

BURKE HOUSING & REDEVELOPMENT COMMISSION  
BURKE, SOUTH DAKOTA

PUBLIC HOUSING PROGRAM  
HUD PROJECT CODE: SD 007  
ANNUAL CONTRIBUTION CONTRACT NUMBER: C-736

SECTION-8 ELDERLY HOUSING PROGRAM  
SDHDA PROJECT SD 99-H001-010

SECTION-8 NEW HOUSING PROGRAM  
ROSEBUD APARTMENTS  
SDHDA PROJECT SD 99-H001-110

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FINANCIAL REPORT

FOR THE ONE YEAR ENDING SEPTEMBER 30, 2022

WITH INDEPENDENT AUDITOR'S REPORTS

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**INDEPENDENT AUDIT SERVICES, P.C.**

Benjamin Elliott, CPA

P.O. Box 262

Madison, South Dakota 57042

BURKE HOUSING & REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA

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FOR THE ONE YEAR ENDING SEPTEMBER 30, 2022

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NOTE: All figures shown in this financial report are in U.S. dollars.  
For space considerations, the "\$" symbol is not used.

## INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA  
P.O. Box 262  
Madison, South Dakota 57042  
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Board of Commissioners  
Burke Housing & Redevelopment Commission  
Burke, South Dakota

### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinions:*

I have audited the accompanying financial statements of each major fund of the Burke Housing & Redevelopment Commission (Commission), a component unit of the City of Burke, Gregory County, South Dakota, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Burke Housing & Redevelopment Commission as of September 30, 2022, 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.

#### *Basis for Opinions*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standard applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Burke Housing & Redevelopment Commission, a component unit of the City of Burke, Gregory County, South Dakota, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

Management is responsible for the preparation and fair presentation of these 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 misstatements, 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 Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

*Auditor's Responsibility for the Audit of the Financial Statements:*

My 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 auditor's report that includes my opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- > 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 Commission'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

*Required Supplementary Information: (no opinion)*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) (page 4 to 7) and pension schedules (page 23 to 25) 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 Government 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information: (Opinion)*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements.

The financial data schedules (page 26 to 31) are presented for purposes of additional analysis, as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements.

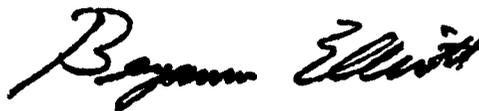
The schedule of expenditures of federal awards (page 32) is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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 subject 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 my opinion, the financial data 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*, I have also issued my report dated June 12, 2023 (page 33) on my consideration of the Burke Housing & Redevelopment Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of my 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 Commission'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 Commission's internal control over financial reporting and compliance.

Independent Audit Services, PC  
Benjamin Elliott, CPA  
Madison, South Dakota



June 12, 2023

BURKE HOUSING & REDEVELOPMENT COMMISSION  
Burke, South Dakota  
Management Discussion and Analysis  
Sept 30,2022

Management's Discussion and Analysis (MD&A) is a reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999.

Our discussion and analysis of the Burke Housing & Redevelopment Commission (herein referred to as "the Housing Authority"), Burke, South Dakota, financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2022. Please read the MD&A in conjunction with the Housing Authority's financial statements.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

**Financial Highlights**

Total assets of the Housing Authority for the year ended September 30, 2022 were \$660,654 and Deferred outflow of resources were \$20,328. Total liabilities were \$45,352. Deferred inflows of resources were \$13,598, and total assets exceeded total liabilities by \$622,031 (net position).

Unrestricted net position totals \$344,064. This is the amount of the Authority's reserve.

Total operating and non-operating revenue for the year ended September 30, 2022, was \$310,561 and expenses totaled \$296,286, revenue exceeded expenses by \$14,274.

**Overview of the Financial Statements**

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. The Housing Authority's financial statements are presented as program level financial statements because the Housing Authority only has proprietary funds.

The financial statements report information of the Housing Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Changes in Net Position. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Financial Analysis**

The Housing Authority’s basic financial statements are the Statement of Net Position and the Statement of Changes in Net Position. The Statement of Net Position provides a summary of the Housing Authority’s assets and liabilities as of the close of business on September 30, 2022. The Statement of Changes in Net Position summarizes the revenues and sources of those revenues, and expenses incurred in operating the Housing Authority for the year ended September 30, 2022.

**Conventional Public Housing** – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

**Capital Fund Program**- The Capital Fund Program is the primary funding source for physical and management improvements to the Authority’s properties.

**Statement of Net Position**

<b>FOR THE YEAR ENDED September 30</b>	<b>2022</b>	<b>2021</b>
Current assets and prepaid expense	\$389,415	\$359,277
Inventory held for resale	\$0	\$0
Capital assets, net	\$271,005	\$283,879
Pension assets, net	\$234	\$19,559
<b>Total Assets</b>	<b>\$660,654</b>	<b>\$662,715</b>
Deferred Outflows of Resources	\$20,328	\$24,070
Current liabilities	\$44,555	\$41,241
Non-current liabilities	\$797	\$0
<b>Total liabilities</b>	<b>\$45,352</b>	<b>\$41,241</b>
Deferred Inflow of Resources	\$13,598	\$37,787
<b>Net Position</b>		
Invested in capital assets, net of related debt	\$271,005	\$283,879
Restricted	\$6,963	\$5,842
Unrestricted	\$344,064	\$318,036
<b>Total Net Position</b>	<b><u>\$622,032</u></b>	<b><u>\$607,757</u></b>
<b>Total Liabilities, Deferred inflow of Resources and Equity/Net Position</b>	<b><u>\$680,982</u></b>	<b><u>\$686,785</u></b>

**BURKE HOUSING & REDEVELOPMENT COMMISSION**  
**Burke, South Dakota**

**Management's Discussion and Analysis**  
**September 30, 2022**

(Continued)

**Comparative Statement of Revenues, Expenses and Changes in Net Position**

FOR THE YEAR ENDED September 30	2022	2021	Change
<b>Program Revenue</b>			
Tenant revenue	\$177,605	\$173,251	\$4,354
Other income	\$19,325	\$24,473	(\$5,148)
Federal grants and subsidies	\$114,024	\$111,394	\$2,630
Interest income	\$717	\$897	(\$180)
<b>Total revenue</b>	<u>\$311,671</u>	<u>\$310,015</u>	\$1,656
<b>Program Expenses</b>			
Administration	\$83,261	\$77,780	\$5,481
Tenant Services	\$442	\$365	\$77
Utilities	\$74,777	\$69,261	\$5,516
Ordinary maintenance & operations	\$61,467	\$58,336	\$3,131
Protective services	\$0	\$0	\$0
General expenses	\$36,461	\$34,073	\$2,388
Non-routine maintenance	\$0	\$0	\$0
Depreciation	\$41,000	\$39,104	\$1896
Interest Expense	\$0	\$0	\$0
HAP	\$0	\$0	\$0
Pension net revenue	(1,121)	(\$5072)	\$3,951
<b>Total expenses</b>	<u>\$296,286</u>	<u>\$273,847</u>	\$22,439
Gain/(loss) - disposition of assets	(\$1,110)	\$0	(\$1,110)
Transfer of funds	\$0	\$0	\$0
<b>Change in Net Position</b>	<u>\$14,275</u>	<u>\$36,167</u>	(\$21,892)
<b>Beginning Net Position</b>	<u>\$607,757</u>	<u>\$571,590</u>	\$36,167
Pension assets, net			
Pension related deferred outflow			
<b>Ending Net Position</b>	<u>\$622,031</u>	<u>\$607,757</u>	\$14,275

Federal grants total \$114,024.

