

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

FINANCIAL REPORT

FOR THE ONE YEAR ENDING SEPTEMBER 30, 2023

WITH INDEPENDENT AUDITOR'S REPORTS

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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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.

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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 one year ended September 30, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 24) 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 25 to 30) 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.

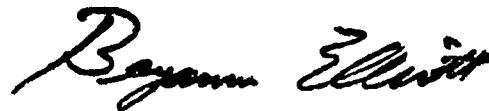
The schedule of expenditures of federal awards (page 31) is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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 May 30, 2024 (page 32) 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



May 30, 2024

BURKE HOUSING & REDEVELOPMENT COMMISSION

Management Discussion and Analysis
Sept 30, 2023

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, 2023. 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, 2023 were \$694,465. Total liabilities were \$39,275. Deferred inflows of resources were \$11,283, and total assets exceeded total liabilities by \$643,908 (net position).

Unrestricted net position totals \$372,802. This is the amount of the Authority's reserve.

Total operating and non-operating revenue for the year ended September 30, 2023, was \$342,954 and expenses totaled \$321,078, revenue exceeded expenses by \$21,877.

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.

BURKE HOUSING & REDEVELOPMENT COMMISSION
 Management Discussion and Analysis
 Sept 30, 2023

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, 2023. 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, 2023.

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

FOR THE YEAR ENDED September 30	2023	2022
Current assets and prepaid expense	\$412,077	\$389,415
Inventory held for resale	\$0	\$0
Capital assets, net	\$265,369	\$271,879
Pension assets, net	<u>226</u>	\$234
Total Assets	\$677,672	\$660,654
Deferred Outflows of Resources	\$16,794	\$20,328
Current liabilities	\$39,275	\$44,555
Non-current liabilities	\$0	\$797
Total liabilities	\$39,275	\$45,352
Deferred Inflow of Resources	\$11,282	\$13,598
Net Position		
Invested in capital assets, net of related debt	\$265,368	\$271,005
Restricted	\$5,737	\$6,963
Unrestricted	\$372,802	\$344,064
Total Net Position	<u>\$643,908</u>	<u>\$622,032</u>
Total Liabilities, Deferred inflow of Resources and Equity/Net Position	<u>\$694,465</u>	<u>\$680,982</u>

BURKE HOUSING & REDEVELOPMENT COMMISSION
Burke, South Dakota

Management's Discussion and Analysis
September 30, 2023

(Continued)

Comparative Statement of Revenues, Expenses and Changes in Net Position

FOR THE YEAR ENDED September 30	2023	2022	Change
Program Revenue			
Tenant revenue	\$178,794	\$177,605	\$1,189
Other income	\$21,473	\$19,325	\$2,148
Federal grants and subsidies	\$141,759	\$114,024	\$27,735
Interest income	\$928	\$717	\$211
Total revenue	\$342,954	\$311,671	\$31,283
Program Expenses			
Administration	\$80,948	\$83,261	(2,313)
Tenant Services	\$613	\$442	\$171
Utilities	\$87,876	\$74,777	\$13,099
Ordinary maintenance & operations	\$68,668	\$61,467	\$7,201
Protective services	\$0	\$0	\$0
General expenses	\$38,977	\$36,461	\$2,516
Non-routine maintenance	\$0	\$0	\$0
Depreciation	\$42,769	\$41,000	\$1,769
Interest Expense	\$0	\$0	\$0
HAP	\$0	\$0	\$0
Pension net revenue	1,226	(\$1,121)	2,349
Total expenses	\$321,078	\$296,286	\$24,792
Gain/loss - disposition of assets	\$0	(\$1,110)	(\$1,110)
Transfer of funds	\$0	\$0	\$0
Change in Net Position	\$21,877	\$14,275	\$7,602
Beginning Net Position	\$622,031	\$607,757	\$14,275
Pension assets, net			
Pension related deferred outflow			
Ending Net Position	\$643,908	\$622,031	\$21,877

Federal grants total \$141,795.

Capital Assets

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

FOR THE YEAR ENDED September 30	2023	2022	change
Land	\$21,050	\$21,050	\$0

BURKE HOUSING & REDEVELOPMENT COMMISSION
Burke, South Dakota

Management's Discussion and Analysis
September 30, 2023

(Continued)

Buildings	\$1,887,729	\$1,879,578	\$8,151
Furniture, Equipment & Machinery - Admin	\$22,141	\$20,412	\$1,729
Furniture, Equipment & Machinery - Dwelling	\$184,211	\$182,291	\$1,915
Construction in Progress	\$44,094	\$18,757	\$25,337
Subtotal	\$2,159,225	\$2,122,093	\$37,132
Accumulated Depreciation	(\$1,893,857)	(\$1,851,088)	(\$42,769)
Total Capital assets	<u>\$265,368</u>	<u>\$271,055</u>	<u>(\$5,687)</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, 2023

