

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

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Mobridge Housing and Redevelopment Commission
Mobridge, South Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mobridge Housing and Redevelopment Commission, a component unit of the City of Mobridge, South Dakota (the Commission), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of December 31, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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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 known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement 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 judgement, 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 accompanying financial data schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024, 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 *Governmental Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Wohlschlag Ritzman + Co., LLC
Yankton, South Dakota
September 26, 2024

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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

Our discussion and analysis of the Mobridge Housing and Redevelopment Commission's (herein referred to as "the Housing Authority"), Mobridge, South Dakota, financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended December 31, 2023. Please read the MD&A in conjunction with the Housing Authority's financial statements.

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

Financial Highlights

Total assets of the Housing Authority for the year ended December 31, 2023, were \$641,650. Total liabilities were \$127,382. Total assets exceeded total liabilities by \$514,268 (net position).

Unrestricted net position totals \$507,795. This is the amount of the Housing Authority's reserve.

Total operating and non-operating revenue for the year ended December 31, 2023, was \$934,092 and expenses totaled \$952,543, expenses exceeded revenue by \$18,451.

Overview of the Financial Statements

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

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS, continued DECEMBER 31, 2023

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

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

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

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

Financial Analysis

The Housing Authority's basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. The Statement of Net Position provides a summary of the Housing Authority's assets and liabilities as of the close of business on December 31, 2023. The Statement of Revenues, Expenses and Changes in Net Position summarizes the revenues and sources of those revenues, and expenses incurred in operating the Housing Authority for the year ended December 31, 2023.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Housing Authority administers contracts with independent landlords that own the property. The Housing Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Housing Assistance Payment (HAP) to enable the Housing Authority to structure a lease that sets the participants' rent at 30% of household income.

Moderate Rehab Program - Aids families living in units that were developed by individual owners for low-income families and housing assistance provided by the Housing Authority.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
DECEMBER 31, 2023

| Summary Statement of Net Position | | | |
|---|-------------------|-------------------|-------------------|
| As of December 31, | 2023 | 2022 | Change |
| Current assets | \$ 620,991 | \$ 583,558 | \$ 37,433 |
| Capital assets, net | \$ 20,659 | \$ 1,009 | \$ 19,650 |
| Total Assets | \$ 641,650 | \$ 584,567 | \$ 57,083 |
| Current liabilities | \$ 37,166 | \$ 18,695 | \$ 18,471 |
| Noncurrent liabilities | \$ 90,216 | \$ 47,162 | \$ 43,054 |
| Total liabilities | \$ 127,382 | \$ 65,857 | \$ 61,525 |
| Net Position | | | |
| Invested in capital assets, net of related debt | \$ 336 | \$ 1,009 | \$ (673) |
| Restricted | \$ 6,397 | \$ 16,780 | \$ (10,383) |
| Unrestricted | \$ 507,535 | \$ 500,921 | \$ 6,614 |
| Total Net Position | \$ 514,268 | \$ 518,710 | \$ (4,442) |

Total Assets

Total assets increased by \$57,083 from the previous year. The increase in current assets was primarily due to the family self-sufficiency (FFS) escrow deposits. Capital assets increased due to the change in reporting intangible lease asset office space.

Total Liabilities

Current liabilities increased by \$18,471 due to an increase in unearned revenue. Noncurrent liabilities increased due to FFS escrow deposits and recording of intangible lease payable.

Net Position

The Commission's unrestricted component of net position changed from \$500,921 to \$507,795, an increase of \$6,874. During the current year, there were no ordinary maintenance and operating expenses. The unrestricted component of net position is the amount available for future appropriations.

The restricted component of net position decreased from \$16,780 to \$6,397. The \$10,383 decrease is due to HAP expenditures in the amount of \$553,206 exceeding HAP revenues and prior period adjustment in the amounts of \$528,712 and \$13,488, respectively.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
DECEMBER 31, 2023

| Summary Statement of Revenues, Expenses and Changes in Net Position | | | |
|--|--------------------|---------------------|---------------------|
| Years ended December 31, | 2023 | 2022 | Change |
| Program Revenue | | | |
| Net tenant rental revenue | \$ - | \$ 45,968 | \$ (45,968) |
| Tenant revenue - other | \$ - | \$ 1,050 | \$ (1,050) |
| Other income | \$ 3,279 | \$ 7,542 | \$ (4,263) |
| Federal grants and subsidies | \$ 926,622 | \$ 946,052 | \$ (19,430) |
| Fraud recovery | \$ 1,918 | \$ 2,278 | \$ (360) |
| Gain on sale of capital assets | \$ - | \$ 559,148 | \$ (559,148) |
| Investment income | \$ 2,273 | \$ 129 | \$ 2,144 |
| Total revenue | \$ 934,092 | \$ 1,562,167 | \$ (628,075) |
| Program Expenses | | | |
| Administration | \$ 110,632 | \$ 120,308 | \$ (9,676) |
| Tenant Services | \$ 39,480 | \$ 39,480 | \$ - |
| Utilities | \$ 1,087 | \$ 1,386 | \$ (299) |
| Ordinary maintenance and operations | \$ - | \$ 5,020 | \$ (5,020) |
| Insurance expense | \$ 1,208 | \$ 4,009 | \$ (2,801) |
| General expenses | \$ 16,385 | \$ 893 | \$ 15,492 |
| Depreciation | \$ 7,012 | \$ 673 | \$ 6,339 |
| Interest expense | \$ 861 | \$ 10,743 | \$ (9,882) |
| Housing assistance payments | \$ 775,878 | \$ 770,756 | \$ 5,122 |
| Total expenses | \$ 952,543 | \$ 953,268 | \$ (725) |
| Change in Net Position | \$ (18,451) | \$ 608,899 | \$ (627,350) |
| Beginning Net Position | \$ 518,710 | \$ (90,189) | \$ 608,899 |
| Prior Period Adjustment | \$ 14,009 | \$ - | \$ 14,009 |
| Beginning Net Position, as Restated | \$ 532,719 | \$ (90,189) | \$ 622,908 |
| Ending Net Position | \$ 514,268 | \$ 518,710 | \$ (4,442) |

Results of Operations

Revenues of the Commission are generated principally from federal funding grant income. The Commission's revenue decreased by \$628,075 compared to the previous fiscal year. The primary decrease was the gain on sale of two housing units totaling \$559,148. Also, there was a decrease in HAP funding in the amount of \$30,101. Administrative fee revenue increased by \$5,075. In contrast, net tenant rental revenue decreased by \$45,968 as the two housing units were sold in 2022.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
DECEMBER 31, 2023

Capital Assets

The Housing Authority has capital assets consisting of office furniture, equipment, and an intangible lease asset. Total cost is \$40,346 consisting of \$13,684 and \$26,662, respectively. Accumulated depreciation totals \$13,348 and accumulated amortization is \$6,339; therefore, net book value is \$20,659.

Long-term Debt

The Housing Authority has an intangible lease payable totaling \$20,323 with the current portion equaling \$6,506.