**BURKE HOUSING & REDEVELOPMENT COMMISSION**  
**Burke, South Dakota**

**Management's Discussion and Analysis**  
**September 30, 2022**

(Continued)

**Capital Assets**

**Capital Assets at Year-end**  
**(Net of Accumulated Depreciation)**

FOR THE YEAR ENDED September 30	2022	2021	change
Land	\$21,050	\$21,050	\$0
Buildings	\$1,879,578	\$1,865,489	\$14,089
Furniture, Equipment & Machinery - Admin	\$20,412	\$15,101	\$5,311
Furniture, Equipment & Machinery - Dwelling	\$182,296	\$188,522	(\$6,226)
Construction in Progress	\$18,757	\$4,176	\$14,581
Subtotal	\$2,122,093	\$2,094,338	\$27,755
Accumulated Depreciation	(\$1,851,088)	(\$1,810,459)	(\$40,629)
Total Capital assets	<u>\$271,005</u>	<u>\$283,879</u>	<u>(\$12,874)</u>

**Long Term Debt**

The Housing Authority has no long-term debt.

**Economic Factors**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the federal budget for the current year (and future years).

**Contacting the Housing Authority's Financial Management**

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Rebecca Hoffman, Executive Director, at Burke Housing & Redevelopment Commission, Po Box 417, Burke, South Dakota 57523 -- (605) 775-2676

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
BURKE, SOUTH DAKOTA

Project Code: SD 007  
Annual Contribution Contract Number: C-736

STATEMENT OF NET POSITION  
ENTERPRISE FUNDS AS OF SEPTEMBER 30, 2022

	Public Housing Fund	Section-8 Elderly Fund	Rosebud Apartments Fund	Totals
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash:				
Petty	100.00			100.00
Checking	42,890.74	38,095.42	77,370.85	158,357.01
Savings	7.47	4.12	2.58	14.17
Savings - security deposits	8,167.00	4,363.00	2,924.00	15,454.00
Total cash	51,165.21	42,462.54	80,297.43	173,925.18
Certificates of deposit	26,173.01	35,070.03	143,582.75	204,825.79
Due from tenants	203.00			203.00
Due from HUD	2,141.99			2,141.99
Accrued interest receivable	21.16	0.44	88.15	109.75
Prepaid insurance	3,916.82	1,104.68	581.00	5,602.50
Prepaid expense	0.00	732.00	488.00	1,220.00
Due from other funds	1,387.98			1,387.98
Total current assets	85,009.17	79,369.69	225,037.33	389,416.19
<b>Capital assets:</b>				
Land	9,550.00		11,500.00	21,050.00
Buildings	1,085,904.24	438,988.04	330,593.55	1,855,485.83
Improvements			24,091.24	24,091.24
Equipment - dwellings		135,622.13	46,673.89	182,296.02
Equipment - administration	15,371.00	4,211.02	830.00	20,412.02
Construction-in-progress	18,757.17			18,757.17
Accumulated depreciation	(968,028.66)	(545,676.65)	(337,382.65)	(1,851,087.96)
Total capital assets	161,553.75	33,144.54	76,306.03	271,004.32
<b>Other assets:</b>				
Net pension assets	190.69	34.02	9.10	233.81
Total other assets	190.69	34.02	9.10	233.81
Total assets	246,753.61	112,548.25	301,352.46	660,654.32
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension related deferred outflows	16,579.38	2,957.70	790.78	20,327.86
Total deferred outflow of resource	16,579.38	2,957.70	790.78	20,327.86
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	1,713.38		128.00	1,841.38
Accrued salaries	5,761.96			5,761.96
Payroll taxes payable	1,041.43	161.35	42.84	1,245.62
Accrued benefits payable - current	2,692.94			2,692.94
Utilities payable	2,292.64	1,748.12	597.61	4,638.37
Tenant security deposits	8,167.00	4,363.00	2,924.00	15,454.00
Payment in lieu of taxes payable	5,604.61	2,669.80	2,085.10	10,359.51
Prepaid rents	1,174.00			1,174.00
Due to other funds		1,026.68	361.30	1,387.98
Total current liabilities	28,447.96	9,968.95	6,138.85	44,555.76
<b>Noncurrent liabilities:</b>				
Accrued benefits payable - long te	796.68			796.68
Total liabilities	29,244.64	9,968.95	6,138.85	45,352.44
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pension related deferred inflows	11,090.88	1,978.57	528.98	13,598.43
Total deferred inflow of resources	11,090.88	1,978.57	528.98	13,598.43
<b>NET POSITION</b>				
Net invested in capital assets	161,553.75	33,144.54	76,306.03	271,004.32
Restricted by South Dakota Housing				
SDRS pension purposes (note 10)	5,679.19	1,013.15	270.90	6,963.24
Unrestricted	55,764.53	69,400.74	218,898.48	344,063.75
Total net position	222,997.47	103,558.43	295,475.41	622,031.31

See accompanying notes.

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
BURKE, SOUTH DAKOTA

Project Code: SD 007  
Annual Contribution Contract Number: C-736

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
ENTERPRISE FUNDS FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Public Housing Fund	Section-8 Elderly Fund	Rosebud Apartments Fund	Totals
	-----	-----	-----	-----
Operating revenues:				
Dwelling rents	98,454.00	50,838.00	27,760.00	177,052.00
Excess utilities	553.00			553.00
Laundry			489.75	489.75
Other income	17,755.01	1,000.00	80.00	18,835.01
	-----	-----	-----	-----
Total operating revenues	116,762.01	51,838.00	28,329.75	196,929.76
	-----	-----	-----	-----
Operating expenses:				
Administration	58,691.33	14,563.54	10,006.42	83,261.29
Tenant services	250.00	191.90		441.90
Utilities	42,960.93	24,906.88	6,909.02	74,776.83
Maintenance and operations	37,918.81	13,711.58	9,836.50	61,466.89
General expenses	22,631.38	8,580.03	5,249.36	36,460.77
Depreciation	24,924.49	6,675.08	9,400.23	40,999.80
Pension related (revenue) expense	(1,041.63)	(173.07)	93.69	(1,121.01)
	-----	-----	-----	-----
Total operating expenses	186,335.31	68,455.94	41,495.22	296,286.47
	-----	-----	-----	-----
Operating income (loss):	(69,573.30)	(16,617.94)	(13,165.47)	(99,356.71)
Nonoperating revenues (expenses):				
Operating grant - HUD	50,811.00			50,811.00
Operating grant - SDHDA		18,450.00	30,182.00	48,632.00
Interest earned - unrestricted	110.99	72.59	532.92	716.50
Loss on disposition of assets	(199.80)		(909.99)	(1,109.79)
	-----	-----	-----	-----
Total nonoperating revenues (expen	50,722.19	18,522.59	29,804.93	99,049.71
	-----	-----	-----	-----
Net income (loss) before contributio and extraordinary item	(18,851.11)	1,904.65	16,639.46	(307.00)
Capital grant - HUD	14,581.27			14,581.27
	-----	-----	-----	-----
Change in net position	(4,269.84)	1,904.65	16,639.46	14,274.27
Net position:				
October 1, 2021	227,267.31	101,653.78	278,835.95	607,757.04
	-----	-----	-----	-----
September 30, 2022	222,997.47	103,558.43	295,475.41	622,031.31
	=====	=====	=====	=====

See accompanying notes.

