CITY OF YANKTON, SOUTH DAKOTA

ANNUAL FINANCIAL REPORT

Year Ended

December 31, 2024

CITY OF YANKTON, SOUTH DAKOTA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

PREPARED BY:
FINANCE DEPARTMENT

LISA YARDLEY
FINANCE OFFICER

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

CITY OF YANKTON
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2024
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FINANCIAL SECTION

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WILLIAMS & COMPANY P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Yankton Housing and Redevelopment Commission, the discretely presented component unit, as of and for the year ended June 30, 2024. 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 18 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 101, Compensated Absences. The adoption represents a change in accounting principle and resulted in a restatement of beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 53–62 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 September 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants
Le Mars, Iowa
September 10, 2025

Management Discussion and Analysis
December 31, 2024

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, 2024. 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, 2024 by $189,914,527. Of this amount $50,145,643 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by $11,913,959 during the year. Of this amount the net position of our Governmental Activities increased $5,091,137 and the net position of our Business-Type Activities increased by $6,822,822. 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 increased slightly by $408,798 in 2024. While revenue decreased by $1,300,807, the expenditures also decreased by $2,977,993 mostly in general and other governmental funds. Exhibit 4 details the changes as well as displays the balances for the new major fund TID #11 East Yankton.
- In 2024, the City's long-term debt increased by $1,141,876, primarily due to the issuance of Wastewater SRF borrowings. This increase was partially offset by the annual debt service payments made on existing 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	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	$ 34,547,955	$ 34,287,167	$ 33,076,808	$ 30,089,510	$ 67,624,763	$ 64,376,677
Capital Assets	101,067,952	96,935,309	89,472,343	84,314,124	190,540,295	181,249,433
Total Assets	135,615,907	131,222,476	122,549,151	114,403,634	258,165,058	245,626,110
Pension Related						
Deferred Outflows	2,021,276	2,285,667	496,868	571,120	2,518,144	2,856,787
Long-term Liabilities Outstanding	12,718,699	13,441,256	47,298,401	45,383,430	60,017,100	58,824,686
Other Liabilities	3,556,219	3,614,826	5,335,553	5,944,147	8,891,772	9,558,973
Total Liabilities	16,274,918	17,056,082	52,633,954	51,327,577	68,908,872	68,383,659
Pension Related						
Deferred Inflows	1,492,836	1,475,250	366,967	368,621	1,859,803	1,843,871
Net Position:						
Net Investment in Capital Assets	88,759,277	84,067,423	38,606,125	36,765,199	127,365,402	120,832,622
Restricted	1,233,356	2,007,095	11,170,126	6,432,561	12,403,482	8,439,656
Unrestricted	29,876,796	28,902,293	20,268,847	20,080,796	50,145,643	48,983,089
Ending Net Position	$ 119,869,429	$ 114,976,811	$ 70,045,098	$ 63,278,556	$ 189,914,527	$ 178,255,367

This summary reflects an increase in net position of 4.26% for the Governmental Activities and an increase of 10.69% 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 increased slightly by $525,213 or .77% due mainly to Wastewater SRF bond issuances.

Total revenue reported in 2024 was $51,440,062, a decrease of ($176,784) or (.34%). The largest increase in revenues was in Charges for Services; an increase of $699,921 or 3.49%. Capital Grants and Contributions decreased greatly at ($2,305,036) or (28.37%). The Property Tax revenues increased $315,817 or 6.37%, and Sales Tax revenues increased $634,325 or 4.77%.

In the Business-Type Activities, Other General Revenue increased $210,089 or 17.57% due to interest rates continuing to remain high. Capital Grants and Contributions in the Business-Type Activities increased $615,847 or 26.07% due in most part to the local ARPA grant for Wastewater Treatment Plant project.

The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

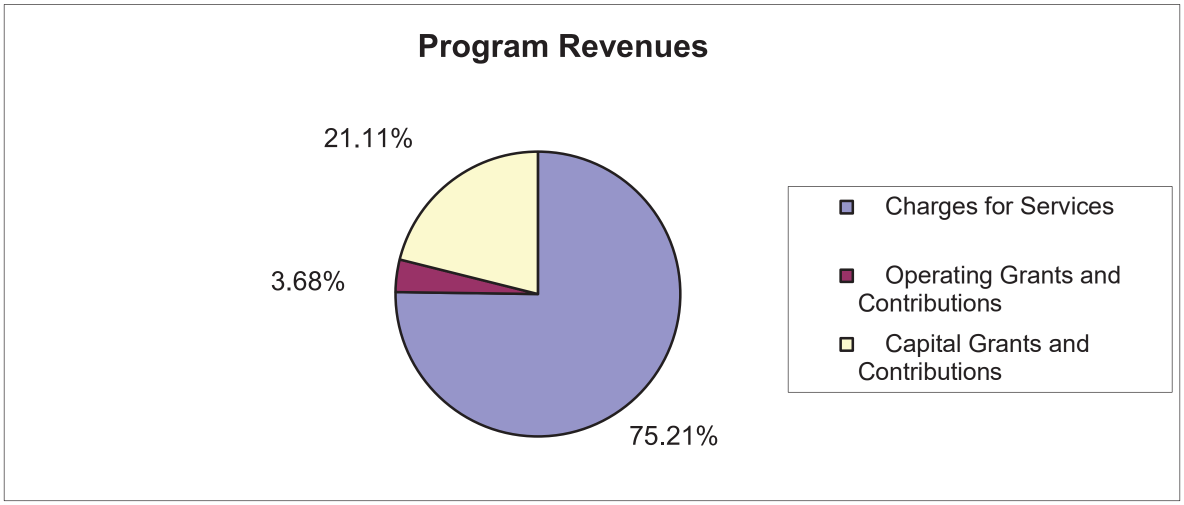
CITY OF YANKTON
CHANGES IN NET POSITION

	Governmental Activities		Business Type Activities		Total	
Revenue Sources	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	$ 4,266,708	$ 4,080,755	$ 16,462,863	$ 15,948,895	$ 20,729,571	$ 20,029,650
Operating Grants and Contributions	1,013,860	871,853	-	-	1,013,860	871,853
Capital Grants and Contributions	2,841,442	5,762,325	2,978,009	2,362,162	5,819,451	8,124,487
General Revenues:						
Property Taxes	5,270,556	4,954,739	-	-	5,270,556	4,954,739
Sales Taxes	13,933,909	13,299,584	-	-	13,933,909	13,299,584
Other Taxes	1,002,016	994,538	-	-	1,002,016	994,538
Other	2,264,624	2,146,009	1,406,075	1,195,986	3,670,699	3,341,995
Total Revenues	30,593,115	32,109,803	20,846,947	19,507,043	51,440,062	51,616,846
Expenses:						
General Government	2,942,778	2,669,224	-	-	2,942,778	2,669,224
Public Safety	5,766,002	5,043,043	-	-	5,766,002	5,043,043
Public Works	5,643,976	4,441,646	-	-	5,643,976	4,441,646
Culture & Recreation	9,646,975	9,701,519	-	-	9,646,975	9,701,519
Community & Economic Development	870,491	892,304	-	-	870,491	892,304
Interest on Long-term Debt	391,620	416,425	-	-	391,620	416,425
Water	-	-	7,071,272	8,141,324	7,071,272	8,141,324
Wastewater	-	-	3,391,438	3,280,715	3,391,438	3,280,715
Golf	-	-	110,208	181,292	110,208	181,292
Non-Major Enterprise Funds	-	-	3,691,343	3,224,473	3,691,343	3,224,473
Total Expenses	25,261,842	23,164,161	14,264,261	14,827,804	39,526,103	37,991,965
Increase (Decrease) in Net Position Before Transfers	5,331,273	8,945,642	6,582,686	4,679,239	11,913,959	13,624,881
Transfers	(240,136)	107,829	240,136	(107,829)	-	-
Increase in Net Position	5,091,137	9,053,471	6,822,822	4,571,410	11,913,959	13,624,881
Net Position January 1	114,976,811	105,923,340	63,278,556	58,707,146	178,255,367	164,630,486
Change in Accounting Principle	(198,519)	-	(56,280)	-	(254,799)	-
Net Position January 1, as Restated	114,778,292	105,923,340	63,222,276	58,707,146	178,000,568	164,630,486
Net Position December 31	$ 119,869,429	$114,976,811	$ 70,045,098	$ 63,278,556	$ 189,914,527	$178,255,367

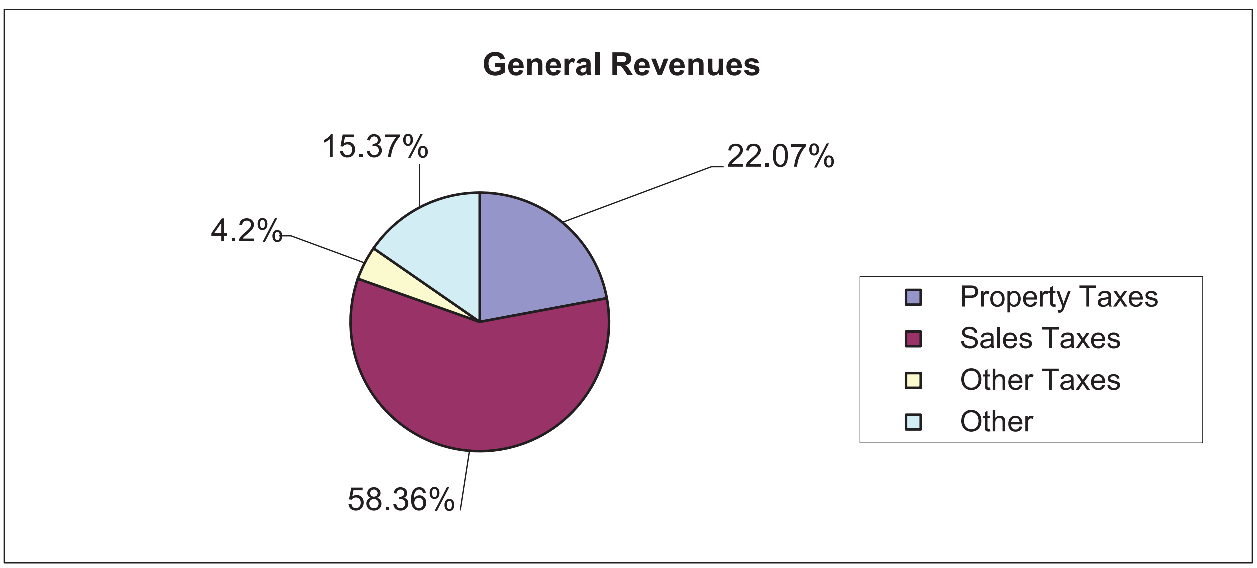
Governmental Activities Total Expenses increased $2,097,681 or 9.06%. Public Works experienced the largest increase of $1,202,330 or 27% due in most part to capital outlay. Business-Type Activities Total Expenses decreased by ($563,543) or (3.8%).

The change in accounting principle occurred because of implementation of GASB 101 Compensated Absences and recording the beginning 12/31/2023 balances. See Note 18 for additional details.

Program Revenues total $27,562,882 for 2024. Governmental Activities provided $8,122,010 and Business-Type Activities provided $19,440,872. Revenue collected for Charges for Services during 2024 was $20,729,571 accounting for 75.2% of the total program revenues. Revenue collected for Capital Grants and Contributions accounts during 2024 was $5,819,451 or 21.1% of the total program revenues. The following chart breaks down program revenues by sources:



General Revenues for 2024 totaled $23,877,180. Governmental Activities provided $22,471,105 and Business-Type Activities provided $1,406,075. Sales Tax Revenues for 2024 totaled $13,933,909 and Property Tax Revenue totaled $5,270,556. The Sales Tax Revenues accounted for 58.36% and Property Tax Revenues were 22.07% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for 2024 totaled $39,526,103, an increase of 4.04%. Expenses for Governmental Activities totaled $25,261,842 accounting for 63.91% of the total expenses. Expenses for Business-Type Activities totaled $14,264,261 accounting for 36.09% 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 2024, the City spent $2,942,778 and received $2,161,727 in charges for services, $12,674 in capital grants and contributions, thus leaving a cost to the taxpayers of ($768,377) 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 $25,261,842. Of these costs, $4,266,708 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 $1,013,860, and costs paid by other governments and organizations that subsidized certain programs with capital grants and contributions were $2,841,442, leaving a Net Expense of ($17,139,832) 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 $145,131,271 consisting of the restated Net Position on January 1, 2024 of $114,778,292, General Revenues and transfers of $22,230,969, and Program Revenues of $8,122,010. Total Governmental Activities during the year expended $25,261,842; thus, Net Position was increased by $5,091,137 to $119,869,429.

Business Type Activities

Business-Type Activities increased the City's net position by $6,822,822.

The cost of all Business-Type Activities this year was $14,264,261. As shown in the Statement of Activities, the amounts paid by users of the systems were $16,462,863 and $2,978,009 was funded from capital grants and contributions, and $1,646,211 was funded by other revenues and transfers, resulting in a net gain for Business-Type Activities of $6,822,822.

