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

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
The Housing and Redevelopment Commission
of the City of Lemmon, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of **The Housing and Redevelopment Commission of the City of Lemmon, South Dakota, a component unit of the City of Lemmon, South Dakota (the Commission)**, as of and for the year ended September 30, 2025, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and each major fund of the Commission, as of September 30, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 misstatement, whether due to fraud or error.

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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 twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The Commission's Financial Data Schedule (FDS), as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Commission. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Wohlenberg Ritzman + Co., LLC

Yankton, South Dakota
June 19, 2026

Lemmon Housing Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2025

Introduction

This Management's Discussion and Analysis (MD&A) of the Lemmon Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lemmon Housing Authority for the fiscal year ended September 30, 2025. The Lemmon Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2025, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund and blended component unit encompassing all programs administered by the Lemmon Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has four primary programs. These individual programs comprise the enterprise fund of the Housing Authority. The enterprise method of accounting is similar to the accounting guidelines used by the private sector. The individual programs include:

Low Rent Housing Program - The Low Rent Housing Program consists of 44 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development (HUD) based on a formula.

Capital Fund Program - The Capital Fund program is also funded from HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

Business Activities - The Business Activities manages several multi-family and single-family dwelling units developed by the Authority and financed by notes payable through local financial institutions and state agencies. Rent for the units is based on current market rates.

Prairie West Apartments – Prairie West Apartments is a non-profit organization formed to provide affordable housing in Lemmon, South Dakota. The apartment consists of 21 units funded through dwelling rents paid by the tenants and subsidies received through a state and federal agencies.

Management's Discussion and Analysis-Cont.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expenses, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net position is comprised of three individual components:

- *Net Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation/amortization less any outstanding balances of related debt associated with these assets.
- *Restricted* component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted* component of net position represents the remaining resources available that does not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended September 30, 2025, to determine the change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related to financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended September 30, 2025.

Management's Discussion and Analysis-Cont.

Financial Highlights

- The Lemmon Housing Authority's net position increased from $2,035,927 to $2,077,019, an increase of $41,122 or 2%, as outlined below.

- Total revenues decreased from $703,628 to $675,950, a decrease of $27,678 or 4%. This primarily due to an overall decrease in Capital Grants and Other Revenue.

- Total expenses increased by $69,712, or 12%, from $565,116 to $634,828 for the current year. This increase is primarily due to an increase in Ordinary Maintenance including carpet and fire protection updates.

Housing Authority Activities & Highlights

The Authority's overall financial position for the past two years is summarized below based on the information in the current and prior financial statements. The table below provides the asset, liability, and net position (equity) comparisons for the year ended September 30, 2025, and September 30, 2024.

Summary Statement of Net Position as of September 30, 2025 and 2024

Category	9/30/2025	9/30/2024	Change $	Change %
Current Assets	$ 1,225,040	$ 1,078,020	$ 147,020	14%
Capital Assets (Net of Depreciation)	$ 1,939,724	$ 1,982,491	$ (42,767)	-2%
Net Pension Asset	$ 304	$ 144	$ 160	111%
Total Assets	$ 3,165,068	$ 3,060,655	$ 104,413	3%
Deferred Outflows of Resources	$ 27,066	$ 23,004	$ 4,062	18%
Current Liabilities	$ 97,615	$ 94,447	$ 3,168	3%
Noncurrent Liabilities	$ 1,001,247	$ 934,944	$ 66,303	7%
Total Liabilities	$ 1,098,862	$ 1,029,391	$ 69,471	7%
Deferred Inflows of Resources	$ 16,223	$ 18,341	$ (2,118)	-12%
Net Investment in Capital Assets	$ 940,082	$ 1,030,548	$ (90,466)	-9%
Restricted Net Position	$ 11,147	$ 4,807	$ 6,340	132%
Unrestricted Net Position	$ 1,125,820	$ 1,000,572	$ 125,248	13%
Total Net Position	$ 2,077,049	$ 2,035,927	$ 41,122	2%

Current Assets

Current assets increased by $147,020. The increase is due primarily to the Governor's Houses in Assets Held for Sale in the Business Activities Program.

Capital Assets

Capital assets decreased by $42,767. See the Capital Asset section for additional details.

Management's Discussion and Analysis-Cont.

Current Liabilities

Current liabilities showed a minor change.

Non-Current Liabilities

Non-current liabilities increased from $934,944 in 2024 to $1,001,247 in the current year, an increase of $66,303 or 7%. This is primarily due to an increase in long-term notes payable in the Business Activity Program to fund construction of Governor's Houses.

Deferred Outflow/Inflow Balances of Resources

Deferred outflow and inflow balances are the result of the Authority's participation in the South Dakota Retirement System. These balances increase or decrease yearly due to various factors including number of employees participating, market conditions, and funding availability.

Net Position

The overall net financial position of the Authority increased by $41,122 from the previous year.

The Authority's unrestricted component of net position increased from $1,000,572 to $1,125,820, an increase of $125,248, or 13% for the current year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines. Individual program balances that comprise the unrestricted component of net position are as follows:

Low Rent Housing Program	$408,548
Business Activities	$554,687
Prairie West Apartments	$162,585
Total Unrestricted Net Position	$1,125,820

Management's Discussion and Analysis-Cont.

The table below summarizes the overall operations for the past two years for the years ending September 30, 2025, and September 30, 2024.

Summary Statement of Revenues & Expenses and Changes in Net Position Years Ended September 30, 2025 and 2024

Category	9/30/2025	9/30/2024	Change $	Change %
Program Revenues:				
Tenant Revenue	$ 353,303	$ 317,775	$ 35,528	11%
Government Operating Grants	$ 301,282	$ 275,297	$ 25,985	9%
Capital Grants	$ 20,265	$ 63,729	$ (43,464)	-68%
Other Revenue	$ -	$ 42,807	$ (42,807)	-100%
Interest Income	$ 1,100	$ 4,020	$ (2,920)	-73%
Total Revenue	$ 675,950	$ 703,628	$ (27,678)	-4%
Expenses				
Administration	$ 144,603	$ 131,675	$ 12,928	10%
Tenant Services	$ 716	$ 469	$ 247	53%
Utilities	$ 102,164	$ 116,342	$ (14,178)	-12%
Ordinary Maintenance	$ 207,436	$ 157,055	$ 50,381	32%
General/Insurance Expense	$ 61,998	$ 48,774	$ 13,224	27%
Depreciation	$ 101,197	$ 93,592	$ 7,605	8%
Interest Expense	$ 16,714	$ 17,209	$ (495)	-3%
Total Expenses	$ 634,828	$ 565,116	$ 69,712	12%
Excess/(Deficiency) Before Special Items	$ 41,122	$ 138,512	$ (97,390)	-70%
Change in Net Position	$ 41,122	$ 138,512	$ (97,390)	-70%
Net Position, Beginning of Year	$ 2,035,927	$ 1,897,415	$ 138,512	7%
Net Position, End of Year	$ 2,077,049	$ 2,035,927	$ 41,122	2%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue decreased by $27,678 during the current fiscal year as compared to the previous year's amounts. Significant variances between years include the following:

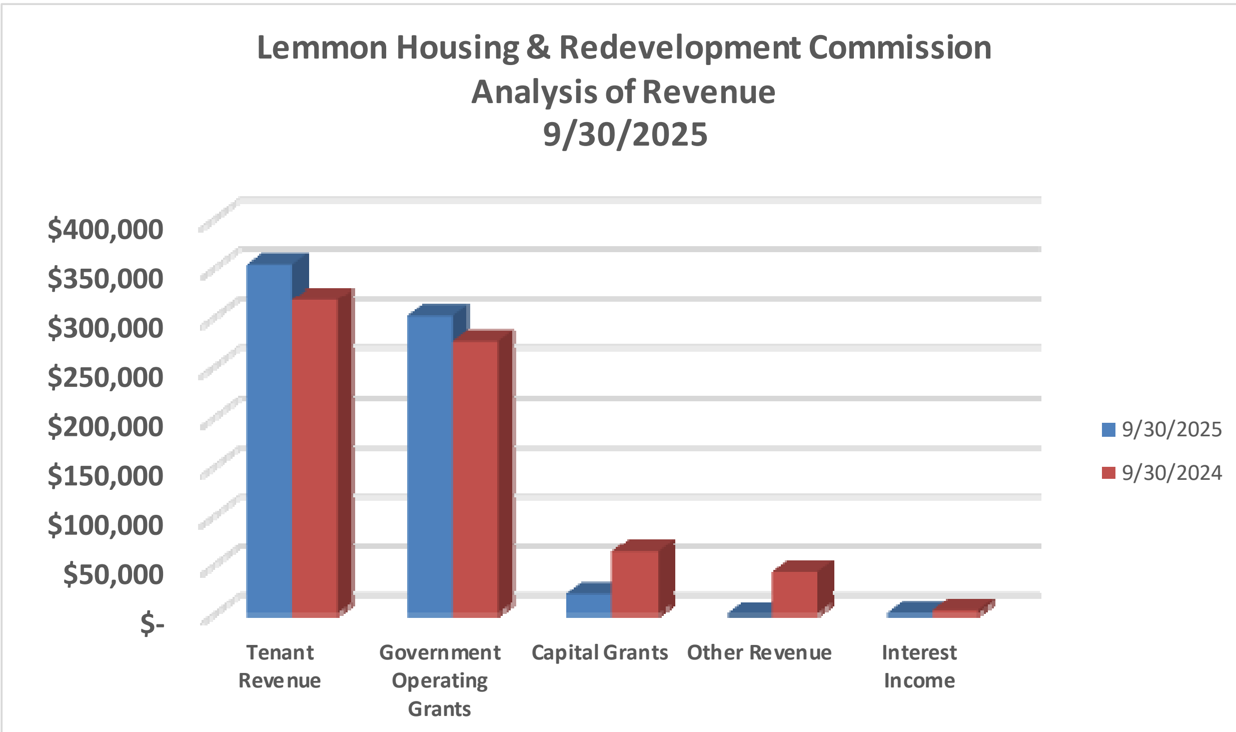
- HUD capital grants decreased by $43,464 due to a decrease in capital activity in the Low Rent Program during the current year. Other Revenue decreased due to a Gain on Sale of Assets recognized in the previous year. These decreases were partially offset by an overall increase in Dwelling Rents and Operating Grants.