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
BURKE, SOUTH DAKOTA

Project Code: SD 007  
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STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Public Housing Fund	Section-8 Elderly Fund	Rosebud Apartments Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from operations	102,278.01	51,847.00	28,015.75	182,140.76
Cash receipts from other funds	13,603.00			13,603.00
Payments to employees for services	(59,694.69)	(9,886.46)	(3,206.53)	(72,787.68)
Payments to suppliers for goods and service	(95,401.37)	(46,400.88)	(24,435.35)	(166,237.60)
Payments to other funds		(8,357.00)	(5,246.00)	(13,603.00)
Net cash provided (used) by operating activ	(39,215.05)	(12,797.34)	(4,872.13)	(56,884.52)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVIT</b>				
Operating grant - HUD	52,917.91			52,917.91
Operating grant - SDHDA		18,450.00	30,182.00	48,632.00
Revolving fund	(342.74)	174.65	168.09	0.00
Net cash provided (used) by non-capital fin	52,575.17	18,624.65	30,350.09	101,549.91
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Capital grant - HUD	14,581.27			14,581.27
Cash paid for building and improvements	(14,408.33)		(6,577.70)	(20,986.03)
Cash paid for equipment	(4,398.00)	(3,761.71)		(8,159.71)
Net cash provided (used) by capital financi	(4,225.06)	(3,761.71)	(6,577.70)	(14,564.47)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	104.34	72.34	605.60	782.28
Certificates of deposit purchased	(99.99)	(70.03)	(604.06)	(774.08)
Net cash provided (used) by investing activ	4.35	2.31	1.54	8.20
Net increase (decrease) in cash and cash equi	9,139.41	2,067.91	18,901.80	30,109.12
Cash - October 1, 2021	42,025.80	40,394.63	61,395.63	143,816.06
Cash - September 30, 2022	51,165.21	42,462.54	80,297.43	173,925.18
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	(69,573.30)	(16,617.94)	(13,165.47)	(99,356.71)
<b>Adjustments required for reconciliation:</b>				
Depreciation expense	24,924.49	6,675.08	9,400.23	40,999.80
Pension related (revenue) expense	(1,041.63)	(173.07)	93.69	(1,121.01)
<b>Change in:</b>				
Accounts receivable	135.00			135.00
Prepaid rent	(1,339.00)			(1,339.00)
Prepaid expenses		(732.00)	(488.00)	(1,220.00)
Prepaid insurance	146.94	(164.36)	(72.32)	(89.74)
Accounts payable	163.72	(1,702.51)	(261.16)	(1,799.95)
Accrued payroll	5,761.96			5,761.96
Accrued payroll deductions	231.07	2.01	16.82	249.90
Accrued payroll expenses	850.06			850.06
Accrued expenses	202.64	(93.55)	(81.92)	27.17
Tenant security deposits	323.00	9.00	(314.00)	18.00
Net cash provided (used) by operating activ	(39,215.05)	(12,797.34)	(4,872.13)	(56,884.52)
<b>Noncash investing, capital and financing activities:</b>				
None				

See accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity:

The funds included in this report are controlled by or dependent upon the Burke Housing & Redevelopment Commission's (Commission) Board of Commissioners. The Commission is a component unit of the City of Burke, South Dakota, which owns the project and approves all members of the Commission's Board. The Commission is discretely presented as a component unit of the City of Burke on the City's financial statements. The Commission itself does not have any component units.

The Commission is a Public Housing Authority, established under the authority of SDCL 11-7, to operate:

Department of Housing and Urban Development (HUD) Project SD 007, which consist of 22 subsidized low-income public housing units. The operations of this program are identified as "Public Housing" in the accompanying financial statements.

South Dakota Housing Development Authority (SDHDA) Project SD 99-H001-010, which consist of 12 Section-8 elderly housing units. This project receives monthly housing assistance payments (HAP) from HUD through SDHDA. The operations of this program are identified as "Section-8 Elderly" in the accompanying financial statements.

SDHDA Project SD 99-H001-110, which consist of 8 Section-8 new housing units. This project receives monthly HAP payments from HUD through SDHDA. The operations of this program are identified as "Rosebud Apartments" in the accompanying financial statements.

At September 30, 2022, the Commission's officials were:

Mayor, City of Burke  
J.J. Wolf

Executive Director:  
Charlene Juran

Board of Commissioners:  
Dave Engelmeyer, Chairperson  
Ralph Lunn  
Bonnie Noziska  
Kerry Stiner  
Beverly Vaughn

Attorney:  
Gunvordahl Gunvordahl & Norberg Prof. LLC

The Commission complies with generally accepted accounting principles (GAAP).

b. Fund Accounting:

The accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operation of each fund is accounted for with in a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. Funds in this financial report are classified as "enterprise" fund type.

Enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. The Commission maintains "Public Housing", "Section-8 Elderly" and "Rosebud Apartments" enterprise funds to account for its rental operations and related capital projects. All these funds are considered major funds.

c. Measurement Focus and Basis of Accounting:

Measurement focus refers to what financial resources make up a fund. Basis of accounting refers to when revenues and expenses are recognized by a fund and reported in the financial statements.

Enterprise Funds:

Measurement Focus - All enterprise funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with a fund are included in its statement of net position. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting - All enterprise funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash is received or paid. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements are satisfied.

d. Capital Assets and Depreciation:

Capital assets must cost at least \$100. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated.

Approximately 0% of the September 30, 2022 enterprise fund capital assets are determined by estimates of historical cost.

The cost of normal maintenance and repairs that do not add value of the assets, or materially extend asset lives, are not capitalized. Improvements that add value, or materially extend asset lives, are capitalized.

Depreciation of all exhaustible capital assets used by the enterprise funds is charged as an expense against that fund's operation. Depreciation has been provided over estimated useful life using the straight-line method. Buildings and improvements are given a useful life of 15 to 40 years. Equipment is given a useful life of 5 to 10 years. Accumulated depreciation is reported on the statement of net position.

Interest cost incurred during construction of capital assets is not capitalized along with other capital asset costs.

e. Operating and Nonoperating Revenues:

Operating revenues are those associated with tenant activity such as rents, utilities, and laundry. Nonoperating revenues are those not associated with tenant activity such as the HUD subsidy, interest income and interest expense.

f. Deferred Inflows and Deferred Outflows of Resources:

The statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period.

The statement of net position also reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period.

g. Net Position Classifications:

Net position is displayed in three components:

1. Net Invested in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation 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 placed on their use by either (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 criteria of 1 or 2 above.

h. Application of Net Position:

It is the Commission's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred which can be charged to either restricted or unrestricted net position.

i. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as a reduction of a disbursement in the fund that is reimbursed. All other interfund transactions are reported as transfers.

j. Accounting Estimates:

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates and assumptions. Following are some of the estimates made by management during the year:

Allowance for doubtful accounts -- estimated uncollectables  
Depreciation -- estimated service lives  
Pension - actuarial assumptions

2. CASH, DEPOSITS, INVESTMENTS AND CASH FLOWS

Deposits - The Commission deposits are made in qualified public depositories as defined by SDCL 4-6A-1. 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 that exceed deposit insurance such as FDIC and NCUA. In lieu of pledging eligible

securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or better, or a qualified public depository may furnish a corporate surety bond from a corporation authorized to do business in South Dakota.