Total resources available during the year to finance Business-Type Activities were $84,309,359 consisting of the restated Net Position on January 1, 2024 of $63,222,276, Program Revenues of $19,440,872, other General Revenues and Transfers of $1,646,211. Total Business-Type Activities during the year expended $14,264,261; thus, Net Position was increased by $6,822,822 to $70,045,098.

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 2024 of $31,285,108 (12.13% non-spendable, 3.79% restricted, 64.85% committed, 10.15% assigned, and 9.08% unassigned). The combined Governmental Funds fund balance increased $408,798 from the prior year. The fund balance amount consists of $3,794,957 of non-spendable funds committed for 1) perpetual care for cemetery $50,000, 2) $55,565 of inventories, and 3) long term advances $3,689,392; $1,186,170 of restricted funds; $20,288,767 of committed funds; $3,174,209 of assigned funds, and $2,841,005 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 $16,734,909, a decrease of $9,626. 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 77.62% of total general fund expenditures, while total fund balance represents 95.8% of that same amount.

General fund revenues in 2024 decreased ($2,405,085) or (11.47%) due mostly to decreases in intergovernmental revenue. Expenditures decreased ($2,767,328) or (13.7%). The largest decrease in expenditures include a decrease of ($3,950,242) or (90.8%) in capital outlay in the culture and recreation function. From 2023 expenditures, current expenditures increased $753,595 or 5.36%, capital outlay decreased ($3,517,370 or (69.4%), and a decrease of ($3,553) or (0.3%) in debt service.

The Special Capital Improvements Fund showed an increase in fund balance of $1,041,581. This reflects an increase in revenues of $448,089, and an increase in expenditures of $1,512,883.

The TID #5 Fund balance remained a negative fund balance to end 2024 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 #11 Fund balance had a negative fund balance to end 2024 at ($2,069,615) due to infrastructure and capital improvements on Gehl Drive. The negative fund balance should be reduced by future tax receipts.

The TID #12 Fund balance had a negative fund balance to end 2024 at ($3,504,431) due to infrastructure and capital improvements on the Mead Property. The negative fund balance saw a $226,456 net change in 2024 from tax receipts, LIP grant, and proceeds from sale of capitalized assets.

The Other Governmental Funds ended 2024 with an increase in combined balance of $896,670 to $3,524,870.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the 2024 original (adopted) General Fund budget of $19,906,535 to the final budget amount of $22,000,061 shows a net increase of $2,093,526. However, actual expenditures were $2,444,219 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, special revenue funds, capital projects funds, and permanent funds. Expenditures for the year ended December 31, 2024 did exceed appropriations within the Special Appropriations and Memorial Park Pool departments in the general fund, within the TID#8 Westbrook Estates special revenue fund, and within the Cemetery permanent fund.

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, 2024 was $127,365,402 (net of accumulated depreciation and outstanding financings). This was an increase of $6,532,780 or 5.41%. The comparative totals for capital assets for 2024 and 2023 are as follows:

CITY OF YANKTON CAPITAL ASSETS
(Net of depreciation/amortization)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 5,052,622	$ 5,015,772	$ 814,623	$ 814,623	$ 5,867,245	$ 5,830,395
Construction in Progress	10,208,041	12,269,800	7,225,717	12,151,284	17,433,758	24,421,084
Buildings & Structures / Infrastructure	75,148,522	70,592,788	76,969,800	67,320,522	152,118,322	137,913,310
Land Improvements	1,746,781	-	2,104,137	2,104,994	3,850,918	2,104,994
Furniture and Equipment	8,844,557	9,001,219	2,358,066	1,922,701	11,202,623	10,923,920
Right of Use Leased Assets	67,429	55,730	-	-	67,429	55,730
Total	$ 101,067,952	$96,935,309	$ 89,472,343	$84,314,124	$ 190,540,295	$181,249,433

Land improvements increased $1,745,924 or 82.9% while infrastructure increased $14,205,012 or 10.3% for the City overall. Construction in progress was the major decrease at ($6,987,326) or (28.6%) in capital outlays for both 2024 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 2024 year end, the City had $61,849,225 of debt outstanding, an increase of $1,141,876 (total debt not offset by funds restricted to debt service).

Of the total debt, $12,917,862 or 20.89% is to be paid from Governmental Activities including $966,721 specifically from sales tax funds, $62,287 of lease obligations and $11,888,854 from property tax opt-out dollars; and $48,931,363 or 79.11% in Business Type Activities including $41,260,615 to be repaid from water user fees, $338,828 to be paid from landfill revenues and $7,331,920 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 $71,038,838 with outstanding debt of $20,526,323, leaving an unused balance of $50,512,514 or 71.1% 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 $41,260,615 of outstanding debt backed by surcharges with the legal debt capacity being $142,077,676 leaving $100,817,061 or 70.96% 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 2024 was $53,928,997. It was a decrease of ($46,572,623) or (46.3%) of the 2023 record-breaking total of $100,501,620. The average annual building permit value for the last ten years was $44,031,000 and the 2024 total value was 122.48% of that average. There were twenty-six new home-building permits issued during the year, a decrease of fifteen from 2023. However, the number of housing units only decreased by four. This includes 130 apartments in ten 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 wastewater treatment facility.

Another indicator of economic activity is the taxable sales for Yankton that are reported by the South Dakota Department of Revenue. Our 2024 sales were up 5.53% over 2023's figures and totaled $748,192,111, an increase of $38,193,215.

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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment
Assets				
Cash and Cash Equivalents	$ 33,148,405	$ 14,817,126	$ 47,965,531	$ 219,928
Receivables (Net where applicable, of allowance for uncollectibles):				
Taxes	111,192	-	111,192	-
Accounts	56,931	2,119,337	2,176,268	-
Special Assessments	23,544	-	23,544	-
Other Receivables	-	-	-	1,816
Internal Balances	(2,781,199)	2,781,199	-	-
Due from Other Governmental Agencies	2,475,720	596,055	3,071,775	-
Prepaid Expenses	216,862	99,715	316,577	6,070
Inventories	411,886	1,261,517	1,673,403	-
Property Held for Resale, at Cost	687,366	-	687,366	-
Restricted Assets:				
Cash and Cash Equivalents	173,234	11,392,971	11,566,205	2,392
Deposits	12,141	5,969	18,110	-
Net Pension Asset	11,873	2,919	14,792	-
Capital Assets				
Land	5,052,622	814,623	5,867,245	-
Construction in Progress	10,208,041	7,225,717	17,433,758	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation/Amortization	85,807,289	81,432,003	167,239,292	-
Total Assets	135,615,907	122,549,151	258,165,058	230,206
Deferred Outflows of Resources				
Pension Related Deferred Outflows	2,021,276	496,868	2,518,144	-
Liabilities				
Accounts Payable	1,879,744	3,112,315	4,992,059	214
Accrued Expenses	20,086	-	20,086	-
Accrued Wages	453,675	108,960	562,635	5,628
Accrued Interest Payable	17,151	225,764	242,915	-
Unearned Revenue	-	-	-	1,456
Customer Deposits	12,141	5,969	18,110	-
Noncurrent Liabilities:				
Due within one year:				
Accrued Compensated Absences	194,854	49,917	244,771	2,311
Revenue Bonds Payable	-	1,832,628	1,832,628	-
General Obligation Bonds Payable	184,026	-	184,026	-
Notes Payable	765,032	-	765,032	-
Lease Agreements	29,510	-	29,510	-
Due in more than one year:				
Accrued Compensated Absences	779,405	199,666	979,071	4,604
Revenue Bonds Payable	-	47,098,735	47,098,735	-
General Obligation Bonds Payable	782,695	-	782,695	-
Notes Payable	11,123,822	-	11,123,822	-
Lease Agreements	32,777	-	32,777	-
Total Liabilities	16,274,918	52,633,954	68,908,872	14,213
Deferred Inflows of Resources				
Pension Related Deferred Inflows	1,492,836	366,967	1,859,803	-
Total Deferred Inflows of Resources	1,492,836	366,967	1,859,803	-
Net Position				
Net Investment in Capital Assets	88,759,277	38,606,125	127,365,402	-
Restricted:				
SDRS Pension Purposes	11,873	2,919	14,792	-
Debt Service	191,353	11,167,207	11,358,560	-
Perpetual Care				
Nonexpendable	50,000	-	50,000	-
Expendable	100,697	-	100,697	-
Lodging Sales Tax	588,928	-	588,928	-
Other Purposes	290,505	-	290,505	2,392
Unrestricted	29,876,796	20,268,847	50,145,643	213,601
Total Net Position	$ 119,869,429	$ 70,045,098	$ 189,914,527	$ 215,993

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

		Program Revenues		Program Revenues
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental Activities:				
General Government	$ 2,942,778	$ 2,161,727	$ -	$ 12,674
Public Safety	5,766,002	7,030	138,133	-
Public Works	5,643,976	1,040,116	337,851	771,285
Culture and Recreation	9,646,975	1,057,835	537,876	202,443
Community Development	870,491	-	-	1,855,040
Debt Service	391,620	-	-	-
Total Governmental Activities	25,261,842	4,266,708	1,013,860	2,841,442
Business-Type Activities:				
Water	7,071,272	7,707,813	-	-
Wastewater	3,391,438	5,305,322	-	2,978,009
Solid Waste	1,509,372	1,493,614	-	-
Joint Powers / Transfer Station	2,181,971	1,956,114	-	-
Golf Course	110,208	-	-	-
Total Business-Type Activities	14,264,261	16,462,863	-	2,978,009
Total Primary Government	$ 39,526,103	$ 20,729,571	$ 1,013,860	$ 5,819,451
Component Unit:				
Housing & Redevelopment	$ 718,801	$ 19,848	$ 746,228	$ -

General Revenues:
Property Taxes
Sales and Other Taxes
Lodging Sales Tax
Interest
Lease Agreements
Reimbursements
Miscellaneous
Gain on Sale of Capital Assets
Interfund Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning
Change in Accounting Principle
Net Position - Beginning, as Restated

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment
$ (768,377)	$ -	$ (768,377)	$ -
(5,620,839)	-	(5,620,839)	-
(3,494,724)	-	(3,494,724)	-
(7,848,821)	-	(7,848,821)	-
984,549	-	984,549	-
(391,620)	-	(391,620)	-
(17,139,832)	-	(17,139,832)	-
-	636,541	636,541	-
-	4,891,893	4,891,893	-
-	(15,758)	(15,758)	-
-	(225,857)	(225,857)	-
-	(110,208)	(110,208)	-
-	5,176,611	5,176,611	-
$ (17,139,832)	$ 5,176,611	$ (11,963,221)	$ -
			47,275
5,270,556	-	5,270,556	-
13,933,909	-	13,933,909	-
1,002,016	-	1,002,016	-
1,809,569	1,302,763	3,112,332	2,419
35,653	-	35,653	-
170,072	-	170,072	-
-	27,566	27,566	-
249,330	75,746	325,076	-
(240,136)	240,136	-	-
22,230,969	1,646,211	23,877,180	2,419
5,091,137	6,822,822	11,913,959	49,694
114,976,811	63,278,556	178,255,367	166,299
(198,519)	(56,280)	(254,799)	-
114,778,292	63,222,276	178,000,568	166,299
$ 119,869,429	$ 70,045,098	$ 189,914,527	$ 215,993

CITY OF YANKTON, SOUTH DAKOTA
BALANCE SHEET
Governmental Funds
December 31, 2024

	General	Special Capital Improvements	TID #5 Menards	*Formerly Nonmajor Fund* TID #11 East Yankton	TID #12 Meade Property Development	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	$ 12,713,262	$ 15,578,014	$ -	$ -	$ 66,411	$ 4,684,637	$ 33,042,324
Receivables (Net where applicable, of allowance for uncollectibles):							
Taxes	88,446	-	-	-	-	22,746	111,192
Accounts	51,223	-	-	-	-	1,910	53,133
Special Assessments	15,952	-	-	-	-	7,592	23,544
Due from Other Funds	136,330	3,467,045	-	-	-	-	3,603,375
Due from Other Governmental Agencies	1,129,178	754,541	-	427,290	-	153,677	2,464,686
Inventories	55,565	-	-	-	-	-	55,565
Advances to Other Funds	3,689,392	795,583	-	-	-	-	4,484,975
Property Held for Resale, at Cost	-	-	-	-	-	687,366	687,366
Restricted Assets:							
Cash and Cash Equivalents	19,987	-	-	-	-	153,247	173,234
Deposits	12,141	-	-	-	-	-	12,141
Total Assets	17,911,476	20,595,183	-	427,290	66,411	5,711,175	44,711,535
Liabilities							
Accounts Payable	568,793	258,228	-	463,088	-	541,706	1,831,815
Accrued Expenses	20,086	-	-	-	-	-	20,086
Accrued Wages	403,184	-	-	-	-	43,897	447,081
Due to Other Funds	-	-	-	2,033,817	3,570,842	773,445	6,378,104
Customer Deposits	12,141	-	-	-	-	-	12,141
Advances from Other Funds	-	-	3,689,392	-	-	795,583	4,484,975
Total Liabilities	1,004,204	258,228	3,689,392	2,496,905	3,570,842	2,154,631	13,174,202
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	72,364	-	-	-	-	22,746	95,110
Unavailable Revenue - Special Assessments	12,907	-	-	-	-	6,464	19,371
Unavailable Revenue - Other Taxes	79,960	48,188	-	-	-	2,464	130,612
Unavailable Revenue - Other	7,132	-	-	-	-	-	7,132
Total Deferred Inflows of Resources	172,363	48,188	-	-	-	31,674	252,225
Fund Balances							
Non-Spendable:							
Perpetual Care	-	-	-	-	-	50,000	50,000
Inventories	55,565	-	-	-	-	-	55,565
Long Term Advances	3,689,392	-	-	-	-	-	3,689,392
Restricted:							
Debt Service	-	-	-	-	-	208,504	208,504
TID	-	-	-	-	-	476	476
Perpetual Care	-	-	-	-	-	100,697	100,697
Lodging Sales Tax	-	-	-	-	-	586,464	586,464
Library	-	-	-	-	-	43,066	43,066
Road and Bridge Funds	-	-	-	-	-	220,312	220,312
Historic Easement Trust	-	-	-	-	-	26,651	26,651
Committed:							
Special Capital Improvements (Sales Tax)	-	20,288,767	-	-	-	-	20,288,767
Assigned:							
Capital Projects	-	-	-	-	-	3,174,209	3,174,209
Unassigned	12,989,952	-	(3,689,392)	(2,069,615)	(3,504,431)	(885,509)	2,841,005
Total Fund Balances (Deficits)	16,734,909	20,288,767	(3,689,392)	(2,069,615)	(3,504,431)	3,524,870	31,285,108
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 17,911,476	$ 20,595,183	$ -	$ 427,290	$ 66,411	$ 5,711,175	$ 44,711,535

