 24,421,813</u>	<u>\$ 78,846</u>

(continued)



**CITY OF YANKTON, SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
Proprietary Funds  
For the Year Ended December 31, 2023**

	Business-Type				Totals	Governmental
	Water	Wastewater	Joint Powers / Transfer Station	Nonmajor Enterprise Funds		Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 734,312	\$ 1,723,813	\$ (15,187)	\$ (170,524)	\$ 2,272,414	\$ 30,208
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	2,500,454	941,084	247,464	136,458	3,825,460	32,909
Other Nonoperating Income	5,386	2,748	6,170	79,046	93,350	-
(Increase) Decrease in Assets:						
Accounts Receivable	(92,273)	(162,919)	(3,913)	(21,061)	(280,166)	(1,142)
Due from Other Governmental Agencies	7,153	-	-	-	7,153	1,116
Prepaid Expenses	(4,724)	(3,237)	(1,609)	(4,861)	(14,431)	(873)
Inventories	(15,744)	(19,700)	-	-	(35,444)	(39,304)
Net Pension Asset	(539)	389	(35)	(154)	(339)	(17)
Pension Related Deferred Outflows	(16,197)	66,245	14,390	3,464	67,902	4,701
Increase (Decrease) in Liabilities:						
Accounts Payable	(3,277)	(29,659)	9,690	10,349	(12,897)	3,825
Accrued Wages	2,194	905	820	1,108	5,027	(2,422)
Accrued Compensated Absences	5,343	3,186	1,724	45	10,298	1,041
Unearned Revenue	-	-	(6,330)	-	(6,330)	-
Customer Deposits	1,078	-	-	-	1,078	-
Pension Related Deferred Inflows	11,412	(41,409)	(8,647)	(1,659)	(40,303)	(2,808)
Net Cash Provided by Operating Activities	<u>\$ 3,134,578</u>	<u>\$ 2,481,446</u>	<u>\$ 244,537</u>	<u>\$ 32,211</u>	<u>\$ 5,892,772</u>	<u>\$ 27,234</u>
<b>Supplemental Schedule of Noncash Capital and Related Financing Activities:</b>						
Developers and City Contribution of Capital Assets	\$ 39,588	\$ 2,322,574	\$ -	\$ -	\$ 2,362,162	\$ -
	<u>\$ 39,588</u>	<u>\$ 2,322,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,362,162</u>	<u>\$ -</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>						
Cash and Cash Equivalents	\$ 13,101,864	\$ 3,546,947	\$ 499	\$ 1,317,103	\$ 17,966,413	\$ 78,846
Restricted Cash and Cash Equivalents	3,873,971	2,455,081	72,976	53,372	6,455,400	-
	<u>\$ 16,975,835</u>	<u>\$ 6,002,028</u>	<u>\$ 73,475</u>	<u>\$ 1,370,475</u>	<u>\$ 24,421,813</u>	<u>\$ 78,846</u>

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Yankton was incorporated June 8, 1869, under the provisions of South Dakota Codified Law, as amended. The City operates under a Commission-Manager form of government.

The City's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) that apply to governmental units. All funds are created under the authority of the South Dakota Codified Law, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith. The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its Governing Board/City Commission appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City.

Proprietary Fund-Type Discretely Presented Component Unit – The Yankton Housing and Redevelopment Commission is a proprietary fund-type and is required to be reported as a discretely presented component unit. In October of 1994, the City of Yankton adopted a resolution to establish the Yankton Housing and Redevelopment Commission to administer the United States Department of Housing and Urban Development, Section 8 Existing Certificate, Voucher, and Moderate Rehabilitation Program. The program became operational in November 1994. The governing board of the commission is made up of five residents of the City of Yankton who have been appointed by the Mayor of the City of Yankton with the approval of the City Commission. The City of Yankton retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct low-income housing units, or to enter into any housing development involving the use of eminent domain, which gives the City the ability to impose its will on the Commission. The commission operates on a fiscal year, therefore financial statements presented herein are reported for the year ended June 30, 2023. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained by writing to the Commission at PO Box 176, Yankton, South Dakota 57078.

Joint Ventures – A joint powers agreement between the City of Yankton, City of Vermillion, Yankton County and Clay County was adopted in 1994. The purpose of this agreement is to provide for the joint ownership, administration and operation of a solid waste disposal and recycling system including: a solid waste transfer station or stations, the transportation of solid waste, a sanitary landfill licensed by the State of South Dakota, a recycling program and facilities, fees establishment and collection as are necessary to support the joint operation and such other operations and facilities as are necessary to exercise the primary responsibilities established under the joint powers agreement. It is not the purpose of the agreement to create a separate entity. The membership of the Advisory Board consists of one member of the governing body of each participating government, the city managers of the cities of Yankton and Vermillion, and one citizen chosen by

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

each participating governing body. The undivided interest in the joint agreement is reported as Joint Power Landfill as an enterprise fund. A separately issued financial statement for the joint venture is not issued.

**B. Basic Financial Statements – Government-Wide Statement**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, and capital project funds are classified as governmental activities. The City's internal service fund is classified as a governmental-type activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net positions are reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The City first uses restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (general government, public works, public safety, health & welfare, culture & recreation, community development) and business-type activities. The functions are supported by general government revenues and related program revenues, operating grants and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through an internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**C. Basis of Accounting**

Basis of accounting refers to the point when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

The modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 30 days after year-end. A 30-day availability period is also used for revenue recognition for all other governmental fund revenues. The exception to this would be for receivables derived from

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

reimbursement grant arrangements where the revenue would be recognized in the same period as the expenditure.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

**D. Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add a fund, as a major fund, which has a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental fund types of the City:

General Fund – The general fund is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds – The special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

Debt Service Fund – The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs not being financed by proprietary or nonexpendable trust funds.

Capital Project Funds – The capital project funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds or fiduciary funds.

Permanent Fund – Permanent funds account for resources that are legally restricted to allow the earnings (and not principal) to be used to support the government's programs.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets.

Enterprise Funds – Enterprise funds are used to account for those operations (a) that are financed and operated in a manner similar to private business or enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds – Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the governmental-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

A description of the City's internal service funds are as follows:

Central Garage Fund – The central garage fund is used to account for the cost of supplying the fuel, repairs and maintenance of equipment used by all City departments, and fuel for the Yankton County automotive equipment. All purchases are billed at cost plus nominal overhead to defray administrative, equipment and shop maintenance and depreciation costs.

Copies and Postage – The copies and postage fund is used to record charges for copies and postage from all departments prior to allocating these charges to the each respective department.

The City reports the following major governmental funds:

General Fund – See description above—the general fund is always considered to be a major fund.

Special Revenue Fund:

TID #5 – This fund accounts for collection of property taxes and expenditures related to tax rebates and the servicing of debt related to economic development projects within the district.

TID #12 – This fund is used to account for expenditures for improvements in the Meade Property Development TIF district and the corresponding TIF revenues.

Capital Projects Fund:

Special Capital Improvement Fund – This fund is used to account for the revenues and expenditures of the additional one percent (1%) sales and use tax. All revenues received from the collection of the tax are used only for the purpose of capital improvements, land acquisition, debt retirement for a joint building project with the city school district including parking, street improvements, and utility improvements attendant thereto, and for street construction and storm sewer improvements.

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City reports the following major enterprise funds:

Water Fund – This fund is used to account for water service to the residents of the City.

Wastewater Fund – This fund is used to account for wastewater collection service for residents.

Joint Powers Landfill – On April 9, 1994 The City of Yankton, City of Vermillion, Clay County and Yankton County entered into a joint powers operation for landfill and recycling. The fund accounts for the activities of the landfill and recycling center located in Vermillion. The transfer station and recycling in Yankton are accounted for by the City of Yankton.

**E. Cash and Investments**

The City combines all cash to participate in an entity-wide cash and investment pool except for specific bond indenture investments required to be separately invested. In general, SDCL 4-5-6 permits municipal funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly, including, without limitations, United States treasury bills, notes, bonds, and other obligations issued or directly or indirectly guaranteed by the United States government, or otherwise directly or indirectly backed by the full faith and credit of the United States government; provided that, for other than permanent, trust, retirement, building, and depreciation reserve funds, such securities shall either mature within eighteen months from the date of purchase or be within eighteen months from the date of purchase or be redeemable at the option of the holder within eighteen months from the date of purchase; of (b) repurchase agreements fully collateralized by securities described in (a) and meeting the requirements of SDCL 4-5-9, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the one hundred largest United States commercial banks, as measured by domestic deposits; or (c) in shares of an open-end, no-load fund administered by an investment company registered under the Federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933 and whose only investments are in securities described in (a) and repurchase agreements described in (b). The component unit maintains their own cash.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month-end deposit and investment balances.

Deposits are reported at cost, plus interest, if the account is of the add-on type.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

**F. Cash Flows**

The City pools its cash resources for depositing and investing purposes. The proprietary funds essentially have access to their cash resources on demand. The component unit maintains their own cash and is not part of the City's pool.

**G. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Advance to Other Funds**

Noncurrent portions of long-term interfund loans are reported as advances and are offset equally by a non-spendable fund balance, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

**I. Inventories/Property Held for Resale**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. In the government-wide financial statements, governmental fund statements and proprietary fund statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed. In the governmental funds, reported inventories are equally offset by a “non-spendable” fund balance classification, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

The only governmental fund inventory recorded is that of the Public Improvement Fund, which consists of commercial, residential, and industrial land held for resale and salt inventory.

**J. Deferred Outflow/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and pension contributions from the City after the measurement date but before the end of the City’s reporting period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within thirty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unrecognized items not yet charged to pension expense.

**K. Restricted Assets**

Certain proceeds of bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Part of the proceeds from cemetery lot sales are permanently set aside in the perpetual care account as required by state statutes, and only income from the restricted investments are used for care and maintenance of the cemetery.

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation and compensation time hours for subsequent use or for payment upon termination, death or retirement. This liability and corresponding employee benefits are recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for the portion which is expected to be liquidated with expendable available financial resources. This amount normally consists of payments to employees who had resigned or retired at year end but had not yet been compensated for the accrued absences. The compensated absences liability has been computed based on rates of pay in effect at December 31, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the general fund, with small portions being paid by the central garage fund. All accrued sick leave time accumulated is forfeited upon separation from service. Such amounts therefore do not constitute a liability. Sick leave earned over maximum accumulation is paid for, on the basis of one hour pay for each two hours earned, with the first pay day in the next January. These amounts have been accrued at year end.

**M. Amortization of Bond Discounts and Premiums**

For governmental fund types, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as other financing sources gross of the applicable premium or discount. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds based on interest expense which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**N. Equity Classifications**

Government-Wide Financial Statements:

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

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

**O. Application of Net Position**

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

**P. Fund Equity**

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.



**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In accordance with Government Accounting Standards Board (GASB) No.54, Fund Balance Reporting and Governmental Fund Type Definitions, the City 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 can only be used for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority that do 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 balances may be assigned by action of the City Commission.
- Unassigned – includes positive fund balance within the general fund that has not been classified within the aforementioned categories and negative fund balances in other governmental funds.

The City 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 City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**Q. Capital Assets**

Assets with an initial individual cost of \$500 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been retroactively capitalized using historical or estimated historical cost as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Land Improvements	30 Years
Buildings and Structures	10 – 50 Years
Machinery and Equipment	5 – 25 Years
Infrastructure	15 – 75 Years

**R. Leases**

City as Lessee: The City is the lessee for noncancellable leases of copier machines and a conference room. The City has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

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

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

The lease term includes the non-cancellable period of the lease. Lease payments and a purchase option price that the City is reasonably certain to exercise.

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

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

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The City maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated monthly to each participating fund based on the month-end cash balances. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The municipal 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. 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 revocable 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 better or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

At year end, the City's deposits in banks were covered by federal depository insurance, and the accounts which exceeded FDIC coverage were properly collateralized per state statutes. The City's bank deposits, per banks, at December 31, 2023 were \$53,613,342. At year-end, the Yankton Housing and Redevelopment Commission's deposits were fully insured or collateralized.

Investments – At year end, the City and Housing Commission had no investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City had no exposure to interest rate risk at year end.

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the city taxes and remits them to the City. City property tax revenues are recognized to the extent that they are used to finance each year's appropriations.

The City is permitted by state statute to levy the following amounts of taxes per \$1,000 of taxable valuation of the property in the City:

General Fund	\$27
Bond Redemption Funds	As Required by Bond Agreement
Judgment Fund (Upon Judgment Being Made)	\$10

State statute allows the tax rates to be raised by special election of the voters.