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

The actual bank balances at September 30, 2022 were: Insured \$328,100.44 and Collateralized\*\* \$56,853.22 for a total of \$384,953.66.

\*\* Uninsured, collateral jointly held by state's/Commission's agent in the name of the state and the pledging financial institution.

The carrying amount of these deposits at September 30, 2022 (plus petty cash of \$100.00) was \$378,750.97.

Investments - In general, SDCL 11-7-31 permits Housing & Redevelopment Commission funds "...to invest any funds held in reserves or debt service funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control."

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

Except for the external investment pool discussed below, the Commission had no investments during the year ending September 30, 2022 because certificates of deposit are insured or collateralized.

Investment Risk - State law limits eligible investments for the Commission as discussed above. The Commission has no investment policy that would further limit its investment choices.

Interest Rate Risk - The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All certificates of deposits are at fixed interest rates for a specified term.

Concentration of Credit Risk - The Commission places no limit on the amount that may be deposited or invested in any one institution. At September 30, 2022, all of the Commission's cash and certificates of deposit are deposited in First Fidelity Bank.

Custodial Risk - The risk that, in the event of a depository failure, the Commission's deposits may not be returned to it. At September 30, 2022, the Commission's deposits in financial institutions were not exposed to custodial credit risk because all deposits are fully FDIC insured or collateralized.

Cash Flows - For the purposes of the statement of cash flows, the Commission considers all highly liquid investments and deposits (including restricted assets) with a term to maturity of three months or less when purchased to be cash equivalents.

### 3. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The Commission expects to collect all receivables within one year.

### 4. DEBT

The Commission has no debt.

### 5. CHANGES IN CAPITAL ASSETS (schedule one)

A summary of the changes in capital assets for the one year ending September 30, 2022 is presented in schedule one at the end of these footnotes.

Capital asset activity this year included:

	Public Housing	Section-8 Elderly	Rosebud Apartments
Building Improvements	\$ 1,733.70	\$	\$ 6,577.70
Equipment - dwellings		3,761.71	
Equipment - administration	4,398.00		
Construction-in-progress	14,581.27		
	-----	-----	-----
	\$ 20,712.97	\$ 3,761.71	\$ 6,577.70
	=====	=====	=====

There is construction-in-progress at September 30, 2022.

### 6. MANAGEMENT FEES, FACILITY RENTAL; INTERPROGRAM CHARGES; ALLOCATION OF COSTS

Management fees are set at \$61 per occupied units.

Both Section-8 Elderly Housing and Rosebud Apartments pay Public Housing a management fee of \$61 each month per occupied unit. Since the same executive director manages Public Housing, Section-8 Elderly Housing and Rosebud Apartments, salary, related payroll costs and other shared expenses are allocated according to each project's percentage of occupied units to the total number of occupied units. In FY22 the Section-8 Elderly fund paid Public Housing fund \$8,357.00 in management fees and Rosebud Apartments fund paid Public Housing fund \$5,246.00 in management fees.

The Section-8 Elderly Housing project receives \$75 a month rent from the Rural Office of Community Services, Inc. for the use of facilities for a Dakota Senior Meals program. The Commission has no involvement with the Dakota Senior Meals program other than rent received for the use of its facility.

### 7. HOUSING ASSISTANCE PAYMENTS (HAP);

The Commission has an agreement with HUD, through SDHDA, to provide HAP on behalf of eligible tenants of Section-8 Elderly Housing and Rosebud Apartments.

Tenant rent generally is based on the higher of 30% of their adjusted gross income (based on HUD guidelines) or 10% of their gross income. HUD pays the remainder of the rent as HAP either through public housing program subsidies or through SDHDA.

### 8. PAYMENTS IN LIEU OF TAXES

Housing and Redevelopment Commissions do not pay property taxes based on normal property value assessments and tax levies for real property owned by the Commissions. Instead, they make payments in lieu of taxes (PILOT) based on 10% of gross rents less utility costs.

Payments in lieu of taxes for the year ending September 30, 2022 were determined as follows:

	Total	Public Housing	Section-8 Elderly Housing	Section-8 New Housing (Rosebud)
Rental income	\$ 177,605.00	\$ 99,007.00	\$ 50,838.00	\$ 27,760.00
Less: allowable utility costs	(74,009.94)	(42,960.93)	(24,139.99)	(6,909.02)
Net shelter rent	\$ 103,595.06	\$ 56,046.07	\$ 26,698.01	\$ 20,850.98
PILOT for FY22 (10% of net shelter rent)	\$ 10,359.51	\$ 5,604.61	\$ 2,669.80	\$ 2,085.10

#### 9. PENSION PLAN

##### Summary of Significant Accounting Policies:

For purpose of measuring the net pension (assets), liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (or expense reduction), information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deductions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Commission contributions and net position (asset)/liability are recognized on an accrual basis of accounting.

##### Plan Information:

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

##### Benefits Provided:

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

Members that were hired before July 1, 2017 are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80.

Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B

Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements 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 or 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 equal to or greater 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 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 .05 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, contributions 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 Commission's share of contributions to the SDRS for the fiscal years ending September 30, 2022, 2021 and 2020 were \$3,584, \$3,504, and \$3,399, respectively (employer's share) equal to the required contribution each year.

#### Pension (Assets)/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources to Pensions:

At June 30, 2022 SDRS is 100.1% funded and accordingly has net pension (asset). The proportionate shares of the components of the net pension (asset) of South Dakota Retirement System, for the Commission as of this measurement period ending June 30, 2022 and reported by the Commission as of September 30, 2022 are as follows:

Proportionate share of total pension liability	\$ 349,245.16
Less: Proportionate share of net position restricted for pension benefits	(349,478.97)
	-----
Proportionate share of net pension (asset)/liability	\$ (233.81)
	=====

At September 30, 2022 the Commission reported a (asset)/liability of \$(233.81) for its proportionate share of the net pension (asset)/liability. The net pension (asset) was measured as of June 30, 2022 and the total pension liability used to calculate the net pension (asset) was based on a projection of the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2022, the Commission's proportion was .000024740 which is a decrease of .0000008 over its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Commission recognized net pension (reduction of expense) of \$1,121.01.

At September 30, 2022 the Commission reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,450.72	\$ 15.18
Change in assumptions	14,860.15	13,022.93
Net difference between projected and actual earnings on pension plan investments	0.00	560.32
Changes in proportion and difference between client contribution and proportionate share of contributions	121.04	
Commission contributions subsequent to the measurement date	895.95	
	-----	-----
Totals	\$ 20,327.86	\$ 13,598.43
	(895.94)	=====
	(13,598.43)	
	-----	
To be amortized over 4 years	\$ 5,833.49	
	=====	

The \$895.95 reported as deferred outflow of resources related to the pension, results from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2023.