See Accompanying Notes to Financial Statements

EXHIBIT 3A

CITY OF YANKTON, SOUTH DAKOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2024

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

Total Fund Balance - Governmental Funds (page 16)	$	31,285,108
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds:		100,922,656
Unavailable revenues that do not provide current financial resources for governmental activities:		252,225
Interest on long-term debt is not accrued in governmental funds, but rather, is recognized as an expenditure when due.		(17,151)
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources:		213,935
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:		520,716
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		(13,878,509)
The net pension liability (asset) does not provide resources in the current period and therefore is not reported in the funds		11,699
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.		558,750
Total Net Position - Governmental Activities (page 13)	$	119,869,429

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended December 31, 2024

	General	Special Capital Improvements	TID #5 Menards	*Formerly Nonmajor Fund* TID #11 East Yankton	TID #12 Meade Property Development	Other Governmental Funds	Total Governmental Funds
Revenue:							
Property Taxes	$ 4,346,415	$ -	$ 174,315	$ 3,428	$ 15,536	$ 670,576	$ 5,210,270
Sales and Other Taxes	8,329,534	5,679,081	-	-	-	1,031,425	15,040,040
Special Assessments	-	-	-	-	-	6,761	6,761
Licenses and Permits	366,043	-	-	-	-	-	366,043
Intergovernmental	829,456	651,412	-	1,760,000	53,345	579,449	3,873,662
Charges for Services	3,552,962	-	-	-	-	12,124	3,565,086
Fines and Forfeits	5,126	-	-	-	-	-	5,126
Interest on Investments	764,308	975,561	-	-	-	69,329	1,809,198
Contributions	121,477	-	-	-	-	88,012	209,489
Miscellaneous	254,290	-	-	-	500	1,159	255,949
Total Revenue	18,569,611	7,306,054	174,315	1,763,428	69,381	2,458,835	30,341,624
Current Expenditures:							
General Government	2,793,755	-	-	-	-	-	2,793,755
Public Safety	4,036,329	-	-	-	-	864,039	4,900,368
Public Works	3,601,950	-	-	-	-	598,557	4,200,507
Culture and Recreation	4,379,675	-	-	-	-	199,510	4,579,185
Community Development	-	-	-	-	-	860,231	860,231
Capital Outlay:							
Public Works	676,912	5,436,527	-	-	-	789,354	6,902,793
Culture and Recreation	398,705	-	-	3,509,711	32,493	353,152	4,294,061
General Government	3,685	-	-	-	-	-	3,685
Public Safety	468,938	-	-	-	-	-	468,938
Debt Service	1,102,367	-	-	-	-	207,904	1,310,271
Total Expenditures	17,462,316	5,436,527	-	3,509,711	32,493	3,872,747	30,313,794
Excess (Deficiency) of Revenues Over Expenditures	1,107,295	1,869,527	174,315	(1,746,283)	36,888	(1,413,912)	27,830
Other Financing Sources (Uses):							
Lease Agreements	35,653	-	-	-	-	-	35,653
Proceeds from Sale of Capitalized Assets	24,745	-	-	-	123,157	101,428	249,330
Transfers In	324,716	33,037	-	-	66,411	2,498,589	2,922,753
Transfers Out	(1,502,035)	(860,983)	(174,315)	-	-	(289,435)	(2,826,768)
Total Other Financing Sources (Uses)	(1,116,921)	(827,946)	(174,315)	-	189,568	2,310,582	380,968
Net Changes in Fund Balances	(9,626)	1,041,581	-	(1,746,283)	226,456	896,670	408,798
Fund Balances (Deficits) - Beginning of Year	16,744,535	19,247,186	(3,689,392)	-	(3,730,887)	2,304,868	30,876,310
Change within financial reporting entitiy (nonmajor to major fund)	-	-	-	(323,332)	-	323,332	-
Fund Balances (Deficits) - Beginning of Year, as Restated	16,744,535	19,247,186	(3,689,392)	(323,332)	(3,730,887)	2,628,200	30,876,310
Fund Balances (Deficits) - End of Year	$ 16,734,909	$ 20,288,767	$ (3,689,392)	$ (2,069,615)	$ (3,504,431)	$ 3,524,870	$ 31,285,108

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, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds (page 18)		$ 408,798
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:		
Expenditures for capital assets	$ 9,134,484	
Depreciation/amortization Expense	(4,669,649)	4,464,835
Governmental capital assets are not recorded in governmental funds. In the current year, an asset was transferred from governmental activities to business type activities. The net book value of the asset was recorded as a transfer in on the Statement of Activities		(336,121)
Revenues reported in the funds that are not available to provide current financial resources:		(92,161)
Accrued interest expense that does not require current financial resources:		1,401
Governmental funds report special assessments as revenue when it becomes available, but the statement of activities includes special assessments as revenue when levied:		(7,723)
Pension expenses reported in the Statement of Activities do not require the use of current financial resources:		(592,941)
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:		298,749
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:		66,392
Prepaid expenses are not reported in the governmental funds as they are not available to provide current financial resources:		12,511
Compensated absences that do not require current financial resources:		(75,754)
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:		943,151
Change in net position of governmental activities (page 15)		$ 5,091,137

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2024

	Business-Type		
	Water	Wastewater	Joint Powers / Transfer Station
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 12,137,048	$ 1,223,611	$ 47,787
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	905,351	833,616	114,860
Due from Other Funds	3,191,234	533,501	-
Due from Other Governmental Agencies	-	596,055	-
Prepaid Expenses	31,846	34,325	8,719
Inventories	1,101,229	160,288	-
Total Current Assets	17,366,708	3,381,396	171,366
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	4,200,509	7,075,820	63,270
Deposits	5,969	-	-
Net Pension Asset		920	519
Capital Assets	923		
Land	128,117	66,666	11,414
Construction in Progress	482,980	6,742,737	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	56,432,580	20,729,870	1,626,046
Total Noncurrent Assets	61,251,078	34,616,013	1,701,249
Total Assets	78,617,786	37,997,409	1,872,615
Deferred Outflows of Resources			
Pension Related Deferred Outflows	157,069	156,708	88,332
Liabilities			
Current Liabilities:			
Accounts Payable	115,579	2,846,507	106,349
Accrued Wages	32,696	32,819	17,734
Accrued Interest Payable	209,439	15,728	260
Accrued Compensated Absences	14,480	17,406	7,640
Due to Other Funds	531,638	-	411,898
Customer Deposits	5,969	-	-
Current Portion of Revenue Bonds Payable	1,347,873	358,705	76,516
Total Current Liabilities	2,257,674	3,271,165	620,397
Noncurrent Liabilities:			
Accrued Compensated Absences	57,918	69,625	30,558
Revenue Bonds Payable	39,912,742	6,973,215	58,121
Total Noncurrent Liabilities	39,970,660	7,042,840	88,679
Total Liabilities	42,228,334	10,314,005	709,076
Deferred Inflows of Resources			
Pension Related Deferred Inflows	116,005	115,739	65,238
Net Position			
Net Investment in Capital Assets	15,783,062	18,272,498	1,502,823
Restricted for:			
SDRS Pension Purposes	923	920	519
Debt Service	3,991,070	7,060,092	63,010
Unrestricted	16,655,461	2,390,863	(379,719)
Total Net Position	$ 36,430,516	$ 27,724,373	$ 1,186,633

Business-Type Nonmajor Enterprise Funds	Business-Type Totals	Governmental Activities- Internal Service Fund
$ 1,408,680	$ 14,817,126	$ 106,081
265,510	2,119,337	3,798
-	3,724,735	-
-	596,055	11,034
24,825	99,715	2,927
-	1,261,517	356,321
1,699,015	22,618,485	480,161
53,372	11,392,971	-
-	5,969	-
557	2,919	174
608,426	814,623	7,000
-	7,225,717	-
2,643,507	81,432,003	138,296
3,305,862	100,874,202	145,470
5,004,877	123,492,687	625,631
94,759	496,868	29,542
43,880	3,112,315	47,929
25,711	108,960	6,594
337	225,764	-
10,391	49,917	2,722
-	943,536	6,470
-	5,969	-
49,534	1,832,628	-
129,853	6,279,089	63,715
41,565	199,666	10,890
154,657	47,098,735	-
196,222	47,298,401	10,890
326,075	53,577,490	74,605
69,985	366,967	21,818
3,047,742	38,606,125	145,296
557	2,919	174
53,035	11,167,207	-
1,602,242	20,268,847	413,280
$ 4,703,576	$ 70,045,098	$ 558,750

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type		
	Water	**Wastewater**	**Joint Powers / Transfer Station**
Operating Revenues:			
Charges for Services	$ 7,707,813	$ 5,305,322	$ 1,956,114
Operating Expenses:			
Personal Services	819,398	834,149	441,794
Insurance	110,432	119,431	20,345
Professional Services	138,601	84,840	60,026
Tipping Fees	-	-	-
State Fees	5,000	16,100	-
Repairs and Maintenance	778,443	182,866	414,797
Cost of Sales and Service	-	-	920,490
Supplies and Materials	498,855	34,053	4,213
Travel and Conference	8,723	896	-
Utilities	484,174	231,899	22,286
Billing and Administration	721,496	689,429	-
Depreciation	2,490,936	991,547	293,726
Total Operating Expenses	6,056,058	3,185,210	2,177,677
Operating Income (Loss)	1,651,755	2,120,112	(221,563)
Nonoperating Income (Expense):			
Interest Income	883,159	348,521	-
Gain on Disposition of Assets	800	16,375	34,575
Miscellaneous, net	5,300	9,536	9,793
Interest Expense	(1,015,214)	(206,228)	(4,294)
Total Nonoperating Income (Expenses)	(125,955)	168,204	40,074
Income (Loss) Before Contributions and Transfers	1,525,800	2,288,316	(181,489)
Transfers In	-	-	-
Transfers Out	(71,346)	(60,046)	-
Capital Grants and Contributions	-	3,314,130	-
Net Changes in Net Position	1,454,454	5,542,400	(181,489)
Net Position - Beginning	34,992,369	22,202,643	1,375,946
Change in Accounting Principle	(16,307)	(20,670)	(7,824)
Net Position - Beginning, as Restated	34,976,062	22,181,973	1,368,122
Net Position - Ending	$ 36,430,516	$ 27,724,373	$ 1,186,633

	Business-Type		Governmental Activities-
Nonmajor Enterprise Funds		Totals	Internal Service Fund
$ 1,493,614		$ 16,462,863	$ 1,124,646
597,743		2,693,084	159,863
17,124		267,332	-
171,846		455,313	2,703
253,997		253,997	-
-		21,100	-
168,941		1,545,047	24,276
-		920,490	-
3,475		540,596	821,977
-		9,619	-
1,186		739,545	17,711
280,399		1,691,324	-
120,140		3,896,349	31,724
1,614,851		13,033,796	1,058,254
(121,237)		3,429,067	66,392
71,083		1,302,763	-
23,996		75,746	-
2,937		27,566	-
(4,729)		(1,230,465)	-
93,287		175,610	-
(27,950)		3,604,677	66,392
35,407		35,407	-
-		(131,392)	-
-		3,314,130	-
7,457		6,822,822	66,392
4,707,598		63,278,556	493,036
(11,479)		(56,280)	(678)
4,696,119		63,222,276	492,358
$ 4,703,576		$ 70,045,098	$ 558,750