**NOTE 4 – ESTIMATED UNCOLLECTIBLE RECEIVABLES**

An allowance for uncollectible taxes, utility accounts receivable and special assessments is provided based upon analysis of historical trends. The allowance for uncollectible receivables at December 31, 2023, consisted of the following:

Fund	Utility Accounts Receivable
Water	\$ 54,357
Wastewater	24,009
Solid Waste	23,133
	\$ 101,499

**NOTE 5 – DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at December 31, 2023 include the following:

Description	General	Special Capital Improvement Fund	TID #12	Nonmajor Governmental Funds	Wastewater	Internal Service	Total
County Remitted Taxes	\$ 18,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,214
County Garage Charges	-	-	-	-	-	8,269	8,269
State Remitted Sales Tax	1,111,049	838,160	-	133,831	-	-	2,083,040
State Remitted Liquor and Other Taxes	27,933	-	-	-	-	-	27,933
State Road Aid	65,423	-	-	-	-	-	65,423
Grants	3,787,498	-	53,345	38,429	1,453,662	-	5,332,934
Other	10,445	-	-	11,043	-	-	21,488
	\$ 5,020,562	\$ 838,160	\$ 53,345	\$ 183,303	\$ 1,453,662	\$ 8,269	\$ 7,557,301

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 – CAPITAL ASSETS**

A summary of the changes in the capital assets for the year ended December 31, 2023 is as follows:

	<b>Balance January 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2023</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 5,015,772	\$ -	\$ -	\$ 5,015,772
Construction in progress	2,885,360	10,041,414	656,974	12,269,800
Total capital assets not being depreciated/amortized	<u>7,901,132</u>	<u>10,041,414</u>	<u>656,974</u>	<u>17,285,572</u>
Capital assets being depreciated/amortized:				
Buildings and structures	108,402,807	3,348,240	198,793	111,552,254
Furniture and equipment	22,073,014	1,208,129	367,163	22,913,980
Right-of-use leased equipment	112,097	-	-	112,097
Total capital assets being depreciated/amortized	<u>130,587,918</u>	<u>4,556,369</u>	<u>565,956</u>	<u>134,578,331</u>
Less: accumulated depreciation/amortization for:				
Buildings	37,956,466	3,201,793	198,793	40,959,466
Furniture and equipment	12,897,196	1,374,493	358,928	13,912,761
Right-of-use leased equipment	27,536	28,831	-	56,367
Total accumulated depreciation/amortization	<u>50,881,198</u>	<u>4,605,117</u>	<u>557,721</u>	<u>54,928,594</u>
Total capital assets being depreciated/amortized, net	<u>79,706,720</u>	<u>(48,748)</u>	<u>8,235</u>	<u>79,649,737</u>
Governmental activities capital assets, net	<u>\$ 87,607,852</u>	<u>\$ 9,992,666</u>	<u>\$ 665,209</u>	<u>\$ 96,935,309</u>

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 814,623	\$ -	\$ -	\$ 814,623
Construction in progress	7,775,154	4,581,772	205,642	12,151,284
Total capital assets not being depreciated	<u>8,589,777</u>	<u>4,581,772</u>	<u>205,642</u>	<u>12,965,907</u>
Capital assets being depreciated:				
Buildings and structures	117,784,381	588,401	4,712	118,368,070
Land improvements	2,190,048	-	-	2,190,048
Furniture and equipment	6,512,568	639,340	73,539	7,078,369
Total capital assets being depreciated	<u>126,486,997</u>	<u>1,227,741</u>	<u>78,251</u>	<u>127,636,487</u>
Less: accumulated depreciation for:				
Buildings and structures	47,600,992	3,451,268	4,712	51,047,548
Land improvements	83,634	1,420	-	85,054
Furniture and equipment	4,856,435	372,772	73,539	5,155,668
Total accumulated depreciation	<u>52,541,061</u>	<u>3,825,460</u>	<u>78,251</u>	<u>56,288,270</u>
Total capital assets being depreciated, net	<u>73,945,936</u>	<u>(2,597,719)</u>	<u>-</u>	<u>71,348,217</u>
Business-type activities capital assets, net	<u>\$ 82,535,713</u>	<u>\$ 1,984,053</u>	<u>\$ 205,642</u>	<u>\$ 84,314,124</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 121,747
Public Safety	496,564
Public Works	2,700,606
Culture and Recreation	1,278,207
Community Development	7,993
Total depreciation/amortization expense - governmental activities	<u>\$ 4,605,117</u>

Depreciation expense of \$32,909 was charged to the internal service fund and is included in the public works total displayed above.

<b>Business-Type Activities:</b>	
Water	\$ 2,500,454
Wastewater	941,084
Solid Waste	63,370
Golf Course	73,088
Joint Powers Landfill	247,464
Total depreciation expense - business-type activities	<u>\$ 3,825,460</u>

**CITY OF YANKTON, SOUTH DAKOTA  
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**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

A summary of changes in capital assets for the discretely presented component unit is as follows:

	<b>Balance January 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2023</b>
<b>Component Unit:</b>				
Capital assets being depreciated:				
Equipment and furniture	\$ 6,733	\$ -	\$ -	\$ 6,733
Total capital assets being depreciated	<u>6,733</u>	<u>-</u>	<u>-</u>	<u>6,733</u>
Less: accumulated depreciation for:				
Equipment and furniture	5,968	706	-	6,674
Total accumulated depreciation	<u>5,968</u>	<u>706</u>	<u>-</u>	<u>6,674</u>
Total capital assets being depreciated, net	<u>765</u>	<u>(706)</u>	<u>-</u>	<u>59</u>
Component unit capital assets, net	<u>\$ 765</u>	<u>\$ (706)</u>	<u>\$ -</u>	<u>\$ 59</u>

Reconciliation of Net Investment in Capital Assets:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Land	\$ 5,015,772	\$ 814,623
Construction in Progress	12,269,800	12,151,284
Capital Assets, net of accumulated depreciation/amortization	79,649,737	71,348,217
Less: Revenue Bonds	-	46,881,989
Notes Payable	12,626,514	-
Lease Agreements	52,535	-
Accounts Payable	28,113	195,472
Retainage Payable	160,724	471,464
Net Investment in Capital Assets	<u>\$ 84,067,423</u>	<u>\$ 36,765,199</u>

**NOTE 7 – COMMITMENTS**

During the year ended December 31, 2023, the City entered into several construction contracts totaling \$24,707,466. Of this amount, \$23,864,637 has been expended to date. The remaining balance will be paid as work progresses.

**NOTE 8 – LONG-TERM LIABILITIES**

Notes Payable – Direct Borrowing

The following is a summary of the notes payable activity for the year:

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Notes Payable - Direct Borrowing	\$ 13,347,297	\$ -	\$ 720,783	\$ 12,626,514

The City entered into an agreement with First Dakota National Bank in Sioux Falls (Lessor/Trustee) for financing to construct a new fire station. The declaration of trust agreement, purchase agreement, and ground lease agreement between the City and First Dakota National Bank, along with the issuance of \$2,420,000 of certificates of participation, were completed in February 2009. These agreements are evidence of the bank's ownership interest in the financed purchase assets with the City of Yankton. The City is the agent for the bank for the construction of the fire station building. The bid was awarded and construction began on the fire station building in January 2009 and was completed in 2010. The certificates of participation were refinanced in March of 2018 at a balance of \$1,590,000. The interest rate on the certificates of participation varies from 1.65% to 2.85% and the lease payment terms match the terms of the certificates with final payment on December 1, 2028. The refinancing of the certificates will save the city \$221,494 in interest over the remaining life of the agreement. Property tax funds have been pledged to make the payments over the term of the lease.

The City entered into an agreement with Branch Banking and Trust Company (Lessor/Trustee) for financing to construct a new aquatic center. The declaration of trust Agreement, purchase agreement, and ground lease agreement between the City and Branch Banking and Trust Company, along with the issuance of \$14,000,000 of certificates of participation, were completed in July 2019. The certificates bear interest at 2.91% and mature in December 2039. These agreements are evidence of the Bank's ownership interest in the financed purchase assets with the City of Yankton. The City is the agent for the Bank for the construction of the aquatic center. The bid was awarded, and construction began on the new aquatic center, in 2019.

The following is a schedule of future minimum payments under the notes payable as of December 31, 2023:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 737,660	\$ 362,911	\$ 1,100,571
2025	765,032	341,770	1,106,802
2026	782,913	319,626	1,102,539
2027	806,318	296,803	1,103,121
2028	795,263	268,869	1,064,132
2029 - 2033	3,630,498	1,040,159	4,670,657
2034 - 2038	4,194,698	475,958	4,670,656
2039	914,132	19,999	934,131
<b>Totals</b>	<b>\$ 12,626,514</b>	<b>\$ 3,126,095</b>	<b>\$ 15,752,609</b>

Bonds Payable:

The following is a summary of debt transactions for the year:

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

	<b>Governmental</b>	<b>Business-Type</b>				<b>Total</b>
		<b>Joint Powers</b>				
		<b>Landfill</b>				
		<b>Water Revenue</b>	<b>Revenue (SRF) -</b>	<b>Revenue Loans</b>	<b>Solid Waste</b>	
	<b>2019 Sales Tax</b>	<b>(SRF) - Direct</b>	<b>Direct</b>	<b>(SWMP) (RLA)</b>	<b>REC Loan -</b>	
	<b>Bond</b>	<b>Borrowing</b>	<b>Borrowing</b>	<b>- Direct</b>	<b>Direct</b>	
				<b>Borrowing</b>	<b>Borrowing</b>	
Beginning Bonds Payable	\$ 1,321,572	\$ 43,860,551	\$ 3,251,263	\$ 270,025	\$ 300,350	\$ 49,003,761
Add: Issuances	-	-	1,177,289	-	-	1,177,289
Less: Retirements	(175,261)	(1,284,260)	(578,776)	(66,852)	(47,601)	(2,152,750)
Ending Bonds Payable	\$ 1,146,311	\$ 42,576,291	\$ 3,849,776	\$ 203,173	\$ 252,749	\$ 48,028,300

Bonds outstanding on December 31, 2023 are comprised of the following individual issues:

	<b>Due Within One Year</b>	<b>Due After One Year</b>	<b>Total</b>
2019 Sales Tax Revenue Bonds – Dated June 1, 2019, maturing December 1, 2019 – 2029 with an average interest rate of 2.47%. Funds were used to provide economic development incentives and are to be paid by the Debt Service Fund using TID generated taxes.	\$ 179,590	\$ 966,721	\$ 1,146,311
Solid Waste Management Program (SWMP) and Regional Landfill Assistance (RLA) loans maturing June 1, 2012 – 2027 with an interest rate of 3% per annum, paid by the Joint Powers Landfill Fund.	68,536	134,637	203,173
Water Revenue Bonds (SRF) maturing October 1, 2023 – 2048 with interest rates of 3.5%, 3.25% and 3.0% per annum, paid by the Water Fund.	1,315,676	41,260,615	42,576,291
Wastewater Revenue Bonds (SRF) maturing January 15, 2037 and October 15, 2043, with an interest rate of 3.0% and 2.0% per annum, paid by the Wastewater Fund.	210,709	3,639,067	3,849,776
Solid Waste REC Loan Maturing December 1, 2028 With an interest rate of 2.1% per Annum, paid by Solid Waste Fund.	48,558	204,191	252,749
<b>Totals</b>	<b>\$ 1,823,069</b>	<b>\$ 46,205,231</b>	<b>\$ 48,028,300</b>

The City issues general obligation bonds to provide funds for the construction of major capital projects or provide economic development assistance to local companies. The City has issued general obligations bonds for governmental activities.



**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

On November 25, 2014, the City issued clean water state revolving fund loans not to exceed \$11,048,805 for sewer improvements. The bonds carry an interest rate of 3.0%. At December 31, 2023, \$10,313,545 had been drawn on the bonds.

On November 17, 2014, the City issued \$12,850,000 of drinking water state revolving fund bonds to be used to finance waterworks improvements. The bonds have an interest rate of 3.0%. As of December 31, 2023, \$11,642,796 had been drawn on the loan.

On April 24, 2017, the City issued \$37,000,000 of drinking water state revolving fund bonds, to be used to finance improvements to its system of waterworks. The bonds have an interest rate of 2.25%. As of December 31, 2023, \$36,950,000 had been drawn on the loan.

On July 3, 2023, the City issued \$4,500,000 of clean water state revolving fund bonds, to be used to finance improvements to its wastewater plant. The bonds have an interest rate of 2.00%. As of December 31, 2023, \$1,177,289 had been drawn on the loan.