Economic Factors

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

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Rich Galbraith, Executive Director, at Mobridge Housing and Redevelopment Commission 202 1st Ave East, PO Box 370, Mobridge, South Dakota 57601 – (605) 845-2560.

**MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION**

STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS

Current assets:

| | | |
|---|----|----------------|
| Cash and cash equivalents | \$ | 611,105 |
| Accounts receivable - HUD | | 3,290 |
| Accounts receivable - other, less allowance for doubtful accounts of \$407 | | 3,638 |
| Fraud recovery, less allowance for doubtful accounts of \$3,660 | | - |
| Interest receivable | | 1,853 |
| Prepaid expenses | | 1,105 |
| Total current assets | | <u>620,991</u> |

Noncurrent assets

Capital assets:

| | | |
|--------------------------|--|----------------|
| Furniture and equipment | | 13,684 |
| Intangible lease asset | | 26,662 |
| Accumulated depreciation | | (13,348) |
| Accumulated amortization | | <u>(6,339)</u> |
| Total noncurrent assets | | <u>20,659</u> |

Total assets

641,650

LIABILITIES

Current liabilities:

| | | |
|---|--|---------------|
| Accounts payable | | 5,371 |
| Unearned revenue | | 25,289 |
| Current portion of long-term debt - lease payable | | 6,506 |
| Total current liabilities | | <u>37,166</u> |

Noncurrent liabilities:

| | | |
|--|--|---------------|
| Long-term debt, net of current - lease payable | | 13,817 |
| Other - Family Self-Sufficiency | | 76,399 |
| Total noncurrent liabilities | | <u>90,216</u> |

Total liabilities

127,382

NET POSITION

| | | |
|----------------------------------|----|-----------------------|
| Net investment in capital assets | | 336 |
| Restricted | | 6,397 |
| Unrestricted | | 507,535 |
| Total net position | \$ | <u><u>514,268</u></u> |

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

**MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION**

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

OPERATING REVENUES

| | |
|--------------------------|----------|
| Fraud recovery | \$ 1,918 |
| Other revenue | 3,279 |
| Total operating revenues | 5,197 |

OPERATING EXPENSES

| | |
|-----------------------------------|---------|
| Administration | 110,632 |
| Tenant services | 39,480 |
| Utilities | 1,087 |
| Insurance expense | 1,208 |
| General expense | 16,385 |
| Housing assistance payments (HAP) | 775,878 |
| Depreciation | 673 |
| Amortization | 6,339 |
| Total operating expenses | 951,682 |

| | |
|------------------|-----------|
| Operating (loss) | (946,485) |
|------------------|-----------|

NONOPERATING REVENUES AND EXPENSES

| | |
|--|---------|
| HUD operating grants | 926,622 |
| Investment income | 2,273 |
| Interest expense | (861) |
| Total nonoperating revenues and expenses | 928,034 |

| | |
|------------------------|----------|
| Change in net position | (18,451) |
|------------------------|----------|

| | |
|---------------------------------------|------------|
| Net position - beginning | 518,710 |
| Prior period adjustment | 14,009 |
| Net position - beginning, as restated | 532,719 |
| Net position - end of year | \$ 514,268 |

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

**MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION**

STATEMENT OF CASH FLOWS (PAGE 1 OF 2)
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Receipts from customers | \$ 5,197 |
| Family self-sufficiency program | 29,237 |
| Payments to others for goods and services | (168,185) |
| Housing assistance payments | <u>(775,878)</u> |
| Net cash provided by (used in) operating activities | <u>(909,629)</u> |

**CASH FLOWS FROM NONCAPITAL FINANCING
ACTIVITIES**

| | |
|--|----------------|
| Operating grants received | 938,935 |
| Prior year portable HAP payments refunded | <u>14,009</u> |
| Net cash provided by (used in) noncapital financing activities | <u>952,944</u> |

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

| | |
|---|----------------|
| Principal payments on lease payable | (6,339) |
| Interest payments on lease payable | <u>(861)</u> |
| Net cash provided by (used in) capital and related financing activities | <u>(7,200)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-----------------|------------|
| Interest income | <u>426</u> |
|-----------------|------------|

Net change in cash and cash equivalents 36,541

Balances - beginning of the year 574,564

Balances - end of the year \$ 611,105

Noncash Capital and Related Financing Activities:

| | |
|--------------------------------------|------------------|
| Book value of intangible lease asset | \$ (26,662) |
| Intangible lease payable | <u>\$ 26,662</u> |

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

**MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION**

STATEMENT OF CASH FLOWS (PAGE 2 of 2)
YEAR ENDED DECEMBER 31, 2023

**Reconciliation of operating (loss) to net cash provided by
(used in) operating activities:**

| | |
|--|---------------------|
| Operating (loss) | \$ (946,485) |
| Adjustments to reconcile operating (loss) to net cash (used in) operating activities: | |
| Depreciation expense | 673 |
| Amortization expense | 6,339 |
| Change in operating assets and liabilities: | |
| (Increase) decrease in: | |
| Accounts receivable - other | 605 |
| Increase (decrease) in: | |
| Accounts payable | 2 |
| Other - family self-sufficiency program | 29,237 |
| Net cash provided by (used in) operating activities | <u>\$ (909,629)</u> |

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

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Mobridge Housing and Redevelopment Commission (the Commission) was created in 1990 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 council 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 Mobridge, 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 Mobridge, 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 considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Commission's financial statements.

Nature of Business

The Commission administers various low-income housing assistance payment programs in City of Mobridge, South Dakota through U.S. Department of Housing and Urban Development (HUD). Project No. SD057VO is authorized to operate 154 units under the Section 8 Housing Choice Voucher Program and 42 units are funded by Project No. SD057MR under the Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation.

The Commission also administers a family self-sufficiency program (FSS) that is accounted for within the housing choice voucher program as a noncurrent liability.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Nature of Business, continued

The Campbell, Corson, Dewey, Edmunds, Faulk, Hand, Perkins, Potter, and Walworth County Housing and Redevelopment Commissions have signed joint powers agreements with the Commission. The City of Faulkton and Lemmon Housing and Redevelopment Commissions also have joint powers agreements. These agreements are to establish various rights and responsibilities between them and the Commission to operate, manage, and administer the HUD Section 8 Rental Assistance Program of the above named entities. No monies have been exchanged or are due as of and for the year ended December 31, 2023.

Basis of Presentation

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. 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 expenses 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 outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) are included on the statement of net position and the statement of activities presents 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.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

For purposes of financial statement reporting, 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.

Fraud Recovery

HUD requires the Commission to account for monies recovered from tenants who committed fraud or misrepresentation on the application process for rent calculations and now owe additional rent for prior periods or retroactive rent as fraud recovery. The monies recovered are shared by HUD and the Commission.