	Public Housing Fund	Section-8 Elderly Fund	Rosebud Apartments Fund	Totals
ASSETS				
Current assets:				
Cash:				
Petty	100.00			100.00
Checking	52,968.25	45,448.11	84,018.32	182,434.68
Checking - debit card	706.90			706.90
Savings	19.33	10.26	6.53	36.12
Savings - security deposits	8,145.00	4,236.00	2,364.00	14,745.00
Total cash	61,939.48	49,694.37	86,388.85	198,022.70
Certificates of deposit	26,321.34	35,228.02	144,108.24	205,657.60
Due from tenants	29.00			29.00
Due from other governments	0.00		720.00	720.00
Accrued interest receivable	13.64	2.15	154.15	169.94
Prepaid insurance	4,439.82	1,296.32	681.18	6,417.32
Due from other funds	1,060.72			1,060.72
Total current assets	93,804.00	86,220.86	232,052.42	412,077.28
Capital assets:				
Land	9,550.00		11,500.00	21,050.00
Buildings	1,085,904.24	438,988.04	338,745.33	1,863,637.61
Improvements			24,091.24	24,091.24
Equipment - dwellings		135,622.13	48,589.09	184,211.22
Equipment - administration	17,100.00	4,211.02	830.00	22,141.02
Construction-in-progress	44,094.49			44,094.49
Accumulated depreciation	(993,223.23)	(552,453.83)	(348,179.70)	(1,893,856.76)
Total capital assets	163,425.50	26,367.36	75,575.96	265,368.82
Other assets:				
Net pension assets	179.25	36.64	9.87	225.76
Total other assets	179.25	36.64	9.87	225.76
Total assets	257,408.75	112,624.86	307,638.25	677,671.86
DEFERRED OUTFLOW OF RESOURCES				
Pension related deferred outflows	13,334.11	2,725.64	733.88	16,793.63
Total deferred outflow of resource	13,334.11	2,725.64	733.88	16,793.63
LIABILITIES				
Current liabilities:				
Accounts payable	928.34	593.36	3,726.70	5,248.40
Accrued salaries				0.00
Payroll taxes payable	719.23	149.53	27.54	896.30
Accrued benefits payable - current	2,847.58			2,847.58
Utilities payable	2,526.58	1,955.31	701.44	5,183.33
Tenant security deposits	8,145.00	4,236.00	2,364.00	14,745.00
Payment in lieu of taxes payable	5,073.73	2,513.21	1,658.47	9,245.41
Prepaid rents	48.00			48.00
Due to other funds		856.15	204.57	1,060.72
Total current liabilities	20,288.46	10,303.56	8,682.72	39,274.74
Noncurrent liabilities:				
Accrued benefits payable - long term				0.00
Total liabilities	20,288.46	10,303.56	8,682.72	39,274.74
DEFERRED INFLOW OF RESOURCES				
Pension related deferred inflows	8,958.36	1,831.16	493.05	11,282.57
Total deferred inflow of resources	8,958.36	1,831.16	493.05	11,282.57
NET POSITION				
Net invested in capital assets	163,425.50	26,367.36	75,575.96	265,368.82
Restricted by South Dakota Housing SDRS pension purposes (note 10)	4,555.00	931.12	250.70	5,736.82
Unrestricted	73,515.54	75,917.30	223,369.70	372,802.54
Total net position	241,496.04	103,215.78	299,196.36	643,908.18

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, 2023

	Public Housing Fund	Section-8 Elderly Fund	Rosebud Apartments Fund	Totals
	-----	-----	-----	-----
Operating revenues:				
Dwelling rents	102,643.00	51,289.00	23,724.00	177,656.00
Excess utilities	363.00			363.00
Laundry			775.00	775.00
Other income	19,430.43	1,500.00	543.19	21,473.62
	-----	-----	-----	-----
Total operating revenues	122,436.43	52,789.00	25,042.19	200,267.62
	-----	-----	-----	-----
Operating expenses:				
Administration	55,067.91	15,353.66	10,646.85	81,068.42
Tenant services	332.73	160.00		492.73
Utilities	52,268.75	28,468.15	7,139.28	87,876.18
Maintenance and operations	42,942.73	14,070.17	11,307.51	68,320.41
General expenses	24,107.73	9,524.57	5,692.18	39,324.48
Depreciation	25,194.69	6,777.18	10,797.14	42,769.01
Pension related (revenue) expense	1,124.19	81.88	20.30	1,226.37
	-----	-----	-----	-----
Total operating expenses	201,038.73	74,435.61	45,603.26	321,077.60
	-----	-----	-----	-----
Operating income (loss):	(78,602.30)	(21,646.61)	(20,561.07)	(120,809.98)
Nonoperating revenues (expenses):				
Operating grant - HUD	56,392.00			56,392.00
Operating grant - SDHDA		21,134.00	23,684.00	44,818.00
Interest earned - unrestricted	160.14	169.96	598.02	928.12
	-----	-----	-----	-----
Total nonoperating revenues (expen	56,552.14	21,303.96	24,282.02	102,138.12
	-----	-----	-----	-----
Net income (loss) before contributio and extraordinary item	(22,050.16)	(342.65)	3,720.95	(18,671.86)
Capital grant - HUD	40,548.73			40,548.73
	-----	-----	-----	-----
Change in net position	18,498.57	(342.65)	3,720.95	21,876.87
Net position:				
October 1, 2022	222,997.47	103,558.43	295,475.41	622,031.31
	-----	-----	-----	-----
September 30, 2023	241,496.04	103,215.78	299,196.36	643,908.18
	=====	=====	=====	=====