Management's Discussion and Analysis-Cont.

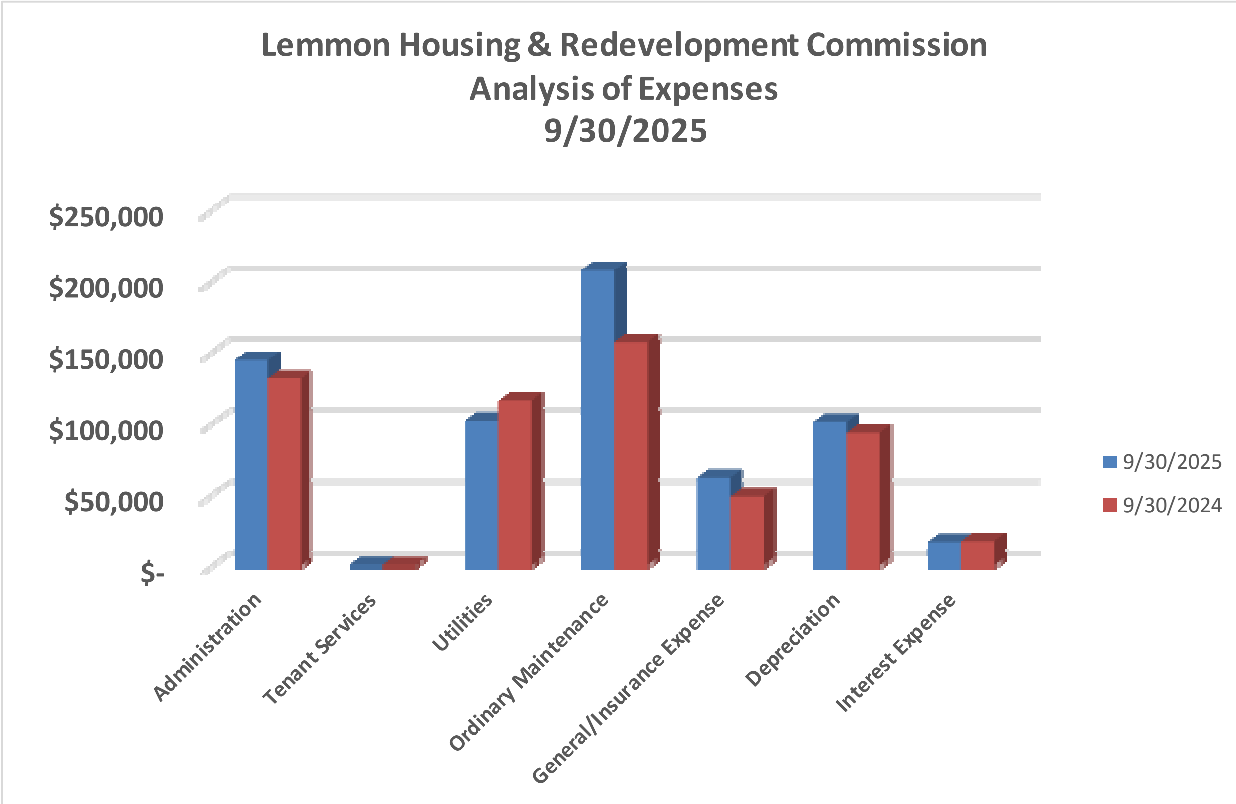
Total expenses increased by $69,712. Significant differences between the current and previous fiscal years include the following:

- Maintenance increased by 32%, or $50,381 during the current year. This is primarily a result of carpet and fire protection updates.

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



Management's Discussion and Analysis-Cont.



Capital Assets

As of September 30, 2025, the Lemmon Housing Authority's total capital assets, net of depreciation was $1,939,724. This investment includes land, building, and equipment, less related debt, net of accumulated depreciation.

Category	9/30/2025	9/30/2024	Change $	Change %
Land	$ 76,489	$ 76,489	$ -	0%
Buildings	$ 4,051,041	$ 3,830,860	$ 220,181	6%
Equipment	$ 99,704	$ 98,037	$ 1,667	2%
Intangible subscription assets	$ 6,813	$ 3,802	$ 3,011	79%
Construction in progress	$ -	$ 168,981	$ (168,981)	-100%
Accumulated Depreciation/Amortization	$ (2,294,323)	$ (2,195,678)	$ (98,645)	4%
Total Net Capital Assets	$ 1,939,724	$ 1,982,491	$ (42,767)	-2%

- During the current year, construction projects were completed and put into service within the Business Activities Program. Overall, depreciation expense exceeded capital outlay.

Management's Discussion and Analysis-Cont.

Long Term Liabilities

Category	9/30/2025	9/30/2024	Change $	Change %
Notes Payable	$ 998,182	$ 950,743	$ 47,439	5%
Subscriptions	$ 1,460	$ 1,200	$ 260	22%
Compensated Absences	$ 27,063	$ 8,990	$ 18,073	201%
Total Long-Term Liabilities	$ 1,026,705	$ 960,933	$ 65,772	7%

At September 30, 2025, the Authority maintained a balance of $998,182 in outstanding notes payable for the purchase of homes financed through the Business Activities Program. An overall increase is shown due to additional borrowings to fund the construction of Governor's Houses.

In addition, the Authority classifies a portion of the employee's leave as long-term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was $21,652.

Subsequent Event

HUD has estimated the funding levels for the 2026 calendar year. The operating subsidy for the Low Rent Housing Program is estimated to be funded at 100%.

Request for Information

This financial report is designed to provide a general overview of the Authority's financial position as of September 30, 2025, for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Lemmon Housing Authority
Cathy Evans, Executive Director
206 6th Street
Lemmon, SD 57638

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Housing Authority	Prairie West Apartments	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 650,358	$ 173,534	$ 823,892
Cash - tenant security deposits	17,308	3,484	20,792
Accounts receivable - HUD	168	-	168
Accounts receivable - tenants, less allowance for doubtful accounts of $1,604	1,075	-	1,075
Accounts receivable - other	785	-	785
Accrued interest receivable	1,745	-	1,745
Inventory - supplies, less allowance for obsolescence of $440	3,965	-	3,965
Prepaid expenses	12,954	1,548	14,502
Internal balances	8,639	(8,639)	-
Assets held for sale	358,116	-	358,116
Total current assets	1,055,113	169,927	1,225,040
Noncurrent assets:			
Net pension asset	304	-	304
Capital assets:			
Land	66,489	10,000	76,489
Buildings and improvements	3,499,250	551,791	4,051,041
Furniture and equipment	98,954	750	99,704
Intangible subscription assets	6,813	-	6,813
Accumulated depreciation/amortization	(2,244,147)	(50,176)	(2,294,323)
Total noncurrent assets	1,427,663	512,365	1,940,028
Total assets	2,482,776	682,292	3,165,068
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	27,066	-	27,066
LIABILITIES			
Current liabilities:			
Accounts payable - vendors	12,970	1,983	14,953
Accrued payroll and payroll liabilities	1,900	-	1,900
Accrued interest payable	1,032	-	1,032
Accounts payable - HUD	4,972	-	4,972
Due to other governments	18,140	-	18,140
Tenant security deposits	17,308	3,484	20,792
Unearned revenue	2,686	-	2,686
Other accrued liabilities	5,807	1,875	7,682
Current portion of noncurrent liabilities:			
Notes payable	18,587	-	18,587
Subscriptions	1,460	-	1,460
Accrued compensated absences	5,411	-	5,411
Total current liabilities	90,273	7,342	97,615
Noncurrent liabilities:			
Notes payable	979,595	-	979,595
Accrued compensated absences	21,652	-	21,652
Total noncurrent liabilities	1,001,247	-	1,001,247
Total liabilities	1,091,520	7,342	1,098,862
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	16,223	-	16,223
NET POSITION			
Net investment in capital assets	427,717	512,365	940,082
Restricted	11,147	-	11,147
Unrestricted	963,235	162,585	1,125,820
Total net position	$ 1,402,099	$ 674,950	$ 2,077,049

The accompanying notes are
an integral part of these financial statements.