Capital Assets

All acquisitions of property and equipment in excess of \$500 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 acquisition value on the date donated. Interest costs incurred during construction of capital assets are not capitalized, in accordance with US GAAP. Depreciation is computed principally by the straight-line method over the following estimated useful lives:

| | <u>Years</u> |
|-------------------------|--------------|
| Furniture and equipment | 3-5 |
| Intangible lease assets | 3-5 |

Land, in inexhaustible capital asset, is not depreciated.

Long-Term Liabilities – Leases Payable

The Commission is a lessee for a noncancelable lease of office space. The Commission recognizes a lease liability and an intangible right-to-use lease asset (intangible lease asset) in the financial statements. The Commission recognizes lease liabilities with an initial, individual value of \$5,000.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Long-Term Liabilities – Leases Payable, continued

At commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the intangible lease asset is amortized on a discounted present value over the life of the lease payable.

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

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease 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 lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of lease liability.

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

Equity Classifications

Equity is classified as net position and displayed as follows:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Equity Classifications, continued

- 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 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 which both purposes are available.

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, and those differences could be material.

Budgets

The Commission is not legally required to adopt a budget; therefore, budgetary data is not included in the required supplementary information.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Implementation of New Accounting Standard and Restatement

In 2023, the Commission implemented the provisions of GASB Statement No. 87, Leases. GASB 87 affects any government entity that enters into a lease. The main difference between previous US GAAP and GASB 87 is the recognition of an intangible lease asset and lease liability for the lessee and the recognition of a lease receivable and deferred inflow of resources for the lessor. 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 – As stated in SDCL 11-7-31, a commission shall have power to invest any funds held in reserves or debt service funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control. 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 has adopted an investment policy which requires all deposits to be adequately collateralized. As of December 31, 2023, the Commission's deposits were fully insured or collateralized.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. DEPOSITS AND INVESTMENTS, continued

At December 31, 2023, the actual bank balances were as follows:

| | |
|--|-------------------|
| Insured (FDIC) | \$ 452,085 |
| Uninsured, collateral held by the Commission or the Commission's agent in the Commission's name | <u>160,600</u> |
| Total deposits | <u>\$ 612,685</u> |
| The Commission's carrying amount of deposits | <u>\$ 611,104</u> |

Investments – As of December 31, 2023, the Commission had no investments.

Authorized Investments by the Commission – The Commission does have a formal investment policy, but it does not limit investments beyond those imposed by statutes.

Interest Rate Risk – The Commission does have a formal investment policy, but it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2023, the Commission had no investments.

Credit Risk – State law limits eligible investments for the Commission, as discussed above. The Commission has a formal investment policy, but it does not further limit its investment choices. As of December 31, 2023, 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 December 31, 2023, the Commission had no investments.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. CAPITAL ASSETS

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

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------|------------------|----------------------------|
| <i>Capital assets being depreciated/amortized:</i> | | | | |
| Furniture and equipment | \$ 13,684 | \$ - | \$ - | \$ 13,684 |
| Intangible lease asset | - | 26,662 | - | 26,662 |
| Total capital assets being depreciated/amortized | 13,684 | 26,662 | - | 40,346 |
| <i>Less accumulated depreciation/amortization for:</i> | | | | |
| Furniture and equipment | 12,675 | 673 | - | 13,348 |
| Intangible lease asset | - | 6,339 | - | 6,339 |
| Total accumulated depreciation/amortization | 12,675 | 7,012 | - | 19,687 |
| Total capital assets being depreciated/amortized, net | <u>\$ 1,009</u> | <u>\$ 19,650</u> | <u>\$ -</u> | <u>\$ 20,659</u> |

Depreciation and amortization expenses were charged as follows:

| | |
|------------------------|---------------------|
| Housing Choice Program | \$ 5,733 |
| Mod Rehab Program | <u>1,279</u> |
| Total | <u>\$ 7,012</u> |

4. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2023 is as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> | <u>Due Within One Year</u> |
|---------------|-------------------------------|------------------|-------------------|----------------------------|--------------------------------|
| Lease payable | <u>\$ -</u> | <u>\$ 26,662</u> | <u>\$ (6,339)</u> | <u>\$ 20,323</u> | <u>\$ 6,506</u> |

The lease payable represents the Commission's liability for the lease of office space. The lease requires monthly payments of \$600. The discount rate of 4% is applied to a 3 year maturity of the lease.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

4. LONG-TERM DEBT, continued

The annual requirements to amortize long-term debt outstanding as of December 31, 2023 is as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|------------------|-----------------|------------------|
| 2024 | \$ 6,506 | \$ 694 | \$ 7,200 |
| 2025 | 6,771 | 429 | 7,200 |
| 2026 | 7,046 | 154 | 7,200 |
| | <u>\$ 20,323</u> | <u>\$ 1,277</u> | <u>\$ 21,600</u> |

5. NONCURRENT LIABILITIES

The Family Self-Sufficiency Program is accounted for within the Housing Choice Vouchers Program as a noncurrent liability. A recap of the Family Self-Sufficiency Program activities is as follows:

| | Donations for client expenses | Escrow for client contract | Forfeiture escrow account | Mortgage maintenance reserve | Total |
|----------------------------|-------------------------------------|----------------------------------|---------------------------------|------------------------------------|------------------|
| Donations and other recpts | \$ 945 | \$ - | \$ - | \$ 126 | \$ 1,071 |
| HAP match to escrow | - | 28,912 | - | - | 28,912 |
| Homebuyer' maintenance | - | - | - | 3,703 | 3,703 |
| Interest earned | - | 407 | - | - | 407 |
| Absorption back to Comm. | - | - | - | - | - |
| Graduated from program | - | - | - | - | - |
| Client disbursements | (703) | (1,390) | - | (2,763) | (4,856) |
| Open new account | - | (100) | 100 | - | - |
| Net change | 242 | 27,829 | 100 | 1,066 | 29,237 |
| Balance, beginning of year | 3,552 | 29,972 | - | 13,638 | 47,162 |
| Balance, ending of year | <u>\$ 3,794</u> | <u>\$ 57,801</u> | <u>\$ 100</u> | <u>\$ 14,704</u> | <u>\$ 76,399</u> |

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

6. 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; and natural disasters. During the period ended December 31, 2023, the Commission managed its risks as follows:

Liability Insurance

The Commission purchases liability insurance for its 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.

7. PRIOR PERIOD ADJUSTMENT

During the 2022 calendar year, the Commission paid \$14,009 of portable HAP payments to an out of state housing authority on behalf of a tenant who was not entitled to the assistance. The monies were refunded back to the Commission in February 2023.