EXHIBIT 7

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type					Governmental Activities
	Water	Wastewater	Joint Powers / Transfer Station	Nonmajor Enterprise Funds	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	$ 7,690,717	$ 5,257,685	$ 1,937,689	$ 1,484,114	$ 16,370,205	$ 650,647
Cash Received from Interfund Services Provided	50,702	2,478	-	1,743	54,923	468,578
Cash Paid to Suppliers for Goods and Services	(3,332,842)	(817,979)	(1,083,587)	(759,603)	(5,994,011)	(938,499)
Cash Paid to Employees for Services	(794,089)	(791,623)	(428,619)	(577,442)	(2,591,773)	(148,335)
Cash Paid for Interfund Services	(53,498)	(16,132)	(322,339)	(128,791)	(520,760)	(2,741)
Other Nonoperating Revenues	5,300	9,536	9,793	2,937	27,566	-
Net Cash Provided by Operating Activities	3,566,290	3,643,965	112,937	22,958	7,346,150	29,650
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(964,098)	(6,105,885)	(372,047)	(18,499)	(7,460,529)	-
Proceeds from Sale of Capital Assets	800	16,375	34,575	33,999	85,749	-
Proceeds from Note and Bond Issuance	-	3,692,854	-	-	3,692,854	-
Principal Paid on Notes, Bonds and Leases	(1,315,676)	(210,710)	(68,536)	(48,558)	(1,643,480)	-
Proceeds from Grants	-	1,179,532	-	-	1,179,532	-
Interest Paid on Notes and Bonds	(1,020,953)	(207,203)	(4,440)	(4,813)	(1,237,409)	-
Net Cash (Used) by Capital and Related Financing Activities	(3,299,927)	(1,635,037)	(410,448)	(37,871)	(5,383,283)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund Balances--Payments from Other Funds	531,638	-	335,093	-	866,731	(2,415)
Interfund Balances--Payments (to) Other Funds	(2,242,123)	-	-	-	(2,242,123)	-
Transfers In (Out)	(71,346)	(60,046)	-	35,407	(95,985)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,781,831)	(60,046)	335,093	35,407	(1,471,377)	(2,415)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and Dividends on Investments	883,159	348,521	-	71,083	1,302,763	-
Net Cash Provided from Investing Activities	883,159	348,521	-	71,083	1,302,763	-
Net Increase (Decrease) in Cash and Cash Equivalents	(632,309)	2,297,403	37,582	91,577	1,794,253	27,235
Cash and Cash Equivalents at Beginning of Year	16,975,835	6,002,028	73,475	1,370,475	24,421,813	78,846
Cash and Cash Equivalents at End of Year	$ 16,343,526	$ 8,299,431	$ 111,057	$ 1,462,052	$ 26,216,066	$ 106,081

(continued)

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type					Governmental Activities
	Water	Wastewater	Joint Powers / Transfer Station	Nonmajor Enterprise Funds	Totals	Internal Service Fund
RECONCILATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	$ 1,651,755	$ 2,120,112	$ (221,563)	$ (121,237)	$ 3,429,067	$ 66,392
Adjustments to Renconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	2,490,936	991,547	293,726	120,140	3,896,349	31,724
Other Nonoperating Income	5,300	9,536	9,793	2,937	27,566	-
(Increase) Decrease in Assets:						
Accounts Receivable	33,606	(45,159)	(18,425)	(7,757)	(37,735)	(2,656)
Due from Other Governmental Agencies	-	-	-	-	-	(2,765)
Prepaid Expenses	781	(1,376)	163	(638)	(1,070)	54
Inventories	(645,897)	4,991	-	-	(640,906)	(65,230)
Net Pension Asset	1,529	1,381	795	746	4,451	293
Pension Related Deferred Outflows	32,961	21,564	13,494	6,233	74,252	6,673
Increase (Decrease) in Liabilities:						
Accounts Payable	6,676	521,788	36,068	9,212	573,744	(9,397)
Accrued Wages	1,450	3,481	4,136	3,041	12,108	3,777
Accrued Compensated Absences	(3,984)	15,424	(4,766)	5,480	12,154	2,342
Customer Deposits	(2,176)	-	-	-	(2,176)	-
Pension Related Deferred Inflows	(6,647)	676	(484)	4,801	(1,654)	(1,557)
Net Cash Provided by Operating Activities	$ 3,566,290	$ 3,643,965	$ 112,937	$ 22,958	$ 7,346,150	$ 29,650
Supplemental Schedule of Noncash Capital and Related Financing Activities:						
Transfer of Asset from Governmental Activities to Business Type Activities	$ -	$ 336,121	$ -	$ -	$ 336,121	$ -
	$ -	$ 336,121	$ -	$ -	$ 336,121	$ -
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:						
Cash and Cash Equivalents	$ 12,137,048	$ 1,223,611	$ 47,787	$ 1,408,680	$ 14,817,126	$ 106,081
Restricted Cash and Cash Equivalents	4,206,478	7,075,820	63,270	53,372	11,398,940	-
	$ 16,343,526	$ 8,299,431	$ 111,057	$ 1,462,052	$ 26,216,066	$ 106,081

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

City employees accumulate a limited amount of earned but unused vacation, sick, 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, 2024. 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.

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 $5,000 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

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, 2024 were $58,848,065. 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.

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, 2024, consisted of the following:

Fund	Utility Accounts Receivable
Water	$ 55,420
Wastewater	26,073
Solid Waste	25,178
	$ 106,671

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2024 include the following:

Description	General	Special Capital Improvement Fund	TID #11	Nonmajor Governmental Funds	Wastewater	Internal Service	Total
County Remitted Taxes	$ 11,992	$ -	$ -	$ -	$ -	$ -	$ 11,992
County Garage Charges	-	-	-	-	-	11,034	11,034
State Remitted Sales Tax	900,031	754,541	-	86,032	-	-	1,740,604
State Remitted Liquor and Other Taxes	26,644	-	-	-	-	-	26,644
State Road Aid	67,188	-	-	-	-	-	67,188
Grants	102,981	-	427,290	57,275	596,055	-	1,183,601
Other	20,342	-	-	10,370	-	-	30,712
	$ 1,129,178	$ 754,541	$ 427,290	$ 153,677	$ 596,055	$ 11,034	$ 3,071,775

NOTE 6 – CAPITAL ASSETS

A summary of the changes in the capital assets for the year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Reclassifications	Additions	Deletions	Balance December 31, 2024
Governmental Activities:					
Capital assets not being depreciated/amortized:					
Land	$ 5,015,772	$ -	$ 36,850	$ -	$ 5,052,622
Construction in progress	12,269,800	(336,121)	5,337,723	7,063,361	10,208,041
Total capital assets not being depreciated/amortized	17,285,572	(336,121)	5,374,573	7,063,361	15,260,663
Capital assets being depreciated/amortized:					
Buildings and structures	111,552,254	-	7,867,307	270,512	119,149,049
Land Improvements	-	-	1,776,387	-	1,776,387
Furniture and equipment	22,913,980	-	1,179,578	572,800	23,520,758
Right-of-use leased equipment	112,097	-	35,653	23,848	123,902
Total capital assets being depreciated/amortized	134,578,331	-	10,858,925	867,160	144,570,096
Less: accumulated depreciation/amortization for:					
Buildings	40,959,466	-	3,311,573	270,512	44,000,527
Land Improvements	-	-	29,606	-	29,606
Furniture and equipment	13,912,761	-	1,336,240	572,800	14,676,201
Right-of-use leased equipment	56,367	-	23,954	23,848	56,473
Total accumulated depreciation/amortization	54,928,594	-	4,701,373	867,160	58,762,807
Total capital assets being depreciated/amortized, net	79,649,737	-	6,157,552	-	85,807,289
Governmental activities capital assets, net	$ 96,935,309	$ (336,121)	$ 11,532,125	$ 7,063,361	$ 101,067,952

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Balance January 1, 2024	Reclassifications	Additions	Deletions	Balance December 31, 2024
Business-Type Activities:					
Capital assets not being depreciated:					
Land	$ 814,623	$ -	$ -	$ -	$ 814,623
Construction in progress	12,151,284	336,121	5,940,026	11,201,714	7,225,717
Total capital assets not being depreciated	12,965,907	336,121	5,940,026	11,201,714	8,040,340
Capital assets being depreciated:					
Buildings and structures	118,368,070	-	13,105,929	13,841,719	117,632,280
Land improvements	2,190,048	-	-	-	2,190,048
Furniture and equipment	7,078,369	-	884,210	465,165	7,497,414
Total capital assets being depreciated	127,636,487	-	13,990,139	14,306,884	127,319,742
Less: accumulated depreciation for:					
Buildings and structures	51,047,548	-	3,456,651	13,841,719	40,662,480
Land improvements	85,054	-	857	-	85,911
Furniture and equipment	5,155,668	-	438,841	455,161	5,139,348
Total accumulated depreciation	56,288,270	-	3,896,349	14,296,880	45,887,739
Total capital assets being depreciated, net	71,348,217	-	10,093,790	10,004	81,432,003
Business-type activities capital assets, net	$ 84,314,124	$ 336,121	$ 16,033,816	$ 11,211,718	$ 89,472,343

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

Governmental Activities:	
General Government	$ 103,808
Public Safety	429,572
Public Works	2,823,122
Culture and Recreation	1,338,299
Community Development	6,572
Total depreciation/amortization expense - governmental activities	$ 4,701,373

Depreciation expense of $31,724 was charged to the internal service fund and is included in the public works total displayed above.

Business-Type Activities:	
Water	$ 2,490,936
Wastewater	991,547
Solid Waste	59,735
Golf Course	60,405
Joint Powers Landfill	293,726
Total depreciation expense - business-type activities	$ 3,896,349

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Component Unit:				
Capital assets being depreciated:				
Equipment and furniture	$ 6,733	$ -	$ -	$ 6,733
Total capital assets being depreciated	6,733	-	-	6,733
Less: accumulated depreciation for:				
Equipment and furniture	6,674	59	-	6,733
Total accumulated depreciation	6,674	59	-	6,733
Total capital assets being depreciated, net	59	(59)	-	-
Component unit capital assets, net	$ 59	$ (59)	$ -	$ -

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	$ 5,052,622	$ 814,623
Construction in Progress	10,208,041	7,225,717
Capital Assets, net of accumulated depreciation/amortization	85,807,289	81,432,003
Less: Revenue Bonds	-	48,931,363
Notes Payable	11,888,854	-
Lease Agreements	62,287	-
Accounts Payable	164,408	1,405,294
Retainage Payable	193,126	529,561
Net Investment in Capital Assets	$ 88,759,277	$ 38,606,125

NOTE 7 – COMMITMENTS

During the year ended December 31, 2024, the City entered into several construction contracts totaling $72,216,870. Of this amount, $27,924,876 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:

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable - Direct Borrowing	$ 12,626,514	$ -	$ 737,660	$ 11,888,854

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, 2024:

Year Ending December 31,	Principal	Interest	Total
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	684,763	249,369	934,132
2030 - 2034	3,736,914	933,743	4,670,657
2035 - 2039	4,317,651	353,004	4,670,655
Totals	$ 11,888,854	$ 2,763,184	$ 14,652,038

Bonds Payable:

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

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

	Governmental	Business-Type				
	2019 Sales Tax Bond	Water Revenue (SRF) - Direct Borrowing	Wastewater Revenue (SRF) - Direct Borrowing	Joint Powers Landfill Revenue Loans (SWMP) (RLA) – Direct Borrowing	Solid Waste REC Loan - Direct Borrowing	Total
Beginning Bonds Payable	$ 1,146,311	$ 42,576,291	$ 3,849,776	$ 203,173	$ 252,749	$ 48,028,300
Add: Issuances	-	-	3,692,854	-	-	3,692,854
Less: Retirements	(179,590)	(1,315,676)	(210,710)	(68,536)	(48,558)	(1,823,070)
Ending Bonds Payable	$ 966,721	$ 41,260,615	$ 7,331,920	$ 134,637	$ 204,191	$ 49,898,084

Bonds outstanding on December 31, 2024 are comprised of the following individual issues:

	Due Within One Year	Due After One Year	Total
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.	$ 184,026	$ 782,695	$ 966,721
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.	76,516	58,121	134,637
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.	1,347,873	39,912,742	41,260,615
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.	358,705	6,973,215	7,331,920
Solid Waste REC Loan Maturing December 1, 2028 With an interest rate of 2.1% per Annum, paid by Solid Waste Fund.	49,534	154,657	204,191
Totals	$ 2,016,654	$ 47,881,430	$ 49,898,084

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.

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

On November 25, 2014, the City issued clean water state revolving fund bonds not to exceed $11,048,805 for sewer improvements. The bonds carry an interest rate of 3.0%. As of December 31, 2024, $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, 2024, $11,642,796 had been drawn on the bonds.

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, 2024, $36,950,000 had been drawn on the bonds.

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, 2024, $4,315,881 had been drawn on the bonds.

On May 23, 2024, the City issued clean water state revolving fund loans not to exceed $7,200,000 for sewer improvements. The bonds carry an interest rate of 2.0%. As of December 31, 2024, $554,262 had been drawn on the bonds.