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

	Housing Authority	Prairie West Apartments	Total
OPERATING REVENUES			
Dwelling rental	$ 268,216	$ 54,248	$ 322,464
Tenant revenue-other	9,784	656	10,440
Other operating revenue	20,399	-	20,399
Total operating revenues	298,399	54,904	353,303
OPERATING EXPENSES			
Administration	111,584	33,019	144,603
Tenant services	716	-	716
Utilities	80,179	21,985	102,164
Maintenance and operations	166,250	41,186	207,436
Insurance	27,673	6,456	34,129
Other general expenses	27,869	-	27,869
Depreciation/amortization	86,122	15,075	101,197
Total operating expenses	500,393	117,721	618,114
Operating income (loss)	(201,994)	(62,817)	(264,811)
NONOPERATING REVENUES (EXPENSES)			
HUD operating grants	189,543	111,739	301,282
Investment income	1,100	-	1,100
Interest expense	(16,714)	-	(16,714)
Total nonoperating revenues (expenses)	173,929	111,739	285,668
Income before capital contributions	(28,065)	48,922	20,857
HUD capital grants	20,265	-	20,265
Change in net position	(7,800)	48,922	41,122
Net position - beginning of year	1,409,899	626,028	2,035,927
Net position - end of year	$ 1,402,099	$ 674,950	$ 2,077,049

The accompanying notes are
an integral part of these financial statements.

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

STATEMENT OF CASH FLOWS - PAGE 1 OF 2
YEAR ENDED SEPTEMBER 30, 2025

	Housing Authority	Prairie West Apartments	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 301,327	$ 54,904	$ 356,231
Receipts from tenants in escrow	2,324	-	2,324
Payments to tenants in escrow	-	(1,122)	(1,122)
Payments to employees	(136,963)	-	(136,963)
Payments to others for goods and services	(272,070)	(105,194)	(377,264)
Net cash provided by (used in) operating activities	(105,382)	(51,412)	(156,794)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from (to) other funds	(7,676)	7,676	-
Acquisition of assets for sale	(124,147)	-	(124,147)
Operating grants received	204,427	111,739	316,166
Net cash provided by (used in) noncapital financing activities	72,604	119,415	192,019
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisitions of capital assets	(26,753)	(31,677)	(58,430)
Capital grants received	26,198	-	26,198
Proceeds from the issuance of capital debt	68,117	-	68,117
Principal payments on capital debt	(20,418)	-	(20,418)
Interest payments on capital debt	(16,739)	-	(16,739)
Net cash provided by (used in) capital and related financing activities	30,405	(31,677)	(1,272)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	6,763	-	6,763
Net change in cash	4,390	36,326	40,716
Balances - beginning of the year	663,276	140,692	803,968
Balances - end of the year	$ 667,666	$ 177,018	$ 844,684
RECONCILIATION OF CASH TO THE BALANCE SHEET			
Cash and cash equivalents	$ 650,358	$ 173,534	$ 823,892
Cash - tenant security deposits	17,308	3,484	20,792
Total cash	$ 667,666	$ 177,018	$ 844,684

The accompanying notes are an integral part
of these financial statements.

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

STATEMENT OF CASH FLOWS - PAGE 2 OF 2
YEAR ENDED SEPTEMBER 30, 2025

	Housing Authority	Prairie West Apartments	Total
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (201,994)	$ (62,817)	$ (264,811)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation/amortization expense	86,122	15,075	101,197
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable - tenants	2,802	-	2,802
Accounts receivable - other	(785)	-	(785)
Inventory	(2,860)	-	(2,860)
Prepaid expenses	(3,086)	264	(2,822)
Pension related assets	(6,340)	-	(6,340)
Increase (decrease) in:			
Accounts payable - vendors	(1,737)	(2,812)	(4,549)
Accrued wages/payroll taxes payable	(20)	-	(20)
Accrued compensated absences	18,073	-	18,073
Other accrued liabilities	(8,498)	-	(8,498)
Payments in lieu of taxes	9,706	-	9,706
Unearned revenue	911	-	911
Tenant security deposits	2,324	(1,122)	1,202
Net cash provided by (used in) operating activities	$ (105,382)	$ (51,412)	$ (156,794)

The accompanying notes are an integral part
of these financial statements.

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Housing and Redevelopment Commission of the City of Lemmon, South Dakota (the Commission) was organized in 1968 pursuant to the Municipal Housing and Redevelopment Act of South Dakota as a public housing agency formed to provide financial assistance for low income public housing pursuant to the United States Housing Act of 1937, (42 U.S.C. 1401, et seq.). The mayor and City commissioners appoint the five members of the governing board for five year staggered terms. The public housing authority (PHA) board elects its own chairperson and recruits and employs its management personnel and other workers. The local governing board of the City of Lemmon, South Dakota has the ability to veto or otherwise modify a housing commission's decision to construct a specific project and issue debt.

The primary government is the City of Lemmon, South Dakota.

The Governmental Accounting Standards Board (GASB) establishes the criteria for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the primary government appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Organizations for which the Commission is not financially accountable are also included when doing so is necessary in order to prevent the Commission's financial statements from being misleading.

The Commission has included Prairie West Apartments (Prairie West), a blended component unit, as a major business-type activity fund. Prairie West is a nonprofit corporation established to provide affordable housing in the Lemmon, South Dakota area. The financial records are maintained by the Commission and may be obtained from them.

Nature of Business

The Commission administers PAS/LOCCS Project No. SD025-1, under Annual Contribution Contract DEN-569, which consists of 44 conventional low rent units and operates the Prairie West Apartment project.

Additionally, the Commission has several multi-family and single-family rental properties operated in the Business Activities Program. These projects are not low-income housing programs and rental charges are based upon current market rate for similar type housing in the local area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. A second proprietary fund is presented to account for Prairie West. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred inflows of resources, liabilities, and deferred outflows of resources (whether current or non-current) are included on the statement of net position and the statement of revenues, expenses and changes in fund net position present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Commission considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit, regardless of maturity, are considered to be cash equivalents.

Accounts Receivable

All tenants accounts receivable are shown net of an allowance for doubtful accounts. The allowance for uncollectible accounts receivable is calculated based on historical trend data.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Inventories

Inventories consist of supplies or fuel and are valued at cost. The allowance for obsolete inventory receivable is calculated based on historical trend data.

Assets Held for Sale

Assets held for sale consist of donated land valued at estimated acquisition value and construction costs. The Commission is constructing three single-family residential units through South Dakota Housing and Development Authority's Governor's House Program. When completed, these units will be made available to qualifying home buyers.

Capital Assets

All acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Purchased capital assets are recorded at cost. Donated capital assets are valued at their estimated acquisition value on the date donated. Depreciation/amortization is computed principally by the straight-line method over the following estimated useful lives:

	Years
Buildings	15-40
Improvements other than buildings	15
Furniture and equipment	3-5
Intangible subscription assets	2-5

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the balance sheet 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 (expenses) until the applicable future period. In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisition of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources (revenue) until the applicable future period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, the pension expense, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS.

Long-Term Liabilities

Long-term liabilities primarily consist of notes payable, subscriptions and compensated absences. All vested vacation is accrued when incurred and is presented as compensated absences in the financial statements. Payments for vacation leave will be made at rates in effect when the benefits are used.

Subscription-Based Information Technology Arrangements

The Commission has entered into subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. The Commission recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in financial statements. The Commission recognizes subscription liabilities with an initial, individual value of $1,000 or more.

At the commencement of a subscription, the Commission initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscription include how the Commission determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The Commission uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Subscription-Based Information Technology Arrangements, continued

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Equity Classifications

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by amount of any bonds or mortgage notes that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions of enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Application of Net Position

It is the Commission's policy to first use restricted net position (if any), prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the entity. For the Commission, these revenues are charges for dwelling rents. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the entity. Revenues and expenses not meeting these definitions are reported as nonoperating revenue. The primary nonoperating revenue is HUD PHA grants.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

Budgets

The Commission is not legally required to adopt a budget, therefore, budgetary data is not included in the required supplementary information. Capital Fund budgets are adopted on a “project length” basis and prepared in accordance with HUD requirements.

Implementation of New Accounting Standard and Restatement

In 2025, the Commission implemented the provisions of GASB Statement No. 101, Compensated Absences. GASB 101 updated the recognition and measurement guidance for compensated absences. There was no effect on the beginning net position as a result of implementation of the standard.

2. DEPOSITS AND INVESTMENTS

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The Commission's 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 which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

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

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial risk. As of September 30, 2025, the Commission's deposits were fully insured or collateralized and were not exposed to custodial credit risk.

Investments – As of September 30, 2025, the Commission had no investments.

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.

Credit 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. As of September 30, 2025, the Commission had no investments.

Concentration of Credit Risk – The Commission places no limit on the amount that may be invested in any one issuer. As of September 30, 2025, the Commission had no investments.

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

3. ASSETS HELD FOR SALE

Assets held for sale consist of the following:

Assets Held for Sale:	
Land	$ 15,608
Construction costs	342,508
	$ 358,116

The Commission is constructing three single-family residential units through South Dakota Housing and Development Authority's Governor's House Program. When completed, these units will be made available to qualifying home buyers.