SUPPLEMENTARY INFORMATION

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

FINANCIAL DATA SCHEDULE - BALANCE SHEET
DECEMBER 31, 2023

| Line Item No. | Description | Total Programs | Eliminations | 14.239 | 14.896 | 14.871 | 14.856 | |
|---------------|--|-------------------|--------------|--------------------------------------|---------------------------------|---|---|---------------------|
| | | | | HOME Investment Partnerships Program | Family Self-Sufficiency Program | Housing Choice Vouchers | Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation | Business Activities |
| 111 | Cash - Unrestricted | \$ 528,309 | \$ - | \$ - | \$ - | \$ 3,255 | \$ 77,849 | \$ 447,205 |
| 113-010 | HAP Funds | \$ 6,397 | \$ - | \$ - | \$ - | \$ 6,397 | \$ - | \$ - |
| 113-020 | FSS Escrow Deposits | \$ 76,399 | \$ - | \$ - | \$ - | \$ 76,399 | \$ - | \$ - |
| 113-030 | All other Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 113 | Cash - Other Restricted | \$ 82,796 | \$ - | \$ - | \$ - | \$ 82,796 | \$ - | \$ - |
| 114 | Cash - Tenant Security Deposits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 115 | Cash - Restricted for Payment of Current Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 100 | Total Cash | \$ 611,105 | \$ - | \$ - | \$ - | \$ 86,051 | \$ 77,849 | \$ 447,205 |
| 121 | Accounts Receivable - PHA Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 122-010 | Operating Subsidy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 122-020 | Capital Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 122-030 | Other | \$ 3,290 | \$ - | \$ - | \$ 3,290 | \$ - | \$ - | \$ - |
| 122 | Accounts Receivable - HUD Other Projects | \$ 3,290 | \$ - | \$ - | \$ 3,290 | \$ - | \$ - | \$ - |
| 124 | Accounts Receivable - Other Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 125-010 | Not For Profit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 125-020 | Partnership | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 125-030 | Joint Venture | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 125-040 | Tax Credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 125-050 | Other | \$ 4,045 | \$ - | \$ - | \$ - | \$ 4,045 | \$ - | \$ - |
| 125-060 | Other Comments | | | | | Mgt bill \$3,638 & landlord overpayment \$407 | | |
| 125 | Accounts Receivable - Miscellaneous | \$ 4,045 | \$ - | \$ - | \$ - | \$ 4,045 | \$ - | \$ - |
| 126 | Accounts Receivable - Tenants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 126.1 | Allowance for Doubtful Accounts - Tenants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 126.2 | Allowance for Doubtful Accounts - Other | \$ (407) | \$ - | \$ - | \$ - | \$ (407) | \$ - | \$ - |
| 127 | Notes, Loans, & Mortgages Receivable - Current | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 128 | Fraud Recovery | \$ 3,660 | \$ - | \$ - | \$ - | \$ 3,660 | \$ - | \$ - |
| 128.1 | Allowance for Doubtful Accounts - Fraud | \$ (3,660) | \$ - | \$ - | \$ - | \$ (3,660) | \$ - | \$ - |
| 129 | Accrued Interest Receivable | \$ 1,853 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,853 |
| 120 | Total Receivables, Net of Allowances for Doubtful Accounts | \$ 8,781 | \$ - | \$ - | \$ 3,290 | \$ 3,638 | \$ - | \$ 1,853 |
| 131 | Investments - Unrestricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 132 | Investments - Restricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 135 | Investments - Restricted for Payment of Current Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 142 | Prepaid Expenses and Other Assets | \$ 1,105 | \$ - | \$ - | \$ - | \$ 1,105 | \$ - | \$ - |
| 143 | Inventories | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 143.1 | Allowance for Obsolete Inventories | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 144 | Inter Program Due From | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 145 | Assets Held for Sale | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 150 | Total Current Assets | \$ 620,991 | \$ - | \$ - | \$ 3,290 | \$ 90,794 | \$ 77,849 | \$ 449,058 |
| 161 | Land | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 162 | Buildings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 163 | Furniture, Equipment & Machinery - Dwellings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 164 | Furniture, Equipment & Machinery - Administration | \$ 13,684 | \$ - | \$ - | \$ - | \$ 13,684 | \$ - | \$ - |
| 165 | Leasehold Improvements | \$ 26,662 | \$ - | \$ - | \$ - | \$ 21,282 | \$ 5,380 | \$ - |
| 166 | Accumulated Depreciation | \$ (19,687) | \$ - | \$ - | \$ - | \$ (18,408) | \$ (1,279) | \$ - |
| 167 | Construction in Progress | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 168 | Infrastructure | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 160 | Total Capital Assets, Net of Accumulated Depreciation | \$ 20,659 | \$ - | \$ - | \$ - | \$ 16,558 | \$ 4,101 | \$ - |
| 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

FINANCIAL DATA SCHEDULE - BALANCE SHEET
DECEMBER 31, 2023

| Line Item No. | Description | Total Programs | Eliminations | 14.239 HOME Investment Partnerships Program | 14.896 Family Self- Sufficiency Program | 14.871 Housing Choice Vouchers | 14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation | Business Activities |
|---------------|---|----------------|--------------|---|--|---|--|------------------------|
| 174-040 | Tax Credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 174-050 | Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 174-060 | Other Comments | | | | | | | |
| 174 | Other Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ 20,659 | \$ - | \$ - | \$ - | \$ 16,558 | \$ 4,101 | \$ - |
| 190 | Total Assets | \$ 641,650 | \$ - | \$ - | \$ 3,290 | \$ 107,352 | \$ 81,950 | \$ 449,058 |
| 200 | Deferred Outflow of Resources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 290 | Total Assets and Deferred Outflow of Resources | \$ 641,650 | \$ - | \$ - | \$ 3,290 | \$ 107,352 | \$ 81,950 | \$ 449,058 |
| 311 | Bank Overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 312 | Accounts Payable <= 90 Days | \$ 5,371 | \$ - | \$ - | \$ 3,290 | \$ 2,081 | \$ - | \$ - |
| 313 | Accounts Payable >90 Days Past Due | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 321 | Accrued Wage/Payroll Taxes Payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 322 | Accrued Compensated Absences - Current Portion | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 324 | Accrued Contingency Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 325 | Accrued Interest Payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 331-010 | Operating Subsidy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 331-020 | Capital Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 331-030 | Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 331 | Accounts Payable - HUD PHA Programs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 332 | Account Payable - PHA Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 333 | Accounts Payable - Other Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 341 | Tenant Security Deposits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 342-010 | Operating Subsidy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 342-020 | Capital Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 342-030 | Other | \$ 25,289 | \$ - | \$ - | \$ - | \$ - | \$ 25,289 | \$ - |
| 342 | Unearned Revenue | \$ 25,289 | \$ - | \$ - | \$ - | \$ - | \$ 25,289 | \$ - |
| 343-010 | CFFP | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 343-020 | Capital Projects/Mortgage Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 343 | Current Portion of Long-term Debt - Capital Projects/Mortgage | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 344 | Current Portion of Long-term Debt - Operating Borrowings | \$ 6,506 | \$ - | \$ - | \$ - | \$ 5,193 | \$ 1,313 | \$ - |
| 345 | Other Current Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 346 | Accrued Liabilities - Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 347 | Inter Program - Due To | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ 37,166 | \$ - | \$ - | \$ 3,290 | \$ 7,274 | \$ 26,602 | \$ - |
| 351-010 | CFFP | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 351-020 | Capital Projects/Mortgage Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 351 | Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 352 | Long-term Debt, Net of Current - Operating Borrowings | \$ 13,817 | \$ - | \$ - | \$ - | \$ 11,029 | \$ 2,788 | \$ - |
| 353 | Non-current Liabilities - Other | \$ 76,399 | \$ - | \$ - | \$ - | \$ 76,399 | \$ - | \$ - |
| 354 | Accrued Compensated Absences - Non Current | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ 90,216 | \$ - | \$ - | \$ - | \$ 87,428 | \$ 2,788 | \$ - |
| 300 | Total Liabilities | \$ 127,382 | \$ - | \$ - | \$ 3,290 | \$ 94,702 | \$ 29,390 | \$ - |