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 CASH FLOWS
ENTERPRISE FUNDS FOR THE YEAR ENDING SEPTEMBER 30, 2023

	Public Housing Fund	Section-8 Elderly Fund	Rosebud Apartments Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from operations	107,112.43	52,662.00	24,482.19	184,256.62
Cash receipts from other funds	14,350.00			14,350.00
Payments to employees for services	(66,200.18)	(10,758.69)	(2,907.69)	(79,866.56)
Payments to suppliers for goods and service	(116,850.97)	(46,528.21)	(23,716.90)	(187,096.08)
Payments to other funds		(9,117.00)	(5,233.00)	(14,350.00)
Net cash provided (used) by operating activ	(61,588.72)	(13,741.90)	(7,375.40)	(82,706.02)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVIT				
Operating grant - HUD	56,392.00			56,392.00
Operating grant - SDHDA		21,134.00	23,684.00	44,818.00
Revolving fund	327.26	(170.53)	(156.73)	(0.00)
Net cash provided (used) by non-capital fin	56,719.26	20,963.47	23,527.27	101,210.00
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Capital grant - HUD	42,690.72			42,690.72
Cash paid for building and improvements	(25,337.32)		(8,151.78)	(33,489.10)
Cash paid for equipment	(1,729.00)		(1,915.20)	(3,644.20)
Net cash provided (used) by capital financi	15,624.40	0.00	(10,066.98)	5,557.42
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	167.66	168.25	532.02	867.93
Certificates of deposit purchased	(148.33)	(157.99)	(525.49)	(831.81)
Net cash provided (used) by investing activ	19.33	10.26	6.53	36.12
Net increase (decrease) in cash and cash equi	10,774.27	7,231.83	6,091.42	24,097.52
Cash - October 1, 2022	51,165.21	42,462.54	80,297.43	173,925.18
Cash - September 30, 2023	61,939.48	49,694.37	86,388.85	198,022.70
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(78,602.30)	(21,646.61)	(20,561.07)	(120,809.98)
Adjustments required for reconciliation:				
Depreciation expense	25,194.69	6,777.18	10,797.14	42,769.01
Pension related (revenue) expense	1,124.19	81.88	20.30	1,226.37
Change in:				
Accounts receivable	174.00		(720.00)	(546.00)
Prepaid rent	(1,126.00)			(1,126.00)
Prepaid expenses		732.00	488.00	1,220.00
Prepaid insurance	(523.00)	(191.64)	(100.18)	(814.82)
Accounts payable	(785.16)	800.70	3,702.34	3,717.88
Accrued payroll	(5,761.96)			(5,761.96)
Accrued payroll deductions	(322.20)	(11.82)	(15.30)	(349.32)
Accrued payroll expenses	(642.04)			(642.04)
Accrued expenses	(296.94)	(156.59)	(426.63)	(880.16)
Tenant security deposits	(22.00)	(127.00)	(560.00)	(709.00)
Net cash provided (used) by operating activ	(61,588.72)	(13,741.90)	(7,375.40)	(82,706.02)
Noncash investing, capital and financing activities:				
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, 2023, the Commission's officials were:

Mayor, City of Burke
Thomas Glover

Executive Director:
Rebecca Hoffman

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, 2023 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, 2023 were: Insured \$334,726.22 and Collateralized** \$69,391.71 for a total of \$404,117.93.

** 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, 2023 (plus petty cash of \$100.00) was \$403,690.30.

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, 2023 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, 2023, 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, 2023, the Commission's deposits in financial institutions were not exposed to custodial credit risk because all deposits are fully FDIC insured or collateralize.

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, 2023 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	\$	\$	\$ 10,066.98
Improvements			
Equipment - dwellings			
Equipment - administration	1,729.00		
Construction-in-progress	25,337.32		
	-----	-----	-----
	\$ 27,066.32	\$ 0.00	\$ 10,066.98
	=====	=====	=====

There is construction-in-progress at September 30, 2023.