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 76,489	$ -	$ -	$ 76,489
Construction in progress	168,981	-	(168,981)	-
Total capital assets not being depreciated	245,470	-	(168,981)	76,489
Capital assets being depreciated/amortized:				
Buildings and improvements	3,830,860	220,181	-	4,051,041
Furniture and equipment	98,037	4,219	(2,552)	99,704
Intangible subscription assets	3,802	3,011	-	6,813
Total capital assets being depreciated/amortized	3,932,699	227,411	(2,552)	4,157,558
Less accumulated depreciation/amortization for:				
Buildings and improvements	2,097,216	98,434	-	2,195,650
Furniture and equipment	96,561	862	(2,552)	94,871
Intangible subscription assets	1,901	1,901	-	3,802
Total accumulated depreciation/amortization	2,195,678	101,197	(2,552)	2,294,323
Total capital assets being depreciated/amortized, net	1,737,021	126,214	-	1,863,235
Capital assets, net	$ 1,982,491	$ 126,214	$ (168,981)	$ 1,939,724

4. CAPITAL ASSETS, continued

Depreciation/amortization expense was charged to functions as follows:

Housing Authority	$ 86,122
Prairie West Apartments	15,075
	$ 101,197

5. LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended September 30, 2025, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One year
Notes payable	$ 950,743	$ 65,106	$ (17,667)	$ 998,182	$ 18,587
Subscriptions	1,200	3,011	(2,751)	1,460	1,460
Total debt payable	951,943	68,117	(20,418)	999,642	20,047
Compensated absences	8,990	18,073	-	27,063	5,411
Total long-term liabilities	$ 960,933	$ 86,190	$ (20,418)	$ 1,026,705	$ 25,458

Long-term liabilities as of September 30, 2025, are comprised of the following:

Notes Payable:

$36,000 mortgage note payable – financial institution 3.85% interest rate; $285 monthly payments; matures 2027; secured by mortgage	$ 3,296
$29,600 mortgage note payable – financial institution 5.00% interest rate; $234 monthly payments; matures 2027; secured by mortgage	5,310
$303,226 mortgage note payable – SDHDA HOF Funding 0.00% interest rate; $586 monthly payments; matures 2050; secured by mortgage	272,226
$420,000 mortgage note payable – nonprofit lender Interim construction with permanent take-out financing 3.70% interest rate; $1,500 monthly payments; matures 2029; secured by mortgage	250,878

5. LONG-TERM LIABILITIES, continued

$100,000 mortgage note payable – nonprofit lender 4.00% interest rate; monthly interest payments until maturity in December 2032 secured by mortgage	100,000
$144,991 mortgage note payable – SDHDA HOF Funding 0.00% interest rate; represents interim and permanent funding; no payment is required unless the property ceases to be operated and maintained as an affordable 2-unit multifamily property; secured by mortgage	132,816
$250,000 mortgage note payable – SDHDA HOF Funding 0.00% interest rate; represents interim funding for the construction of Governor's Houses; no payment is required until properties are sold; secured by mortgage	233,656
Total Notes Payable	$ 998,182

Subscriptions:

$3,011 software services cloud based transition Services to provide a license, implementation, transfer of existing data, installation and all related services regarding the cloud-based platform. Annual Payments, final due 10-1-2025	$ 1,460

Compensated Absences:

Vacation payable to employees	$ 27,063

5. LONG-TERM LIABILITIES, continued

The annual requirements to amortize notes payable as of September 30, 2025, are as follows:

Year Ending	Notes Payable		
September 30,	Principal	Interest	Total
2026	$ 18,587	$ 16,305	$ 34,892
2027	15,470	15,732	31,202
2028	13,169	15,706	28,875
2029	14,485	15,515	30,000
2030	234,773	6,546	241,319
2031 - 2035	148,000	9,000	157,000
2036 - 2040	55,000	-	55,000
2041 - 2045	429,472	-	429,472
2046 - 2050	69,226	-	69,226
Total	$ 998,182	$ 78,804	$ 1,076,986

The annual requirements to amortize subscriptions as of September 30, 2025, are as follows:

Year Ending	Subscriptions		
September 30,	Principal	Interest	Total
2026	$ 1,460	$ 100	$ 1,560
Total	$ 1,460	$ 100	$ 1,560

6. PAYMENTS IN LIEU OF TAXES

Public housing authorities are not required to pay property taxes based on the normal property value assessment and tax levy procedures on real property owned, but rather make payments in lieu of (property) taxes (PILOT). State law requires that the amount due is the lower of 10% if gross rents less utilities or 5% of gross rents. Payments in lieu of taxes as of September 30, 2025 were $9,706.

7. PENSION PLAN

Plan Information

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provide retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12C. 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 the SDRS , P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

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

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

7. PENSION PLAN, continued

Benefits Provided, continued

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

Legislation enacted in 2017 established the current COLA process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
  - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
  - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

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

7. PENSION PLAN, continued

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The Commission's share of contributions to the SDRS for the fiscal years ended September 30, 2025, 2024 and 2023, was $6,466, $6,072, and $5,826 respectively, equal to required contributions each year, were as follows:

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

At June 30, 2025, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of the South Dakota Retirement System, for the Commission as of the measurement period ending June 30, 2025 and reported by the Commission as of September 30, 2025 are as follows:

Proportionate share of pension liability	$ 545,653
Less proportionate share of net pension restricted for pension benefits	545,957
Proportionate share of net pension liability/(asset)	$ (304)

At September 30, 2025, the Commission reported a liability/(asset) of $(304) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of June 30, 2025 and the total pension liability/(asset) used to calculate the net pension liability/(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, 2025, the Commission's proportion was 0.003575%, which is an increase (decrease) of (0.000019%) from its proportion measured as of June 30, 2024.

7. PENSION PLAN, continued

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

For the year ended September 30, 2025, the Commission recognized pension expense (reduction of pension expense) of ($6,340). At September 30, 2025 the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,410	$ -
Changes in assumptions	-	(16,140)
Net difference between projected and actual earnings on pension plan investments	14,815	-
Changes in proportion and difference between Commission's contributions and proportionate share of contributions	242	(83)
Commission contributions subsequent to the measurement date	1,599	-
Total	$ 27,066	$ (16,223)

$1,599 reported as deferred outflow of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

Year Ended September 30	
2026	$ 7,071
2027	856
2028	506
2029	811
Total	$ 9,244

7. PENSION PLAN, continued

Actuarial Assumptions

The total pension liability/(asset) in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50 % net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.56%

Mortality Rates:
All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020
Active and Terminated Vested Members:
Teachers, Certified Regents, and Judicial: PubT-2010
Other Class A Members: PubG-2010
Public Safety Members: PubS-2010
Retired Members:
Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above
Public Safety Retirees: PubS-2010, 102% of rates at all ages
Beneficiaries:
PubG-2010 contingent survivor mortality table
Disabled Members:
Public Safety: PubS-2010 disabled member mortality table
Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

7. PENSION PLAN, continued

Actuarial Assumptions, continued

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 (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%	2.3%
High Yield Debt	7.0%	2.9%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

Discount Rate

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

7. PENSION PLAN, continued

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

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

	1% Decrease	Current Discount Rate	1% Increase
Commission's proportionate share of the net pension liability/(asset)	$ 74,518	$ (304)	$ (61,602)

Pension Plan Fiduciary Net Position

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

8. RESTRICTED NET POSITION

The following table shows the net position restrictions for the year ended June 30, 2025:

Major Purpose:	Restricted By	Amount
SDRS Pension	State Law	$ 11,147

9. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During the period ended September 30, 2025, the Commission managed its risks as follows:

9. RISK MANAGEMENT, continued

Employee Health Insurance

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

Liability Insurance

The Commission purchases liability insurance risks related to torts, theft, or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation

The Commission purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

Unemployment Benefits

The Commission provides coverage for unemployment benefits by paying into the unemployment compensation fund established by state law and managed by the State of South Dakota.

REQUIRED SUPPLEMENTARY INFORMATION

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY/ASSET

South Dakota Retirement System

Last 10 Years

	2016	2017	2018	2019	2020
Commission's proportion of the net pension liability/asset	0.0039202%	0.0043377%	0.0046499%	0.0039285%	0.0021671%
Commission's proportionate share of net pension liability/(asset)	$ 13,242	$ (393)	$ (109)	$ (416)	$ (94)
Commission's covered-employee payroll	$ 74,543	$ 88,134	$ 96,737	$ 83,538	$ 47,561
Commission's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	17.76%	0.45%	0.11%	0.50%	0.20%
Plan fiduciary net position as a percentage of the total pension liability/asset	96.89%	100.10%	100.02%	100.09%	100.04%

	2021	2022	2023	2024	2025
Commission's proportion of the net pension liability/asset	0.0033980%	0.0038050%	0.0037430%	0.0035560%	0.0035750%
Commission's proportionate share of net pension liability/(asset)	$ (26,023)	$ (360)	$ (365)	$ (144)	$ (304)
Commission's covered-employee payroll	$ 77,104	$ 90,859	$ 96,378	$ 99,752	$ 106,367
Commission's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	33.75%	0.40%	0.38%	0.14%	0.29%
Plan fiduciary net position as a percentage of the total pension liability/asset	105.52%	100.10%	100.10%	100.00%	100.10%

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

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

SCHEDULE OF CONTRIBUTIONS

South Dakota Retirement System

Last 10 Years

	2016	2017	2018	2019	2020
Contractually required contribution	$ 4,619	$ 5,578	$ 5,774	$ 4,266	$ 3,043
Contributions in relation to the contractually required contribution	$ 4,619	$ 5,578	$ 5,774	4,266	3,043
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 76,981	$ 92,963	$ 96,225	$ 71,104	$ 50,716
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	6.00%	6.00%

	2021	2022	2023	2024	2025
Contractually required contribution	$ 4,979	$ 5,586	$ 5,826	$ 6,072	$ 6,466
Contributions in relation to the contractually required contribution	4,979	5,586	5,826	6,072	6,466
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 82,978	$ 93,107	$ 97,106	$ 101,154	$ 107,773
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	6.00%	6.00%

See Independent Auditor's Report

Changes from Prior Valuation

The June 30, 2025 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2024 Actuarial Valuation.

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

Benefit Provision Changes

During the 2025 Legislative Session no significant SDRS benefit changes were made.