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

FINANCIAL DATA SCHEDULE - BALANCE SHEET
DECEMBER 31, 2023

| Line Item No. | Description | Total Programs | Eliminations | 14.239 HOME Investment Partnerships Program | 14.896 Family Self- Sufficiency Program | 14.871 Housing Choice Vouchers | 14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation | Business Activities |
|---------------|--|----------------|--------------|---|--|---|--|------------------------|
| 400 | Deferred Inflow of Resources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 508.3 | No spendable 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 | \$ 336 | \$ - | \$ - | \$ - | \$ 336 | \$ - | \$ - |
| 511.4 | Restricted Net Position | \$ 6,397 | \$ - | \$ - | \$ - | \$ 6,397 | \$ - | \$ - |
| 512.4 | Unrestricted Net Position | \$ 507,535 | \$ - | \$ - | \$ - | \$ 5,917 | \$ 52,560 | \$ 449,058 |
| 513 | Total Equity - Net Assets / Position | \$ 514,268 | \$ - | \$ - | \$ - | \$ 12,650 | \$ 52,560 | \$ 449,058 |
| 600 | Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position | \$ 641,650 | \$ - | \$ - | \$ 3,290 | \$ 107,352 | \$ 81,950 | \$ 449,058 |

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2023

| Line Item No. | Description | Total Programs | Eliminations | 14.239 HOME Investment Partnerships Program | 14.896 Family Self-Sufficiency Program | 14.871 Housing Choice Vouchers | 14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation | Business Activities |
|---------------|---|-------------------|--------------|--|---|-----------------------------------|---|---------------------|
| 70300 | Net Tenant Rental Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70400 | Tenant Revenue - Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70500 | Total Tenant Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70600 | HUD PHA Operating Grants | \$ 926,622 | \$ - | \$ 15,730 | \$ 39,480 | \$ 608,528 | \$ 262,884 | \$ - |
| 70600-010 | Housing Assistance Payments | \$ 751,049 | \$ - | \$ - | \$ - | \$ 528,712 | \$ 222,337 | \$ - |
| 70600-020 | Ongoing Administrative Fees Earned | \$ 120,363 | \$ - | \$ - | \$ - | \$ 79,816 | \$ 40,547 | \$ - |
| 70600-030 | Hard to House Fee Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70600-031 | FSS Coordinator Grant | \$ 39,480 | \$ - | \$ - | \$ 39,480 | \$ - | \$ - | \$ - |
| 70600-040 | Actual Independent Public Accountant Audit Costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70600-050 | Total Preliminary Fees Earned | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70600-060 | All Other Fees | \$ 15,730 | \$ - | \$ 15,730 | \$ - | \$ - | \$ - | \$ - |
| 70610 | Capital Grants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70710 | Management Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70720 | Asset Management Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70730 | Book Keeping Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70740 | Front Line Service Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70750 | Other Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70700 | Total Fee Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70800 | Other Government Grants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 71100 | Investment Income - Unrestricted | \$ 2,273 | \$ - | \$ - | \$ - | \$ 97 | \$ 323 | \$ 1,853 |
| 71100-010 | Housing Assistance Payment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 71100-020 | Administrative Fee | \$ 2,273 | \$ - | \$ - | \$ - | \$ 97 | \$ 323 | \$ 1,853 |
| 71200 | Mortgage Interest Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 71300 | Proceeds from Disposition of Assets Held for Sale | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 71310 | Cost of Sale of Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 71400 | Fraud Recovery | \$ 1,918 | \$ - | \$ - | \$ - | \$ 1,247 | \$ 671 | \$ - |
| 71400-010 | Fraud Recovery - Housing Assistance Payment | \$ 959 | \$ - | \$ - | \$ - | \$ 623 | \$ 336 | \$ - |
| 71400-020 | Fraud Recovery - Administrative Fee | \$ 959 | \$ - | \$ - | \$ - | \$ 624 | \$ 335 | \$ - |
| 71500 | Other Revenue | \$ 3,279 | \$ - | \$ - | \$ - | \$ 2,369 | \$ 910 | \$ - |
| 71600 | Gain or Loss on Sale of Capital Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 72000 | Investment Income - Restricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70000 | Total Revenue | \$ 934,092 | \$ - | \$ 15,730 | \$ 39,480 | \$ 612,241 | \$ 264,788 | \$ 1,853 |
| 91100 | Administrative Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91200 | Auditing Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91300-010 | To PHA Administered Program (i.e., COCC) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91300-020 | To a Third Party/Outside Entity | \$ 74,158 | \$ - | \$ - | \$ - | \$ 45,692 | \$ 28,466 | \$ - |
| 91300 | Management Fee | \$ 74,158 | \$ - | \$ - | \$ - | \$ 45,692 | \$ 28,466 | \$ - |
| 91310 | Book-keeping Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91400 | Advertising and Marketing | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91500 | Employee Benefit contributions - Administrative | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91600 | Office Expenses | \$ 24,140 | \$ - | \$ - | \$ - | \$ 19,051 | \$ 5,089 | \$ - |
| 91700 | Legal Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91800 | Travel | \$ 132 | \$ - | \$ - | \$ - | \$ 93 | \$ 39 | \$ - |
| 91810 | Allocated Overhead | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 91900 | Other | \$ 12,202 | \$ - | \$ - | \$ - | \$ 9,982 | \$ 2,220 | \$ - |
| 91000 | Total Operating - Administrative | \$ 110,632 | \$ - | \$ - | \$ - | \$ 74,818 | \$ 35,814 | \$ - |
| 92000 | Asset Management Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 92100 | Tenant Services - Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 92200 | Relocation Costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 92300 | Employee Benefit Contributions - Tenant Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 92400 | Tenant Services - Other | \$ 39,480 | \$ - | \$ - | \$ 39,480 | \$ - | \$ - | \$ - |
| 92500 | Total Tenant Services | \$ 39,480 | \$ - | \$ - | \$ 39,480 | \$ - | \$ - | \$ - |
| 93100 | Water | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93200 | Electricity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93300 | Gas | \$ 1,087 | \$ - | \$ - | \$ - | \$ 1,087 | \$ - | \$ - |
| 93400 | Fuel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93500 | Labor | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93600 | Sewer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93700 | Employee Benefit Contributions - Utilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93800 | Other Utilities Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 93000 | Total Utilities | \$ 1,087 | \$ - | \$ - | \$ - | \$ 1,087 | \$ - | \$ - |
| 94100 | Ordinary Maintenance and Operations - Labor | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94200 | Ordinary Maintenance and Operations - Materials and Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-010 | Garbage and Trash Removal Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-020 | Heating & Cooling Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-030 | Snow Removal Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2023