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

Management fees are set at \$65 per occupied units.

Both Section-8 Elderly Housing and Rosebud Apartments pay Public Housing a management fee of \$65 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 FY23 the Section-8 Elderly fund paid Public Housing fund \$9,117.00 in management fees and Rosebud Apartments fund paid Public Housing fund \$5,233.00 in management fees.

The Section-8 Elderly Housing project receives \$125 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, 2023 were determined as follows:

	Total	Public Housing	Section-8 Elderly Housing	Section-8 New Housing (Rosebud)
Reported rental income	\$ 179,298.00	\$ 103,006.00	\$ 52,568.00	\$ 23,724.00
Less: allowable utility costs	(86,843.94)	(52,268.75)	(27,435.91)	(7,139.28)
Net shelter rent	\$ 92,454.06	\$ 50,737.25	\$ 25,132.09	\$ 16,584.72
PILLOT for FY23 (10% of net shelter rent)	\$ 9,245.41	\$ 5,073.73	\$ 2,513.21	\$ 1,658.47

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. Commission contributions and net pension (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). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in 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 by writing to SDRS, PO Box 1098, Pierre, SD 57501-1098; accessing <http://sdrs.sd.gov/publications.aspx> or 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.

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, 2023, 2022 and 2021 were \$3,495, 3,584, and \$3,504 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, 2023 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, 2023 and reported by the Commission as of September 30, 2023 are as follows:

Proportionate share of total pension liability	\$ 335,170
Less: Proportionate share of net position restricted for pension benefits	(335,396)

Proportionate share of net pension (asset)/liability	\$ (226)
	=====

At September 30, 2023 the Commission reported a (asset)/liability of \$(226) for its proportionate share of the net pension (asset)/liability. The net pension (asset) was measured as of June 30, 2023 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, 2023, the Commission's proportion was .000023130 which is a decrease of .00000161 over its proportion measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Commission recognized net pension expense of \$1,226. At September 30, 2023 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	\$ 6,399	\$ 0
Change in assumptions	7,719	11,283
Net difference between projected and actual earnings on pension plan investments	1,503	0
Changes in proportion and difference between Commission contribution and proportionate share of contributions	299	
Commission contributions subsequent to the measurement date	874	
	-----	-----
Totals	\$ 16,794	\$ 11,283
	(874)	=====
	(11,283)	

To be amortized over 4 years	\$ 4,637	
	=====	

The \$4,637 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, 2024.

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, 2024	\$ 3,287
September 30, 2025	(3,660)
September 30, 2026	4,671
September 30, 2027	339

	\$ 4,637

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real return of 4.00%
Future COLAs	1.91%
Mortality rates:	All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020
	Active and Terminated Vested Members:
	Teachers, Certified Regents, and Judicial: 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, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2022.

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, 2023 (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%	3.8%
Investment grade debt	22.8%	1.7%
High Yield debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9	0.8%

	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 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	\$46,273	\$(226)	\$(38,253)

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, 2023 the Commission managed its risks as follows:

Health insurance:

Employees are given a health care premium reimbursement of \$250 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, 2023 and no payments are expected in the near future.

11. COMMITMENTS AND CONTINGENCIES

Litigation: At September 30, 2023 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, 2023.

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 41% of its revenues from HUD and SDHDA, with 59% 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 \$692 plus a \$45 utility allowance to \$559 plus 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, 2023