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

For direct borrowing purposes, each contract includes a provision that in an event of default, all or a portion of the outstanding balance may become immediately due for the water revenue bonds (SRF), wastewater revenue bonds (SRF), solid waste REC loan, and Solid Waste Management Program (SWMP) and Regional Landfill Assistance (RLA) loans.

**A. Annual Debt Service Requirements**

The annual requirements to amortize all debt outstanding as of December 31, 2023, including interest payments of \$14,705,105 are as follows:

Year Ending December 31,	2019 Sales Tax Bonds		Wastewater Revenue - Direct Borrowing		Water Revenue - Direct Borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 179,590	\$ 28,314	\$ 210,709	\$ 101,497	\$ 1,315,676	\$ 1,020,953
2025	184,026	23,878	221,640	95,528	1,347,873	988,756
2026	188,571	19,333	227,842	89,326	1,380,872	955,757
2027	193,229	14,675	234,238	82,930	1,414,693	921,936
2028	198,002	9,902	240,817	76,351	1,449,356	887,272
2029 - 2033	202,893	5,011	1,309,594	276,246	7,797,772	3,885,370
2034 - 2038	-	-	1,066,072	83,121	8,803,796	2,879,346
2039 - 2043	-	-	338,864	-	9,942,193	1,740,948
2044 - 2048	-	-	-	-	9,124,060	486,927
Total	\$ 1,146,311	\$ 101,113	\$ 3,849,776	\$ 804,999	\$ 42,576,291	\$ 13,767,265

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

Year Ending December 31,	Joint Power landfill (RLA) (SWMP) - Direct Borrowing		Solid Waste REC - Direct Borrowing		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 68,536	\$ 4,440	\$ 48,558	\$ 4,814	\$ 1,823,069	\$ 1,160,018
2025	60,555	2,714	49,534	3,837	1,863,628	1,114,713
2026	49,876	1,384	50,530	2,842	1,897,691	1,068,642
2027	24,206	272	51,546	1,826	1,917,912	1,021,639
2028	-	8,809	52,581	790	1,940,756	983,124
2028 - 2032	-	-	-	-	9,310,259	4,166,627
2033 - 2037	-	-	-	-	9,869,868	2,962,467
2038 - 2042	-	-	-	-	10,281,057	1,740,948
2043 - 2047	-	-	-	-	9,124,060	486,927
Total	\$ 203,173	\$ 17,619	\$ 252,749	\$ 14,109	\$ 48,028,300	\$ 14,705,105

**B. Accrued Compensated Absences**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities: Compensated Absences	\$ 652,062	\$ 175,995	\$ 130,413	\$ 697,644	\$ 139,529
Business-Type Activities: Compensated Absences	170,851	44,467	34,169	181,149	36,229
Total Accrued Compensated Absences	\$ 822,913	\$ 220,462	\$ 164,582	\$ 878,793	\$ 175,758

For the governmental activities, compensated absences are primarily liquidated by the general fund; however, a small portion is also liquidated by the central garage and dispatch funds.

**C. Lease Agreements**

On March 14, 2016, the City signed a five-year lease as lessee for the use of a conference room with the option to renew for an additional five-year period. The agreement requires annual payments of \$17,600 at a rate of 1.86%. As of December 31, 2023, the City reported a lease liability of \$34,233. During the fiscal year, the City paid principal of \$16,646 and interest of \$954.

On May 9, 2020, the City signed a four-year lease as lessee for the use of Xerox copier machines. The agreement requires monthly payments of \$837 at a rate of 1.50%. As of December 31, 2023, the City reported a lease liability of \$4,169. During the fiscal year, the City paid principal of \$9,898 and interest of \$146.

On January 31, 2022, the City signed a 63 month lease as lessee for the use of a A&B Business copier machine. The agreement requires monthly payments of \$341 at a rate of 2.00%. As of December 31, 2023, the City reported a lease liability of \$14,133. During the fiscal year, the City paid principal of \$3,767 and interest of \$325.

The following is a summary of lease agreement transactions for the year:

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

	<b>Governmental Activities</b>			
	<b>Conference Room</b>	<b>Xerox Copiers</b>	<b>A&amp;B Business Copier</b>	<b>Total</b>
Beginning Lease Agreements	\$ 50,879	\$ 14,067	\$ 17,900	\$ 82,846
Add: Issuances	-	-	-	-
Less: Retirements	(16,646)	(9,898)	(3,767)	(30,311)
Ending Lease Agreements	<u>\$ 34,233</u>	<u>\$ 4,169</u>	<u>\$ 14,133</u>	<u>\$ 52,535</u>
Due Within One Year	<u>\$ 16,957</u>	<u>\$ 4,169</u>	<u>\$ 3,843</u>	<u>\$ 24,969</u>

The remaining obligations associated with these leases are as follows:

Year Ending December 31,	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 24,969	\$ 905	\$ 25,874
2025	21,196	494	21,690
2026	3,999	91	4,090
2027	2,371	16	2,387
	<u>\$ 52,535</u>	<u>\$ 1,506</u>	<u>\$ 54,041</u>

**NOTE 9 – INTERFUND ASSETS/LIABILITIES**

The purpose of the City's interfund balances is to help finance the short-term cash flow shortages of various funds. Individual short-term interfund receivable and payable balances at December 31, 2023 were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Due From/To Other Funds:</b>		
General Fund	\$ 332,842	\$ 3,740,396
Capital Projects – Special Capital Improvements	6,823,139	-
Capital Projects – Public Improvement	-	800,935
Capital Projects – Airport Capital	-	71,346
Special Revenue – East Yankton TID	-	323,332
Special Revenue – Westbrook Phase 2	-	105
Special Revenue – Mead Property Development	-	3,616,789
Enterprise – Water	949,111	-
Enterprise – Wastewater	533,501	-
Enterprise – Joint Power	-	76,805
Enterprise – Internal Service	-	8,885
	<u>\$ 8,638,593</u>	<u>\$ 8,638,593</u>

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 – INTERFUND ASSETS/LIABILITIES (CONTINUED)**

As of December 31, 2023, long-term advances were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Advances From/To Other funds:</b>		
General Fund	\$ 3,689,392	\$ -
Capital Projects – Special Capital Improvement	828,515	-
Special Revenue – TID #5	-	3,689,392
Special Revenue – TID #8 Westbrook Estates Phase II	-	828,515
	\$ 4,517,907	\$ 4,517,907

The long-term advances were used as internal financing for equipment purchases for the general fund and special capital improvement funds and interim borrowing to the TID #5 and TID #8 funds until property tax revenues are available for repayment. Currently, the equipment loan carries a repayment term of ten years and interest rates of 6.0% and the TID loan is variable.

**NOTE 10 – DEFICIT FUND BALANCES/NET POSITIONS**

As of December 31, 2023, the following funds had deficit fund balances:

Special Revenue:	
TID #5	\$ 3,689,392
TID #12 Meade Property Development	3,730,887
TID #8 Westbrook Estates Phase II	818,079
East Yankton TID	323,332
Bridge & Street	308,440
Capital Projects:	
Public Improvement	123,998
Airport Capital Improvement	\$ 32,916

The special revenue deficits will be refunded through future tax collections whereas the capital project deficit will be refunded through internal transfers.

**NOTE 11 – PENSION PLAN**

**Plan Information**

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

**Benefits Provided**

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 11 – PENSION PLAN (CONTINUED)**

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

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

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

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 – PENSION PLAN (CONTINUED)**

The City's share of contributions to the SDRS for the years ended 2023, 2022, and 2021 were \$601,042, \$558,725, and \$529,729, respectively, equal to the required contributions each year.

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

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

Proportionate share of pension liability	\$ 54,734,969
Less: proportionate share net pension restricted for pension benefits	54,771,836
Proportionate share of net pension liability (asset)	<u>\$ (36,867)</u>

At December 31, 2023, the Municipality reported an asset of \$36,867 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023 and the total pension asset used to calculate the net pension asset was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Municipality's proportion was 0.377725%, which is an increase of 0.00074% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Municipality recognized pension expense of \$151,799. At December 31, 2023, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Difference between expected and actual experience	\$ 1,045,032	\$ -
Changes in assumption	1,260,454	1,842,503
Net difference between projected and actual earnings on pension plan investments	245,452	-
Changes in proportion and difference between City contributions and proportionate share of contributions	7,100	1,368
City contributions subsequent to the measurement date	298,749	-
Total	<u>\$ 2,856,787</u>	<u>\$ 1,843,871</u>

\$298,749 reported as deferred outflow of resources related to pensions resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 – PENSION PLAN (CONTINUED)**

<b>Year Ending December 31</b>	
2024	\$ 504,966
2025	(556,727)
2026	714,209
2027	51,719
Total	\$ 714,167

**Actuarial Assumptions**

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

Inflation	2.50 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	1.91%

**Mortality Rates**

- All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020
- Active and Terminated Vested Members:
  - Teachers, Certified Regents, and Judicial: PubT-2010
  - Other Class A Members: PubG-2010
  - Public Safety Members: PubS-2010
- Retired Members:
  - Teachers, Certified Regents, and Judicial Retirees: PubT-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, 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 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-

**CITY OF YANKTON, SOUTH DAKOTA  
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**NOTE 11 – PENSION PLAN (CONTINUED)**

term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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

**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**

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
City's proportionate share of the net pension liability (asset)	\$ 7,556,574	\$ (36,867)	\$ (6,246,854)

**Pension Plan Fiduciary Net Position**

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

**NOTE 12 – TRANSFERS**

The following is a summary of transfers between funds:



**CITY OF YANKTON, SOUTH DAKOTA  
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**NOTE 12 – TRANSFERS (CONTINUED)**

	General	Nonmajor Governmental	Enterprise Nonmajor	TID #12	Total Transfer Out
<b>General</b>	\$ -	\$ 1,181,191	\$ 23,563	\$ -	\$ 1,204,754
<b>Nonmajor Governmental</b>	151,851	62,551	-	66,323	280,725
<b>Special Capital Improvements</b>	619,346	-	-	-	619,346
<b>TID #5</b>	-	174,227	-	-	174,227
<b>Wastewater</b>	60,046	-	-	-	60,046
<b>Water</b>	71,346	-	-	-	71,346
<b>Transfer In</b>	<u>\$ 902,589</u>	<u>\$ 1,417,969</u>	<u>\$ 23,563</u>	<u>\$ 66,323</u>	<u>\$ 2,410,444</u>

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them
2. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

**NOTE 13 – RISK MANAGEMENT**

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

Employee Health Insurance: The City purchases health insurance for its employees from a commercial insurance carrier.

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

Effective October 5, 2021, the SDPAA adopted a new policy on member departures. Departing Members will no longer be eligible for any partial refund of the calculated portion of their contributions which was previously allowed. The prior policy provided the departing Member with such a partial refund because the departing Member took sole responsibility for all claims and claims expenses whether reported or unreported at the time of their departure from the SDPAA. With such partial refund being no longer available, the SDPAA will now assume responsibility for all reported claims of a departing Member pursuant to the revised IGC.

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 – RISK MANAGEMENT (CONTINUED)**

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

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

There was no significant reduction in insurance coverage from the prior year. There were also no settlements, which exceeded insurance coverage in the past three years.

**NOTE 14 – SAFETY CENTER AGREEMENT**

The City of Yankton has entered into a lease agreement with Yankton County for space occupied in the County's Public Safety Center. The lease is an annual lease, set to renew January 1 of each year automatically unless notice is given by either party prior to June 1. The lease may be amended or canceled by either party acting in formal session.

There are two components to the lease, this first of which is that there is an operations and maintenance cost component where the County and City share the costs of facility operations and maintenance at a rate of 89.25% and 10.75%, respectively. These percentages are based upon the actual square footage used by the City as well as one half of various mutually agreed upon shared areas. Changes to the space allocation will be reviewed each April, and any changes resulting in a different cost allocation will be approved by both parties. The amount paid by the City to the County for 2022 for this component was \$44,684.

The second component is related to capital improvements. The City's payment for this component is equal to the pro rata share of the debt service of the County's GO bonds issued to finance the safety center addition as determined by the space occupied by the City police department—one-half of the dispatch area and one-half of any other mutually agreed upon areas. This percentage will be determined by using actual construction costs of the specified areas. At such time the County's debt is retired, the City will have no future obligation for this component of the lease. Beginning in 2011, the annual cost was \$62,963 for this component and will remain at that amount until the bonds are paid.