| Line Item No. | Description | Total Programs | Eliminations | 14.239 HOME Investment Partnerships Program | 14.896 Family Self-Sufficiency Program | 14.871 Housing Choice Vouchers | 14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation | Business Activities |
|---------------|--|--------------------|--------------|--|---|-----------------------------------|---|---------------------|
| 94300-040 | Elevator Maintenance Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-050 | Landscape & Grounds Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-060 | Unit Turnaround Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-070 | Electrical Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-080 | Plumbing Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-090 | Extermination Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-100 | Janitorial Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-110 | Routine Maintenance Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300-120 | Miscellaneous Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94300 | Ordinary Maintenance and Operations Contracts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94500 | Employee Benefit Contributions - Ordinary Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94000 | Total Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96120 | Liability Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96130 | Workmen's Compensation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96140 | All Other Insurance | \$ 1,208 | \$ - | \$ - | \$ - | \$ 799 | \$ 409 | \$ - |
| 96100 | Total insurance Premiums | \$ 1,208 | \$ - | \$ - | \$ - | \$ 799 | \$ 409 | \$ - |
| 96200 | Other General Expenses | \$ 16,385 | \$ - | \$ 15,730 | \$ - | \$ 655 | \$ - | \$ - |
| 96210 | Compensated Absences | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96300 | Payments in Lieu of Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ 16,385 | \$ - | \$ 15,730 | \$ - | \$ 655 | \$ - | \$ - |
| 96710 | Interest of Mortgage (or Bonds) Payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96720 | Interest on Notes Payable (Short and Long Term) | \$ 861 | \$ - | \$ - | \$ - | \$ 687 | \$ 174 | \$ - |
| 96730 | Amortization of Bond Issue Costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96700 | Total Interest Expense and Amortization Cost | \$ 861 | \$ - | \$ - | \$ - | \$ 687 | \$ 174 | \$ - |
| 96900 | Total Operating Expenses | \$ 169,653 | \$ - | \$ 15,730 | \$ 39,480 | \$ 78,046 | \$ 36,397 | \$ - |
| 97000 | Excess of Operating Revenue over Operating Expenses | \$ 764,439 | \$ - | \$ - | \$ - | \$ 534,195 | \$ 228,391 | \$ 1,853 |
| 97100 | Extraordinary Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 97200 | Casualty Losses - Non-capitalized | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 97300-040 | Tenant Protection | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 97300-020 | Home-Ownership | \$ 29,688 | \$ - | \$ - | \$ - | \$ 29,688 | \$ - | \$ - |
| 97300-041 | Portability-Out | \$ 11,584 | \$ - | \$ - | \$ - | \$ 11,584 | \$ - | \$ - |
| 97300-045 | FSS Escrow Deposits | \$ 28,912 | \$ - | \$ - | \$ - | \$ 28,912 | \$ - | \$ - |
| 97300-050 | All Other | \$ 705,694 | \$ - | \$ - | \$ - | \$ 483,022 | \$ 222,672 | \$ - |
| 97300 | Housing Assistance Payments | \$ 775,878 | \$ - | \$ - | \$ - | \$ 553,206 | \$ 222,672 | \$ - |
| 97350 | HAP Portability-In | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 97400 | Depreciation Expense | \$ 7,012 | \$ - | \$ - | \$ - | \$ 5,733 | \$ 1,279 | \$ - |
| 97500 | Fraud Losses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 97700 | Debt Principal Payment - Governmental Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 97800 | Dwelling Units Rent Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 90000 | Total Expenses | \$ 952,543 | \$ - | \$ 15,730 | \$ 39,480 | \$ 636,985 | \$ 260,348 | \$ - |
| 10010 | Operating Transfer In | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10020 | Operating transfer Out | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10030 | Operating Transfers from/to Primary Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10040 | Operating Transfers from/to Component Unit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10070 | Extraordinary Items, Net Gain/Loss | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10080 | Special Items (Net Gain/Loss) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10093 | Transfers between Program and Project - In | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10094 | Transfers between Project and Program - Out | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10100 | Total Other financing Sources (Uses) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10000 | Excess (Deficiency) of Total Revenue Over (Under) Total | \$ (18,451) | \$ - | \$ - | \$ - | \$ (24,744) | \$ 4,440 | \$ 1,853 |
| 11020 | Required Annual Debt Principal Payments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

See Independent Auditor's Report

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

FINANCIAL DATA SCHEDULE - INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2023