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

As of June 30, 2025, the FVFR, assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2026 SDRS COLA is limited to a restricted maximum of 1.56%. The July 2026 SDRS COLA will equal inflation, no less than 0% and no greater than 1.56%. For this June 30, 2025 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.56%.

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.

SUPPLEMENTARY INFORMATION

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEET
SEPTEMBER 30, 2025

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	Business Activities	Blended Component Unit
111	Cash - Unrestricted	$ 823,892	$ -	$ 431,718	$ 218,640	$ 173,534
112	Cash - Restricted - Modernization and Development	$ -	$ -	$ -	$ -	$ -
113	Cash - Other Restricted	$ -	$ -	$ -	$ -	$ -
114	Cash - Tenant Security Deposits	$ 20,792	$ -	$ 10,726	$ 6,582	$ 3,484
115	Cash - Restricted for Payment of Current Liabilities	$ -	$ -	$ -	$ -	$ -
100	**Total Cash**	**$ 844,684**	**$ -**	**$ 442,444**	**$ 225,222**	**$ 177,018**
121	Accounts Receivable - PHA Projects	$ -	$ -	$ -	$ -	$ -
122-010	Operating Subsidy	$ 168	$ -	$ 168	$ -	$ -
122-020	Capital Fund	$ -	$ -	$ -	$ -	$ -
122-030	Other	$ -				
122	**Accounts Receivable - HUD Other Projects**	**$ 168**	**$ -**	**$ 168**	**$ -**	**$ -**
124	Accounts Receivable - Other Government	$ -	$ -	$ -	$ -	$ -
125-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
125-020	Partnership	$ -	$ -	$ -	$ -	$ -
125-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
125-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
125-050	Other	$ 785	$ -	$ -	$ 785	$ -
125-060	Other Comments				Prairie West and Live Center September Fees	
125	**Accounts Receivable - Miscellaneous**	**$ 785**	**$ -**	**$ -**	**$ 785**	**$ -**
126	Accounts Receivable - Tenants	$ 2,679	$ -	$ 2,679	$ -	$ -
126.1	Allowance for Doubtful Accounts -Tenants	$ (1,604)	$ -	$ (1,604)	$ -	**$ -**
126.2	Allowance for Doubtful Accounts - Other	$ -	$ -	$ -	$ -	$ -
127	Notes, Loans, & Mortgages Receivable - Current	$ -	$ -	$ -	$ -	$ -
128	Fraud Recovery	$ -	$ -	$ -	$ -	$ -
128.1	Allowance for Doubtful Accounts - Fraud	$ -	$ -	$ -	$ -	$ -
129	Accrued Interest Receivable	$ 1,745	$ -	$ 1,745	$ -	$ -
120	**Total Receivables, Net of Allowances for Doubtful Accounts**	**$ 3,773**	**$ -**	**$ 2,988**	**$ 785**	**$ -**
131	Investments - Unrestricted	$ -	$ -	$ -	$ -	$ -
132	Investments - Restricted	$ -	$ -	$ -	$ -	$ -
135	Investments - Restricted for Payment of Current Liability	$ -	$ -	$ -	$ -	$ -
142	Prepaid Expenses and Other Assets	$ 14,502	$ -	$ 9,058	$ 3,896	$ 1,548
143	Inventories	$ 4,405	$ -	$ 4,405	$ -	$ -
143.1	Allowance for Obsolete Inventories	$ (440)	$ -	$ (440)	$ -	$ -
144	Inter Program Due From	$ -	$ (14,892)	$ 14,892	$ -	$ -
145	Assets Held for Sale	$ 358,116	$ -	$ -	$ 358,116	$ -
150	**Total Current Assets**	**$ 1,225,040**	**$ (14,892)**	**$ 473,347**	**$ 588,019**	**$ 178,566**
161	Land	$ 76,489	$ -	$ 54,489	$ 12,000	$ 10,000
162	Buildings	$ 4,051,041	$ -	$ 2,487,321	$ 1,011,929	$ 551,791
163	Furniture, Equipment & Machinery - Dwellings	$ -	$ -	$ -	$ -	$ -
164	Furniture, Equipment & Machinery - Administration	$ 99,704	$ -	$ 98,918	$ 36	$ 750
165	Leasehold Improvements	$ 6,813	$ -	$ 6,813	$ -	$ -
166	Accumulated Depreciation	$ (2,294,323)	$ -	$ (2,086,391)	$ (157,756)	$ (50,176)
167	Construction in Progress	$ -	$ -	$ -	$ -	$ -
168	Infrastructure	$ -	$ -	$ -	$ -	$ -
160	**Total Capital Assets, Net of Accumulated Depreciation**	**$ 1,939,724**	**$ -**	**$ 561,150**	**$ 866,209**	**$ 512,365**

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEET
SEPTEMBER 30, 2025

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	Business Activities	Blended Component Unit
171-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
171-020	Partnership	$ -	$ -	$ -	$ -	$ -
171-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
171-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
171-050	Other	$ -	$ -	$ -	$ -	$ -
171-060	Other Comments					
171	**Notes, Loans and Mortgages Receivable - Non-Current**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
172-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
172-020	Partnership	$ -	$ -	$ -	$ -	$ -
172-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
172-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
172-050	Other	$ -	$ -	$ -	$ -	$ -
172-060	Other Comments					
172	**Notes, Loans, & Mortgages Receivable - Non Current - Past Due**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
173	Grants Receivable - Non Current	$ -	$ -	$ -	$ -	$ -
174-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
174-020	Partnership	$ -	$ -	$ -	$ -	$ -
174-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
174-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
174-050	Other	$ 304	$ -	$ 255	$ 49	$ -
174-060	Other Comments	Net Pension Asset		Net Pension Asset	Net Pension Asset	
174	Other Assets	$ 304	$ -	$ 255	$ 49	$ -
176-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
176-020	Partnership	$ -	$ -	$ -	$ -	$ -
176-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
176-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
176-050	Other	$ -	$ -	$ -	$ -	$ -
176-060	Other Comments					
176	Investments in Joint Ventures	$ -	$ -	$ -	$ -	$ -
180	**Total Non-Current Assets**	**$ 1,940,028**	**$ -**	**$ 561,405**	**$ 866,258**	**$ 512,365**
190	**Total Assets**	**$ 3,165,068**	**$ (14,892)**	**$ 1,034,752**	**$ 1,454,277**	**$ 690,931**
200	**Deferred Outflow of Resources**	**$ 27,066**	**$ -**	**$ 22,735**	**$ 4,331**	**$ -**
290	**Total Assets and Deferred Outflow of Resources**	**$ 3,192,134**	**$ (14,892)**	**$ 1,057,487**	**$ 1,458,608**	**$ 690,931**
311	Bank Overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts Payable <= 90 Days	$ 14,953	$ -	$ 4,460	$ 8,510	$ 1,983
313	Accounts Payable >90 Days Past Due	$ -	$ -	$ -	$ -	$ -
321	Accrued Wage/Payroll Taxes Payable	$ 1,900	$ -	$ 1,900	$ -	$ -
322	Accrued Compensated Absences - Current Portion	$ 5,411	$ -	$ 4,583	$ 828	$ -
324	Accrued Contingency Liability	$ -	$ -	$ -	$ -	$ -
325	Accrued Interest Payable	$ 1,032	$ -	$ -	$ 1,032	$ -
331-010	Operating Subsidy	$ -	$ -	$ -	$ -	$ -
331-020	Capital Fund	$ -	$ -	$ -	$ -	$ -
331-030	Other	$ -	$ -	$ -	$ -	$ -
331	**Accounts Payable - HUD PHA Programs**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
332	Account Payable - PHA Projects	$ 4,972	$ -	$ 4,972	$ -	$ -
333	Accounts Payable - Other Government	$ 18,140	$ -	$ 13,224	$ 4,916	$ -
341	Tenant Security Deposits	$ 20,792	$ -	$ 10,726	$ 6,582	$ 3,484
342-010	Operating Subsidy	$ -	$ -	$ -	$ -	$ -