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, 2024, including interest payments of $14,218,994 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
2025	$ 184,026	$ 23,878	$ 358,705	$ 157,292	$ 1,347,873	$ 988,756
2026	188,571	19,333	367,685	148,312	1,380,872	955,757
2027	193,229	14,675	376,899	139,098	1,414,693	921,936
2028	198,002	9,902	386,354	129,644	1,449,356	887,272
2029	202,893	5,011	396,055	119,943	1,484,885	851,744
2030 - 2034	-	-	2,134,916	445,072	7,989,167	3,693,975
2035 - 2039	-	-	1,718,459	202,168	9,020,349	2,662,793
2040 - 2044	-	-	1,592,847	44,690	10,187,283	1,495,858
2045 - 2048	-	-	-	-	6,986,137	288,220
Total	$ 966,721	$ 72,799	$ 7,331,920	$ 1,386,219	$ 41,260,615	$ 12,746,311

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
2025	$ 76,516	$ 2,714	$ 49,534	$ 3,837	$ 2,016,654	$ 1,176,477
2026	49,876	1,384	50,530	2,842	2,037,534	1,127,628
2027	8,245	272	51,546	1,826	2,044,612	1,077,807
2028	-	-	52,581	790	2,086,293	1,027,608
2029	-	-	-	-	2,083,833	976,698
2030 - 2034	-	-	-	-	10,124,083	4,139,047
2035 - 2039	-	-	-	-	10,738,808	2,864,961
2040 - 2044	-	-	-	-	11,780,130	1,540,548
2045 - 2048	-	-	-	-	6,986,137	288,220
Total	$ 134,637	$ 4,370	$ 204,191	$ 9,295	$ 49,898,084	$ 14,218,994

B. Accrued Compensated Absences

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities: Compensated Absences	$ 697,644	$ 276,615	$ -	$ 974,259	$ 194,854
Business-Type Activities: Compensated Absences	181,149	68,434	-	249,583	49,917
Total Accrued Compensated Absences	$ 878,793	$ 345,049	$ -	$ 1,223,842	$ 244,771

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, 2024, the City reported a lease liability of $17,276. During the fiscal year, the City paid principal of $16,957 and interest of $643.

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, 2024, the City reported a lease liability of $0. During the fiscal year, the City paid principal of $4,169 and interest of $16.

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, 2024, the City reported a lease liability of $10,290. During the fiscal year, the City paid principal of $3,920 and interest of $172.

On November 6, 2024, the City signed a four-year lease as lessee for the use of Xerox copier machines. The agreement requires monthly payments of $782 at a rate of 4.62%. As of December 31, 2024, the City reported a lease liability of $33,564. The City paid no principal or interest during the fiscal year.

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

On June 28, 2024, the City signed a four-year lease as lessee for the use of a Postage Machine. The agreement requires monthly payments of $30 at a rate of 4.62%. As of December 31, 2024, the City reported a lease liability of $1,157. During the fiscal year, the City paid principal of $150 and interest of $30.

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

	Governmental Activities					
	Conference Room	Postage Machine	Xerox Copiers	Xerox Copiers	A&B Business Copier	Total
Beginning Lease Agreements	$ 34,233	$ -	$ 4,169	$ -	$ 14,133	$ 52,535
Add: Issuances	-	1,307	-	33,564	-	34,871
Less: Retirements	(16,957)	(150)	(4,169)	-	(3,843)	(25,119)
Ending Lease Agreements	$ 17,276	$ 1,157	$ -	$ 33,564	$ 10,290	$ 62,287
Due Within One Year	$ 17,276	$ 312	$ -	$ 8,002	$ 3,920	$ 29,510

The remaining obligations associated with these leases are as follows:

Year Ending	Governmental Activities		
December 31,	Principal	Interest	Total
2025	$ 29,510	$ 1,925	$ 31,435
2026	12,706	1,129	13,835
2027	11,487	644	12,131
2028	8,584	199	8,783
	$ 62,287	$ 3,897	$ 66,184

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, 2024 were as follows:

	Interfund Receivables	Interfund Payables
Due From/To Other Funds:		
General Fund	$ 136,330	$ -
Capital Projects – Special Capital Improvements	3,467,045	-
Capital Projects – Public Improvement	-	773,445
Special Revenue – East Yankton TID	-	2,033,817
Special Revenue – Mead Property Development	-	3,570,842
Enterprise – Water	3,191,234	531,638
Enterprise – Wastewater	533,501	-
Enterprise – Joint Power	-	411,898
Enterprise – Internal Service	-	6,470
	$ 7,328,110	$ 7,328,110

NOTE 9 – INTERFUND ASSETS/LIABILITIES (CONTINUED)

As of December 31, 2024, long-term advances were as follows:

	Interfund Receivables	Interfund Payables
Advances From/To Other funds:		
General Fund	$ 3,689,392	$ -
Capital Projects – Special Capital Improvement	795,583	-
Special Revenue – TID #5	-	3,689,392
Special Revenue – TID #8 Westbrook Estates Phas	-	795,583
	$ 4,484,975	$ 4,484,975

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 rate of 6.0% and the TID loan is variable.

NOTE 10 – DEFICIT FUND BALANCES/NET POSITIONS

As of December 31, 2024, the following funds had deficit fund balances:

Special Revenue:	
TID #5	$ 3,689,392
TID #11 East Yankton	2,069,615
TID #12 Meade Property Development	3,504,431
TID #8 Westbrook Estates Phase II	824,397
Dispatch	33
Capital Projects:	
Public Improvement	$ 61,079

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). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provide retirement, disability, and survivor benefits. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://www.sdrs.sd.gov/publications.aspx or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

SDRS has 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.

NOTE 11 – PENSION PLAN (CONTINUED)

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 labilities, 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.

The City's share of contributions to the SDRS for the years ended 2024, 2023, 2022, and were $641,354, $601,042, $558,725, and, respectively, equal to the required contributions each year.

NOTE 11 – PENSION PLAN (CONTINUED)

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

At June 30, 2024, SDRS is 100.0% 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, 2024 and reported by the Municipality as of December 31, 2024 are as follows:

Proportionate share of pension liability	$ 54,510,432
Less: proportionate share net pension restricted for pension benefits	54,525,224
Proportionate share of net pension liability (asset)	$ (14,792)

At December 31, 2024, the Municipality reported an asset of $14,792 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024 and the total pension asset used to calculate the net pension asset was based on a projection of the Municipality's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the Municipality's proportion was 0.365394%, which is a decrease of 0.012331% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Municipality recognized pension expense of $376,654. At December 31, 2024, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	$ 1,369,662	$ -
Changes in assumption	243,861	1,858,846
Net difference between projected and actual earnings on pension plan investments	557,141	-
Changes in proportion and difference between City contributions and proportionate share of contributions	22,444	957
City contributions subsequent to the measurement date	325,036	-
Total	$ 2,518,144	$ 1,859,803

$325,036 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

NOTE 11 – PENSION PLAN (CONTINUED)

Year Ending December 31		
2025	$	(510,228)
2026		719,163
2027		78,275
2028		46,095
Total	$	333,305

Actuarial Assumptions

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

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

Mortality Rates

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

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

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

- Beneficiaries: PubG-2010 contingent survivor mortality table

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

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

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-

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, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset)	$ 7,516,015	$ (14,792)	$ (6,177,336)

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:

	General	Special Capital Improvements	TID #12	Nonmajor Governmental	Enterprise Nonmajor	Total Transfer Out
General	$ -	$ -	$ -	$ 1,466,628	$ 35,407	$ 1,502,035
Special Capital Improvements	79,346	-	-	781,637	-	860,983
TID #5	-	-	-	174,315	-	174,315
Nonmajor Governmental	113,978	33,037	66,411	76,009	-	289,435
Wastewater	60,046	-	-	-	-	60,046
Water	71,346	-	-	-	-	71,346
Transfer In	$ 324,716	$ 33,037	$ 66,411	$ 2,498,589	$ 35,407	$ 2,958,160

Transfers are used to:

1. Move revenues from the fund that stature or budget requires to collect them to the fund that statue 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, 2024, 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 management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays a Members' Annual Operating Contribution, to provide liability coverage detailed below, under an occurrence-based policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City 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.

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 2024 for this component was $43,400.

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 2024, the parties agreed the County would pay $180,598 per for dispatch services, which was appropriately paid.

NOTE 15 – RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2024 was as follows:

Major Purposes:		
Lodging Sales Tax – Enabling Legislation	$ 588,928	
Debt Service – External Creditors	11,358,560	
SDRS Pension Purposes	14,792	
Total Major Purposes		$ 11,962,280
Permanently Restricted Purposes:		
Cemetery Perpetual Care – Expendable	100,697	
Cemetery Perpetual Care – Nonexpendable	50,000	
Total Permanently Restricted Purposes		150,697

NOTE 15 – RESTRICTED NET POSITION (CONTINUED)

Other Purposes:		
Historic Easement Trust	$ 26,651	
Library – Enabling Legislation	43,066	
Road and Bridge Funds	220,312	
TID	476	
Total Other Purposes		290,505
Total Restricted Net Position		$ 12,403,482

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, 2024, the City abated $200,530 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, 2024, the City abated $437,835 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:

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

	Year End 12/31/24
General Fund:	
General Government	
Special Appropriations	$ 79,335
Memorial Park Pool	54,074
Special Revenue Fund:	
TID #8 Westbrook Estates	
Community Development	6,258
Permanent Fund:	
Perpetual Care Cemetery	
Culture and Recreation	$ 10,707

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2024, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, which updated the accounting and financial reporting guidance for compensated absences, including accrued sick leave. The accrued compensated absences liability was understated as a result of this change. The effect of the implementation of this standard on beginning net position is as follows:

	Water	Wastewater	Joint Powers / Transfer Station	Nonmajor Enterprise Funds
Net Position				
Beginning of Year, as previously reported	$ 34,992,369	$ 22,202,643	$ 1,375,946	$ 4,707,598
Change in Accounting Principle – GASB 101	(16,307)	(20,670)	(7,824)	(11,479)
Net Position				
Beginning of Year, as restated	$ 34,976,062	$ 22,181,973	$ 1,368,122	$ 4,696,119

	Internal Service Fund	Governmental Activities	Business-Type Activities
Net Position			
Beginning of Year, as previously reported	$ 493,036	$ 114,976,811	$ 63,278,556
Change in Accounting Principle – GASB 101	(678)	(198,519)	(56,280)
Net Position			
Beginning of Year, as restated	$ 492,358	$ 114,778,292	$ 63,222,276

NOTE 19 – SUBSEQUENT EVENTS

On April 16, 2025, the City received proceeds of $1,984,548 of SRF Revenue loan funds for Water Plant improvements.

On April 16, 2025, the City received proceeds of $271,603 of SRF Revenue loan funds for Wastewater Plant improvements.

On May 28, 2025, the City received proceeds of $2,948,097 of SRF Revenue loan funds for Wastewater Plant improvements.

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.

EXHIBIT 8

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, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Property Taxes	$ 3,201,774	$ 3,201,774	$ 4,346,415	$ 1,144,641
Sales and Other Taxes	8,850,742	8,869,626	8,329,534	(540,092)
Licenses and Permits	334,772	334,772	366,043	31,271
Intergovernmental	704,874	876,375	829,456	(46,919)
Charges for Service	3,337,859	3,337,859	3,552,962	215,103
Fines and Forfeits	4,500	4,500	5,126	626
Interest	58,180	58,180	764,308	706,128
Contributions	150,500	150,500	121,477	(29,023)
Miscellaneous	59,945	125,720	254,290	128,570
Total Revenues	16,703,146	16,959,306	18,569,611	1,610,305
Expenditures:				
General Government:				
Board of City Commission	195,258	195,258	166,359	28,899
Office of City Manager	290,933	290,933	264,933	26,000
City Attorney	124,157	124,157	107,937	16,220
Department of Finance	804,140	804,140	678,410	125,730
Information Systems	559,376	783,354	481,961	301,393
Community Development	713,661	783,661	620,686	162,975
Human Resources	274,067	279,067	263,647	15,420
Contingency	300,000	300,000	-	300,000
Casualty Reserve Fund	5,000	5,000	-	5,000
Special Appropriations	128,600	134,172	213,507	(79,335)
Total General Government	3,395,192	3,699,742	2,797,440	902,302
Public Safety:				
Police Department	4,230,315	4,401,143	3,709,211	691,932
Fire Department	1,231,322	1,325,206	963,127	362,079
Civil Defense	5,285	5,285	1,164	4,121
Total Public Safety	5,466,922	5,731,634	4,673,502	1,058,132
Public Works:				
Engineering and Inspection	769,749	810,749	675,628	135,121
Streets and Highways	2,607,442	3,792,866	2,201,703	1,591,163
City Hall	460,062	540,859	328,732	212,127
Traffic Control	523,459	523,459	498,457	25,002
Chan Gurney Airport	702,527	721,327	574,342	146,985
Total Public Works	5,063,239	6,389,260	4,278,862	2,110,398

(continued)