The other amounts reported as deferred outflows of resources and deferred inflow of resources related to the pension will be recognized in pension expense (reduction of expense) as follows:

Year Ending September 30, 2023	\$ 1,568.62
September 30, 2024	3,316.34
September 30, 2025	(3,781.84)
September 30, 2026	4,730.37
	-----
	\$ 5,833.49

### Actuarial Assumptions:

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real return of 4.00%
Future COLAs	2.10%
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: Pub T-2010
	Other Class A Members: Pub G-2010
	Public Safety Members: Pub S-2010
	Retired Members:
	Teachers, Certified Regents, and Judicial Retirees:
	Pub T-2010, 108% of rates above age 65
	Other Class A Retirees: Pub G-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above
	Public Safety Retirees: Pub S-2010, 102% of rate at all ages
	Beneficiaries:
	Pub G-2010 contingent survivor mortality table
	Disabled Members:
	Public Safety: Pub S-2010 disabled member mortality table
	Others: Pub G-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

### Investments

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (ie: the Council should use the same degree of care as a prudent man.) Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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, 2022 (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
Global Equity	58.0%	3.7%
Fixed Income	30.0%	1.1%
Real Estate	10.0%	2.6%
Cash	2.0%	0.4%
	-----	
	100.0%	
	=====	

Discount Rate:

The discount rate used to measure the total pension 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 those 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 asset.

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

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

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Commission's proportionate share of the net pension (asset)/liability	\$48,548	\$(234)	\$(40,102)

Pension Plan Fiduciary Net Position:

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

10. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; injuries to employees' and natural disasters. During the year ending September 30, 2022 the Commission managed its risks as follows:

Health insurance:

Employees are given a health care premium reimbursement of \$225 per month.

Liability, fire, and worker's compensation insurance:

The Commission maintains liability, fire, and worker's compensation insurance through a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Unemployment benefits:

The Commission maintains unemployment insurance through the State of South Dakota. No unemployment benefits were paid during the year ending September 30, 2022 and no payments are expected in the near future.

## 11. COMMITMENTS AND CONTINGENCIES

Litigation: At September 30, 2022 the Commission was not involved in any threatened litigation.

Examinations: The Commission is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing grants given to the Commission in the current and prior years. There were no examinations during the year ending September 30, 2022.

Grant Disallowances: Amounts received or receivable from HUD are subject to audit and adjustments by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Commission. The amounts, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Commission expects such amounts, if any, would be immaterial.

Economic Dependency: The Commission receives approximately 37% of its revenues from HUD and SDHDA, with 63% coming from tenant revenue, interest on investments, and other sources. If the amount of revenues received from HUD falls, the Commission's operation would be adversely affected.

## 12. OTHER DISCLOSURES AND SUBSEQUENT EVENTS

In FY23 Low Income Public Housing flat rent was increased from \$450 to \$517.

In FY23 Rosebud rent was reduced from \$737 with a \$45 utility allowance to \$604 with a \$45 utility allowance.

In FY23 the Commission began addressing conditions relevant to HUD's new National Standards for the Physical Inspection of Real Estate (NSPIRE). The new NSPIRE model prioritized health, safety, and functional defects over appearance. It implements inspections that better reflect the true physical conditions of the property. It supports the adoption of sound, year-around maintenance practices. The Commission expects this to cost approximately \$25,000.

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE ONE  
CHANGES IN CAPITAL ASSETS  
FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Beginning 9-30-21	Book Adjustments	Additions	(Deletions)	Ending 9-30-22	Accumulated Depreciation 9-30-21	Book Adjustments	(Additions )	Deletions	Ending 9-30-22	Remaining Cost 9-30-22
<b>Public Housing:</b>											
Land	9,550.00				9,550.00	-				-	9,550.00
Buildings	1,017,990.13	21,122.90	1,733.70		1,040,846.73	(926,353.27)	(3,929.97)	(20,980.43)	(951,263.67)		89,583.06
Improvements	45,057.51				45,057.51	(3,602.45)		(3,003.83)	(6,606.28)		38,451.23
Equipment: dwellings	21,122.90	(21,122.90)			-	(2,112.29)	2,112.29				-
Equipment: administrati	12,971.00		4,398.00	(1,998.00)	15,371.00	(11,016.79)		(940.12)	1,798.20	(10,158.71)	5,212.29
Construction-in-progress	4,175.90		14,581.27		18,757.17	-				-	18,757.17
	<u>1,110,867.44</u>	<u>-</u>	<u>20,712.97</u>	<u>(1,998.00)</u>	<u>1,129,582.41</u>	<u>(943,084.80)</u>	<u>(1,817.68)</u>	<u>(24,924.38)</u>	<u>1,798.20</u>	<u>(968,028.66)</u>	<u>161,553.75</u>
<b>Section-8 Elderly:</b>											
Buildings	450,123.27	(11,135.23)			438,988.04	(445,862.65)	11,402.55	(1,006.21)	(435,466.31)		3,521.73
Improvements	4,211.02	(4,211.02)			-	(3,677.20)	3,677.20				-
Equipment: dwellings	120,725.19	11,135.23	3,761.71		135,622.13	(89,461.73)	(11,402.55)	(5,571.81)	(106,436.09)		29,186.04
Equipment: administrati	-	4,211.02			4,211.02	-		(97.05)	(3,774.25)		436.77
	<u>575,059.48</u>	<u>-</u>	<u>3,761.71</u>	<u>-</u>	<u>578,821.19</u>	<u>(539,001.58)</u>	<u>-</u>	<u>(6,675.07)</u>	<u>-</u>	<u>(545,676.65)</u>	<u>33,144.54</u>
<b>Rosebud Apartments:</b>											
Land	11,500.00				11,500.00	-					11,500.00
Buildings	324,015.85		6,577.70		330,593.55	(274,460.28)	(0.23)	(7,370.49)	(281,831.00)		48,762.55
Improvements	24,091.24				24,091.24	(7,022.52)		(1,606.08)	(8,628.60)		15,462.64
Equipment: dwellings	46,673.89				46,673.89	(45,669.43)		(423.62)	(46,093.05)		580.84
Equipment: administrati	2,129.99			(1,299.99)	830.00	(1,220.00)			390.00	(830.00)	-
	<u>408,410.97</u>	<u>-</u>	<u>6,577.70</u>	<u>(1,299.99)</u>	<u>413,688.68</u>	<u>(328,372.23)</u>	<u>(0.23)</u>	<u>(9,400.19)</u>	<u>390.00</u>	<u>(337,382.65)</u>	<u>76,306.03</u>

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COMMISSION'S PROPORTIONATE SHARE OF THE  
SOUTH DAKOTA RETIREMENT SYSTEM NET POSITION (ASSET)/LIABILITY

FOR THE NINE YEARS ENDING JUNE 30, 2022

SDRS Measurement Date Year Ended (1)	Commission's Pension Allocation Percentage	Commission's Share of the Net Pension (Asset) Liability	Commission's Covered Employee Payroll for a June 30th Year End	Commission's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Employee Payroll	Commission's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of the Total Pension Liability
June 30, 2022	0.0024740%	(233.81)	59,066.67	(0.40%)	(100.10%)
June 30, 2021	0.0025540%	(19,559.27)	57,966.67	(33.75%)	(105.52%)
June 30, 2020	0.0025905%	(112.50)	56,850.00	(0.20%)	(100.04%)
June 30, 2019	0.0025874%	(274.19)	55,016.67	(0.50%)	(100.09%)
June 30, 2018	0.0026007%	(60.65)	54,066.67	(0.11%)	(100.02%)
June 30, 2017	0.0025626%	(232.56)	52,066.67	(0.45%)	(100.10%)
June 30, 2016	0.0030198%	10,200.59	57,416.67	17.77%	96.90%
June 30, 2015	0.0033065%	(14,023.81)	60,366.67	(23.23%)	(104.10%)
June 30, 2014	0.0035596%	(25,645.46)	62,250.00	(41.20%)	(107.30%)