FINANCIAL DATA SCHEDULE - BALANCE SHEET
SEPTEMBER 30, 2025

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	Business Activities	Blended Component Unit
342-020	Capital Fund	$ -	$ -	$ -	$ -	$ -
342-030	Other	$ 2,686	$ -	$ 1,751	$ 935	$ -
342	**Unearned Revenue**	**$ 2,686**	**$ -**	**$ 1,751**	**$ 935**	**$ -**
343-010	CFFP	$ -	$ -	$ -	$ -	$ -
343-020	Capital Projects/Mortgage Revenue	$ -	$ -	$ -	$ -	$ -
343	**Current Portion of Long-term Debt - Capital Projects/Mortgage**	**$ 20,047**	**$ -**	**$ 1,460**	**$ 18,587**	**$ -**
344	Current Portion of Long-term Debt - Operating Borrowings	$ -	$ -	$ -	$ -	$ -
345	Other Current Liabilities	$ -	$ -	$ -	$ -	$ -
346	Accrued Liabilities - Other	$ 7,682	$ -	$ 4,857	$ 950	$ 1,875
347	Inter Program - Due To	$ -	$ (14,892)	$ -	$ 6,253	$ 8,639
348-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
348-020	Partnership	$ -	$ -	$ -	$ -	$ -
348-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
348-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
348-050	Other	$ -	$ -	$ -	$ -	$ -
348-060	Other Comments					
348	**Loan Liability - Current**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
310	**Total Current Liabilities**	**$ 97,615**	**$ (14,892)**	**$ 47,933**	**$ 48,593**	**$ 15,981**
351-010	CFFP	$ -	$ -	$ -	$ -	$ -
351-020	Capital Projects/Mortgage Revenue	$ -	$ -	$ -	$ -	$ -
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$ 979,595	$ -	$ -	$ 979,595	$ -
352	Long-term Debt, Net of Current - Operating Borrowings	$ -	$ -	$ -	$ -	$ -
353	Non-current Liabilities - Other	$ -	$ -	$ -	$ -	$ -
354	Accrued Compensated Absences - Non Current	$ 21,652	$ -	$ 18,326	$ 3,326	$ -
355-010	Not For Profit	$ -	$ -	$ -	$ -	$ -
355-020	Partnership	$ -	$ -	$ -	$ -	$ -
355-030	Joint Venture	$ -	$ -	$ -	$ -	$ -
355-040	Tax Credit	$ -	$ -	$ -	$ -	$ -
355-050	Other	$ -	$ -	$ -	$ -	$ -
355-060	Other Comments					
355	**Loan Liability - Non Current**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
356	FASB 5 Liabilities	$ -	$ -	$ -	$ -	$ -
357-010	Pension Liability	$ -	$ -	$ -	$ -	$ -
357-020	OPEB Liability	$ -	$ -	$ -	$ -	$ -
357	Accrued Pension and OPEB Liabilities	$ -	$ -	$ -	$ -	$ -
357	Accrued Pension and OPEB Liabilities	$ -	$ -	$ -	$ -	$ -
350	**Total Non-Current Liabilities**	**$ 1,001,247**	**$ -**	**$ 18,326**	**$ 982,921**	**$ -**
300	**Total Liabilities**	**$ 1,098,862**	**$ (14,892)**	**$ 66,259**	**$ 1,031,514**	**$ 15,981**
400	**Deferred Inflow of Resources**	**$ 16,223**	**$ -**	**$ 13,627**	**$ 2,596**	**$ -**
508.1	Invested In Capital Assets, Net of Related Debt	$ -	$ -	$ -		
511.1	Restricted Net Assets	$ -	$ -	$ -	$ -	$ -
512.1	Unrestricted Net Assets	$ -	$ -	$ -		
513	Total Equity/Net Assets	$ -	$ -	$ -	$ -	$ -
509.2	Fund Balance Reserved	$ -	$ -	$ -	$ -	$ -
511.2	Unreserved, Designated Fund Balance	$ -	$ -	$ -	$ -	$ -
512.2	Unreserved, Undesignated Fund Balance	$ -	$ -	$ -	$ -	$ -
513	Total Equity/Net Assets	$ -	$ -	$ -	$ -	$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEET
SEPTEMBER 30, 2025

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	Business Activities	Blended Component Unit
508.3	Nonspendable Fund Balance	$ -	$ -	$ -	$ -	$ -
509.3	Restricted Fund Balance	$ -	$ -	$ -	$ -	$ -
510.3	Committed Fund Balance	$ -	$ -	$ -	$ -	$ -
511.3	Assigned Fund Balance	$ -	$ -	$ -	$ -	$ -
512.3	Unassigned Fund Balance	$ -	$ -	$ -	$ -	$ -
513	Total Equity/Net Assets	$ -	$ -	$ -	$ -	$ -
508.4	Net Investment in Capital Assets	$ 940,082	$ -	$ 559,690	$ (131,973)	$ 512,365
511.4	Restricted Net Position	$ 11,147	$ -	$ 9,363	$ 1,784	$ -
512.4	Unrestricted Net Position	$ 1,125,820	$ -	$ 408,548	$ 554,687	$ 162,585
513	Total Equity - Net Assets / Position	$ 2,077,049	$ -	$ 977,601	$ 424,498	$ 674,950
600	**Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position**	**$ 3,192,134**	**$ (14,892)**	**$ 1,057,487**	**$ 1,458,608**	**$ 690,931**

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2025

				14.850	14.872		
Line Item No.	**Description**	**Total Programs**	**Eliminations**	**Low Rent**	**Capital Fund Program**	**Business Activities**	**Blended Component Unit**
70300	Net Tenant Rental Revenue	$ 322,464	$ -	$ 204,827	$ -	$ 63,389	$ 54,248
70400	Tenant Revenue - Other	$ 10,440	$ -	$ 7,525	$ -	$ 2,259	$ 656
70500	**Total Tenant Revenue**	**$ 332,904**	**$ -**	**$ 212,352**	**$ -**	**$ 65,648**	**$ 54,904**
70600	**HUD PHA Operating Grants**	**$ 301,282**	**$ -**	**$ 127,081**	**$ 62,462**	**$ -**	**$ 111,739**
70610	**Capital Grants**	**$ 20,265**	**$ -**	**$ -**	**$ 20,265**	**$ -**	**$ -**
70710	Management Fee	$ 11,265	$ -	$ -	$ -	$ 11,265	$ -
70720	Asset Management Fee	$ -	$ -	$ -	$ -	$ -	$ -
70730	Book Keeping Fee	$ -	$ -	$ -	$ -	$ -	$ -
70740	Front Line Service Fee	$ -	$ -	$ -	$ -	$ -	$ -
70750	Other Fees	$ -	$ -	$ -	$ -	$ -	$ -
70700	**Total Fee Revenue**	**$ 11,265**	**$ -**	**$ -**	**$ -**	**$ 11,265**	**$ -**
70800	Other Government Grants	$ -	$ -	$ -	$ -	$ -	$ -
71100	Investment Income - Unrestricted	$ 1,100	$ -	$ 990	$ -	$ 110	$ -
71200	Mortgage Interest Income	$ -	$ -	$ -	$ -	$ -	$ -
71300	Proceeds from Disposition of Assets Held for Sale	$ -	$ -	$ -	$ -	$ -	$ -
71310	Cost of Sale of Assets	$ -	$ -	$ -	$ -	$ -	$ -
71400	Fraud Recovery					$ -	$ -
71400-010	Fraud Recovery - Housing Assistance Payment	$ -	$ -	$ -	$ -	$ -	$ -
71400-020	Fraud Recovery - Administrative Fee	$ -	$ -	$ -	$ -		
71500	Other Revenue	$ 9,134	$ -	$ 4,881	$ -	$ 4,253	$ -
71600	Gain or Loss on Sale of Capital Assets	$ -	$ -	$ -	$ -	$ -	$ -
72000	Investment Income - Restricted	$ -	$ -	$ -	$ -	$ -	$ -
70000	**Total Revenue**	**$ 675,950**	**$ -**	**$ 345,304**	**$ 82,727**	**$ 81,276**	**$ 166,643**
91100	Administrative Salaries	$ 58,660	$ -	$ 46,928	$ -	$ 11,732	$ -
91200	Auditing Fees	$ 12,424	$ -	$ 7,578	$ -	$ 1,243	$ 3,603
91300-010	To PHA Administered Program (i.e., COCC)	$ -	$ -	$ -	$ -	$ -	$ -
91300-020	To a Third Party/Outside Entity	$ -	$ -	$ -	$ -	$ -	$ -
91300	**Management Fee**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
91300	Management Fee	$ 8,820	$ -	$ -	$ -	$ -	$ 8,820
91310	Book-keeping Fee	$ -	$ -	$ -	$ -	$ -	$ -
91400	Advertising and Marketing	$ 928	$ -	$ 426	$ -	$ 86	$ 416
91500	Employee Benefit contributions - Administrative	$ 16,476	$ -	$ 13,158	$ -	$ 3,318	$ -
91600	Office Expenses	$ 21,747	$ -	$ 6,672	$ -	$ 1,140	$ 13,935
91700	Legal Expense	$ 3,949	$ -	$ -	$ -	$ 3,693	$ 256
91800	Travel	$ 640	$ -	$ 349	$ -	$ 33	$ 258
91810	Allocated Overhead	$ -	$ -	$ -	$ -	$ -	$ -
91900	Other	$ 20,959	$ -	$ 13,122	$ -	$ 2,106	5,731
91000	**Total Operating - Administrative**	**$ 144,603**	**$ -**	**$ 88,233**	**$ -**	**$ 23,351**	**$ 33,019**
92000	Asset Management Fee	$ -	$ -	$ -	$ -	$ -	$ -
92100	Tenant Services - Salaries	$ -	$ -	$ -	$ -	$ -	$ -
92200	Relocation Costs	$ -	$ -	$ -	$ -	$ -	$ -
92300	Employee Benefit Contributions - Tenant Services	$ -	$ -	$ -	$ -	$ -	$ -
92400	Tenant Services - Other	$ 716	$ -	$ 716	$ -	$ -	$ -
92500	**Total Tenant Services**	**$ 716**	**$ -**	**$ 716**	**$ -**	**$ -**	**$ -**
93100	Water	$ 27,005	$ -	$ 15,961	$ -	$ 3,174	$ 7,870
93200	Electricity	$ 50,191	$ -	$ 38,244	$ -	$ 1,796	$ 10,151
93300	Gas	$ 12,695	$ -	$ 9,252	$ -	$ 3,443	$ -
93400	Fuel	$ -	$ -	$ -	$ -	$ -	$ -
93500	Labor	$ -	$ -	$ -	$ -	$ -	$ -
93600	Sewer	$ 12,273	$ -	$ 7,342	$ -	$ 967	$ 3,964
93700	Employee Benefit Contributions - Utilities	$ -	$ -	$ -	$ -	$ -	$ -
93800	Other Utilities Expense	$ -	$ -	$ -	$ -	$ -	$ -
93000	**Total Utilities**	**$ 102,164**	**$ -**	**$ 70,799**	**$ -**	**$ 9,380**	**$ 21,985**