EXHIBIT 8

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, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Positive (Negative)
Culture and Recreation:				
Marne Creek	203,484	228,484	118,028	110,456
Summit Activities Center	897,901	937,901	885,932	51,969
Memorial Park Pool	1,702,262	1,725,262	1,779,336	(54,074)
Parks and Recreation	2,162,425	2,272,668	2,009,823	262,845
Senior Citizens Center	70,255	70,255	54,282	15,973
Community Library	944,855	944,855	865,111	79,744
Total Culture and Recreation	5,981,182	6,179,425	5,712,512	466,913
Total Expenditures	19,906,535	22,000,061	17,462,316	4,537,745
Excess (Deficiency) of Revenues over Expenditures	(3,203,389)	(5,040,755)	1,107,295	6,148,050
Other Financing Sources (Uses):				
Lease Agreements	-	-	35,653	35,653
Proceeds from Sale of Capitalized Assets	-	-	24,745	24,745
Transfers In	392,622	398,272	324,716	(73,556)
Transfers Out	(1,408,598)	(2,167,567)	(1,502,035)	665,532
Total Other Financing Sources (Uses)	(1,015,976)	(1,769,295)	(1,116,921)	652,374
Net Change in Fund Balance	(4,219,365)	(6,810,050)	(9,626)	$ 6,800,424
Fund Balance - Beginning of Year	16,744,535	16,744,535	16,744,535	
Fund Balance - End of Year	$ 12,525,170	$ 9,934,485	$ 16,734,909	

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, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Property Taxes	$ 173,433	$ 173,433	$ 174,315	$ 882
Total Revenues	173,433	173,433	174,315	882
Excess of Revenues Over Expenditures	173,433	173,433	174,315	882
Other Financing Sources (Uses):				
Transfers In	34,471	34,471	-	(34,471)
Transfers Out	(194,610)	(194,610)	(174,315)	20,295
Total Other Financing Sources (Uses)	(160,139)	(160,139)	(174,315)	(14,176)
Net Change in Fund Balance	13,294	13,294	-	$ (13,294)
Fund (Deficits) - Beginning of Year	(3,689,392)	(3,689,392)	(3,689,392)	
Fund (Deficits) - End of Year	$ (3,676,098)	$ (3,676,098)	$ (3,689,392)	

EXHIBIT 10

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Major Special Revenue Fund - TID #11 East Yankton
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Property Taxes	$ 1,000	$ 1,000	$ 3,428	$ 2,428
Intergovernmental	-	1,760,000	1,760,000	-
Total Revenues	1,000	1,761,000	1,763,428	2,428
Expenditures:				
Capital Outlay:				
Culture and Recreation	-	5,517,678	3,509,711	2,007,967
Total Expenditures	-	5,517,678	3,509,711	2,007,967
Excess of Revenues Over Expenditures	1,000	(3,756,678)	(1,746,283)	(2,005,539)
Other Financing Sources (Uses):				
Issuance of Debt	-	3,757,678	-	(3,757,678)
Total Other Financing Sources (Uses)	-	3,757,678	-	(3,757,678)
Net Change in Fund Balance	1,000	1,000	(1,746,283)	$ (5,763,217)
Fund (Deficits) - Beginning of Year	-	-	-	
Change within financial reporting entity (nonmajor to major fund)	(323,332)	(323,332)	(323,332)	
Fund Balances at Beginning of Year, as restated	(323,332)	(323,332)	(323,332)	
Fund (Deficits) - End of Year	$ (322,332)	$ (322,332)	$ (2,069,615)	

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, 2024

	Budgeted Amounts			Variance Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Property Taxes	$ 1,000	$ 1,000	$ 15,536	$ 14,536
Intergovernmental	-	-	53,345	53,345
Miscellaneous	-	-	500	500
Total Revenues	1,000	1,000	69,381	68,381
Expenditures:				
Capital Outlay:				
Culture and Recreation	-	1,391,727	32,493	1,359,234
Total Expenditures	-	1,391,727	32,493	1,359,234
Excess of Revenues Over Expenditures	1,000	(1,390,727)	36,888	(1,290,853)
Other Financing Sources (Uses):				
Issuance of Debt	-	1,391,727	-	(1,391,727)
Transfers In	-	-	66,411	66,411
Total Other Financing Sources (Uses)	-	1,391,727	189,568	(1,202,159)
Net Change in Fund Balance	1,000	1,000	226,456	$ (2,493,012)
Fund (Deficits) - Beginning of Year	(3,730,887)	(3,730,887)	(3,730,887)	
Fund (Deficits) - End of Year	$ (3,729,887)	$ (3,729,887)	$ (3,504,431)	

EXHIBIT 12

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, 2024 to the original appropriations by fund were as follows for the general fund:

	Original Appropriations	Total Revisions	Revised Appropriations
General Fund:			
General Government			
Information Systems	$ 559,376	$ 223,978	$ 783,354
Community Development	713,661	70,000	783,661
Human Resources	274,067	5,000	279,067
Special Appropriations	128,600	5,572	134,172
Public Safety			
Police Department	4,230,315	170,828	4,401,143
Fire Department	1,231,322	93,884	1,325,206
Public Works			
Engineering and Inspection	769,749	41,000	810,749
Streets and Highways	2,607,442	1,185,424	3,792,866
City Hall	460,062	80,797	540,859
Chan Gurney Airport	702,527	18,800	721,327
Culture and Recreation			
Marne Creek	203,484	25,000	228,484
Summit Activities Center	897,901	40,000	937,901
Memorial Park Pool	1,702,262	23,000	1,725,262
Parks and Recreation	2,162,425	110,243	2,272,668
Transfers Out	1,408,598	758,969	2,167,567

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.

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, 2024.

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 and Memorial Park Pool departments did exceed appropriations within the general fund for the year ended December 31, 2024.

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.

EXHIBIT 13

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Municipality's proportion of the net pension liability (asset)	0.36539400%	0.37772500%	0.37698500%	0.38310300%	0.36648290%	0.36945880%	0.37324390%	0.38897970%	0.38265660%	0.38171770%
Municipality's proportionate share of net pension liability (asset)	$ (15)	$ (37)	$ (36)	$ (2,934)	$ (16)	$ (39)	$ (9)	$ (35)	$ 1,293	$ (1,619)
Municipality's covered payroll	$ 9,510	$ 9,028	$ 8,319	$ 7,908	$ 7,465	$ 7,319	$ 7,229	$ 7,360	$ 6,764	$ 6,487
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.16%	-0.41%	-0.43%	-37.10%	-0.21%	-0.53%	-0.12%	-0.48%	19.12%	-24.96%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.0%	100.1%	100.1%	105.5%	100.0%	100.1%	100.0%	100.1%	96.9%	104.1%

*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.

EXHIBIT 14

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 641	$ 601	$ 559	$ 530	$ 492	$ 473	$ 472	$ 460	$ 449	$ 441
Contributions in relation to the contractually required contribution	641	601	559	530	492	473	472	460	449	441
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's covered payroll	$ 9,888	$ 9,295	$ 8,616	$ 8,156	$ 7,602	$ 7,348	$ 7,335	$ 7,141	$ 6,973	$ 6,843
Contributions as a percentage of covered payroll	6.48%	6.47%	6.48%	6.49%	6.48%	6.44%	6.44%	6.45%	6.44%	6.45%

CITY OF YANKTON
Notes to Required Supplementary Information
for the Year Ended December 31, 2024
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions.

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

Actuarial Assumption Changes

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

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

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

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

Actuarial Method Changes

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

SUPPLEMENTARY INFORMATION

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

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 10th Street – This fund is used to account for expenditures for improvements in the West 10th 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.

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.

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, 2024

		Special Revenue						*Formerly Nonmajor Fund*
	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
Assets								
Cash and Cash Equivalents	$ 208,504	$ 40,560	$ 202,543	$ 44,028	$ 177,195	$ 22,681	$ 476	$ -
Receivables (Net where applicable, of allowance for uncollectibles):								
Taxes	-	-	-	22,746	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Due from Other Governmental Agencies	-	-	6,146	4,224	-	-	-	-
Property Held for Resale, at Cost	-	-	-	-	-	-	-	-
Restricted Assets:								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Total Assets	208,504	40,560	208,689	70,998	177,195	22,681	476	-
Liabilities								
Accounts Payable	-	207	145,843	77,066	177,195	22,681	-	-
Accrued Wages	-	40,386	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	795,583	-	-	-	-
Total Liabilities	-	40,593	145,843	872,649	177,195	22,681	-	-
Deferred Inflows of Resources								
Unavailable Revenue - Property Taxes	-	-	-	22,746	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-
Unavailable Revenue - Other Taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	22,746	-	-	-	-
Fund Balances (Deficits)								
Reserved for:								
Non-Spendable:								
Perpetual Care	-	-	-	-	-	-	-	-
Restricted:								
Debt Service	208,504	-	-	-	-	-	-	-
TID	-	-	-	-	-	-	476	-
Perpetual Care	-	-	-	-	-	-	-	-
Lodging Sales Tax	-	-	62,846	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Road and Bridge Funds	-	-	-	-	-	-	-	-
Historic Easement Trust	-	-	-	-	-	-	-	-
Assigned:								
Capital Projects	-	-	-	-	-	-	-	-
Unassigned	-	(33)	-	(824,397)	-	-	-	-
Total Fund Balances (Deficits)	208,504	(33)	62,846	(824,397)	-	-	476	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 208,504	$ 40,560	$ 208,689	$ 70,998	$ 177,195	$ 22,681	$ 476	$ -

Bridge & Street	Lodging Sales Tax	Library Trust	Historic Easement Trust	Capital Projects: Nonmajor Capital Projects	Permanent: Perpetual Care Cemetery	Total Governmental Nonmajor Funds
$ 316,054	$ 447,459	$ 44,745	$ 26,651	$ 3,147,912	$ 5,829	$ 4,684,637
-	-	-	-	-	-	22,746
-	-	-	-	1,159	751	1,910
-	-	-	-	7,592	-	7,592
-	86,032	-	-	57,275	-	153,677
-	-	-	-	687,366	-	687,366
-	-	-	-	-	153,247	153,247
316,054	533,491	44,745	26,651	3,901,304	159,827	5,711,175
95,742	7,409	1,679	-	8,265	5,619	541,706
-	-	-	-	-	3,511	43,897
-	-	-	-	773,445	-	773,445
-	-	-	-	-	-	795,583
95,742	7,409	1,679	-	781,710	9,130	2,154,631
-	-	-	-	-	-	22,746
-	-	-	-	6,464	-	6,464
-	2,464	-	-	-	-	2,464
-	2,464	-	-	6,464	-	31,674
-	-	-	-	-	50,000	50,000
-	-	-	-	-	-	208,504
-	-	-	-	-	-	476
-	-	-	-	-	100,697	100,697
-	523,618	-	-	-	-	586,464
-	-	43,066	-	-	-	43,066
220,312	-	-	-	-	-	220,312
-	-	-	26,651	-	-	26,651
-	-	-	-	3,174,209	-	3,174,209
-	-	-	-	(61,079)	-	(885,509)
220,312	523,618	43,066	26,651	3,113,130	150,697	3,524,870
$ 316,054	$ 533,491	$ 44,745	$ 26,651	$ 3,901,304	$ 159,827	$ 5,711,175

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended December 31, 2024

		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	*Formerly Nonmajor Fund* TID #11 East Yankton
Revenue:								
Property Taxes	$ -	$ -	$ -	$ 190,967	$ 382,464	$ 51,845	$ 45,300	$ -
Sales and Other Taxes	-	-	151,364	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	180,598	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest on Investments	-	13,392	9,588	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenue	-	193,990	160,952	190,967	382,464	51,845	45,300	-
Current Expenditures:								
Public Safety	-	864,039	-	-	-	-	-	-
Public Works	-	-	-	164,248	382,464	51,845	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	44,824	-
Capital Outlay:								
Public Works	-	-	210,843	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Debt Service	207,904	-	-	-	-	-	-	-
Total Expenditures	207,904	864,039	210,843	164,248	382,464	51,845	44,824	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(207,904)	(670,049)	(49,891)	26,719	-	-	476	-
Other Financing Sources (Uses):								
Proceeds from Sale of Capitalized Assets	-	-	-	-	-	-	-	-
Transfers In	207,904	669,103	-	-	-	-	-	-
Transfers Out	-	-	(3,241)	(33,037)	-	-	-	-
Total Other Financing Sources (Uses)	207,904	669,103	(3,241)	(33,037)	-	-	-	-
Net Changes in Fund Balance	-	(946)	(53,132)	(6,318)	-	-	476	-
Fund Balances (Deficits) - Beginning of Year	208,504	913	115,978	(818,079)	-	-	-	(323,332)
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-	-	323,332
Fund Balances (Deficits) - Beginning of Year, as Restated	208,504	913	115,978	(818,079)	-	-	-	-
Fund Balances (Deficits) - End of Year	$ 208,504	$ (33)	$ 62,846	$ (824,397)	$ -	$ -	$ 476	$ -