Lastly, the City agreed to provide dispatch services for the County with the County paying the City an annually agreed upon amount associated with the costs of providing the service. For 2023, the parties agreed the County would pay \$132,598 per for dispatch services, which was appropriately paid.

**NOTE 15 – RESTRICTED NET POSITION**

Restricted Net Position for the year ended December 31, 2023 was as follows:

Major Purposes:		
Lodging Sales Tax – Enabling Legislation	\$ 729,225	
Debt Service – External Creditors	6,412,644	
SDRS Pension Purposes	1,049,783	
Total Major Purposes	<u>8,191,652</u>	\$ 8,191,652
Permanently Restricted Purposes:		
Cemetery Perpetual Care – Expendable	108,793	
Cemetery Perpetual Care – Nonexpendable	50,000	
Total Permanently Restricted Purposes	<u>158,793</u>	158,793

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 15 – RESTRICTED NET POSITION (CONTINUED)**

Other Purposes:		
Historic Easement Trust	\$ 25,330	
Library – Enabling Legislation	62,968	
Dispatch	913	
Total Other Purposes	<u>                    </u>	<u>89,211</u>
Total Restricted Net Position		<u>\$ 8,439,656</u>

**NOTE 16 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in South Dakota Codified Law chapter 11-9. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers as an economic development grant. No other commitments were made by the City as part of these agreements.

For the year ended December 31, 2023, the City abated \$170,841 of property tax under the urban renewal and economic development projects.

The City also entered into agreements with two developers pursuant to the provisions of the South Dakota Codified Law chapter 9-54 and 9-12-11, where after the developer meets the terms of the agreement, the City will rebate a portion of the municipal retail occupation sales and service tax received by the City from said location.

For the year ended December 31, 2023, the City abated \$438,181 of municipal retail occupation sales and service tax under said agreements.

**NOTE 17 – VIOLATIONS OF FINANCE-RELATED LEGAL REQUIREMENTS**

The City is prohibited by statute from spending in excess of appropriated amounts at the department level in the general fund and at the fund level for the special revenue funds, capital projects funds, and permanent funds. The following represents the overdrafts of the expenditures compared to appropriations at the fund level for the general fund, special revenue funds, capital projects funds, and permanent funds:

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**NOTE 17 – VIOLATIONS OF FINANCE-RELATED LEGAL REQUIREMENTS (CONTINUED)**

	<b>Year End 12/31/23</b>
<b>General Fund:</b>	
General Government	
Special Appropriations	\$ 33,740
<b>Special Revenue Fund:</b>	
TID #12 Meade Property	
Community Development	195,570
TID #8 Westbrook Estates	
Community Development	105
TID #11 East Yankton	
Community Development	450
Bridge & Street	
Culture and Recreation	35,002
Public Works	161,514
<b>Permanent Fund:</b>	
Perpetual Care Cemetery	
Culture and Recreation	\$ 14,679

**NOTE 18 – ACCOUNTING CHANGE**

During 2023, the City adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The new requirements require the reporting of certain right-to-use subscription based IT arrangements assets and liabilities which were previously not reported. Management did not indicate having any agreements that meet the definition of this standard as of December 31, 2023, and no significant agreements were detected during audit procedures.

REQUIRED SUPPLEMENTARY INFORMATION  
(unaudited)

In accordance with the Governmental Accounting Standards Statements No. 25, No. 27, No. 34, No. 75, No. 68 and No. 77, the following information is a required part of the financial statements.

**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**General Fund**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 3,206,797	\$ 3,206,797	\$ 4,224,447	\$ 1,017,650
Sales and Other Taxes	8,375,372	8,375,372	7,830,703	(544,669)
Licenses and Permits	333,507	333,507	474,423	140,916
Intergovernmental	2,578,829	5,383,829	3,966,420	(1,417,409)
Charges for Service	3,134,259	3,134,259	3,357,916	223,657
Fines and Forfeits	4,600	4,600	7,286	2,686
Interest	41,180	41,180	735,807	694,627
Contributions	150,500	150,500	182,062	31,562
Miscellaneous	57,445	57,445	195,632	138,187
Total Revenues	<u>17,882,489</u>	<u>20,687,489</u>	<u>20,974,696</u>	<u>287,207</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
Board of City Commission	172,283	217,283	175,144	42,139
Office of City Manager	288,552	288,552	252,953	35,599
City Attorney	136,734	136,734	101,857	34,877
Department of Finance	758,087	758,087	667,755	90,332
Information Systems	541,219	686,188	426,848	259,340
Community Development	688,160	758,160	531,430	226,730
Human Resources	249,443	249,443	244,147	5,296
Contingency	300,000	300,000	-	300,000
Casualty Reserve Fund	5,000	5,000	-	5,000
Special Appropriations	128,095	133,096	166,836	(33,740)
Total General Government	<u>3,267,573</u>	<u>3,532,543</u>	<u>2,566,970</u>	<u>965,573</u>
<b>Public Safety:</b>				
Police Department	4,227,492	4,350,947	3,365,832	985,115
Fire Department	1,041,520	1,145,020	845,115	299,905
Civil Defense	5,285	5,285	1,158	4,127
Total Public Safety	<u>5,274,297</u>	<u>5,501,252</u>	<u>4,212,105</u>	<u>1,289,147</u>
<b>Public Works:</b>				
Engineering and Inspection	792,959	792,959	583,711	209,248
Streets and Highways	2,977,272	3,522,772	1,991,789	1,530,983
City Hall	308,720	429,947	225,484	204,463
Traffic Control	517,899	534,143	499,696	34,447
Chan Gurney Airport	608,474	722,474	582,497	139,977
Total Public Works	<u>5,205,324</u>	<u>6,002,295</u>	<u>3,883,177</u>	<u>2,119,118</u>

(continued)

**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**General Fund**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Culture and Recreation:				
Marne Creek	2,297,319	5,680,819	4,073,277	1,607,542
Summit Activities Center	885,978	885,978	773,979	111,999
Memorial Park Pool	1,730,312	1,791,312	1,691,029	100,283
Parks and Recreation	2,080,573	2,190,573	1,981,519	209,054
Senior Citizens Center	69,984	69,984	49,175	20,809
Community Library	1,051,798	1,051,798	998,413	53,385
Total Culture and Recreation	<u>8,115,964</u>	<u>11,670,464</u>	<u>9,567,392</u>	<u>2,103,072</u>
Total Expenditures	<u>21,863,158</u>	<u>26,706,554</u>	<u>20,229,644</u>	<u>6,476,910</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,980,669)</u>	<u>(6,019,065)</u>	<u>745,052</u>	<u>6,764,117</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capitalized Assets	-	-	25,600	25,600
Transfers In	2,472,838	2,967,838	902,589	(2,065,249)
Transfers Out	<u>(1,466,625)</u>	<u>(2,116,228)</u>	<u>(1,204,754)</u>	<u>911,474</u>
Total Other Financing Sources (Uses)	<u>1,006,213</u>	<u>851,610</u>	<u>(276,565)</u>	<u>(1,128,175)</u>
Net Change in Fund Balance	<u>(2,974,456)</u>	<u>(5,167,455)</u>	<u>468,487</u>	<u>\$ 5,635,942</u>
Fund Balance - Beginning of Year	<u>16,276,048</u>	<u>16,276,048</u>	<u>16,276,048</u>	
Fund Balance - End of Year	<u>\$ 13,301,592</u>	<u>\$ 11,108,593</u>	<u>\$ 16,744,535</u>	

**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**Major Special Revenue Fund - TID #5 Menards**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 173,433	\$ 173,433	\$ 174,227	\$ 794
Total Revenues	<u>173,433</u>	<u>173,433</u>	<u>174,227</u>	<u>794</u>
Other Financing Sources (Uses):				
Transfers In	34,471	34,471	-	(34,471)
Transfers Out	(194,610)	(194,610)	(174,227)	20,383
Total Other Financing Sources (Uses)	<u>(160,139)</u>	<u>(160,139)</u>	<u>(174,227)</u>	<u>(14,088)</u>
Net Change in Fund Balance	<u>13,294</u>	<u>13,294</u>	<u>-</u>	<u>\$ (13,294)</u>
Fund (Deficits) - Beginning of Year	<u>(3,689,392)</u>	<u>(3,689,392)</u>	<u>(3,689,392)</u>	
Fund (Deficits) - End of Year	<u>\$ (3,676,098)</u>	<u>\$ (3,676,098)</u>	<u>\$ (3,689,392)</u>	



**CITY OF YANKTON, SOUTH DAKOTA  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
Major Special Revenue Fund - TID #12 Meade Property  
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 200	\$ 200	\$ -	\$ (200)
Intergovernmental	200,000	200,000	-	(200,000)
Total Revenues	<u>200,200</u>	<u>200,200</u>	<u>-</u>	<u>(200,200)</u>
Expenditures:				
Community Development	-	-	195,570	(195,570)
Capital Outlay:				
Culture and Recreation	5,000,000	5,827,154	3,526,801	2,300,353
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,722,371</u>	<u>2,104,783</u>
Excess of Revenues Over Expenditures	<u>200,200</u>	<u>200,200</u>	<u>(3,722,371)</u>	<u>(2,304,983)</u>
Other Financing Sources (Uses):				
Issuance of Debt	4,600,000	4,600,000	-	(4,600,000)
Proceeds from Sale of Land Held for Resale	200,000	200,000	-	(200,000)
Transfers In	78,823	78,823	66,323	(12,500)
Transfers Out	(194,610)	(194,610)	-	194,610
Total Other Financing Sources (Uses)	<u>84,213</u>	<u>84,213</u>	<u>66,323</u>	<u>(4,617,890)</u>
Net Change in Fund Balance	<u>284,413</u>	<u>284,413</u>	<u>(3,656,048)</u>	<u>\$ (6,922,873)</u>
Fund (Deficits) - Beginning of Year	<u>(74,839)</u>	<u>(74,839)</u>	<u>(74,839)</u>	
Fund (Deficits) - End of Year	<u>\$ 209,574</u>	<u>\$ 209,574</u>	<u>\$ (3,730,887)</u>	

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**EXHIBIT 11**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before August 1, the City Manager submits to the Board of City Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Commission Chambers to obtain taxpayer comments.
3. By the first September meeting of the City Commission, or within ten days thereafter, the annual appropriation ordinance is introduced, with final action to be taken at the second and final reading of the ordinance.
4. The level of control (the level on which expenditures may not legally exceed appropriations) is by fund, except by department within the general fund. Any revision that alters the total expenditures of any fund or any department within the general fund must be approved by the Board of City Commissioners with a supplemental appropriation ordinance.

Revisions made during the fiscal year ending December 31, 2023 to the original appropriations by fund were as follows for the general fund:

	<b>Original Appropriations</b>	<b>Total Revisions</b>	<b>Revised Appropriations</b>
<b>General Fund:</b>			
General Government			
Board of City Commission	\$ 172,283	\$ 45,000	\$ 217,283
Information Systems	541,219	144,969	686,188
Community Development	688,160	70,000	758,160
Special Appropriations	128,095	5,001	133,096
Public Safety			
Police Department	4,227,492	123,455	4,350,947
Fire Department	1,041,520	103,500	1,145,020
Public Works			
Streets and Highways	2,977,272	545,500	3,522,772
City Hall	308,720	121,227	429,947
Traffic Control	517,899	16,244	534,143
Chan Gurney Airport	608,474	114,000	722,474
Culture and Recreation			
Marne Creek	2,297,319	3,383,500	5,680,819
Memorial Park Pool	1,730,312	61,000	1,791,312
Parks and Recreation	2,080,573	110,000	2,190,573
Transfers Out	1,466,625	649,603	2,116,228

5. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent of the total municipal budget and may be transferred, by resolution of the governing board, to any other appropriation amount that is deemed insufficient during the year.
6. Unexpended appropriations lapse at year-end. A supplemental appropriation ordinance was approved in the subsequent year by the Commission to provide additional funds for certain purchase orders outstanding at year-end.

**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**EXHIBIT 11**

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7. 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, capital projects funds, and all special revenue funds, with the exception of the Library Trust and Historic Easement Trust Funds. The municipality did not encumber any amounts at December 31, 2023.
  8. Formal budgetary integration is employed as a management control device during the year for the general fund, capital projects funds, and all special revenue funds, with the exception of the Library Trust and Historic Easement Trust Funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions. The City Manager is authorized to transfer budgeted amounts between departments within any fund, except the General Fund. The component unit does not have a formal budget.
  9. Budgets for the general fund, special revenue funds, and capital projects funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).
  10. The City is prohibited by statute from spending in excess of appropriated amounts at the department level in the general fund. Expenditures in the Special Appropriations department did exceed appropriations within the general fund for the year ended December 31, 2023.
  11. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with U.S. generally accepted accounting principles present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances; however, in the budgetary RSI schedule, the purchase of a fire truck would be reported as an expenditure of the public safety/fire department function of government, along with all other current fire department expenditures.