(1) The amounts presented for each fiscal year were determined as of the Plan Fiduciary's net pension (asset)/liability which is 6-30 of the Commission's fiscal year.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COMMISSION'S CONTRIBUTIONS  
TO THE SOUTH DAKOTA RETIREMENT SYSTEM

FOR THE NINE YEARS ENDING JUNE 30, 2022

Commission's Year Ended	Contractually Required Contribution	Contributions Related to the Contractually Required Contribution	Contribution Deficiency (Excess)	Commission's Covered Employee Payroll for its September 30th Year End	Contributions as a Percentage of Covered Employee Payroll
September 30, 2022	3,583.77	3,583.77	0	59,729.50	6.00%
September 30, 2021	3,503.69	3,503.69	0	58,394.83	6.00%
September 30, 2020	3,398.52	3,398.52	0	56,642.00	6.00%
September 30, 2019	3,392.75	3,392.75	0	56,545.83	6.00%
September 30, 2018	3,259.90	3,259.90	0	54,331.67	6.00%
September 30, 2017	3,038.13	3,038.13	0	50,635.50	6.00%
September 30, 2016	3,357.55	3,357.55	0	55,959.17	6.00%
September 30, 2015	3,499.03	3,499.03	0	58,317.17	6.00%
September 30, 2014	3,884.80	3,884.80	0	64,746.67	6.00%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

BURKE HOUSING & REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
SEPTEMBER 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY  
AND SCHEDULE OF PENSION CONTRIBUTIONS FOR THE ONE YEAR ENDING SEPTEMBER 30, 2022

Changes of Prior Valuation:

The June 30, 2022 Actuarial Valuation reflects numerous changes to the actuarial assumptions as a result of an experience analysis completed since the June 30, 2022 Actuarial Valuation. In addition, two changes in actuarial methods have been implemented since the prior valuation.

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

Benefit Provision Changes:

During the 2022 legislative Session no significant SDRS benefit changes were made and gaming enforcement agents became Class B Public Safety Members.

Actuarial Assumption Changes:

As a result of an experience analysis covering the period from July 1, 2016 to June 30, 2022, and presented to the SDRS Board of Trustees in April and June 2022, significant changes to the actuarial assumptions were recommended by the SDRS Senior Actuary and adopted by the Board of Trustees first effective for the June 30, 2022, actuarial valuation.

The changes to economic assumptions included increasing the price inflation to 2.50% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.50% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%.

The demographic assumptions were also reviewed and revised. The mortality assumption was changed to the Pub-2010 amount-weighted tables using separate tables for teachers, general, and public safety retirees, with assumptions for retirees adjusted based on credible experience. The mortality assumption for active and terminated vested members was changed to the unadjusted amount-weighted Pub-2010 tables, again by member classification and the assumption for beneficiaries was change to the amount-weighted Pub-2010 general contingent survivor table. Adjustments based on experience were also made to the assumptions regarding retirement, termination, disability, age of spouses for married Foundation members, percentage of terminated vested members electing a refund, and benefit commencement age for terminated vested Public Safety members with 15 or more years of service.

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.

BURKE HOUSING & REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
SEPTEMBER 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PENSION (continued)

AS of June 30, 2022, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was greater than 100% and the full 0% to 3.5% COLA range was payable. For the June 30, 2022, Actuarial Valuation, future COLAs were assumed to equal the baseline COLA assumption of 2.25%.

As of June 30, 2022, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.10%. The July 2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 20, 2022, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

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 7 changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027, Actuarial Valuation.

Actuarial Method Changes:

Actuarial method changes with minor impact were implemented for this valuation after recommendation by Cavanaugh Macdonald Consulting as part of their reviews of prior valuations. As a result, liabilities and normal costs for refund benefits and the Generational Variable Retirement Accounts are now calculated using the entry age normal cost method with normal costs based on the expected value of these accounts rather than the actual balance.

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
SEPTEMBER 30, 2022

Financial Data Schedule

Financial Data Schedule (FDS) For the One Year Ending September 30, 2022 Required by the Dept. of Housing and Urban Development (HUD)		Audit	Low Rent Public Housing CFDA # 14.850 9-30-22	Public Housing Capital Fund Program CFDA # 14.872 9-30-22
Line Item #		Low Rent Public Housing 9-30-22	Reclass	
<b>ASSETS</b>				
Current assets:				
111.00	Cash - unrestricted	42,998		42,998
114.00	Cash - tenant security deposits	8,167		8,167
122.00	Accounts receivable - HUD	2,142		2,142
126.00	Accounts receivable - tenants	203		203
126.10	Allowance for doubtful accounts	0		
129.00	Accrued interest receivable	21		21
131.00	Investments - unrestricted	26,173		26,173
142.00	Prepaid expenses and other assets	3,917		3,917
144.00	Inter Program due from	1,388		1,388
150.00	Total current assets:	85,009	0	85,009
Noncurrent assets:				
161.00	Land	9,550		9,550
162.00	Buildings	1,085,905		1,085,905
164.00	Furniture, equipment - administrat	15,371		15,371
166.00	Accumulated depreciation	(968,029)		(968,029)
160.00	Construction-in-progress	18,757		18,757
160.00	Total non-current assets:	161,554	0	161,554
174.00	Net pension assets (liability)	191	(15,335)	15,526
200.00	Deferred outflow of resources	16,579	(2,528)	19,107
290.00	Total assets and deferred outflow of	263,333	(17,863)	281,196
<b>LIABILITIES</b>				
Current liabilities:				
312.00	Accounts payable	1,713		1,713
321.00	Accrued wage/payroll taxes	6,803		6,803
322.00	Accrued comp absences: current	2,693		2,693
333.00	Accounts payable - other governmen	5,605		5,605
341.00	Tenant security deposits	8,167		8,167
342.00	Unearned revenue	1,174		1,174
345.00	Accrued liabilities - utilities	2,293		2,293
310.00	Total current liabilities	28,448	0	28,448
354.00	Accrued comp absences: non-current	797		797
400.00	Deferred inflow of resources	11,091	(18,904)	29,995
300.00	Total liabilities and deferred inflo	40,336	(18,904)	59,240
<b>NET POSITION</b>				
508.40	Net invested in capital assets	161,554		161,554
511.40	Restricted for pension	5,679	1,041	4,638
512.40	Unrestricted	55,764		55,764
513.00	Total net position	222,997	1,041	221,956
Total liabilities and net position		263,333	(17,863)	281,196

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
SEPTEMBER 30, 2022

Financial Data Schedule

Financial Data Schedule (FDS)

For the One Year Ending September 30, 2022  
Required by the Dept. of Housing  
and Urban Development