EXHIBIT A-2

				Capital Projects	Permanent	Total
Bridge & Street	Lodging Sales Tax	Library Trust	Historic Easement Trust	Non-Major Capital Projects	Perpetual Care Cemetery	Governmental Nonmajor Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 670,576
21,397	858,664	-	-	-	-	1,031,425
-	-	-	-	6,761	-	6,761
-	-	2,000	-	396,851	-	579,449
-	-	-	-	-	12,124	12,124
72	31,544	2,809	1,321	-	10,603	69,329
-	41,695	21,067	-	25,250	-	88,012
-	-	-	-	1,159	-	1,159
21,469	931,903	25,876	1,321	430,021	22,727	2,458,835
-	-	-	-	-	-	864,039
-	-	-	-	-	-	598,557
4,074	-	45,778	-	-	149,658	199,510
-	815,407	-	-	-	-	860,231
270,280	-	-	-	308,231	-	789,354
-	-	-	-	353,152	-	353,152
-	-	-	-	-	-	207,904
274,354	815,407	45,778	-	661,383	149,658	3,872,747
(252,885)	116,496	(19,902)	1,321	(231,362)	(126,931)	(1,413,912)
-	-	-	-	58,428	43,000	101,428
781,637	-	-	-	764,110	75,835	2,498,589
-	(195,649)	-	-	(57,508)	-	(289,435)
781,637	(195,649)	-	-	765,030	118,835	2,310,582
528,752	(79,153)	(19,902)	1,321	533,668	(8,096)	896,670
(308,440)	602,771	62,968	25,330	2,579,462	158,793	2,304,868
-	-	-	-	-	-	323,332
(308,440)	602,771	62,968	25,330	2,579,462	158,793	2,628,200
$ 220,312	$ 523,618	$ 43,066	$ 26,651	$ 3,113,130	$ 150,697	$ 3,524,870

CITY OF YANKTON, SOUTH DAKOTA
COMBINING BALANCE SHEET
Nonmajor Capital Projects Funds
December 31, 2024

	Public Improvement	Infrastructure Improvement	Park Capital Projects
Assets			
Cash and Cash Equivalents	$ 25,000	$ 332,227	$ 617,428
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	-	-	1,159
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	34,000
Property Held for Resale, at Cost	687,366	-	-
Total Assets	712,366	332,227	652,587
Liabilities			
Accounts Payable	-	-	6,965
Due to Other Funds	773,445	-	-
Total Liabilities	773,445	-	6,965
Deferred Inflows of Resources			
Unavailable Revenue - Special Assessments	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits)			
Assigned:			
Capital Projects	-	332,227	645,622
Unassigned	(61,079)	-	-
Total Fund Balances (Deficits)	(61,079)	332,227	645,622
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 712,366	$ 332,227	$ 652,587

Infrastructure Improvement Revolving	Airport Capital Improvement	Pool Capital Construction	Totals
$ -	$ 20,238	$ 2,153,019	$ 3,147,912
-	-	-	1,159
7,592	-	-	7,592
-	23,275	-	57,275
-	-	-	687,366
7,592	43,513	2,153,019	3,901,304
-	1,300	-	8,265
-	-	-	773,445
-	1,300	-	781,710
6,464	-	-	6,464
6,464	-	-	6,464
1,128	42,213	2,153,019	3,174,209
-	-	-	(61,079)
1,128	42,213	2,153,019	3,113,130
$ 7,592	$ 43,513	$ 2,153,019	$ 3,901,304

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, 2024

	Public Improvement	Infrastructure Improvement	Park Capital Projects
Revenue:			
Special Assessments	$ -	$ -	$ -
Intergovernmental	190,300	-	34,000
Contributions	-	-	25,250
Miscellaneous	-	-	1,159
Total Revenue	190,300	-	60,409
Capital Outlay:			
Public Works	210,809	-	-
Culture and Recreation	-	-	353,152
Total Expenditures	210,809	-	353,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,509)	-	(292,743)
Other Financing Sources (Uses):			
Proceeds from Sale of Capitalized Assets	58,428	-	-
Transfers In	25,000	7,420	731,690
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	83,428	7,420	731,690
Net Changes in Fund Balances	62,919	7,420	438,947
Fund Balances - Beginning of Year	(123,998)	324,807	206,675
Fund Balances (Deficits) - End of Year	$ (61,079)	$ 332,227	$ 645,622

Infrastructure Improvement Revolving	Airport Capital Improvement	Pool Capital Construction	Totals
$ 6,761	$ -	$ -	$ 6,761
-	172,551	-	396,851
-	-	-	25,250
-	-	-	1,159
6,761	172,551	-	430,021
-	97,422	-	308,231
-	-	-	353,152
-	97,422	-	661,383
6,761	75,129	-	(231,362)
-	-	-	58,428
-	-	-	764,110
(7,420)	-	(50,088)	(57,508)
(7,420)	-	(50,088)	765,030
(659)	75,129	(50,088)	533,668
1,787	(32,916)	2,203,107	2,579,462
$ 1,128	$ 42,213	$ 2,153,019	$ 3,113,130

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.

EXHIBIT B-1

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds
December 31, 2024

	Golf Course	Solid Waste	Totals
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 57	$ 1,408,623	$ 1,408,680
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	-	265,510	265,510
Prepaid Expenses	1,408	23,417	24,825
Total Current Assets	1,465	1,697,550	1,699,015
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	-	53,372	53,372
Net Pension Asset	-	557	557
Capital Assets			
Land	533,787	74,639	608,426
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	2,411,516	231,991	2,643,507
Total Noncurrent Assets	2,945,303	360,559	3,305,862
Total Assets	2,946,768	2,058,109	5,004,877
Deferred Outflows of Resources			
Pension Related Deferred Outflows	-	94,759	94,759
Liabilities			
Current Liabilities:			
Accounts Payable	56	43,824	43,880
Accrued Wages	-	25,711	25,711
Accrued Interest Payable	-	337	337
Accrued Compensated Absences	-	10,391	10,391
Current Portion of Revenue Bonds Payable	-	49,534	49,534
Total Current Liabilities	56	129,797	129,853
Noncurrent Liabilities:			
Accrued Compensated Absences	-	41,565	41,565
Revenue Bonds Payable	-	154,657	154,657
Total Noncurrent Liabilities	-	196,222	196,222
Total Liabilities	56	326,019	326,075
Deferred Inflows of Resources			
Pension Related Deferred Inflows	-	69,985	69,985
Net Position			
Net investment in capital assets,	2,945,303	102,439	3,047,742
Restricted for:			
Debt Service	-	53,035	53,035
SDRS Pension Purposes	-	557	557
Unrestricted	1,409	1,600,833	1,602,242
Total Net Position	$ 2,946,712	$ 1,756,864	$ 4,703,576

EXHIBIT B-2

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	Golf Course	Solid Waste	Totals
Operating Revenues:			
Charges for Services	$ -	$ 1,493,614	$ 1,493,614
Operating Expenses:			
Personal Services	-	597,743	597,743
Insurance	8,409	8,715	17,124
Professional Services	-	171,846	171,846
Tipping Fees	-	253,997	253,997
Repairs and Maintenance	41,206	127,735	168,941
Supplies and Materials	113	3,362	3,475
Utilities	75	1,111	1,186
Billing and Administration	-	280,399	280,399
Depreciation	60,405	59,735	120,140
Total Operating Expenses	110,208	1,504,643	1,614,851
Operating Income (Loss)	(110,208)	(11,029)	(121,237)
Nonoperating Income (Expense):			
Interest Income	-	71,083	71,083
Gain on Disposition of Assets	-	23,996	23,996
Miscellaneous, net	2,937	-	2,937
Interest Expense	-	(4,729)	(4,729)
Total Nonoperating Income (Expenses)	2,937	90,350	93,287
Income (Loss) Before Contributions and Transfers	(107,271)	79,321	(27,950)
Transfers In	35,407	-	35,407
Net Changes in Net Position	(71,864)	79,321	7,457
Net Position - Beginning	3,018,576	1,689,022	4,707,598
Change in Accounting Principle	-	(11,479)	(11,479)
Net Position - Beginning, as Restated	3,018,576	1,677,543	4,696,119
Net Position - Ending	$ 2,946,712	$ 1,756,864	$ 4,703,576

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	Business-Type		
	Golf Course	Solid Waste	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ -	$ 1,484,114	$ 1,484,114
Cash Received from Interfund Services Provided	-	1,743	1,743
Cash Paid to Suppliers for Goods and Services	(49,789)	(709,814)	(759,603)
Cash Paid to Employees for Services	-	(577,442)	(577,442)
Cash Paid for Interfund Services	-	(128,791)	(128,791)
Other Nonoperating Revenues	2,937	-	2,937
Net Cash Provided (Used) by Operating Activities	(46,852)	69,810	22,958
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(18,499)	-	(18,499)
Proceeds from Sale of Capital Assets	-	33,999	33,999
Interest Paid on Bonds	-	(4,813)	(4,813)
Principal Paid on Notes, Bonds, and Leases	-	(48,558)	(48,558)
Net Cash (Used) by Capital and Related Financing Activities	(18,499)	(19,372)	(37,871)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	35,407	-	35,407
Net Cash Provided by Noncapital Financing Activities	35,407	-	35,407
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends on Investments	-	71,083	71,083
Net Cash Provided from Investing Activities	-	71,083	71,083
Net Increase (Decrease) in Cash and Cash Equivalents	(29,944)	121,521	91,577
Cash and Cash Equivalents at Beginning of Year	30,001	1,340,474	1,370,475
Cash and Cash Equivalents at End of Year	$ 57	$ 1,461,995	$ 1,462,052
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (110,208)	$ (11,029)	$ (121,237)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	60,405	59,735	120,140
Other Nonoperating Income	2,937	-	2,937
(Increase) Decrease in Assets:			
Accounts Receivable	-	(7,757)	(7,757)
Prepaid Expenses	(40)	(598)	(638)
Net Pension Asset	-	746	746
Pension Related Deferred Outflows	-	6,233	6,233
Increase (Decrease) in Liabilities:			
Accounts Payable	54	9,158	9,212
Accrued Wages	-	3,041	3,041
Accrued Compensated Absences	-	5,480	5,480
Pension Related Deferred Inflows	-	4,801	4,801
Net Cash Provided (Used) by Operating Activities	$ (46,852)	$ 69,810	$ 22,958
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Cash and Cash Equivalents	$ 57	$ 1,408,623	$ 1,408,680
Restricted Cash and Cash Equivalents	-	53,372	53,372
	$ 57	$ 1,461,995	$ 1,462,052

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
December 31, 2024

	Copier-Fax-Postage	Central Garage	Totals
Assets			
Current Assets:			
Cash and Cash Equivalents	$ -	$ 106,081	$ 106,081
Receivables (Net where applicable, of allowance for uncollectibles):			
Accounts	3,798	-	3,798
Due from Other Governmental Agencies	-	11,034	11,034
Prepaid Expenses	-	2,927	2,927
Inventories	2,672	353,649	356,321
Total Current Assets	6,470	473,691	480,161
Noncurrent Assets:			
Net Pension Asset	-	174	174
Capital Assets			
Land	-	7,000	7,000
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	-	138,296	138,296
Total Noncurrent Assets	-	145,470	145,470
Total Assets	6,470	619,161	625,631
Deferred Outflows of Resources			
Pension Related Deferred Outflows	-	29,542	29,542
Liabilities			
Current Liabilities:			
Accounts Payable	-	47,929	47,929
Accrued Wages	-	6,594	6,594
Accrued Compensated Absences	-	2,722	2,722
Due to Other Funds	6,470	-	6,470
Total Current Liabilities	6,470	57,245	63,715
Noncurrent Liabilities:			
Accrued Compensated Absences	-	10,890	10,890
Total Noncurrent Liabilities	-	10,890	10,890
Total Liabilities	6,470	68,135	74,605
Deferred Inflows of Resources			
Pension Related Deferred Inflows	-	21,818	21,818
Net Position			
Net investment in capital assets,	-	145,296	145,296
Restricted for:			
SDRS Pension Purposes	-	174	174
Unrestricted	-	413,280	413,280
Total Net Position	$ -	$ 558,750	$ 558,750

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds
For the Year Ended December 31, 2024

	Copier-Fax-Postage	Central Garage	Totals
Operating Revenues:			
Charges for Services	$ -	$ 1,124,646	$ 1,124,646
Operating Expenses:			
Personal Services	-	159,863	159,863
Professional Services	-	2,703	2,703
Repairs and Maintenance	-	24,276	24,276
Supplies and Materials	-	821,977	821,977
Utilities	-	17,711	17,711
Depreciation	-	31,724	31,724
Total Operating Expenses	-	1,058,254	1,058,254
Operating Income	-	66,392	66,392
Income Before Contributions and Transfers	-	66,392	66,392
Net Changes in Net Position	-	66,392	66,392
Net Position - Beginning	-	493,036	493,036
Change in Accounting Principle	-	(678)	(678)
Net Position - Beginning, as Restated	-	492,358	492,358
Net Position - Ending	$ -	$ 558,750	$ 558,750

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Year Ended December 31, 2024