**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**South Dakota Retirement System**  
 Last 10 Fiscal Years\*  
 (Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Municipality's proportion of the net pension liability (asset)	0.37772500%	0.37698500%	0.38310300%	0.36648290%	0.36945880%	0.37324390%	0.38897970%	0.38265660%	0.38171770%	0.37916180%
Municipality's proportionate share of net pension liability (asset)	\$ (37)	\$ (36)	\$ (2,934)	\$ (16)	\$ (39)	\$ (9)	\$ (35)	\$ 1,293	\$ (1,619)	\$ (2,732)
Municipality's covered payroll	\$ 9,028	\$ 8,319	\$ 7,908	\$ 7,465	\$ 7,319	\$ 7,229	\$ 7,360	\$ 6,764	\$ 6,487	\$ 6,257
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.41%	-0.43%	-37.10%	-0.21%	-0.53%	-0.12%	-0.48%	19.12%	-24.96%	-43.66%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.1%	100.1%	105.5%	100.0%	100.1%	100.0%	100.1%	96.9%	104.1%	107.3%

\*The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30.

**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULE OF THE CITY CONTRIBUTIONS**  
**South Dakota Retirement System**  
 Last 10 Years  
 (Dollar amounts in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 601	\$ 559	\$ 530	\$ 492	\$ 473	\$ 472	\$ 460	\$ 449	\$ 441	\$ 404
Contributions in relation to the contractually required contribution	<u>601</u>	<u>559</u>	<u>530</u>	<u>492</u>	<u>473</u>	<u>472</u>	<u>460</u>	<u>449</u>	<u>441</u>	<u>404</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipality's covered payroll	\$ 9,295	\$ 8,616	\$ 8,156	\$ 7,602	\$ 7,348	\$ 7,335	\$ 7,141	\$ 6,973	\$ 6,843	\$ 6,257
Contributions as a percentage of covered payroll	6.47%	6.48%	6.49%	6.48%	6.44%	6.44%	6.45%	6.44%	6.45%	6.46%

**CITY OF YANKTON**  
**Notes to Required Supplementary Information**  
**for the Year Ended December 31, 2023**  
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and  
Schedule of Pension Contributions.

**Changes from Prior Valuation**

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

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

**Benefit Provision Changes**

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

**Actuarial Assumption Changes**

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

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

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

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

**Actuarial Method Changes**

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

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF YANKTON, SOUTH DAKOTA  
COMBINING AND INDIVIDUAL FUND STATEMENTS  
GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS** – Special revenue funds are used to account for revenues derived from special tax levies and other earmarked revenue sources. These funds are utilized to finance allowable functions, which may be for either capital outlays or current expenditures or both.

The following funds included in this fund type and their purposes are as follows:

**Major Funds:**

**Tax Increment District #5 Menards** – This fund accounts for collection of property taxes and expenditures related to tax rebates and the servicing of debt related to economic development projects within the district.

**Tax Increment District #12 Meade Property Development** – This fund is used to account for expenditures for improvements in the Meade Property Development TIF district and the corresponding TIF revenues.

**Nonmajor Funds:**

**Dispatch Fund** – This fund is mandated by the State of South Dakota as they receive state funds to run a dispatch operation.

**Business Improvement District** – This fund is used to collect lodging occupancy tax and the corresponding eligible expenses for the promotion and marketing of facilities, events, attractions, and activities located in the district.

**Tax Increment District #8 Westbrook Estates Phase II** – This fund is used to account for expenditures for improvements in the Westbrook Estates TIF district and the corresponding TIF revenues.

**Tax Increment District #6 Westbrook Estates** – This fund is used to account for expenditures for improvements in the Westbrook Estates TIF district and the corresponding TIF revenues.

**Tax Increment District #7 West 10<sup>th</sup> Street** – This fund is used to account for expenditures for improvements in the West 10<sup>th</sup> Street TIF district and the corresponding TIF revenues.

**Tax Increment District #9 Mall Improvements** – This fund is used to account for expenditures for improvements in the Mall Improvements TIF district and the corresponding TIF revenues.

**Tax Increment District #11 East Yankton** – This fund is used to account for expenditures for improvements in the East Yankton TIF district and the corresponding TIF revenues.

**Bridge and Street** – This fund finances expenditures on bridge and street projects approved and shared by the South Dakota Department of Transportation.

**Lodging Sales Tax** – The purpose of this appropriation is to account for the revenues received from the City's 1% municipal sales tax on lodging as is passed on to the Convention Visitor Bureau to promote the City's facilities and attractions.

**Library Trust** – This fund is administered by the Yankton Public Library Advisory Board and is used solely to fund various "special" library projects.

**Historic Easement Trust** – This fund is a reserve fund held for the purpose of paying inspection costs and fees related to a historic facade preservation easement.



**CITY OF YANKTON, SOUTH DAKOTA  
COMBINING AND INDIVIDUAL FUND STATEMENTS  
GOVERNMENTAL FUNDS**

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**DEBT SERVICE FUND** – Debt service funds account for the accumulation of resources and payment of general long-term obligation bond principal and interest from governmental resources. The City only has one debt service fund as follows:

**Nonmajor Fund:**

**Debt Service Fund** – This fund accounts for the accumulation of funds and is expended for the annual debt service of the City's outstanding general obligation bonds.

**CAPITAL PROJECT FUNDS** – Capital projects funds are established to account for financial resources and expenditures for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The following funds included in this fund type and their purposes are as follows:

**Major Fund:**

**Special Capital Improvement Fund** – This fund is used to account for the revenues and expenditures of the additional one percent (1%) sales and use tax. All revenues received from the collection of the tax are used only for the purpose of capital improvements, land acquisition, debt retirement for a joint building project with the city school district including parking, street improvements, and utility improvements attendant thereto, and for street construction and storm sewer improvements (reported in Exhibits 3 and 4).

**Nonmajor Funds:**

**Public Improvement** – This fund is used for present and future public improvements that are grant related or pass-through grants.

**Infrastructure Improvement** – This fund was created to help fund special assessment construction projects in the City of Yankton that improve the City's infrastructure.

**Park Capital Projects** – This fund is used for capital improvements to the various parks throughout the City of Yankton that include formation and initial equipment, or the expansion of existing facilities.

**Infrastructure Improvement Revolving** – This fund helps finance special assessment construction projects that are paid for by the citizens who receive the direct benefits of these projects. Most repayments are in the form of a revolving loan established by the City of Yankton.

**Airport Capital Improvement** – This fund is used for present and future public improvements that are grant related or pass-through grants.

**Pool Capital Construction Fund** – This fund is used to account for the construction and equipping of the new aquatics center of the City.

**PERMANENT FUNDS** – Account for resources that are legally restricted to allow the earnings (and not principal) to be used to support the government's programs.

**Nonmajor Fund:**

**Cemetery Perpetual Care** – This fund accounts for the operations and restricted funds of the cemetery.

**CITY OF YANKTON, SOUTH DAKOTA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
December 31, 2023**

Special Revenue									
	Debt Service	Dispatch	Business Improvement District	TID #8 Westbrook Estates Phase II	TID #6 Westbrook Estates	TID #7 West 10th Street	TID #9 Mall Improvements	TID #11 East Yankton	
<b>Assets</b>									
Cash and Cash Equivalents	\$ 208,504	\$ 36,924	\$ 251,623	\$ 50,960	\$ 180,534	\$ 21,957	\$ 505	\$ 309,882	
Receivables (Net where applicable, of allowance for uncollectibles):									
Accounts	-	-	-	27	-	-	-	-	
Special Assessments	-	-	-	-	-	-	-	-	
Due from Other Governmental Agencies	-	-	9,444	1,599	-	-	-	-	
Property Held for Resale, at Cost	-	-	-	-	-	-	-	-	
Restricted Assets:									
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	
Total Assets	208,504	36,924	261,067	52,586	180,534	21,957	505	309,882	
<b>Liabilities</b>									
Accounts Payable	-	534	145,089	42,045	180,534	21,957	505	309,882	
Accrued Wages	-	35,477	-	-	-	-	-	-	
Due to Other Funds	-	-	-	105	-	-	-	323,332	
Advances from Other Funds	-	-	-	828,515	-	-	-	-	
Total Liabilities	-	36,011	145,089	870,665	180,534	21,957	505	633,214	
<b>Deferred Inflows of Resources</b>									
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-	
Unavailable Revenue - Other Taxes	-	-	-	-	-	-	-	-	
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	
<b>Fund Balances (Deficits)</b>									
Reserved for:									
Non-Spendable:									
Perpetual Care	-	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	-	
Restricted:									
Debt Service	208,504	-	-	-	-	-	-	-	
Perpetual Care	-	-	-	-	-	-	-	-	
Lodging Sales Tax	-	-	115,978	-	-	-	-	-	
Library	-	-	-	-	-	-	-	-	
Historic Easement Trust	-	-	-	-	-	-	-	-	
Dispatch	-	913	-	-	-	-	-	-	
Assigned:									
Capital Projects	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	(818,079)	-	-	-	(323,332)	
Total Fund Balances (Deficits)	208,504	913	115,978	(818,079)	-	-	-	(323,332)	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 208,504	\$ 36,924	\$ 261,067	\$ 52,586	\$ 180,534	\$ 21,957	\$ 505	\$ 309,882	

	Capital Projects				Permanent		Total Governmental Nonmajor Funds
	Bridge & Street	Lodging Sales Tax	Library Trust	Historic Easement Trust	Nonmajor Capital Projects	Perpetual Care Cemetery	
\$	17,543	\$ 483,888	\$ 64,197	\$ 25,330	\$ 2,888,239	\$ 10,982	\$ 4,551,068
	-	-	-	-	-	-	27
	-	-	-	-	15,958	-	15,958
	-	133,831	-	-	38,429	-	183,303
	-	-	-	-	651,937	-	651,937
	-	-	-	-	-	153,247	153,247
	17,543	617,719	64,197	25,330	3,594,563	164,229	5,555,540
	325,983	4,472	1,229	-	128,633	1,140	1,162,003
	-	-	-	-	-	4,296	39,773
	-	-	-	-	872,281	-	1,195,718
	-	-	-	-	-	-	828,515
	325,983	4,472	1,229	-	1,000,914	5,436	3,226,009
	-	-	-	-	14,187	-	14,187
	-	10,476	-	-	-	-	10,476
	-	10,476	-	-	14,187	-	24,663
	-	-	-	-	-	50,000	50,000
	-	-	-	-	-	-	-
	-	-	-	-	-	-	208,504
	-	-	-	-	-	108,793	108,793
	-	602,771	-	-	-	-	718,749
	-	-	62,968	-	-	-	62,968
	-	-	-	25,330	-	-	25,330
	-	-	-	-	-	-	913
	-	-	-	-	2,736,376	-	2,736,376
	(308,440)	-	-	-	(156,914)	-	(1,606,765)
	(308,440)	602,771	62,968	25,330	2,579,462	158,793	2,304,868
\$	17,543	\$ 617,719	\$ 64,197	\$ 25,330	\$ 3,594,563	\$ 164,229	\$ 5,555,540

**CITY OF YANKTON, SOUTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 Governmental Nonmajor Funds  
 For the Year Ended December 31, 2023**