	Beginning 9-30-22	Book Adjustments	Additions	(Deletions)	Ending 9-30-23	Accumulated Depreciation 9-30-22	Book Adjustments	(Additions)	Deletions	Ending 9-30-23	Remaining Cost 9-30-23
Public Housing:											
Land	9,550.00				9,550.00	-				-	9,550.00
Buildings	1,040,846.73				1,040,846.73	(951,263.67)		(20,637.94)		(971,901.61)	68,945.12
Improvements	45,057.51				45,057.51	(6,606.28)		(3,003.83)		(9,610.11)	35,447.40
Equipment: dwellings	-				-	-				-	-
Equipment: administrati	15,371.00		1,729.00		17,100.00	(10,158.71)	0.12	(1,552.92)		(11,711.51)	5,388.49
Construction-in-progress	18,757.17		25,337.32		44,094.49	-				-	44,094.49
	<u>1,129,582.41</u>	<u>-</u>	<u>27,066.32</u>	<u>-</u>	<u>1,156,648.73</u>	<u>(968,028.66)</u>	<u>0.12</u>	<u>(25,194.69)</u>	<u>-</u>	<u>(993,223.23)</u>	<u>163,425.50</u>
Section-8 Elderly:											
Buildings	438,988.04				438,988.04	(435,466.31)		(1,006.21)		(436,472.52)	2,515.52
Improvements	-				-	-				-	-
Equipment: dwellings	135,622.13				135,622.13	(106,436.09)		(5,673.92)		(112,110.01)	23,512.12
Equipment: administrati	4,211.02				4,211.02	(3,774.25)		(97.05)		(3,871.30)	339.72
	<u>578,821.19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,821.19</u>	<u>(545,676.65)</u>	<u>-</u>	<u>(6,777.18)</u>	<u>-</u>	<u>(552,453.83)</u>	<u>26,367.36</u>
Rosebud Apartments:											
Land	11,500.00				11,500.00	-				-	11,500.00
Buildings	330,593.55	(1,915.20)	10,066.98		338,745.33	(281,831.00)	0.09	(8,843.49)		(290,674.40)	48,070.93
Improvements	24,091.24				24,091.24	(8,628.60)		(1,606.08)		(10,234.68)	13,856.56
Equipment: dwellings	46,673.89	1,915.20			48,589.09	(46,093.05)		(347.57)		(46,440.62)	2,148.47
Equipment: administrati	830.00				830.00	(830.00)				(830.00)	-
	<u>413,688.68</u>	<u>-</u>	<u>10,066.98</u>	<u>-</u>	<u>423,755.66</u>	<u>(337,382.65)</u>	<u>0.09</u>	<u>(10,797.14)</u>	<u>-</u>	<u>(348,179.70)</u>	<u>75,575.96</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 TEN YEARS ENDING JUNE 30, 2023

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	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2023	0.0023130%	(225.76)	59,650.00	(0.38%)	(100.10%)
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.

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 TEN YEARS ENDING JUNE 30, 2023

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, 2023	3,494.68	3,494.68	0	58,244.67	6.00%
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.

BURKE HOUSING & REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
SEPTEMBER 30, 2023

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, 2023

Changes of Prior Valuation:

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

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

Benefit Provision Changes:

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

Actuarial Method Changes:

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

Actuarial Assumption Changes:

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

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

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

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

BURKE HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
SEPTEMBER 30, 2023

Financial Data Schedule

Financial Data Schedule (FDS) For the One Year Ending September 30, 2023 Required by the Dept. of Housing and Urban Development (HUD)		Audit	Low Rent Public Housing CFDA # 14.850 9-30-23	Public Housing Capital Fund Program CFDA # 14.872 9-30-23
Line Item #		Public Housing 9-30-23	Reclass	
ASSETS				
Current assets:				
111.00	Cash - unrestricted	53,794		53,794
114.00	Cash - tenant security deposits	8,145		8,145
122.00	Accounts receivable - HUD	0		
126.00	Accounts receivable - tenants	29		29
126.10	Allowance for doubtful accounts	0		
129.00	Accrued interest receivable	14		14
131.00	Investments - unrestricted	26,321		26,321
142.00	Prepaid expenses and other assets	4,440		4,440
144.00	Inter Program due from	1,061		1,061
150.00	Total current assets:	93,804	0	93,804
Noncurrent assets:				
161.00	Land	9,550		9,550
162.00	Buildings	1,085,904		1,085,904
164.00	Furniture, equipment - administrat	17,100		17,100
166.00	Accumulated depreciation	(993,223)		(993,223)
167.00	Construction-in-progress	44,094		44,094
160.00	Total non-current assets:	163,425	0	163,425
174.00	Net pension assets (liability)	179		179
200.00	Deferred outflow of resources	13,334		13,334
290.00	Total assets and deferred outflow of	270,742	0	270,742
LIABILITIES				
Current liabilities:				
312.00	Accounts payable	928		928
321.00	Accrued wage/payroll taxes	719		719
322.00	Accrued comp absences: current	2,847		2,847
333.00	Accounts payable - other governmen	5,074		5,074
341.00	Tenant security deposits	8,145		8,145
342.00	Unearned revenue	48		48
346.00	Accrued liabilities - utilities	2,527		2,527
310.00	Total current liabilities	20,288	0	20,288
354.00	Accrued comp absences: non-current	0		0
400.00	Deferred inflow of resources	8,958		8,958
300.00	Total liabilities and deferred inflo	29,246	0	29,246
NET POSITION				
508.40	Net invested in capital assets	163,425		163,425
511.40	Restricted for pension	4,555		4,555
512.40	Unrestricted	73,516		73,516
513.00	Total net position	241,496	0	241,496
Total liabilities and net position		270,742	0	270,742