Line Item #		Audit ----- Low Rent Public Housing 9-30-22	Reclass	Low Rent Public Housing CFDA # 9-30-22	Public Housing Capital Fund Program CFDA # 9-30-22
REVENUE					
703.00	Net tenant rental revenue	98,454		98,454	
704.00	Tenant revenue - other	553		553	
706.00	HUD PHA operating grant	0	(50,811)	50,811	
706.10	HUD PHA capital grant	0	(14,581)	14,581	
711.00	Investment income - unrestricted	0	(111)	111	
715.00	Other revenue	17,755	(1,743)	19,498	
716.00	Gain or loss on disposition of ass	(200)		(200)	
700.00	Total revenue	116,562	(67,246)	183,808	0
EXPENSES					
Administrative:					
911.00	Salaries	34,502		34,502	
962.10	Compensated absences	742	742	0	
912.00	Auditing fees	1,575		1,575	
915.00	Employee benefit contributions	7,324	56	7,268	
916.00	Office expense	11,637		11,637	
918.00	Travel	600		600	
919.00	Other	2,311		2,311	
Expenses - tenant services:					
924.00	Tenant services - other	250		250	
Expenses - utilities:					
931.00	Utilities - Water	4,680		4,680	
932.00	Utilities - Electricity	12,014		12,014	
934.00	Utilities - Fuel	15,131		15,131	
936.00	Utilities - Sewer	11,136		11,136	
Expenses - ordinary maint. & operati					
941.00	Labor	16,935		16,935	
962.10	Compensated absences	26	26	0	
942.00	Materials and other	9,285		9,285	
943.00	Contract costs	6,658		6,658	
945.00	Employee benefit contributions	5,015	3	5,012	
Expenses - general:					
961.10	Property insurance	14,806		14,806	
961.20	Liability insurance	0		0	
961.30	Workmen's Compensation	1,993		1,993	
961.40	All other insurance	227		227	
962.00	Other general expenses	0		0	
962.10	Compensated absences	0	(827)	827	
963.00	Payment in lieu of taxes	5,605		5,605	
964.00	Bad debt - tenant rents	0		0	
Other expenses:					
974.00	Depreciation	24,924		24,924	
971.00	Extraordinary maintenance	0		0	
720.00	Pension related expense	(1,041)	(1,041)	0	
900.00	Total expenses	186,335	(1,041)	187,376	0
Other financing sources (uses):					
706.00	HUD PHA operating grant	50,811	50,811	0	
711.00	Investment income - unrestricted	111	111	0	
100.10	Transfer in	0	(4,053)	4,053	
100.20	Transfer out	0	4,053	(4,053)	
101.00	Total other financing sources (uses)	50,922	50,922	0	0
Net income (loss) before contributions, extraordinary item, losses, and tran					
		(18,851)	(15,283)	(3,568)	0
706.10	HUD capital grants	14,581	14,581	0	
Change in net position					
		(4,270)	(702)	(3,568)	0
110.30	NET POSITION - beginning	227,267		227,267	
110.40	Prior period adjustments	0	1,743	(1,743)	
NET POSITION - ending					
		222,997	1,041	221,956	0

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
 SEPTEMBER 30, 2022

		Financial Data Schedule		
Financial Data Schedule (FDS)				
For the One Year Ending September 30, 2022		Audit	Section-8	Section-8
Required by the Dept. of Housing		-----	Elderly	Elderly
and Urban Development (HUD)		Section-8	Housing	Housing
Line		Elderly	CFDA #	CFDA #
Item #		Housing	14.182	14.885
		9-30-22	9-30-22	9-30-22
-----	ASSETS	-----	-----	-----
	Current assets:			
111.00	Cash - unrestricted	38,100	38,100	
114.00	Cash - tenant security deposits	4,363	4,363	
122.00	Accounts receivable - HUD	0		
126.00	Accounts receivable - tenants	0		
131.00	Investments - unrestricted	35,070	35,070	
142.00	Prepaid expenses and other assets	1,837	1,837	
		-----	-----	-----
150.00	Total current assets:	79,370	79,370	0
		-----	-----	-----
	Noncurrent assets:			
162.00	Buildings and improvements	438,988	477,805	
163.00	Furniture, equipment - dwellings	135,622	101,016	
164.00	Furniture, equipment - administration	4,211	0	
166.00	Accumulated depreciation	(545,676)	(545,676)	
		-----	-----	-----
160.00	Total non-current assets:	33,145	33,145	0
		-----	-----	-----
174.00	Net pension assets (liability)	34	2,813	
200.00	Deferred outflow of resources	2,957	3,461	
		-----	-----	-----
190.00	Total assets and deferred outflow of resources	115,506	118,789	0
		=====	=====	=====
	LIABILITIES			
	Current liabilities:			
312.00	Accounts payable <= 90 days	0	1,748	
321.00	Accrued wage/payroll taxes payable	161	161	
333.00	Accounts payable - other government	2,670	2,670	
341.00	Tenant security deposits	4,363	4,363	
342.00	Unearned revenue	0	0	
345.00	Other current liabilities	0	0	
346.00	Accrued liabilities - utilities	1,748	0	
347.00	Inter Program due to	1,027	1,027	
		-----	-----	-----
310.00	Total current liabilities	9,969	9,969	0
		-----	-----	-----
400.00	Deferred inflow of resources	1,979	5,434	
		-----	-----	-----
300.00	Total liabilities and deferred inflow of resources	11,948	15,403	0
		-----	-----	-----
	NET POSITION			
508.40	Net invested in capital assets	33,145	33,145	
511.40	Restricted for pension	1,013	841	
512.40	Unrestricted	69,400	69,400	
		-----	-----	-----
513.00	Total net position	103,558	103,386	0
		-----	-----	-----
	Total liabilities and net position	115,506	118,789	0
		=====	=====	=====

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
SEPTEMBER 30, 2022

Financial Data Schedule

Financial Data Schedule (FDS)

For the One Year Ending September 30, 2022  
Required by the Dept. of Housing  
and Urban Development

Line Item #	Audit Section-8 Elderly Housing 9-30-22	Reclass	Financial Data Schedule	
			Section-8 Elderly Housing CFDA # 14.182 9-30-22	Section-8 Elderly Housing CFDA # 14.885 9-30-22
<b>REVENUE</b>				
703.00	Net tenant rental revenue	50,838	50,838	
704.00	Tenant revenue - other	0		
706.00	HUD operating grant (HAP)	0	(18,450)	18,450
711.00	Investment income - unrestricted	0	(73)	73
715.00	Other revenue	1,000		1,000
700.00	Total revenue	51,838	(18,523)	70,361
<b>EXPENSES</b>				
Expenses - administrative:				
911.00	Administrative salaries	8,357		8,357
912.00	Auditing fees	1,575		1,575
913.10	Bookkeeping fees	3,403		3,403
914.00	Advertising	40	(42)	82
915.00	Employee benefits	1,188		1,188
916.00	Office expense	0		
Expenses - tenant services:				
924.00	Other	192	42	150
Expenses - utilities:				
931.00	Water	3,336		3,336
932.00	Electricity	12,819		12,819
936.00	Sewer	7,985		7,985
938.00	Garbage	767	767	0
Expenses - ordinary maint. & operation:				
941.00	Labor	8,701		8,701
942.00	Materials and other	3,069		3,069
943.00	Contract costs	1,942	(767)	2,709
Expenses - general:				
961.10	Property insurance	5,910		5,910
962.00	Other general expenses	0		0
963.00	Payment in lieu of taxes	2,670		2,670
Other expenses:				
974.00	Depreciation	6,675		6,675
720.00	Pension expense	(172)	(172)	0
900.00	Total expenses	68,457	(172)	68,629
Other financing sources (uses):				
706.00	HUD operating grant (HAP)	18,450	18,450	0
711.00	Investment income - unrestricted	73	73	0
101.00	Total other financing sources (uses):	18,523	18,523	0
Net income (loss) before contributions, extraordinary item, and transfers				
		1,904	172	1,732
	None	0		0
	Change in net position	1,904	172	1,732
110.30	NET POSITION - beginning	101,654		101,654
	NET POSITION - ending	103,558	172	103,386