<b>Special Revenue</b>								
	<b>Debt Service</b>	<b>Dispatch</b>	<b>Business Improvement District</b>	<b>TID #8 Westbrook Estates Phase II</b>	<b>TID #6 Westbrook Estates</b>	<b>TID #7 West 10th Street</b>	<b>TID #9 Mall Improvements</b>	<b>TID #11 East Yankton</b>
Revenue:								
Property Taxes	\$ -	\$ -	\$ -	\$ 125,157	\$ 379,404	\$ 53,968	\$ 1,011	\$ -
Sales and Other Taxes	-	-	147,172	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	159,372	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest on Investments	-	21,274	8,482	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenue	-	180,646	155,654	125,157	379,404	53,968	1,011	-
Current Expenditures:								
Public Safety	-	824,873	-	-	-	-	-	-
Public Works	-	-	-	114,303	382,458	53,968	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Community Development	-	-	-	105	-	-	1,011	450
Capital Outlay:								
Public Works	-	-	145,089	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	309,882
Debt Service	207,904	-	-	-	-	-	-	-
Total Expenditures	207,904	824,873	145,089	114,408	382,458	53,968	1,011	310,332
Excess (Deficiency) of Revenues Over (Under) Expenditures	(207,904)	(644,227)	10,565	10,749	(3,054)	-	-	(310,332)
Other Financing Sources (Uses):								
Proceeds from Sale of Capitalized Assets	-	-	-	-	-	-	-	-
Transfers In	207,904	578,856	-	-	-	-	-	-
Transfers Out	-	-	(3,113)	-	-	-	-	-
Total Other Financing Sources (Uses)	207,904	578,856	(3,113)	-	-	-	-	-
Net Changes in Fund Balance	-	(65,371)	7,452	10,749	(3,054)	-	-	(310,332)
Fund Balances (Deficits) - Beginning of Year	208,504	66,284	108,526	(828,828)	3,054	-	-	(13,000)
Fund Balances (Deficits) - End of Year	\$ 208,504	\$ 913	\$ 115,978	\$ (818,079)	\$ -	\$ -	\$ -	\$ (323,332)

	Capital Projects					Permanent	Total Governmental Nonmajor Funds
	Bridge & Street	Lodging Sales Tax	Library Trust	Historic Easement Trust	Non-Major Capital Projects	Perpetual Care Cemetery	
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,540
	21,397	847,768	-	-	-	-	1,016,337
	-	-	-	-	4,403	-	4,403
	-	-	28,300	-	1,515,705	-	1,703,377
	-	-	-	-	-	19,778	19,778
	9,246	32,703	2,444	1,112	9,242	11,475	95,978
	-	5,688	24,863	-	185,650	-	216,201
	-	-	-	-	18,311	1,618	19,929
	30,643	886,159	55,607	1,112	1,733,311	32,871	3,635,543
	-	-	-	-	-	-	824,873
	-	-	-	-	-	-	550,729
	55,002	-	23,012	-	-	132,355	210,369
	-	683,026	-	-	-	-	684,592
	434,254	-	-	-	1,702,361	-	2,281,704
	-	-	-	-	346,075	-	655,957
	-	-	-	-	-	-	207,904
	489,256	683,026	23,012	-	2,048,436	132,355	5,416,128
	(458,613)	203,133	32,595	1,112	(315,125)	(99,484)	(1,780,585)
	-	-	-	-	265,185	10,000	275,185
	-	-	-	-	543,977	87,232	1,417,969
	-	(223,650)	-	-	(53,962)	-	(280,725)
	-	(223,650)	-	-	755,200	97,232	1,412,429
	(458,613)	(20,517)	32,595	1,112	440,075	(2,252)	(368,156)
	150,173	623,288	30,373	24,218	2,139,387	161,045	2,673,024
\$	(308,440)	\$ 602,771	\$ 62,968	\$ 25,330	\$ 2,579,462	\$ 158,793	\$ 2,304,868

**CITY OF YANKTON, SOUTH DAKOTA  
COMBINING BALANCE SHEET  
Nonmajor Capital Projects Funds  
December 31, 2023**

	<b>Public Improvement</b>	<b>Infrastructure Improvement</b>	<b>Park Capital Projects</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 25,000	\$ 324,807	\$ 303,735
Receivables (Net where applicable, of allowance for uncollectibles):			
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
Property Held for Resale, at Cost	651,937	-	-
<b>Total Assets</b>	<b>676,937</b>	<b>324,807</b>	<b>303,735</b>
<b>Liabilities</b>			
Accounts Payable	-	-	97,060
Due to Other Funds	800,935	-	-
<b>Total Liabilities</b>	<b>800,935</b>	<b>-</b>	<b>97,060</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - Special Assessments	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Assigned:			
Capital Projects	-	324,807	206,675
Unassigned	(123,998)	-	-
<b>Total Fund Balances (Deficits)</b>	<b>(123,998)</b>	<b>324,807</b>	<b>206,675</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 676,937</b>	<b>\$ 324,807</b>	<b>\$ 303,735</b>

EXHIBIT A-3

Infrastructure Improvement Revolving	Airport Capital Improvement	Pool Capital Construction	Totals
\$ 16	\$ 31,574	\$ 2,203,107	\$ 2,888,239
15,958	-	-	15,958
-	38,429	-	38,429
-	-	-	651,937
15,974	70,003	2,203,107	3,594,563
-	31,573	-	128,633
-	71,346	-	872,281
-	102,919	-	1,000,914
14,187	-	-	14,187
14,187	-	-	14,187
1,787	-	2,203,107	2,736,376
-	(32,916)	-	(156,914)
1,787	(32,916)	2,203,107	2,579,462
\$ 15,974	\$ 70,003	\$ 2,203,107	\$ 3,594,563

**CITY OF YANKTON, SOUTH DAKOTA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 Nonmajor Capital Projects Funds  
 For the Year Ended December 31, 2023**

	<b>Public Improvement</b>	<b>Infrastructure Improvement</b>	<b>Park Capital Projects</b>
Revenue:			
Special Assessments	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest on Investments	-	-	-
Contributions	-	-	185,650
Miscellaneous	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>185,650</u>
Current Expenditures:			
Capital Outlay:			
Public Works	-	-	-
Culture and Recreation	-	-	346,075
Total Expenditures	<u>-</u>	<u>-</u>	<u>346,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(160,425)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capitalized Assets	265,185	-	-
Transfers In	25,000	3,874	515,103
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>290,185</u>	<u>3,874</u>	<u>515,103</u>
Net Changes in Fund Balances	290,185	3,874	354,678
Fund Balances - Beginning of Year	<u>(414,183)</u>	<u>320,933</u>	<u>(148,003)</u>
Fund Balances (Deficits) - End of Year	<u>\$ (123,998)</u>	<u>\$ 324,807</u>	<u>\$ 206,675</u>



EXHIBIT A-4

Infrastructure Improvement Revolving	Airport Capital Improvement	Pool Capital Construction	Totals
\$ 4,403	\$ -	\$ -	\$ 4,403
-	1,515,705	-	1,515,705
-	9,242	-	9,242
-	-	-	185,650
-	18,311	-	18,311
4,403	1,543,258	-	1,733,311
-	1,702,361	-	1,702,361
-	-	-	346,075
-	1,702,361	-	2,048,436
4,403	(159,103)	-	(315,125)
-	-	-	265,185
-	-	-	543,977
(3,874)	-	(50,088)	(53,962)
(3,874)	-	(50,088)	755,200
529	(159,103)	(50,088)	440,075
1,258	126,187	2,253,195	2,139,387
\$ 1,787	\$ (32,916)	\$ 2,203,107	\$ 2,579,462

**CITY OF YANKTON, SOUTH DAKOTA  
COMBINING AND INDIVIDUAL FUND STATEMENTS  
PROPRIETARY FUNDS**

**PROPRIETARY FUNDS** – The proprietary funds are established to account for the financing of self-supporting activities of governmental units which render services on a user charge basis to the general public or to other departments of the government.

**Nonmajor Enterprise Funds:**

**Solid Waste** – This fund accounts for the operations of a solid waste pickup (collection) for the residents of the City of Yankton.

**Golf Course** – This fund was established to account for the operations of an 18-hole municipal, public play golf course.

**Internal Service Funds:**

**Copies and Postage** – This fund has been established to record all charges for copies and postage by all departments prior to allocating these charges to the respective departments.

**Central Garage Fund** – To account for the cost of supplying the fuel, repairs and maintenance of equipment used by all City departments, and fuel for the Yankton County automotive equipment, all purchases are billed at cost plus nominal overhead to defray administrative, equipment and shop maintenance and depreciation costs.

**CITY OF YANKTON, SOUTH DAKOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**Nonmajor Enterprise Funds**  
**December 31, 2023**

	<b>Golf Course</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 30,001	\$ 1,287,102	\$ 1,317,103
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	-	257,753	257,753
Prepaid Expenses	1,368	22,819	24,187
Total Current Assets	<u>31,369</u>	<u>1,567,674</u>	<u>1,599,043</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	-	53,372	53,372
Net Pension Asset	-	1,303	1,303
Land	533,787	74,639	608,426
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	<u>2,453,420</u>	<u>301,729</u>	<u>2,755,149</u>
Total Noncurrent Assets	<u>2,987,207</u>	<u>431,043</u>	<u>3,418,250</u>
Total Assets	<u>3,018,576</u>	<u>1,998,717</u>	<u>5,017,293</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Deferred Outflows	-	100,992	100,992
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	-	34,666	34,666
Accrued Wages	-	22,670	22,670
Accrued Interest Payable	-	421	421
Accrued Compensated Absences	-	6,999	6,999
Current Portion of Revenue Bonds Payable	-	48,558	48,558
Total Current Liabilities	<u>-</u>	<u>113,314</u>	<u>113,314</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	27,998	27,998
Revenue Bonds Payable	-	204,191	204,191
Total Noncurrent Liabilities	<u>-</u>	<u>232,189</u>	<u>232,189</u>
Total Liabilities	<u>-</u>	<u>345,503</u>	<u>345,503</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Deferred Inflows	-	65,184	65,184
<b>Net Position</b>			
Net investment in capital assets,	2,987,207	123,619	3,110,826
Restricted for:			
Debt Service	-	52,951	52,951
SDRS Pension Purposes	-	37,111	37,111
Unrestricted	31,369	1,475,341	1,506,710
Total Net Position	<u>\$ 3,018,576</u>	<u>\$ 1,689,022</u>	<u>\$ 4,707,598</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	<b>Golf Course</b>	<b>Solid Waste</b>	<b>Totals</b>
Operating Revenues:			
Charges for Services	\$ -	\$ 1,361,005	\$ 1,361,005
Operating Expenses:			
Personal Services	-	556,286	556,286
Insurance	8,140	8,436	16,576
Professional Services	-	77,816	77,816
Tipping Fees	-	236,587	236,587
Repairs and Maintenance	100,020	124,460	224,480
Supplies and Materials	-	2,098	2,098
Utilities	44	785	829
Billing and Administration	-	280,399	280,399
Depreciation	73,088	63,370	136,458
Total Operating Expenses	<u>181,292</u>	<u>1,350,237</u>	<u>1,531,529</u>
Operating Income (Loss)	(181,292)	10,768	(170,524)
Nonoperating Income (Expense):			
Interest Income	-	62,680	62,680
Gain on Disposition of Assets	-	10,625	10,625
Miscellaneous, net	79,046	-	79,046
Interest Expense	-	(5,691)	(5,691)
Total Nonoperating Income (Expenses)	<u>79,046</u>	<u>67,614</u>	<u>146,660</u>
Income (Loss) Before Contributions and Transfers	(102,246)	78,382	(23,864)
Transfers In	<u>23,563</u>	-	<u>23,563</u>
Net Changes in Net Position	(78,683)	78,382	(301)
Net Position - Beginning	<u>3,097,259</u>	<u>1,610,640</u>	<u>4,707,899</u>
Net Position - Ending	<u>\$ 3,018,576</u>	<u>\$ 1,689,022</u>	<u>\$ 4,707,598</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	<b>Business-Type</b>		
	<b>Golf Course</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ -	\$ 1,324,465	\$ 1,324,465
Cash Received from Interfund Services Provided	-	2,447	2,447
Cash Paid to Suppliers for Goods and Services	(108,617)	(610,290)	(718,907)
Cash Paid to Employees for Services	-	(553,482)	(553,482)
Cash Paid for Interfund Services	-	(114,390)	(114,390)
Other Nonoperating Revenues	92,078	-	92,078
Net Cash Provided (Used) by Operating Activities	<u>(16,539)</u>	<u>48,750</u>	<u>32,211</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(7,717)	(31,156)	(38,873)
Proceeds from Sale of Capital Assets	-	10,625	10,625
Interest Paid on Bonds	-	(5,771)	(5,771)
Principal Paid on Notes, Bonds, and Leases	-	(47,601)	(47,601)
Net Cash (Used) by Capital and Related Financing Activities	<u>(7,717)</u>	<u>(73,903)</u>	<u>(81,620)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	23,563	-	23,563
Net Cash Provided by Noncapital Financing Activities	<u>23,563</u>	<u>-</u>	<u>23,563</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends on Investments	-	62,680	62,680
Net Cash Provided from Investing Activities	<u>-</u>	<u>62,680</u>	<u>62,680</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(693)	37,527	36,834
Cash and Cash Equivalents at Beginning of Year	30,694	1,302,947	1,333,641
Cash and Cash Equivalents at End of Year	<u>\$ 30,001</u>	<u>\$ 1,340,474</u>	<u>\$ 1,370,475</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (181,292)	\$ 10,768	\$ (170,524)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	73,088	63,370	136,458
Other Nonoperating Income	79,046	-	79,046
(Increase) Decrease in Assets:			
Accounts Receivable	13,032	(34,093)	(21,061)
Prepaid Expenses	(66)	(4,795)	(4,861)
Net Pension Asset	-	(154)	(154)
Pension Related Deferred Outflows	-	3,464	3,464
Increase (Decrease) in Liabilities:			
Accounts Payable	(347)	10,696	10,349
Accrued Wages	-	1,108	1,108
Accrued Compensated Absences	-	45	45
Pension Related Deferred Inflows	-	(1,659)	(1,659)
Net Cash Provided (Used) by Operating Activities	<u>\$ (16,539)</u>	<u>\$ 48,750</u>	<u>\$ 32,211</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>			
Cash and Cash Equivalents	\$ 30,001	\$ 1,287,102	\$ 1,317,103
Restricted Cash and Cash Equivalents	-	53,372	53,372
	<u>\$ 30,001</u>	<u>\$ 1,340,474</u>	<u>\$ 1,370,475</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**Internal Service Funds**  
**December 31, 2023**