| Line Item No. | Description | Total Programs | Eliminations | 14.239 | 14.896 | 14.871 | 14.856 | Business Activities |
|---------------|---|----------------|--------------|--------------------------------------|---------------------------------|---|---|---------------------|
| | | | | HOME Investment Partnerships Program | Family Self-Sufficiency Program | Housing Choice Vouchers | Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation | |
| 11030 | Beginning Equity | \$ 518,710 | \$ - | \$ - | \$ - | \$ 23,385 | \$ 48,120 | \$ 447,205 |
| 11040-020 | Prior Period Adjustments and Correction of Errors | \$ 14,009 | \$ - | \$ - | \$ - | \$ 14,009 | \$ - | \$ - |
| 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11040-090 | Equity Transfers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11040-100 | Equity Transfers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11040-110 | Equity Transfers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11040 | Prior Period Adjustments, Equity Transfers and Correction of | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | \$ 6,605 | \$ - | \$ - | \$ - | \$ 6,605 | \$ - | \$ - |
| 11170-010 | Administrative Fee Revenue | \$ 79,816 | \$ - | \$ - | \$ - | \$ 79,816 | \$ - | \$ - |
| 11170-020 | Hard to House Fee Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11170-021 | FSS Coordinator Grant | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11170-030 | Audit Costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11170-040 | Investment Income | \$ 97 | \$ - | \$ - | \$ - | \$ 97 | \$ - | \$ - |
| 11170-045 | Fraud Recovery Revenue | \$ 624 | \$ - | \$ - | \$ - | \$ 624 | \$ - | \$ - |
| 11170-050 | Other Revenue | \$ 2,890 | \$ - | \$ - | \$ - | \$ 2,890 | \$ - | \$ - |
| 11170-051 | Comment for Other Revenue | | | | | Pat div \$2,369; Prior period adj. \$521 | | |
| 11170-060 | Total Admin Fee Revenues | \$ 83,427 | \$ - | \$ - | \$ - | \$ 83,427 | \$ - | \$ - |
| 11170-080 | Total Operating Expenses | \$ 78,046 | \$ - | \$ - | \$ - | \$ 78,046 | \$ - | \$ - |
| 11170-090 | Depreciation | \$ 5,733 | \$ - | \$ - | \$ - | \$ 5,733 | \$ - | \$ - |
| 11170-095 | Housing Assistance Payment Portability In | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11170-100 | Other Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11170-101 | Comment for Other Expenses | | | | | | | |
| 11170-110 | Total Expenses | \$ 83,779 | \$ - | \$ - | \$ - | \$ 83,779 | \$ - | \$ - |
| 11170-002 | Net Administrative Fee | \$ (352) | \$ - | \$ - | \$ - | \$ (352) | \$ - | \$ - |
| 11170-003 | Administrative Fee Equity - Ending Balance | \$ 6,253 | \$ - | \$ - | \$ - | \$ 6,253 | \$ - | \$ - |
| 11170-005 | Pre-2004 Administrative Fee Reserves | \$ 1,621 | \$ - | \$ - | \$ - | \$ 1,621 | \$ - | \$ - |
| 11170-006 | Post-2003 Administrative Fee Reserves | \$ 4,632 | \$ - | \$ - | \$ - | \$ 4,632 | \$ - | \$ - |
| 11180 | Housing Assistance Payments Equity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11180-001 | Housing Assistance Payments Equity - Beginning Balance | \$ 16,780 | \$ - | \$ - | \$ - | \$ 16,780 | \$ - | \$ - |
| 11180-010 | Housing Assistance Payment Revenues | \$ 528,712 | \$ - | \$ - | \$ - | \$ 528,712 | \$ - | \$ - |
| 11180-015 | Fraud Recovery Revenue | \$ 623 | \$ - | \$ - | \$ - | \$ 623 | \$ - | \$ - |
| 11180-020 | Other Revenue | \$ 13,488 | \$ - | \$ - | \$ - | \$ 13,488 | \$ - | \$ - |
| 11180-021 | Comments for Other Revenue | | | | | Prior period adj \$13,488 | | |
| 11180-025 | Investment Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11180-030 | Total Housing Assistance Payments Revenues | \$ 542,823 | \$ - | \$ - | \$ - | \$ 542,823 | \$ - | \$ - |
| 11180-080 | Housing Assistance Payments | \$ 553,206 | \$ - | \$ - | \$ - | \$ 553,206 | \$ - | \$ - |
| 11180-090 | Other Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11180-091 | Comments for Other Expenses | | | | | | | |
| 11180-100 | Total Housing Assistance Payments Expenses | \$ 553,206 | \$ - | \$ - | \$ - | \$ 553,206 | \$ - | \$ - |
| 11180-002 | Net Housing Assistance Payments | \$ (10,383) | \$ - | \$ - | \$ - | \$ (10,383) | \$ - | \$ - |
| 11180-003 | Housing Assistance Payments Equity - Ending Balance | \$ 6,397 | \$ - | \$ - | \$ - | \$ 6,397 | \$ - | \$ - |
| 11190 | Unit Months Available | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11190-210 | Total ACC HCV Units | - | - | - | - | - | - | - |
| 11190-220 | Unfunded Units | - | - | - | - | - | - | - |
| 11190-230 | Other Adjustments | - | - | - | - | - | - | - |
| 11190 | Unit Months Available | 2,352 | - | - | - | 1,848 | 504 | - |
| 11210 | Number of Unit Months Leased | 1,558 | - | - | - | 1,054 | 504 | - |
| 11270 | Excess Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11610 | Land Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11620 | Building Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11630 | Furniture & Equipment - Dwelling Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11640 | Furniture & Equipment - Administrative Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11650 | Leasehold Improvements Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11660 | Infrastructure Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13510 | CFFP Debt Service Payments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13901 | Replacement Housing Factor Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION

Financial Data Schedule - Memo Account Information
Year Ended December 31, 2023

| 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 | YES |
| G3000-230 | Does the Deficiency relate to the Low Rent or Capital Fund? | NO |
| G3000-240 | Enter number of occurrences that relate to the Low Rent or Capital Fund Program. | - |
| 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 | NO |
| G3000-330 | Does the activity relate to the Low Rent or Capital Fund Program? | N/A |
| G3000-340 | Enter number of occurrences that relate to the Low Rent or Capital Fund Program. | - |

See Independent Auditor's Report

MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION

Financial Data Schedule - Memo Account Information
Year Ended December 31, 2023

| 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 | \$750,000 |
| G4000-030 | Low-Risk Auditee Indicator | NO |
| G4000-040 | Indicator-Any Audit Findings Disclosed that are Required to be Reported | YES |
| G4000-080 | Was a Schedule of Prior Audit Findings Prepared? | YES |
| G4100-040 | Total Federal Awards Expended (This cell is populated by G4100-030 from the "Federal Award Details" Tab) | \$926,622 |

MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION

Financial Data Schedule - Memo Account Information
Year Ended December 31, 2023

| Federal Award Details | | |
|------------------------------|--|----------------|
| Element | Description | Details |
| G4100-030 | Amount Expended | \$926,622 |
| G4200-010 | Major Federal Program Indicator | YES |
| G4200-050 | Type of Opinion on Major Federal Program | UNMODIFIED |
| G4200-060 | Number of Uniform Guidance Compliance Audit Findings | 0 |
| G4200-030 | Amount of Questioned Costs | 0 |
| G4200-040 | Internal Control Findings | N/A |
| G4200-070 | Audit Finding Reference Number | N/A |
| G4200-090 | Are Awards Received Directly from a Federal Agency? | YES |
| G4200-100 | Significant Deficiency Indicator | NO |
| G4200-200 | Number of Significant Deficiencies | 0 |
| G4200-110 | Material Weakness Indicator | NO |
| G4200-210 | Number of Material Weaknesses | 0 |
| G4200-120 | Material Noncompliance Indicator | YES |
| G4200-220 | Number of Material Noncompliance | 1 |
| G4100-050 | Total Amount of Questioned Costs | \$0 |

| Supplementary Information | | |
|----------------------------------|---|---------------|
| Element | Description | Value |
| G3100-040 | SAS 119 "in relation to" Opinion on the Financial Data Schedule | FAIRLY STATED |
| G3100-050 | Is MD&A omitted ? | NO |
| G3100-060 | Are other supplemental information Omitted? | NO |

**MOBRIDGE HOUSING AND
REDEVELOPMENT COMMISSION**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

| Federal Grantor/Pass-Through Grantor Program or Cluster Title | Assistance Listing Number | Disbursements/ Expenditures |
|--|--|--|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: | | |
| Direct Funding: | | |
| Section 8 Project-Based Cluster: | | |
| Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation | 14.856 | \$ 262,884 |
| Housing Voucher Cluster: | | |
| Section 8 Housing Choice Vouchers | 14.871 | 608,528 |
| Family Self-Sufficiency Program | 14.896 | 39,480 |
| Indirect Funding: | | |
| U.S. Department of Housing and Redevelopment Pass-Through Program from South Dakota Housing Development Authority (SDHDA): | | |
| HOME Investment Partnerships Program - Security Deposit Assistance Program Administration | 14.239 | \$ 14,300 <u>1,430</u> 15,730 |
| Total Federal Funding | | \$ 926,622 |

Note 1: Basis of Presentation

The accompanying schedule of Expenditures of federal awards (the "Schedule") includes the federal award activity of the Commission under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2: Summary of Significant Accounting Policies

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

**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
Mobridge Housing and Redevelopment Commission
Mobridge, 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 Mobridge Housing and Redevelopment Commission, a component unit of the City of Mobridge, South Dakota (the Commission) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 26, 2024.