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
 SEPTEMBER 30, 2022

Financial Data Schedule

Financial Data Schedule (FDS)  
 For the One Year Ending September 30, 2022  
 Required by the Dept. of Housing  
 and Urban Development (HUD)

-----  
 Section-8  
 New  
 Construction  
 CFDA #  
 14.182  
 9-30-22  
 -----

Line Item #	Audit Rosebud Apartments 9-30-22	Reclass	Section-8 New Construction CFDA # 14.182 9-30-22	
-----	-----	-----	-----	-----
<b>ASSETS</b>				
Current assets:				
111.00	Cash - unrestricted	77,374		77,374
114.00	Cash - tenant security deposits	2,924		2,924
122.00	Accounts receivable - HUD	0		0
126.00	Accounts receivable - tenants	88		88
129.00	Accrued interest receivable	0		
131.00	Investments - unrestricted	143,583		143,583
142.00	Prepaid expenses and other assets	1,069		1,069
150.00	Total current assets:	225,038	0	225,038
Noncurrent assets:				
161.00	Land	11,500		11,500
162.00	Buildings and improvements	354,685		354,685
163.00	Furniture, equipment - dwellings	46,674	(830)	47,504
164.00	Furniture, equipment - administrator	830	830	
166.00	Accumulated depreciation	(337,383)		(337,383)
160.00	Total non-current assets:	76,306	0	76,306
174.00	Other assets - pension assets (liability)	9	(1,212)	1,221
200.00	Deferred outflow of resources	791	(711)	1,502
190.00	Total assets and deferred outflow of resources	302,144	(1,923)	304,067
<b>LIABILITIES</b>				
Current liabilities:				
312.00	Accounts payable <= 90 days	128	(598)	726
321.00	Accrued wages/payroll taxes payable	43		43
333.00	Accounts payable - other governments	2,085		2,085
341.00	Tenant security deposits	2,924		2,924
342.00	Unearned revenue	0		0
345.00	Other current liabilities	0		0
346.00	Accrued liabilities - utilities	598	598	0
347.00	Inter Program - due to	361		361
310.00	Total current liabilities	6,139	0	6,139
400.00	Deferred inflow of resources	529	(1,829)	2,358
300.00	Total liabilities and deferred inflow of resources	6,668	(1,829)	8,497
<b>NET POSITION</b>				
508.40	Net invested in capital assets	76,306		76,306
511.40	Restricted for pension	271	(94)	365
512.40	Unrestricted	218,899		218,899
513.00	Total net position	295,476	(94)	295,570
<b>Total liabilities and net position</b>				
		302,144	(1,923)	304,067

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
 SEPTEMBER 30, 2022

Financial Data Schedule

Financial Data Schedule (FDS)  
 For the One Year Ending September 30, 2022  
 Required by the Dept. of Housing  
 and Urban Development

-----  
 Section-8  
 New  
 Construction  
 CFDA #  
 14.182  
 9-30-22

Line Item #	Audit Rosebud Apartments 9-30-22	Reclass	14.182 9-30-22	
<b>REVENUE</b>				
703.00	Net tenant rental revenue	27,760		27,760
704.00	Tenant revenue - other	0		0
706.00	HUD PHA operating grant (HAP)	0	(30,182)	30,182
711.00	Investment income - unrestricted	0	(533)	533
715.00	Other revenue	570		570
720.00	Investment income - restricted	0		
700.00	Total revenue	28,330	(30,715)	59,045
<b>EXPENSES</b>				
Expenses - administrative:				
911.00	Administrative salaries	5,246		5,246
912.00	Auditing fees	1,350		1,350
913.00	Management fees	0		
914.00	Advertising and marketing	56		56
916.00	Office expenses	0		
919.00	Other	3,355		3,355
Expenses - utilities:				
931.00	Water	1,792		1,792
932.00	Electricity	1,405		1,405
936.00	Sewer	3,712		3,712
Expenses - ordinary maint. & operation:				
941.00	Ordinary maintenance - labor	2,325		2,325
942.00	Ordinary maintenance - materials	700		700
943.00	Contract costs	6,495		6,495
945.00	Employee benefit contributions	316		316
Expenses - general:				
961.10	Property insurance	3,164		3,164
961.40	All other insurance	0		
962.00	Other general expenses	0		
963.00	Payment in lieu of taxes	2,085		2,085
Other expenses:				
971.00	Extraordinary maintenance	0		0
974.00	Depreciation	9,400	(910)	10,310
720.00	Pension expense (revenue)	94	94	0
900.00	Total expenses	41,495	(816)	42,311
Other financing sources (uses):				
706.00	SDHDA operating grant (HAP)	30,182	30,182	0
711.00	Investment income - unrestricted	533	533	0
716.00	Gain/loss on disposition of asset	(910)	(910)	0
101.00	Total other financing sources (uses):	29,805	29,805	0
Net income (loss) before contributions, and extraordinary items				
		16,640	(94)	16,734
None				
		0		0
Change in net position				
		16,640	(94)	16,734
110.30	NET POSITION - beginning	278,836		278,836
513.00	NET POSITION - ending	295,476	(94)	295,570

BURKE HOUSING AND REDEVELOPMENT COMMISSION  
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA

Project Code: SD 007  
 Annual Contribution Contract Number: SD-736

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Federal Assistance Living Number	FY22 Expenditures
Direct Federal Programs:		
U.S. Department of Housing and Urban Development:		
Low-Rent Public Housing:		
Operations:		
Operating subsidy	14.850	50,811
Capital Projects:		
Capital Funding Program - CFP	14.885	14,581
		-----
		65,392
		-----
Indirect Federal Programs:		
U.S. Department of Housing and Urban Development:		
Passed through the South Dakota Housing Development Authority:		
Low-Rent Public Housing:		
Housing Assistance Payments:		
Section-8 Elderly	14.182	18,450
Section-8 New Construction (Rosebud)	14.182	30,182
		-----
		48,632
		-----
		-----
Total: Dept of Housing and Urban Development		114,024
		=====

Note 1:

The above Schedule of Expenditures of Federal Awards includes the federal grant activity of the Burke Housing and Redevelopment Commission. It is presented on the full accrual basis of accounting and represents the federal financial assistance earned based on specific program expenditures.

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

Board of Commissioners  
Burke Housing & Redevelopment Commission  
Burke, South Dakota

Independent Auditor's Report

I 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 each major fund of the Burke Housing & Redevelopment Commission (Commission), a component unit of the City of Burke, South Dakota, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued my report thereon dated June 12, 2023, which was unmodified.

Report on Internal Control Over Financial Reporting:

In planning and performing my audit of the financial statements, I considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of Burke Housing & Redevelopment Commission's internal control.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission'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 the attention of those charged with governance.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

I did note minor matters involving internal control over financial reporting that I reported to the governing body and management of the Commission in a separate Letter of Comments dated June 12, 2023.

Report on Compliance and Other Matters:

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

The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission'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.

Independent Audit Services, PC  
Benjamin Elliott, CPA  
Madison, South Dakota



June 12, 2023

BURKE HOUSING & REDEVELOPMENT COMMISSION  
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA  
SEPTEMBER 30, 2022

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SCHEDULE OF PRIOR AUDIT FINDINGS

There are no prior written audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS

There are no current written audit findings.