	Copier- Fax- Postage	Central Garage	Totals
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 78,846	\$ 78,846
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	1,142	-	1,142
Due from Other Governmental Agencies	-	8,269	8,269
Prepaid Expenses	-	2,981	2,981
Inventories	7,743	283,348	291,091
Total Current Assets	<u>8,885</u>	<u>373,444</u>	<u>382,329</u>
Noncurrent Assets:			
Net Pension Asset	-	467	467
Land	-	7,000	7,000
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	-	170,020	170,020
Total Noncurrent Assets	<u>-</u>	<u>177,487</u>	<u>177,487</u>
Total Assets	<u>8,885</u>	<u>550,931</u>	<u>559,816</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Deferred Outflows	-	36,215	36,215
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	-	57,326	57,326
Accrued Wages	-	2,817	2,817
Accrued Compensated Absences	-	2,118	2,118
Due to Other Funds	8,885	-	8,885
Total Current Liabilities	<u>8,885</u>	<u>62,261</u>	<u>71,146</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	-	8,474	8,474
Total Noncurrent Liabilities	<u>-</u>	<u>8,474</u>	<u>8,474</u>
Total Liabilities	<u>8,885</u>	<u>70,735</u>	<u>79,620</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Deferred Inflows	-	23,375	23,375
<b>Net Position</b>			
Net investment in capital assets,	-	177,020	177,020
Restricted for:			
SDRS Pension Purposes	-	13,307	13,307
Unrestricted	-	302,709	302,709
Total Net Position	<u>\$ -</u>	<u>\$ 493,036</u>	<u>\$ 493,036</u>

**CITY OF YANKTON, SOUTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES**  
**EXPENSES, AND CHANGES IN NET POSITION**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	<b>Copier- Fax- Postage</b>	<b>Central Garage</b>	<b>Totals</b>
Operating Revenues:			
Charges for Services	\$ 4,470	\$ 1,149,316	\$ 1,153,786
Operating Expenses:			
Personal Services	-	153,880	153,880
Professional Services	-	5,491	5,491
Repairs and Maintenance	-	5,827	5,827
Supplies and Materials	4,470	901,633	906,103
Utilities	-	19,368	19,368
Depreciation	-	32,909	32,909
Total Operating Expenses	4,470	1,119,108	1,123,578
Operating Income	-	30,208	30,208
Nonoperating Income (Expense):			
Gain on Disposition of Assets	-	8,750	8,750
Total Nonoperating Income (Expenses)	-	8,750	8,750
Income Before Contributions and Transfers	-	38,958	38,958
Net Changes in Net Position	-	38,958	38,958
Net Position - Beginning	-	454,078	454,078
Net Position - Ending	\$ -	\$ 493,036	\$ 493,036

**CITY OF YANKTON, SOUTH DAKOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	<b>Copier-Fax- Postage</b>	<b>Central Garage</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 3,328	\$ 816,353	\$ 819,681
Cash Received from Interfund Services Provided	-	334,079	334,079
Cash Paid to Suppliers for Goods and Services	(5,758)	(964,892)	(970,650)
Cash Paid to Employees for Services	-	(153,385)	(153,385)
Cash Paid for Interfund Services	-	(2,491)	(2,491)
Net Cash Provided (Used) by Operating Activities	<u>(2,430)</u>	<u>29,664</u>	<u>27,234</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	-	(38,276)	(38,276)
Proceeds from Sale of Assets	-	8,750	8,750
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(29,526)</u>	<u>(29,526)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund Balances--Payments from Other Funds	2,430	-	2,430
Net Cash Provided by Noncapital Financing Activities	<u>2,430</u>	<u>-</u>	<u>2,430</u>
Net Increase in Cash and Cash Equivalents	-	138	138
Cash and Cash Equivalents Beginning of Year	-	78,708	78,708
Cash and Cash Equivalents End of Year	<u>\$ -</u>	<u>\$ 78,846</u>	<u>\$ 78,846</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income	\$ -	\$ 30,208	\$ 30,208
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	32,909	32,909
(Increase) Decrease in Assets:			
Accounts Receivable	(1,142)	-	(1,142)
Due from Other Governmental Agencies	-	1,116	1,116
Prepaid Expenses	-	(873)	(873)
Inventories	(1,288)	(38,016)	(39,304)
Net Pension Asset	-	(17)	(17)
Pension Related Deferred Outflows	-	4,701	4,701
Increase (Decrease) in Liabilities:			
Accounts Payable	-	3,825	3,825
Accrued Wages	-	(2,422)	(2,422)
Accrued Compensated Absences	-	1,041	1,041
Pension Related Deferred Inflows	-	(2,808)	(2,808)
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,430)</u>	<u>\$ 29,664</u>	<u>\$ 27,234</u>



**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2023**

	Dispatch			Business Improvement District			TID #8 Westbrook Estates Phase II		
	Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)
Revenue:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,111	\$ 125,157	\$ (51,954)
Sales and Other Taxes	-	-	-	182,071	147,172	(34,899)	-	-	-
Intergovernmental	159,098	159,372	274	-	-	-	-	-	-
Interest on Investments	120	21,274	21,154	2,000	8,482	6,482	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Total Revenue	<u>159,218</u>	<u>180,646</u>	<u>21,428</u>	<u>184,071</u>	<u>155,654</u>	<u>(28,417)</u>	<u>177,111</u>	<u>125,157</u>	<u>(51,954)</u>
Current Expenditures:									
Public Safety	1,198,217	824,873	373,344	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	177,111	114,303	62,808
Culture and Recreation	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	105	(105)
Capital Outlay:									
Public Works	-	-	-	172,840	145,089	27,751	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Public Safety	4,000	-	4,000	-	-	-	-	-	-
Total Expenditures	<u>1,202,217</u>	<u>824,873</u>	<u>377,344</u>	<u>172,840</u>	<u>145,089</u>	<u>27,751</u>	<u>177,111</u>	<u>114,408</u>	<u>62,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,042,999)</u>	<u>(644,227)</u>	<u>(355,916)</u>	<u>11,231</u>	<u>10,565</u>	<u>(56,168)</u>	<u>-</u>	<u>10,749</u>	<u>(114,657)</u>
Other Financing Sources (Uses):									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Transfers In	1,042,999	578,856	(464,143)	-	-	-	-	-	-
Transfers Out	-	-	-	(1,520)	(3,113)	(1,593)	-	-	-
Total Other Financing Sources (Uses)	<u>1,042,999</u>	<u>578,856</u>	<u>(464,143)</u>	<u>(1,520)</u>	<u>(3,113)</u>	<u>(1,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>\$ -</u>	<u>(65,371)</u>	<u>\$ (820,059)</u>	<u>\$ 9,711</u>	<u>7,452</u>	<u>\$ (57,761)</u>	<u>\$ -</u>	<u>10,749</u>	<u>\$ (114,657)</u>
Fund Balances (Deficits) - Beginning of Year		<u>66,284</u>			<u>108,526</u>			<u>(828,828)</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 913</u>			<u>\$ 115,978</u>			<u>\$ (818,079)</u>	

TID #6 Westbrook Estates			TID #7 West 10th Street			TID #9 Mall Improvements			TID #11 East Yankton		
Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)
\$ 441,013	\$ 379,404	\$ (61,609)	\$ 72,631	\$ 53,968	\$ (18,663)	\$ 1,600	\$ 1,011	\$ (589)	\$ 200	\$ -	\$ (200)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,500,000	-	(1,500,000)
-	-	-	-	-	-	-	-	-	-	-	-
<u>441,013</u>	<u>379,404</u>	<u>(61,609)</u>	<u>72,631</u>	<u>53,968</u>	<u>(18,663)</u>	<u>1,600</u>	<u>1,011</u>	<u>(589)</u>	<u>1,500,200</u>	<u>-</u>	<u>(1,500,200)</u>
-	-	-	-	-	-	-	-	-	-	-	-
441,013	382,458	58,555	72,631	53,968	18,663	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,779	1,011	1,768	-	450	(450)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	5,800,000	309,882	5,490,118
<u>441,013</u>	<u>382,458</u>	<u>58,555</u>	<u>72,631</u>	<u>53,968</u>	<u>18,663</u>	<u>2,779</u>	<u>1,011</u>	<u>1,768</u>	<u>5,800,000</u>	<u>310,332</u>	<u>5,489,668</u>
-	(3,054)	(120,164)	-	-	(37,326)	(1,179)	-	(2,357)	(4,299,800)	(310,332)	(6,989,868)
-	-	-	-	-	-	-	-	-	2,800,000	-	(2,800,000)
-	-	-	-	-	-	-	-	-	1,500,000	-	(1,500,000)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	<u>4,300,000</u>	<u>-</u>	<u>(4,300,000)</u>
<u>\$ -</u>	<u>(3,054)</u>	<u>\$ (120,164)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (37,326)</u>	<u>\$ (1,179)</u>	<u>-</u>	<u>\$ (2,357)</u>	<u>\$ 200</u>	<u>(310,332)</u>	<u>\$ (11,289,868)</u>
	<u>3,054</u>			<u>-</u>			<u>-</u>			<u>(13,000)</u>	
	<u>\$ -</u>			<u>\$ -</u>			<u>\$ -</u>			<u>\$ (323,332)</u>	

(continued)

Bridge & Street			Lodging Sales Tax		
Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,397	21,397	-	182,071	847,768	665,697
-	-	-	-	-	-
100	9,246	9,146	2,000	32,703	30,703
-	-	-	-	5,688	5,688
<u>21,497</u>	<u>30,643</u>	<u>9,146</u>	<u>184,071</u>	<u>886,159</u>	<u>702,088</u>
-	-	-	-	-	-
20,000	55,002	(35,002)	-	-	-
-	-	-	779,866	683,026	96,840
272,740	434,254	(161,514)	-	-	-
-	-	-	-	-	-
<u>292,740</u>	<u>489,256</u>	<u>(196,516)</u>	<u>779,866</u>	<u>683,026</u>	<u>96,840</u>
(271,243)	(458,613)	205,662	(595,795)	203,133	605,248
-	-	-	-	-	-
196,342	-	(196,342)	-	-	-
-	-	-	(150,000)	(223,650)	(73,650)
<u>196,342</u>	<u>-</u>	<u>(196,342)</u>	<u>(150,000)</u>	<u>(223,650)</u>	<u>(73,650)</u>
<u>\$ (74,901)</u>	<u>(458,613)</u>	<u>\$ 9,320</u>	<u>\$ (745,795)</u>	<u>(20,517)</u>	<u>\$ 531,598</u>
	<u>150,173</u>			<u>623,288</u>	
	<u>\$ (308,440)</u>			<u>\$ 602,771</u>	

(Continued)

**CITY OF YANKTON, SOUTH DAKOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**Capital Project Funds and Permanent Fund**  
**For the Year Ended December 31, 2023**