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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency: Finding 2023-001.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Commission's Response to Finding

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

Purpose of this Report

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.

Uhlenberg Ritzman + Co., LLC

Yankton, South Dakota
September 26, 2024

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

To the Board of Commissioners
Mobridge Housing and Redevelopment Commission
Mobridge, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mobridge Housing and Redevelopment Commission, a component unit of the City of Mobridge, South Dakota's (the Commission) compliance with the type of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended December 31, 2023. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Section 8 Housing Choice Vouchers for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed other instances on noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the Commission's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wohlenberg Ritzman + Co., LLC

Yankton, South Dakota
September 26, 2024

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2023

FINDINGS - FINANCIAL STATEMENTS AUDIT

Finding 2022-001.

Condition: We requested the auditors to assist with drafting the financial statements and related note disclosures for the year ended December 31, 2022. Although information was provided, the auditors prepared and proposed various adjusting entries, based on this information. This was needed to ensure that note disclosures included required elements.

Recommendation: The auditors recommend the Commission expand internal controls over financial reporting to include further emphasis on the overall financial statements and required note disclosures. The designated auditee staff should receive appropriate training. Management will then be able to take responsibility for the preparation of its financial statements and related note disclosures.

Current Status: This has not been corrected and is restated as current audit Finding 2023-001.

FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2022-002.

Condition: The Commission did not complete and submit their audit to the Federal Audit Clearinghouse by the due date of September 30, 2023. This affects all federal programs.

Recommendation: We recommend the Commission become familiar with reporting requirements for each award and implement procedures to begin audit preparation work earlier in the fiscal year to ensure reports are filed within the nine-month reporting deadline set forth by Uniform Guidance.

Current Status: This has not been corrected and is restated as current audit Finding 2023-002.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR section 200.516(a)? X yes _____ no

Identification of major programs:

| <u>AL Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------|---|
| 14.871 | Section 8 Housing Choice Vouchers |

Dollar Threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes X no

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED DECEMBER 31, 2023

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2023-001 Preparation of Financial Statements

Significant Deficiency

Condition:

We, as auditors, were requested to assist with drafting the financial statements and related note disclosures for the year ended December 31, 2023. Although information was provided, the auditors prepared and proposed various adjusting entries, based on this information. This was needed to ensure that note disclosures included required elements.

Questioned Costs: None

Criteria:

In accordance with U.S. generally accepted accounting principles (US GAAP) it is management's responsibility to provide for the preparation of the Commission's financial statements and related note disclosures, which includes effective internal controls over the entire financial reporting process. It is the responsibility of the auditor to determine the fairness of the presentation of those statements.

Cause:

The Commission's staff has not fully developed their knowledge of accounting standards to allow for the preparation of full disclosure financial statements as required by (US GAAP).

Effect:

This condition may affect the Commission's ability to recognize and report financial data that is timely, accurate, and consistent with the US GAAP requirements.

Recommendation:

We recommend the Commission expand internal controls over financial reporting to include further emphasis on the overall financial statements and required note disclosures. The designated auditee staff should receive appropriate training. Management will then be able to take responsibility for the preparation of its financial statements and related note disclosures.

Views of Responsible Officials:

Please refer to the Corrective Action Plan for management's views and planned corrective action.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED DECEMBER 31, 2022**

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2023-002 Single Audit Report Filed Late

Condition:

The audited financial statements were not submitted to the Federal Audit Clearinghouse by the due date of September 30, 2024.

Questioned Costs: None

Criteria:

In accordance with 2 CFR Section 200.512, an entity expending more than \$750,000 of federal funds within a fiscal year must submit the data collection form and reporting package by a due date that is the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the year end of the audit period.

Cause:

The late filing of the 2022 audit report led to a delayed start for the 2023 audit. As a result, the subsequent audit processes for the year ended December 31, 2023, were impacted, causing the filing for that audit to also be late.

Effect:

The Commission was not in compliance with Uniform Guidance, which could lead to sanctions by the funding agencies.

Recommendation:

We recommend the Commission establish a timely process to ensure completion of the audit by September 30 of each year.

Views of Responsible Officials:

Please refer to the Corrective Action Plan for management's views and planned corrective action.

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION
202 1st Ave East., P. O. Box 370, Mobridge, SD 57601
Telephone: (605)845-2560 Fax: (605)845-9902

CORRECTIVE ACTION PLAN (Unaudited)
YEAR ENDED DECEMBER 31, 2023

Mobridge Housing and Redevelopment Commission respectfully submits the following corrective action plan for audit findings for the year ended December 31, 2023.

Independent Public Accounting Firm:

Wohlenberg, Ritzman and Co. LLC
P.O. Box 1018
Yankton, SD 57078

Audit Period:

January 1, 2023 - December 31, 2023

The findings from the December 31, 2023 Schedule of Findings and Questioned Costs are discussed below.

Findings Related to the Financial Statements

Finding 2023-001 Preparation of Financial Statements

Condition as Noted in Auditor's Finding:

"We, as auditors, were requested to assist with drafting the financial statements and related note disclosures for the year ended December 31, 2023. Although information was provided, the auditors prepared and proposed various adjusting, based on this information. This was needed to ensure that note disclosures included required elements."

Responsible Individuals:

Board of Commissioners and Management

Corrective Action Plan:

The Commission is aware of the risk associated with requesting the auditors to assist in the preparation of the financial statements. Planned actions include management to annually review the draft financial statements and related notes prepared by the auditor and the review all recommended adjusting journal entries proposed by the auditor. Additional avenues will be explored to provide Commission staff with additional training to further their knowledge of accounting standards.

Anticipated Completion Date:

Ongoing analysis

MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION
202 1st Ave East., P. O. Box 370, Mobridge, SD 57601
Telephone: (605)845-2560 Fax: (605)845-9902

CORRECTIVE ACTION PLAN (Unaudited), continued
YEAR ENDED DECEMBER 31, 2023

Finding 2023-002 Single Audit Report Filed Late

Condition as Noted in Auditor's Finding:

The Commission did not complete and submit their audit to the Federal Audit Clearinghouse by the due date of September 30, 2024.

Responsible Individuals:

Board of Commissioners and Management

Corrective Action Plan:

The Commission will implement procedures to begin audit preparation work earlier in the calendar year to ensure reports are filed within the nine-month reporting deadline set forth by Uniform Guidance.

Anticipated Completion Date:

Ongoing analysis

Very truly yours,
MOBRIDGE HOUSING AND REDEVELOPMENT COMMISSION



Rich Galbraith
Executive Director