	Copier-Fax-Postage	Central Garage	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ (2,656)	$ 653,303	$ 650,647
Cash Received from Interfund Services Provided	-	468,578	468,578
Cash Paid to Suppliers for Goods and Services	5,071	(943,570)	(938,499)
Cash Paid to Employees for Services	-	(148,335)	(148,335)
Cash Paid for Interfund Services	-	(2,741)	(2,741)
Net Cash Provided by Operating Activities	2,415	27,235	29,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Balances--Payments from Other Funds	(2,415)	-	(2,415)
Net Cash (Used) by Noncapital Financing Activities	(2,415)	-	(2,415)
Net Increase in Cash and Cash Equivalents	-	27,235	27,235
Cash and Cash Equivalents Beginning of Year	-	78,846	78,846
Cash and Cash Equivalents End of Year	$ -	$ 106,081	$ 106,081
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	$ -	$ 66,392	$ 66,392
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	31,724	31,724
(Increase) Decrease in Assets:			
Accounts Receivable	(2,656)	-	(2,656)
Due from Other Governmental Agencies	-	(2,765)	(2,765)
Prepaid Expenses	-	54	54
Inventories	5,071	(70,301)	(65,230)
Net Pension Asset	-	293	293
Pension Related Deferred Outflows	-	6,673	6,673
Increase (Decrease) in Liabilities:			
Accounts Payable	-	(9,397)	(9,397)
Accrued Wages	-	3,777	3,777
Accrued Compensated Absences	-	2,342	2,342
Pension Related Deferred Inflows	-	(1,557)	(1,557)
Net Cash Provided by Operating Activities	$ 2,415	$ 27,235	$ 29,650

EXHIBIT C-1

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, 2024

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ 157,990	$ 190,967	$ 32,977
Sales and Other Taxes	-	-	-	170,080	151,364	(18,716)	-	-	-
Intergovernmental	159,098	180,598	21,500	-	-	-	-	-	-
Interest on Investments	120	13,392	13,272	2,000	9,588	7,588	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Total Revenue	159,218	193,990	34,772	172,080	160,952	(11,128)	157,990	190,967	32,977
Current Expenditures:									
Public Safety	1,035,182	864,039	171,143	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	157,990	164,248	(6,258)
Culture and Recreation	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Capital Outlay:	-								
Public Works	-	-	-	219,650	210,843	8,807	-	-	-
Public Safety	202,021	-	202,021	-	-	-	-	-	-
Total Expenditures	1,237,203	864,039	373,164	219,650	210,843	8,807	157,990	164,248	(6,258)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,077,985)	(670,049)	407,936	(47,570)	(49,891)	(2,321)	-	26,719	26,719
Other Financing Sources (Uses):									
Transfers In	1,077,985	669,103	(408,882)	-	-	-	-	-	-
Transfers Out	-	-	-	(2,842)	(3,241)	(399)	-	(33,037)	(33,037)
Total Other Financing Sources (Uses)	1,077,985	669,103	(408,882)	(2,842)	(3,241)	(399)	-	(33,037)	(33,037)
Net Changes in Fund Balances	$ -	(946)	$ (946)	$ (50,412)	(53,132)	$ (2,720)	$ -	(6,318)	$ (6,318)
Fund Balances (Deficits) - Beginning of Year		913			115,978			(818,079)	
Fund Balances (Deficits) - End of Year		$ (33)			$ 62,846			$ (824,397)	

(Continued)

TID #6 Westbrook Estates			TID #7 West 10th Street			TID #9 Mall Improvements		
Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)
$ 389,221	$ 382,464	$ (6,757)	$ 61,655	$ 51,845	$ (9,810)	$ 49,179	$ 45,300	$ (3,879)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
389,221	382,464	(6,757)	61,655	51,845	(9,810)	49,179	45,300	(3,879)
-	-	-	-	-	-	-	-	-
389,221	382,464	6,757	61,655	51,845	9,810	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	48,000	44,824	3,176
					-			
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
389,221	382,464	6,757	61,655	51,845	9,810	48,000	44,824	3,176
-	-	-	-	-	-	1,179	476	(703)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ -	-	$ -	$ -	-	$ -	$ 1,179	476	$ (703)
	-			-			-	
	$ -			$ -			$ 476	

(Continued)

Bridge & Street			Lodging Sales Tax		
Final Budgeted	Actual	Variance Positive (Negative)	Final Budgeted	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
21,397	21,397	-	872,741	858,664	(14,077)
200,000	-	(200,000)	-	-	-
100	72	(28)	1,000	31,544	30,544
-	-	-	-	41,695	41,695
221,497	21,469	(200,028)	873,741	931,903	58,162
-	-	-	-	-	-
-	-	-	-	-	-
20,000	4,074	15,926	-	-	-
-	-	-	871,653	815,407	56,246
983,035	270,280	712,755	-	-	-
-	-	-	-	-	-
1,003,035	274,354	728,681	871,653	815,407	56,246
(781,538)	(252,885)	528,653	2,088	116,496	114,408
781,637	781,637	-	-	-	-
-	-	-	(170,650)	(195,649)	(24,999)
781,637	781,637	-	(170,650)	(195,649)	(24,999)
$ 99	528,752	$ 528,653	$ (168,562)	(79,153)	$ 89,409
	(308,440)			602,771	
	$ 220,312			$ 523,618	

EXHIBIT C-2

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, 2024

	Pool Capital Construction			Special Capital Improvements		
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
Revenue:						
Sales and Other Taxes	$ -	$ -	$ -	$ 5,503,018	$ 5,679,081	$ 176,063
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	499,361	651,412	152,051
Charges for Services	-	-	-	-	-	-
Interest on Investments	-	-	-	10,000	975,561	965,561
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenue	-	-	-	6,012,379	7,306,054	1,293,675
Current Expenditures:						
Culture and Recreation	-	-	-	-	-	-
Capital Outlay:						
Public Works	-	-	-	6,205,892	5,436,527	769,365
Culture and Recreation	-	-	-	-	-	-
Total Expenditures	-	-	-	6,205,892	5,436,527	769,365
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(193,513)	1,869,527	2,063,040
Other Financing Sources (Uses):						
Proceeds from Sale of Capitalized Assets	-	-	-	-	-	-
Transfers In	-	-	-	-	33,037	33,037
Transfers Out	(50,088)	(50,088)	-	(1,413,343)	(860,983)	552,360
Total Other Financing Sources (Uses)	(50,088)	(50,088)	-	(1,413,343)	(827,946)	585,397
Net Changes in Fund Balances	$ (50,088)	(50,088)	$ -	$ (1,606,856)	1,041,581	$ 2,648,437
Fund Balances - Beginning of Year		2,203,107			19,247,186	
Fund Balances (Deficits) - End of Year		$ 2,153,019			$ 20,288,767	

(continued)

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)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
119,431	172,551	53,120	190,300	190,300	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
119,431	172,551	53,120	190,300	190,300	-	-	-	-
-	-	-	-	-	-	-	-	-
145,622	97,422	48,200	246,238	210,809	35,429	100,000	-	100,000
-	-	-	-	-	-	-	-	-
145,622	97,422	48,200	246,238	210,809	35,429	100,000	-	100,000
(26,191)	75,129	101,320	(55,938)	(20,509)	35,429	(100,000)	-	100,000
-	-	-	-	58,428	58,428	-	-	-
22,991	-	(22,991)	-	25,000	25,000	44,720	7,420	(37,300)
-	-	-	-	-	-	-	-	-
22,991	-	(22,991)	-	83,428	83,428	44,720	7,420	(37,300)
$ (3,200)	75,129	$ 78,329	$ (55,938)	62,919	$ 118,857	$ (55,280)	7,420	$ 62,700
	(32,916)			(123,998)			324,807	
	$ 42,213			$ (61,079)			$ 332,227	

(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	6,761	(37,839)	-	-	-
34,000	34,000	-	-	-	-	-	-	-
-	-	-	-	-	-	15,000	12,124	(2,876)
-	-	-	120	-	(120)	500	10,603	10,103
-	25,250	25,250	-	-	-	-	-	-
-	1,159	1,159	-	-	-	1,200	-	(1,200)
34,000	60,409	26,409	44,720	6,761	(37,959)	16,700	22,727	6,027
-	-	-	-	-	-	138,951	149,658	(10,707)
-	-	-	-	-	-	-	-	-
765,690	353,152	412,538	-	-	-	36,500	-	36,500
765,690	353,152	412,538	-	-	-	175,451	149,658	25,793
(731,690)	(292,743)	438,947	44,720	6,761	(37,959)	(158,751)	(126,931)	31,820
-	-	-	-	-	-	10,500	43,000	32,500
731,690	731,690	-	-	-	-	148,251	75,835	(72,416)
-	-	-	(44,720)	(7,420)	37,300	-	-	-
731,690	731,690	-	(44,720)	(7,420)	37,300	158,751	118,835	(39,916)
$ -	438,947	$ 438,947	$ -	(659)	$ (659)	$ -	(8,096)	$ (8,096)
	206,675			1,787			158,793	
	$ 645,622			$ 1,128			$ 150,697	

SINGLE AUDIT SECTION

CITY OF YANKTON, SOUTH DAKOTA
Schedule of Expenditures of Federal Awards (Cash Basis)
For The Year Ended December 31, 2024

	Assistance Listing Number	Agency or Pass-through Number	Amount	Expenditures to Subrecipients
United States Department of Commerce				
Direct Federal Funding:				
Economic Development Cluster:				
Economic Adjustment Assistance	11.307	05-79-05949	$ 755,867	$ -
United States Department of Treasury				
Direct Federal Funding:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,021,336	-
Indirect Federal Funding:				
State of South Dakota Bureau of Finance and Management				
South Dakota Housing Development Authority				
Yankton Thrive, Inc.				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP5319	1,117,400	-
Program Subtotal			2,138,736	
United States Department of the Interior				
Indirect Federal Funding:				
South Dakota Department of Game, Fish, and Parks				
Land and Water Conservation Fund State and Local Assistance Program	15.916	FY24	34,000	-
United States Department of Agriculture				
Indirect Federal Funding:				
South Dakota Department of Agriculture and Natural Resources				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C461038-06	2,720,328	-
South Dakota Department of Game, Fish, and Parks				
Cooperative Forestry Assistance	10.664	FY24	50,000	-
United States Department of Justice				
Direct Federal Funding:				
Bullet Proof Vest Partnership Program	16.607	N/A	5,518	-
Body Worn Camera Policy and Implementation	16.835	N/A	12,514	-
United States Department of Transportation				
Direct Federal Funding:				
COVID-19 Airport Improvement Program	20.106	3-46-0062-38-2023	26,754	-
Airport Improvement Program	20.106	3-46-0062-39-2024	68,510	-
Program Subtotal			95,264	
Indirect Federal Funding:				
South Dakota Department of Public Safety				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2022-00-50	4,016	-
United States Department of Homeland Security				
Indirect Federal Funding:				
South Dakota Department of Public Safety				
FEMA Public Assistance Grant	97.036	FY24	89,322	-
Homeland Security Grant Program	97.067	FY24	64,585	-
United States Department of Environmental Protection Agency				
Indirect Federal Funding:				
South Dakota Department of Agriculture and Natural Resources				
State and Tribal Response Program Grants	66.817	FY24	190,300	-
Total Expenditures of Federal Awards			$ 6,160,450	

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, 2024:

	Total Amount Of Loan Outstanding	Federal Portion Of Loan Outstanding
Wastewater System #4, Series 2016 (14.13%)	$ 2,505,617	$ 354,044
Wastewater System #5, Series 2023 (63.68%)	4,272,041	2,720,328
Wastewater System #7, Series 2024 (0.00%)	554,262	-
Total Wastewater System	$ 7,331,920	$ 3,074,372
Water System, Services Series #5 (28.42%)	$ 9,678,622	$ 2,750,664
Water System, Services Series #6 (20.03%)	31,581,993	6,325,873
Total Water System	$ 41,260,615	$ 9,076,537

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

WILLIAMS & COMPANY P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 10, 2025. 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 2024-001 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.

Williams & Company, P.C.
Certified Public Accountants
Le Mars, Iowa
September 10, 2025

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, 2024. 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.

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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United 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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City of Yankton, South Dakota's basic financial statements include the operations of the Yankton Housing and Redevelopment Commission, which expended $707,366 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, 2024. Our audit, described in the Opinion on Each Major Federal Program section, did not include the operations of the Yankton Housing and Redevelopment Commission because the Commission engaged other auditors to perform an audit of compliance.

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
September 10, 2025

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. No significant deficiencies are reported.
(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 #21.027 – Coronavirus State and Local Fiscal Recovery Funds
- Assistance Listing #66.458 – Clean Water State Revolving Funds

(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:

2024-001 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 2025 calendar year report.

CITY OF YANKTON, SOUTH DAKOTA
Schedule of Findings & Questioned Costs
For the Year Ended December 31, 2024

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
Ideas flow here

CITY OF YANKTON, SOUTH DAKOTA
Schedule of Prior Year Findings
For the Year Ended December 31, 2024

FINANCIAL STATEMENT AUDIT:
Material Weaknesses:

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. 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 2024-001. 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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EQUAL OPPORTUNITY EMPLOYER

Schedule of Findings and Questioned Costs
Corrective Action Plan
December 31, 2024

The City of Yankton, South Dakota, respectfully submits the following corrective action plan for the year ended December 31, 2024.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended December 31, 2024.

The findings from the December 31, 2024 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:

2024-001 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 2025 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

Lisa Yardley, Finance Officer

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