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2025

				14.850	14.872		
Line Item No.	**Description**	**Total Programs**	**Eliminations**	**Low Rent**	**Capital Fund Program**	**Business Activities**	**Blended Component Unit**
94100	Ordinary Maintenance and Operations - Labor	$ 47,573	$ -	$ 42,816	$ -	$ 4,757	$ -
94200	Ordinary Maintenance and Operations - Materials and Other	$ 28,000	$ -	$ 12,610	$ -	$ 10,888	$ 4,502
94300-010	Garbage and Trash Removal Contracts	$ 9,229	$ -	$ 5,105	$ -	$ 1,096	$ 3,028
94300-020	Heating & Cooling Contracts	$ 1,800	$ -	$ 163	$ -	$ 927	$ 710
94300-030	Snow Removal Contracts	$ 6,005	$ -	$ 1,640	$ -	$ 810	$ 3,555
94300-040	Elevator Maintenance Contracts	$ -	$ -	$ -	$ -	$ -	$ -
94300-050	Landscape & Grounds Contracts	$ 7,920	$ -	$ 4,054	$ -	$ 2,191	$ 1,675
94300-060	Unit Turnaround Contracts	$ 40	$ -	$ 40	$ -	$ -	$ -
94300-070	Electrical Contracts	$ 7,491	$ -	$ 3,346	$ -	$ 3,239	$ 906
94300-080	Plumbing Contracts	$ 15,775	$ -	$ 11,566	$ -	$ 2,240	$ 1,969
94300-090	Extermination Contracts	$ 1,631	$ -	$ 914	$ -	$ -	$ 717
94300-100	Janitorial Contracts	$ 11,581	$ -	$ 10,513	$ -	$ 270	$ 798
94300-110	Routine Maintenance Contracts	$ 6,074	$ -	$ 6,074	$ -	$ -	$ -
94300-120	Miscellaneous Contracts	$ 59,281	$ -	$ 23,494	$ -	$ 12,461	$ 23,326
94300	**Ordinary Maintenance and Operations Contracts**	**$ 126,827**	**$ -**	**$ 66,909**	**$ -**	**$ 23,234**	**$ 36,684**
94500	Employee Benefit Contributions - Ordinary Maintenance	$ 5,036	$ -	$ 4,584	$ -	$ 452	$ -
94000	**Total Maintenance**	**$ 207,436**	**$ -**	**$ 126,919**	**$ -**	**$ 39,331**	**$ 41,186**
95100	Protective Services - Labor	$ -	$ -	$ -	$ -	$ -	$ -
95200	Protective Services - Other Contract Costs	$ -	$ -	$ -	$ -	$ -	$ -
95300	Protective Services - Other	$ -	$ -	$ -	$ -	$ -	$ -
95500	Employee Benefit Contributions - Protective Services	$ -	$ -	$ -	$ -	$ -	$ -
95000	**Total Protective Services**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
96110	Property Insurance	$ 29,953	$ -	$ 11,413	$ -	$ 12,084	$ 6,456
96120	Liability Insurance	$ 1,758	$ -	$ -	$ -	$ 1,758	$ -
96130	Workmen's Compensation	$ 1,438	$ -	$ 1,219	$ -	$ 219	$ -
96140	All Other Insurance	$ 980	$ -	$ 830	$ -	$ 150	$ -
96100	**Total insurance Premiums**	**$ 34,129**	**$ -**	**$ 13,462**	**$ -**	**$ 14,211**	**$ 6,456**
96200	Other General Expenses	$ 92	$ -	$ 84	$ -	$ 8	$ -
96210	Compensated Absences	$ 18,071	$ -	$ 15,302	$ -	$ 2,769	$ -
96300	Payments in Lieu of Taxes	$ 9,706	$ -	$ 7,006	$ -	$ 2,700	$ -
96400	Bad debt - Tenant Rents	$ -	$ -	$ -	$ -	$ -	$ -
96500	Bad debt - Mortgages	$ -	$ -	$ -	$ -	$ -	$ -
96600	Bad debt - Other	$ -	$ -	$ -	$ -	$ -	$ -
96600-100	Bad debt - Admin	$ -	$ -	$ -	$ -	$ -	$ -
96600-200	Bad debt - Housing Assistance Payments	$ -	$ -	$ -	$ -	$ -	$ -
96800	Severance Expense	$ -	$ -	$ -	$ -	$ -	$ -
96000	**Total Other General Expenses**	**$ 27,869**	**$ -**	**$ 22,392**	**$ -**	**$ 5,477**	**$ -**
96710	Interest of Mortgage (or Bonds) Payable	$ 16,714	$ -	$ 9	$ -	$ 16,705	$ -
96720	Interest on Notes Payable (Short and Long Term)	$ -	$ -	$ -	$ -	$ -	$ -
96730	Amortization of Bond Issue Costs	$ -	$ -	$ -	$ -	$ -	$ -
96700	**Total Interest Expense and Amortization Cost**	**$ 16,714**	**$ -**	**$ 9**	**$ -**	**$ 16,705**	**$ -**
		$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
96900	**Total Operating Expenses**	**$ 533,631**	**$ -**	**$ 322,530**	**$ -**	**$ 108,455**	**$ 102,646**
97000	**Excess of Operating Revenue over Operating Expenses**	**$ 142,319**	**$ -**	**$ 22,774**	**$ 82,727**	**$ (27,179)**	**$ 63,997**
97100	Extraordinary Maintenance	$ -	$ -	$ -	$ -	$ -	$ -
97200	Casualty Losses - Non-capitalized	$ -	$ -	$ -	$ -	$ -	$ -
97300	Housing Assistance Payments	$ -	$ -	$ -	$ -	$ -	$ -
97350	HAP Portability-In	$ -	$ -	$ -	$ -	$ -	$ -
97400	Depreciation Expense	$ 101,197	$ -	$ 49,400	$ 1,409	$ 35,313	$ 15,075
97500	Fraud Losses	$ -	$ -	$ -	$ -	$ -	$ -
97600	Capital Outlays - Governmental Funds	$ -	$ -	$ -	$ -	$ -	$ -
97700	Debt Principal Payment - Governmental Funds	$ -	$ -	$ -	$ -	$ -	$ -
97800	Dwelling Units Rent Expense	$ -	$ -	$ -	$ -	$ -	$ -

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2025

				14.850	14.872		
Line Item No.	**Description**	**Total Programs**	**Eliminations**	**Low Rent**	**Capital Fund Program**	**Business Activities**	**Blended Component Unit**
90000	**Total Expenses**	**$ 634,828**	**$ -**	**$ 371,930**	**$ 1,409**	**$ 143,768**	**$ 117,721**
10010	Operating Transfer In	$ -	$ (174,201)	$ 62,462	$ -	$ -	$ 111,739
10020	Operating transfer Out	$ -	$ 174,201	$ -	$ (62,462)	$ -	$ (111,739)
10030-010	Not For Profit	$ -	$ -	$ -	$ -	$ -	$ -
10030-020	Partnership	$ -	$ -	$ -	$ -	$ -	$ -
10030-030	Joint Venture	$ -	$ -	$ -	$ -	$ -	$ -
10030-040	Tax Credit	$ -	$ -	$ -	$ -	$ -	$ -
10030-050	Other	$ -	$ -	$ -	$ -	$ -	$ -
10030-060	Other Comments						
10030	**Operating Transfers from/to Primary Government**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
10040	Operating Transfers from/to Component Unit	$ -	$ -	$ -	$ -	$ -	$ -
10050	Proceeds from Notes, Loans and Bonds	$ -	$ -	$ -	$ -	$ -	$ -
10060	Proceeds from Property Sales	$ -	$ -	$ -	$ -	$ -	$ -
10070	Extraordinary Items, Net Gain/Loss	$ -	$ -	$ -	$ -	$ -	$ -
10080	Special Items (Net Gain/Loss)	$ -	$ -	$ -	$ -	$ -	$ -
10091	Inter Project Excess Cash Transfer In	$ -	$ -	$ -	$ -	$ -	$ -
10092	Inter Project Excess Cash Transfer Out	$ -	$ -	$ -	$ -	$ -	$ -
10093	Transfers between Program and Project - In	$ -	$ -	$ -	$ -	$ -	$ -
10094	Transfers between Project and Program - Out	$ -	$ -	$ -	$ -	$ -	$ -
10100	**Total Other financing Sources (Uses)**	**$ -**	**$ -**	**$ 62,462**	**$ (62,462)**	**$ -**	**$ -**
10000	**Excess (Deficiency) of Total Revenue Over (Under) Total**	**$ 41,122**	**$ -**	**$ 35,836**	**$ 18,856**	**$ (62,492)**	**$ 48,922**
11020	Required Annual Debt Principal Payments	$ 19,939	$ -	$ 1,460	$ -	$ 18,479	$ -
11030	Beginning Equity	$ 2,035,927	$ -	$ 860,459	$ 62,450	$ 486,990	$ 626,028
11040-010	Prior Period Adjustments and Correction of Errors	$ -	$ -	$ -	$ -	$ -	$ -
11040-020	Prior Period Adjustments and Correction of Errors	$ -	$ -	$ -	$ -	$ -	$ -
11040-030	Prior Period Adjustments and Correction of Errors	$ -	$ -	$ -	$ -	$ -	$ -
11040-040	Prior Period Adjustments and Correction of Errors	$ -	$ -	$ -	$ -	$ -	$ -
11040-050	Prior Period Adjustments and Correction of Errors	$ -	$ -	$ -	$ -	$ -	$ -
11040-060	Prior Period Adjustments and Correction of Errors	$ -	$ -	$ -	$ -	$ -	$ -
11040-070	Equity Transfers	$ -	$ -	$ -	$ -	$ -	$ -
11040-080	Equity Transfers	$ -	$ -	$ 56,550	$ (56,550)	$ -	$ -
11040-090	Equity Transfers	$ -	$ -	$ -	$ -	$ -	$ -
11040-100	Equity Transfers	$ -	$ -	$ -	$ -	$ -	$ -
11040-110	Equity Transfers	$ -	$ -	$ -	$ -	$ -	$ -
11040	**Prior Period Adjustments, Equity Transfers and Correction of**	**$ -**	**$ -**	**$ 56,550**	**$ (56,550)**	**$ -**	**$ -**
11050	Changes in Compensated Absence Balance	$ -	$ -	$ -	$ -	$ -	$ -
11060	Changes in Contingent Liability Balance	$ -	$ -	$ -	$ -	$ -	$ -
11070	Changes in Unrecognized Pension Transition Liability	$ -	$ -	$ -	$ -	$ -	$ -
11080	Changes in Special Term/Severance Benefits Liability	$ -	$ -	$ -	$ -	$ -	$ -
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents	$ -	$ -	$ -	$ -	$ -	$ -
11100	Changes in Allowance for Doubtful Accounts - Other	$ -	$ -	$ -	$ -	$ -	$ -
11170	Administrative Fee Equity						
11170-001	Administrative Fee Equity - Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -
11170-010	Administrative Fee Revenue	$ -	$ -	$ -	$ -	$ -	$ -
11170-020	Hard to House Fee Revenue	$ -	$ -	$ -	$ -	$ -	$ -
11170-021	FSS Coordinator Grant	$ -	$ -	$ -	$ -	$ -	$ -
11170-030	Audit Costs	$ -	$ -	$ -	$ -	$ -	$ -
11170-040	Investment Income	$ -	$ -	$ -	$ -	$ -	$ -
11170-045	Fraud Recovery Revenue	$ -	$ -	$ -	$ -	$ -	$ -
11170-050	Other Revenue	$ -	$ -	$ -	$ -	$ -	$ -
11170-051	Comment for Other Revenue						
11170-060	Total Admin Fee Revenues	$ -	$ -	$ -	$ -	$ -	$ -
11170-080	Total Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -
11170-090	Depreciation	$ -	$ -	$ -	$ -	$ -	$ -
11170-095	Housing Assistance Payment Portability In	$ -	$ -	$ -	$ -	$ -	$ -
11170-100	Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF LEMMON, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2025