BURKE HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
SEPTEMBER 30, 2023

Financial Data Schedule

Financial Data Schedule (FDS)		Audit		Low Rent	Public
For the One Year Ending September 30, 2023		Low Rent		Public	Housing
Required by the Dept. of Housing		Public		Housing	Capital Fund
and Urban Development		Housing		CFDA #	Program
Line		9-30-23	Reclass	14.850	14.872
Item #		9-30-23		9-30-23	9-30-23
----- REVENUE -----					
703.00	Net tenant rental revenue	102,643		102,643	
704.00	Tenant revenue - other	363		363	
706.00	HUD PHA operating grant	0	(67,666)	67,666	
706.10	HUD PHA capital grant	0	(29,275)	29,275	
711.00	Investment income - unrestricted	0	(160)	160	
715.00	Other revenue	19,430		19,430	
716.00	Gain or loss on disposition of asse	0			
700.00	Total revenue	122,436	(97,101)	219,537	0
----- EXPENSES -----					
Administrative:					
911.00	Salaries	29,551		29,551	
962.10	Compensated absences	0		0	
912.00	Auditing fees	1,350		1,350	
915.00	Employee benefit contributions	6,550		6,550	
916.00	Office expense	13,833		13,833	
918.00	Travel	1,273		1,273	
919.00	Other	2,511		2,511	
Expenses - tenant services:					
924.00	Tenant services - other	333		333	
Expenses - utilities:					
931.00	Utilities - Water	5,124		5,124	
932.00	Utilities - Electricity	12,718		12,718	
934.00	Utilities - Fuel	22,907		22,907	
936.00	Utilities - Sewer	11,520		11,520	
Expenses - ordinary maint. & operatic					
941.00	Labor	17,747		17,747	
962.10	Compensated absences	0		0	
942.00	Materials and other	9,217		9,217	
943.00	Contract costs	10,753		10,753	
945.00	Employee benefit contributions	5,225		5,225	
Expenses - general:					
961.10	Property insurance	6,342		6,342	
961.20	Liability insurance	0		0	
961.30	Workmen's Compensation	1,334		1,334	
961.40	All other insurance	11,357		11,357	
962.00	Other general expenses	0	(1,124)	1,124	
962.10	Compensated absences	0			
963.00	Payment in lieu of taxes	5,074		5,074	
964.00	Bad debt - tenant rents	0			
Other expenses:					
974.00	Depreciation	25,195		25,195	
971.00	Extraordinary maintenance	0			
720.00	Pension related expense	1,124	1,124	0	
900.00	Total expenses	201,038	0	201,038	0
----- Other financing sources (uses): -----					
706.00	HUD PHA operating grant	56,392	56,392	0	
711.00	Investment income - unrestricted	160	160	0	
100.10	Transfer in	0	(11,274)	11,274	
100.20	Transfer out	0	11,274	(11,274)	
101.00	Total other financing sources (uses):	56,552	56,552	0	0
----- Net income (loss) before contributions, -----					
extraordinary item, losses, and tran:					
		(22,050)	(40,549)	18,499	0
706.10	HUD capital grants	40,549	40,549	0	
----- Change in net position -----					
		18,499	0	18,499	0
110.30	NET POSITION - beginning	222,997		222,997	
----- NET POSITION - ending -----					
		241,496	0	241,496	0

BURKE HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
SEPTEMBER 30, 2023

Financial Data Schedule (FDS)		Financial Data Schedule			
For the One Year Ending September 30, 2023		Audit		Section-8	Section-8
Required by the Dept. of Housing and Urban Development (HUD)		-----		-----	-----
Line		Section-8	Reclass	Elderly	Elderly
Item #		Elderly		Housing	Housing
		Housing		CFDA #	CFDA #
		9-30-23		14.182	14.885
		-----	-----	9-30-23	9-30-23
		-----	-----	-----	-----
ASSETS					
Current assets:					
111.00	Cash - unrestricted	45,459		45,459	
113.00	Cash - other restricted	0	(4,236)	4,236	
114.00	Cash - tenant security deposits	4,236	4,236	0	
122.00	Accounts receivable - HUD	0			
125.00	Accounts receivable - miscellaneous	2		2	
131.00	Investments - unrestricted	35,228		35,228	
142.00	Prepaid expenses and other assets	1,296		1,296	
		-----	-----	-----	-----
150.00	Total current assets:	86,221	0	86,221	0
		-----	-----	-----	-----
Noncurrent assets:					
162.00	Buildings and improvements	438,988		438,988	
163.00	Furniture, equipment - dwellings	135,622		135,622	
164.00	Furniture, equipment - administratio	4,211		4,211	
166.00	Accumulated depreciation	(552,454)		(552,454)	
		-----	-----	-----	-----
160.00	Total non-current assets:	26,367	0	26,367	0
		-----	-----	-----	-----
174.00	Net pension assets (liability)	37		37	
200.00	Deferred outflow of resources	2,725		2,725	
		-----	-----	-----	-----
190.00	Total assets and deferred outflow of r	115,350	0	115,350	0
		=====	=====	=====	=====
LIABILITIES					
Current liabilities:					
312.00	Accounts payable <= 90 days	593	(1,956)	2,549	
321.00	Accrued wage/payroll taxes payable	149		149	
333.00	Accounts payable - other government	2,513		2,513	
341.00	Tenant security deposits	4,236		4,236	
342.00	Unearned revenue	0			
345.00	Other current liabilities	0			
346.00	Accrued liabilities - utilities	1,956	1,956		
347.00	Inter Program due to	856		856	
		-----	-----	-----	-----
310.00	Total current liabilities	10,303	0	10,303	0
		-----	-----	-----	-----
400.00	Deferred inflow of resources	1,831		1,831	
		-----	-----	-----	-----
300.00	Total liabilities and deferred inflow	12,134	0	12,134	0
		-----	-----	-----	-----
NET POSITION					
508.40	Net invested in capital assets	26,367		26,367	
511.40	Restricted for pension	931		931	
512.40	Unrestricted	75,918		75,918	
		-----	-----	-----	-----
513.00	Total net position	103,216	0	103,216	0
		-----	-----	-----	-----
	Total liabilities and net position	115,350	0	115,350	0
		=====	=====	=====	=====