	Pool Capital Construction			Special Capital Improvements		
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
Revenue:						
Sales and Other Taxes	\$ -	\$ -	\$ -	\$ 5,202,950	\$ 5,309,885	\$ 106,935
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	499,361	659,153	159,792
Charges for Services	-	-	-	-	-	-
Interest on Investments	-	-	-	10,000	878,927	868,927
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	10,000	10,000
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,712,311</u>	<u>6,857,965</u>	<u>1,145,654</u>
Current Expenditures:						
Culture and Recreation	-	-	-	-	-	-
Capital Outlay:						
Public Works	-	-	-	7,457,190	3,923,644	3,533,546
Culture and Recreation	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,457,190</u>	<u>3,923,644</u>	<u>3,533,546</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,744,879)</u>	<u>2,934,321</u>	<u>(2,387,892)</u>
Other Financing Sources (Uses):						
Proceeds from Sale of Capitalized Assets	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(50,088)	(50,088)	-	(1,085,688)	(619,346)	466,342
Total Other Financing Sources (Uses)	<u>(50,088)</u>	<u>(50,088)</u>	<u>-</u>	<u>(1,085,688)</u>	<u>(619,346)</u>	<u>466,342</u>
Net Changes in Fund Balances	<u>\$ (50,088)</u>	<u>(50,088)</u>	<u>\$ -</u>	<u>\$ (2,830,567)</u>	<u>2,314,975</u>	<u>\$ (1,921,550)</u>
Fund Balances - Beginning of Year		<u>2,253,195</u>			<u>16,932,211</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 2,203,107</u>			<u>\$ 19,247,186</u>	

Airport Capital Improvement			Public Improvement			Infrastructure Improvement		
Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
1,581,250	1,515,705	(65,545)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	9,242	9,242	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	18,311	18,311	-	-	-	-	-	-
<u>1,581,250</u>	<u>1,543,258</u>	<u>(37,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
1,750,000	1,702,361	47,639	-	-	-	100,000	-	100,000
-	-	-	-	-	-	-	-	-
<u>1,750,000</u>	<u>1,702,361</u>	<u>47,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
(168,750)	(159,103)	(85,631)	-	-	-	(100,000)	-	(100,000)
-	-	-	-	265,185	265,185	-	-	-
87,500	-	(87,500)	-	25,000	25,000	44,720	3,874	(40,846)
-	-	-	-	-	-	-	-	-
<u>87,500</u>	<u>-</u>	<u>(87,500)</u>	<u>-</u>	<u>290,185</u>	<u>290,185</u>	<u>44,720</u>	<u>3,874</u>	<u>(40,846)</u>
<u>\$ (81,250)</u>	<u>(159,103)</u>	<u>\$ (173,131)</u>	<u>\$ -</u>	<u>290,185</u>	<u>\$ 290,185</u>	<u>\$ (55,280)</u>	<u>3,874</u>	<u>\$ (140,846)</u>
	<u>126,187</u>			<u>(414,183)</u>			<u>320,933</u>	
	<u>\$ (32,916)</u>			<u>\$ (123,998)</u>			<u>\$ 324,807</u>	

(continued)

Park Capital Projects			Infrastructure Improvement Revolving			Perpetual Care Cemetery		
Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	44,600	4,403	(40,197)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,500	19,778	(5,722)
-	-	-	120	-	(120)	500	11,475	10,975
100,000	185,650	85,650	-	-	-	-	-	-
-	-	-	-	-	-	1,200	1,618	418
100,000	185,650	85,650	44,720	4,403	(40,317)	27,200	32,871	5,671
-	-	-	-	-	-	117,676	132,355	(14,679)
-	-	-	-	-	-	-	-	-
615,103	346,075	269,028	-	-	-	38,500	-	38,500
615,103	346,075	269,028	-	-	-	156,176	132,355	23,821
(515,103)	(160,425)	(183,378)	44,720	4,403	(40,317)	(128,976)	(99,484)	(18,150)
-	-	-	-	-	-	-	10,000	10,000
515,103	515,103	-	-	-	-	116,976	87,232	(29,744)
-	-	-	(44,720)	(3,874)	40,846	-	-	-
515,103	515,103	-	(44,720)	(3,874)	40,846	116,976	97,232	(19,744)
\$ -	354,678	\$ (183,378)	\$ -	529	\$ 529	\$ (12,000)	(2,252)	\$ (37,894)
	(148,003)			1,258			161,045	
	\$ 206,675			\$ 1,787			\$ 158,793	

SINGLE AUDIT SECTION

**CITY OF YANKTON, SOUTH DAKOTA**  
**Schedule of Expenditures of Federal Awards (Cash Basis)**  
**For The Year Ended December 31, 2023**

	Assistance Listing Number	Agency or Pass-through Number	Amount	Expenditures to Subrecipients
<b>United States Department of Commerce</b>				
Direct Federal Funding:				
Economic Development Cluster:				
Economic Adjustment Assistance	11.307	05-79-05949	\$ 2,364,342	\$ -
<b>United States Department of the Interior</b>				
Indirect Federal Funding:				
South Dakota Department of Game, Fish, and Parks				
Land and Water Conservation Fund State and Local Assistance Program	15.916	2023	90,000	
<b>United States Department of Justice</b>				
Direct Federal Funding:				
Bullet Proof Vest Partnership Program	16.607	N/A	3,348	-
Public Safety Partnership and Community Policing Grants	16.710	N/A	15,002	-
<b>United States Department of Transportation</b>				
Direct Federal Funding:				
Airport Improvement Program	20.106	3-46-0062-33-2021	25,710	-
COVID-19 Airport Improvement Program	20.106	3-46-0062-37-2023	309,572	-
Airport Improvement Program	20.106	3-46-0062-38-2023	1,107,854	-
Program Subtotal			<u>1,443,136</u>	
Indirect Federal Funding:				
South Dakota Department of Public Safety				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2023-00-50	3,222	-
<b>United States Department of Homeland Security</b>				
Indirect Federal Funding:				
South Dakota Department of Public Safety				
FEMA Public Assistance Grant	97.036	DR-4440-SD	2,959,819	
Hazard Mitigation Grant	97.039	DR-4440-HMGP	1,667	-
Homeland Security Grant Program	97.067	2021-SS-00006-S01	40,280	-
<b>Total Expenditures of Federal Awards</b>			<u>\$ 6,920,816</u>	



**CITY OF YANKTON, SOUTH DAKOTA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Yankton and is presented on the cash basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

**NOTE 2 – FEDERAL LOAN PROGRAMS**

The City of Yankton had the following loan balances outstanding from the South Dakota Clean Water State Revolving Fund, Assistance Listing #66.458 and the South Dakota Drinking Water State Revolving Fund, Assistance Listing #66.468 as of December 31, 2023:

	<b>Total Amount Of Loan Outstanding</b>	<b>Federal Portion Of Loan Outstanding</b>
Wastewater System #4, Series 2016 (14.13%)	\$ 2,672,487	\$ 377,622
Wastewater System #5, Series 2023 (0.00%)	1,177,289	-
Total Wastewater System	\$ 3,849,776	\$ 377,622
Water System, Services Series #5 (28.42%)	\$ 9,985,058	\$ 2,837,753
Water System, Services Series #6 (20.03%)	32,591,233	6,528,024
Total Water System	\$ 42,576,291	\$ 9,365,777

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are cash basis. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**Independent Auditors' 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**

Honorable Members of the City Council  
City of Yankton, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Yankton, South Dakota as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 16, 2024. Our report includes a reference to other auditors who audited the financial statements of Yankton Housing and Redevelopment Commission, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Yankton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our

tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Yankton's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Yankton, South Dakota's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Yankton's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

This purpose of this 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit.

If you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.

*Williams & Company, P.C.*  
Certified Public Accountants  
Le Mars, Iowa  
August 16, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Members of the City Council  
City of Yankton, South Dakota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Yankton, South Dakota's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Yankton, South Dakota's major federal programs for the year ended December 31, 2023. The City of Yankton, South Dakota's major federal programs are identified in the summary of independent auditors' results section of the accompanying schedule of findings and questioned costs.

The City of Yankton, South Dakota's basic financial statements include the operations of the Yankton Housing and Redevelopment Commission, which expended \$690,920 in federal awards which is not included in the City of Yankton, South Dakota's schedule of expenditures of federal awards during the year ended December 31, 2023. Our audit, described below, did not include the operations of the Yankton Housing and Redevelopment Commission because the Commission engaged other auditors to perform an audit in accordance with the Uniform Guidance.

In our opinion, the City of Yankton, South Dakota 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 year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Yankton, South Dakota'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Yankton, South Dakota's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control Over Compliance**

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

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

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Williams & Company, P.C.*  
Certified Public Accountants  
Le Mars, Iowa  
August 16, 2024

**CITY OF YANKTON, SOUTH DAKOTA**  
**Schedule of Findings & Questioned Costs**  
**For the Year Ended December 31, 2023**

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**Part I: Summary of the Independent Auditors' Results**

- (a) An unmodified opinion was issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No significant deficiencies or material weaknesses in internal control over major programs were disclosed in the audit of the financial statements.
- (e) The auditors' report on compliance for the major federal award programs expresses a unmodified opinion.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516(a).
- (g) The major programs were as follows:
  - Assistance Listing #97.036 – FEMA Public Assistance Grant
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
- (i) The Auditee did not qualify as a low-risk auditee.

**Part II: Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards**

**Instances of Non-Compliance:**

No matters were noted.

**Material Weakness:**

**2023-001 Financial Reporting**

Condition – During the audit, we identified material adjustments required to be made to the City's financial statements. Adjustments were made by the City to properly include these changes to the financial statements.

Criteria – The City is responsible for the accuracy of the financial statements.

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – Due to the limited number of employees, the City does not have sufficient controls in place to ensure that all entries are properly recorded and that all other applicable adjustments are made.

Recommendation – The City should implement procedures to ensure all entries are identified and included in the City's financial statements and that any required adjustments are made.

Views of Response Officials – We will double check the financial statements in the future and all supporting schedules to verify that all adjustments are made properly and a review process to ensure statements are fairly presented. The City will attempt to implement these processes for the 2024 calendar year report.

**CITY OF YANKTON, SOUTH DAKOTA  
Schedule of Findings & Questioned Costs  
For the Year Ended December 31, 2023**

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**Part III: Findings and Questioned Costs Relating to Federal Awards**

**Instances of Non-Compliance:**

No matters were noted.

**Significant Deficiency or Material Weakness:**

No matters were noted.



**CITY OF YANKTON, SOUTH DAKOTA  
Schedule of Prior Year Findings  
For the Year Ended December 31, 2023**

**FINANCIAL STATEMENT AUDIT:  
Material Weaknesses:**

**2022-001 Financial Reporting**

Condition – During the audit, we identified material adjustments required to be made to the City’s financial statements. Adjustments were made by the City to properly include these changes to the financial statements. A similar condition was noted in the prior audit.

Criteria – The City is responsible for the accuracy of the financial statements.

Effect – Expenses, expenditures, and revenues may not be properly reported or balance sheet amounts may be misstated.

Cause – Due to the limited number of employees, the City does not have sufficient controls in place to ensure that all entries are properly recorded and that all other applicable adjustments are made.

Recommendation – The City should implement procedures to ensure all entries are identified and included in the City’s financial statements and that any required adjustments are made.

Response – We will double check the financial statements in the future and all supporting schedules to verify that all adjustments are made properly.

Status – Not corrected—see finding 2023-001. The City has taken steps to implement procedures to ensure financial statements are fairly presented, however due to limited staff and resources, a system which eliminates all journal entries has not yet been achieved. This finding was first reported in fiscal year 2007.

**FEDERAL AWARD PROGRAMS AUDIT:  
Instances of Non-Compliance:**

No matters were noted.

**Significant Deficiency or Material Weakness:**

No matters were noted.

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**Schedule of Findings and Questioned Costs  
Corrective Action Plan  
December 31, 2023**

The City of Yankton, South Dakota, respectfully submits the following corrective action plan for the year ended December 31, 2023.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended December 31, 2023.

The findings from the December 31, 2023 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

MATERIAL WEAKNESS:

**2023-001 Financial Reporting**

Condition – During the audit, we identified material adjustments required to be made to the City’s financial statements. Adjustments were made by the City to properly include these changes to the financial statements.

Criteria – The City is responsible for the accuracy of the financial statements.

Effect – Expenses, expenditures, and revenues may not be properly reported or balance sheet amounts may be misstated.

Cause – Due to the limited number of employees, the City does not have sufficient controls in place to ensure that all entries are properly recorded and that all other applicable adjustments are made.


Recommendation – The City should implement procedures to ensure all entries are identified and included in the City’s financial statements and that any required adjustments are made.

Response – We will double check the financial statements in the future and all supporting schedules to verify that all adjustments are made properly and a review process to ensure statements are fairly presented. The City will attempt to implement these processes for the 2023 calendar year report.

If involved agencies have any questions regarding this plan, please call Lisa Yardley at 605-668-5241.

Sincerely yours,

CITY OF YANKTON, SOUTH DAKOTA

  
Lisa Yardley, Finance Officer

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