				14.850	14.872		
Line Item No.	Description	Total Programs	Eliminations	Low Rent	Capital Fund Program	Business Activities	Blended Component Unit
11170-101	Comment for Other Expenses						
11170-110	Total Expenses	$ -	$ -	$ -	$ -	$ -	$ -
11170-002	Net Administrative Fee	$ -	$ -	$ -	$ -	$ -	$ -
11170-003	Administrative Fee Equity - Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -
11170-005	Pre-2004 Administrative Fee Reserves	$ -	$ -	$ -	$ -	$ -	$ -
11170-006	Post-2003 Administrative Fee Reserves	$ -	$ -	$ -	$ -	$ -	$ -
11180	Housing Assistance Payments Equity						
11180-001	Housing Assistance Payments Equity - Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -
11180-010	Housing Assistance Payment Revenues	$ -	$ -	$ -	$ -	$ -	$ -
11180-015	Fraud Recovery Revenue	$ -	$ -	$ -	$ -	$ -	$ -
11180-020	Other Revenue	$ -	$ -	$ -	$ -	$ -	$ -
11180-021	Comments for Other Revenue						
11180-025	Investment Income	$ -	$ -	$ -	$ -	$ -	$ -
11180-030	Total Housing Assistance Payments Revenues	$ -	$ -	$ -	$ -	$ -	$ -
11180-080	Housing Assistance Payments	$ -	$ -	$ -	$ -	$ -	$ -
11180-090	Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -
11180-091	Comments for Other Expenses						
11180-100	Total Housing Assistance Payments Expenses	$ -	$ -	$ -	$ -	$ -	$ -
11180-002	Net Housing Assistance Payments	$ -	$ -	$ -	$ -	$ -	$ -
11180-003	Housing Assistance Payments Equity - Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -
11190	Unit Months Available						
11190-210	Total ACC HCV Units	828	-	528	-	84	216
11190-220	Unfunded Units	-	-	-	-	-	-
11190-230	Other Adjustments	-	-	-	-	-	-
11190	Unit Months Available	828	-	528	-	84	216
11210	Number of Unit Months Leased	761	-	517	-	73	171
11270	Excess Cash	$ 385,501	$ -	$ 385,501	$ -	$ -	$ -
11610	Land Purchases	$ -	$ -	$ -	$ -	$ -	$ -
11620	Building Purchases	$ 16,046	$ -	$ -	$ 16,046	$ -	$ -
11630	Furniture & Equipment - Dwelling Purchases	$ -	$ -	$ -	$ -	$ -	$ -
11640	Furniture & Equipment - Administrative Purchases	$ 4,219	$ -	$ -	$ 4,219	$ -	$ -
11650	Leasehold Improvements Purchases	$ -	$ -	$ -	$ -	$ -	$ -
11660	Infrastructure Purchases	$ -	$ -	$ -	$ -	$ -	$ -
13510	CFFP Debt Service Payments	$ -	$ -	$ -	$ -	$ -	$ -
13901	Replacement Housing Factor Funds	$ -	$ -	$ -	$ -	$ -	$ -

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information
Year Ended September 30, 2025

Financial Statements		
Element	**Description**	**Value**
G3000-005	Financial Statements Using Basis Other Than GAAP	NO
G3000-010	Fund Opinion(s)	Single Fund
-	Modified Opinion	NO
-	Unmodified Opinion	YES
-	Adverse Opinion	NO
-	Disclaimer Opinion	NO
G3000-020	"Going Concern" Indicator	NO
G3000-030	Significant Deficiency Indicator	NO
G3000-230	Does the Deficiency relate to the Low Rent or Capital Fund?	N/A
G3000-240	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	N/A
G3000-040	Material Weakness Indicator	NO
G3000-250	Does the material weakness relate to the Low Rent or Capital Fund Program?	N/A
G3000-260	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-050	Material Noncompliance Indicator	NO
G3000-270	Does the non-compliance relate to the Low Rent or Capital Fund Program?	N/A
G3000-280	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-060	Fraud	NO
G3000-290	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-300	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-070	Illegal Acts	NO
G3000-310	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-320	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-080	Abuse	N/A
G3000-330	Does the activity relate to the Low Rent or Capital Fund Program?	NO
G3000-340	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information
Year Ended September 30, 2025

Financial Statement Fund Opinion Details		
Element	**Description**	**Details**
G3000-200	Fund Type of the fund containing the listed program	MAJOR
G3000-210	Fund Opinion of the fund containing the listed program	UNMODIFIED
G3000-220	Is the departure or qualification related to the Capital Fund or Low Rent Programs?	N/A

Federal Programs		
Element	**Description**	**Value**
G4000-020	Dollar Threshold Used to Distinguish Type A and Type B Programs	-
G4000-030	Low-Risk Auditee Indicator	-
G4000-040	Indicator-Any Audit Findings Disclosed that are Required to be Reported	-
G4000-080	Was a Schedule of Prior Audit Findings prepared?	-
G4100-040	Total Federal Awards Expended (This cell is populated by G4100-030 from the "Federal Award Details" Tab)	-

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information
Year Ended September 30, 2025

Federal Award Details		
Element	**Description**	**Details**
G4100-030	Amount Expended	-
G4200-010	Major Federal Program Indicator	-
G4200-050	Type of Opinion on Major Federal Program	-
G4200-060	Number of Single Audit Compliance Audit Findings	-
G4200-100	Significant Deficiency Indicator	-
G4200-200	Number of Significant Deficiencies	-
G4200-110	Material Weakness Indicator	-
G4200-210	Number of Material Weaknesses	-
G4200-120	Material Noncompliance Indicator	-
G4200-220	Number of Material Noncompliance	-
G4200-070	Audit Finding Reference Number	-
G4200-090	Are Awards Received Directly from a Federal Agency?	-
G4100-050	Total Amount of Questioned Costs	-

Supplementary Information		
Element	**Description**	**Value**
G3100-040	SAS 29 "in relation to" opinion on the Financial Data Schedule	FAIRLY STATED
G3100-050	Is MD&A omitted ?	NO
G3100-060	Is other supplementary information omitted?	NO

Wohlenberg Ritzman & Co., LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
The Housing and Redevelopment Commission
of the City of Lemmon, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of **The Housing and Redevelopment Commission of the City of Lemmon, South Dakota, a component unit of the City of Lemmon, South Dakota (the Commission)** as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 19, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose. However, as required by South Dakota Codified Law 4-11-11, this report is matter of public record and its distribution is not limited.

Wohlenberg Ritzman + Co., LLC

Yankton, South Dakota
June 19, 2026

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2025

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no financial statement audit findings reported.

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF LEMMON, SOUTH DAKOTA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2025

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

There are no financial statement audit findings reported.