BURKE HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
 SEPTEMBER 30, 2023

		Financial Data Schedule			
Financial Data Schedule (FDS)		Audit	Section-8	Section-8	
For the One Year Ending September 30, 2023		-----	Section-8	Section-8	
Required by the Dept. of Housing		Section-8	Elderly	Elderly	
and Urban Development		Elderly	Housing	Housing	
Line		Housing	CFDA #	CFDA #	
Item #		9-30-23	14.182	14.885	
			9-30-23	9-30-23	
----- REVENUE -----		-----	-----	-----	
703.00	Net tenant rental revenue	51,289	51,289		
704.00	Tenant revenue - other	0			
706.00	HUD operating grant (HAP)	0	21,134		
711.00	Investment income - unrestricted	0	170		
715.00	Other revenue	1,500	1,500		
		-----	-----	-----	
700.00	Total revenue	52,789	74,093	0	
		-----	-----	-----	
EXPENSES					
Expenses - administrative:					
911.00	Administrative salaries	0	0		
912.00	Auditing fees	1,350	1,350		
913.00	Management fee	9,117	9,117		
914.00	Advertising	72	72		
915.00	Employee benefits	1,291	1,291		
916.00	Office expense	3,524	3,524		
Expenses - tenant services:					
924.00	Other	160	160		
Expenses - utilities:					
931.00	Water	3,448	3,448		
932.00	Electricity	16,308	16,308		
936.00	Sewer	7,680	7,680		
938.00	Garbage	1,032	1,032		
Expenses - ordinary maint. & operation					
941.00	Labor	9,456	9,456		
942.00	Materials and other	1,000	1,000		
943.00	Contract costs	3,614	3,614		
Expenses - general:					
961.10	Property insurance	7,011	7,011		
962.00	Other general expenses	0	82		
963.00	Payment in lieu of taxes	2,513	2,513		
Other expenses:					
974.00	Depreciation	6,777	6,777		
720.00	Pension expense	82	0		
		-----	-----	-----	
900.00	Total expenses	74,435	74,435	0	
		-----	-----	-----	
Other financing sources (uses):					
706.00	HUD operating grant (HAP)	21,134	0		
711.00	Investment income - unrestricted	170	0		
		-----	-----	-----	
101.00	Total other financing sources (uses):	21,304	0	0	
		-----	-----	-----	
Net income (loss) before contributions, extraordinary item, and transfers		(342)	(342)	0	
	None	0	0		
		-----	-----	-----	
Change in net position		(342)	(342)	0	
110.30	NET POSITION - beginning	103,558	103,558	0	
		-----	-----	-----	
	NET POSITION - ending	103,216	103,216	0	
		=====	=====	=====	

BURKE HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
 SEPTEMBER 30, 2023

Financial Data Schedule

Financial Data Schedule (FDS)
 For the One Year Ending September 30, 2023
 Required by the Dept. of Housing
 and Urban Development (HUD)

Section-8
 New
 Construction
 CFDA #
 14.182
 9-30-23

Line Item #	Audit Rosebud Apartments 9-30-23	Reclass	Section-8 New Construction CFDA # 14.182 9-30-23	
ASSETS				
Current assets:				
111.00	Cash - unrestricted	84,025		84,025
114.00	Cash - tenant security deposits	2,364		2,364
124.00	Accounts receivable - other governme	720		720
125.00	Accounts receivable - miscellaneous	154		154
129.00	Accrued interest receivable	0		
131.00	Investments - unrestricted	144,108		144,108
142.00	Prepaid expenses and other assets	681		681
150.00	Total current assets:	232,052	0	232,052
Noncurrent assets:				
161.00	Land	11,500		11,500
162.00	Buildings and improvements	362,837		362,837
163.00	Furniture, equipment - dwellings	48,589		48,589
164.00	Furniture, equipment - administratio	830		830
166.00	Accumulated depreciation	(348,180)		(348,180)
160.00	Total non-current assets:	75,576	0	75,576
174.00	Other assets - pension assets (liabili	10		10
200.00	Deferred outflow of resources	733		733
190.00	Total assets and deferred outflow of r	308,371	0	308,371
LIABILITIES				
Current liabilities:				
312.00	Accounts payable <= 90 days	3,727	(701)	4,428
321.00	Accrued wages/payroll taxes payable	27		27
333.00	Accounts payable - other governments	1,658		1,658
341.00	Tenant security deposits	2,364		2,364
342.00	Unearned revenue	0		
345.00	Other current liabilities	0		
346.00	Accrued liabilities - utilities	701	701	
347.00	Inter Program - due to	205		205
310.00	Total current liabilities	8,682	0	8,682
400.00	Deferred inflow of resources	493		493
300.00	Total liabilities and deferred inflow	9,175	0	9,175
NET POSITION				
508.40	Net invested in capital assets	75,576		75,576
511.40	Restricted for pension	250		250
512.40	Unrestricted	223,370		223,370
513.00	Total net position	299,196	0	299,196
Total liabilities and net position				
		308,371	0	308,371

BURKE HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF THE CITY OF BURKE, SOUTH DAKOTA
 SEPTEMBER 30, 2023

Financial Data Schedule

Financial Data Schedule (FDS)
 For the One Year Ending September 30, 2023
 Required by the Dept. of Housing
 and Urban Development

Section-8
 New
 Construction

Line Item #	Audit Rosebud Apartments 9-30-23	Reclass	CFDA # 14.182 9-30-23	
REVENUE				
703.00	Net tenant rental revenue	23,724		23,724
704.00	Tenant revenue - other	0		
706.00	HUD PHA operating grant (HAP)	0	(23,684)	23,684
711.00	Investment income - unrestricted	0	(598)	598
715.00	Other revenue	1,318		1,318
700.00	Total revenue	25,042	(24,282)	49,324
EXPENSES				
Expenses - administrative:				
911.00	Administrative salaries	0		
912.00	Auditing fees	1,800		1,800
913.00	Management fees	5,233		5,233
914.00	Advertising and marketing	48		48
916.00	Office expenses	90		90
919.00	Other	3,476		3,476
Expenses - tenant services:				
924.00	Other	0		0
Expenses - utilities:				
931.00	Water	1,615		1,615
932.00	Electricity	1,684		1,684
936.00	Sewer	3,840		3,840
Expenses - ordinary maint. & operation				
941.00	Ordinary maintenance - labor	2,545		2,545
942.00	Ordinary maintenance - materials	3,923		3,923
943.00	Contract costs	4,840		4,840
945.00	Employee benefit contributions	0		0
Expenses - general:				
961.10	Property insurance	3,686		3,686
961.40	All other insurance	153		153
962.00	Other general expenses	195	(21)	216
963.00	Payment in lieu of taxes	1,658		1,658
Other expenses:				
974.00	Depreciation	10,797		10,797
720.00	Pension expense (revenue)	21	21	0
900.00	Total expenses	45,604	0	45,604
Other financing sources (uses):				
706.00	SDHDA operating grant (HAP)	23,684	23,684	0
711.00	Investment income - unrestricted	598	598	0
101.00	Total other financing sources (uses):	24,282	24,282	0
Net income (loss) before contributions, and extraordinary items				
		3,720	0	3,720
None				
		0		0
Change in net position				
		3,720	0	3,720
110.30	NET POSITION - beginning	295,476		295,476
513.00	NET POSITION - ending	299,196	0	299,196

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, 2023

	Federal Assistance Living Number	FY23 Expenditures
Direct Federal Programs:		
U.S. Department of Housing and Urban Development:		
Low-Rent Public Housing:		
Operations:		
Operating subsidy	14.850	56,392
Capital Projects:		
Capital Funding Program - CFP	14.885	40,549

		96,941

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	21,134
Section-8 New Construction (Rosebud)	14.182	23,684

		44,818

Total: Dept of Housing and Urban Development		141,759
		=====

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, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued my report thereon dated May 30, 2024, 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 May 30, 2024.

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 over financial reporting and on compliance and other matters 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

A handwritten signature in black ink that reads "Benjamin Elliott". The signature is written in a cursive style with a large initial "B" and "E".

May 30, 2024

SCHEDULE OF PRIOR AUDIT FINDINGS

There are no prior written audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS

There are no current written audit findings.