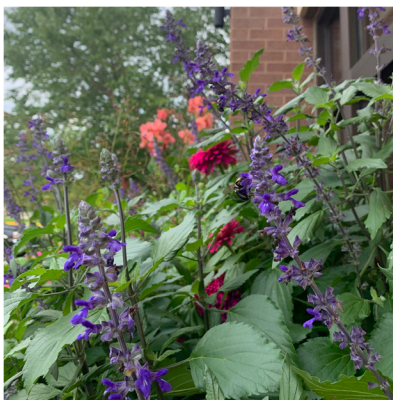




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Annual
COMPREHENSIVE
FINANCIAL REPORT

Fiscal Year Ended December 31, 2024
City of Brookings, South Dakota



Annual Comprehensive Financial Report
Year Ended December 31, 2024

City of Brookings, South Dakota

Prepared by the Finance Department

Introductory Section

Letter of Transmittal	I
Listing of City Officials	VI
Organizational Chart	VII
Certificate of Achievement for Excellence in Financial Reporting	VIII

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis	5

Basic Financial Statements**Government-Wide Financial Statements**

Statement of Net Position	20
Statement of Activities	22

Fund Financial Statements

Balance Sheet	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	27
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Special Revenue Fund - 2 nd Penny Sales and Use Tax	28

Proprietary Funds

Statement of Net Position	29
Statement of Revenues, Expenses and Changes in Fund Net Position	32
Statement of Cash Flows	33

Fiduciary Funds

Statement of Fiduciary Net Position	37
Statement of Changes in Fiduciary Net Position	38

Notes to Financial Statements	39
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Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability and Related Ratios	93
Schedule of Employer's Share of Net Pension Liability (Asset) and Schedule of Employer's Contributions	98
Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions	99

Other Supplementary Information**Nonmajor Governmental Funds**

Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	101

Nonmajor Special Revenue Funds

Description of Nonmajor Special Revenue Funds	102
Combining Balance Sheet	103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	105
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	107

Nonmajor Debt Service Funds	
Description of Nonmajor Debt Service Funds.....	111
Combining Balance Sheet.....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	114
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual.....	116
Nonmajor Capital Projects Funds	
Description of Nonmajor Capital Projects Funds.....	120
Combining Balance Sheet.....	121
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	123
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual.....	125
Nonmajor Enterprise Funds	
Description of Nonmajor Funds.....	129
Combining Balance Sheet.....	130
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	133
Combining Statement of Cash Flows.....	134
Internal Service Funds	
Description of Funds.....	137
Combining Statement of Net Position.....	138
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	139
Combining Statement of Cash Flows.....	140
Custodial Funds	
Description of Funds.....	141
Combining Statement of Fiduciary Net Position.....	142
Combining Statement of Changes in Fiduciary Net Position.....	143
Statistical Section	
Introduction to Statistical Section.....	144
Financial Trends	
Table 1: Components of Net Position.....	145
Table 2: Changes in Net Position.....	146
Table 3: Fund Balances of Governmental Funds.....	149
Table 4: Changes in Fund Balances of Governmental Funds.....	150
Table 5: Assessed and Actual Value of Taxable Property.....	152
Table 6: Direct and Overlapping Property Tax Rates.....	153
Table 7: Principal Property Taxpayers.....	154
Table 8: Property Tax Levies and Collections.....	155
Table 9: Historical Sales and Use Tax Receipts.....	156
Table 10: Taxable Sales by Category.....	157
Table 11: Direct and Overlapping Sales Tax Rates.....	158
Debt Capacity	
Table 12: Ratio of Net General Bonded Debt.....	159
Table 13: Ratios of Outstanding Debt by Type.....	160
Table 14: Computation of Direct and Overlapping Debt.....	161
Table 15: Legal Debt Margin Information.....	162
Table 16: Pledged Revenue Coverage.....	164

Demographic and Economic Information

 Table 17: Demographic and Economic Statistics 166

 Table 18: Principal Employers 167

Operating Information

 Table 19: Full-Time Equivalent City Government Employees by Function/Program..... 168

 Table 20: Operating Indicators by Function/Program 169

 Table 21: Capital Assets Statistics by Function/Program 170

Introductory Section

Year Ended December 31, 2024

City of Brookings, South Dakota

BRING YOUR DREAMS.



June 30, 2025

The Honorable Mayor Ope Niemeyer
Members of the City Council
Citizens of the City of Brookings, South Dakota

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the City of Brookings, South Dakota, for the fiscal year ended December 31, 2024.

This report has been prepared by the City's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City's management. We believe that the report is accurate and reliable in all material aspects and that it fairly presents the financial position and results of operations for the City as measured by its various funds. The disclosures included herein are designed to provide transparency and a comprehensive understanding of the City's financial affairs.

Financial Reporting and Internal Controls

The City's management is responsible for establishing and maintaining an accounting and internal control structure designed to protect City assets from loss, theft, or misuse and ensure that adequate accounting data is compiled for the presentation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Brookings has implemented a comprehensive framework of internal controls that provides reasonable assurance rather than absolute assurance that the financial statements are free from material misstatement. We are confident that our internal accounting controls effectively safeguard assets and ensure accurate financial reporting.

Independent Audit

The City's financial statements have been audited by Eide Bailly, LLP, a firm of certified public accountants authorized to conduct municipal audits in the State of South Dakota. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2024 are free of material misstatement.

The audit included:

- Examination of evidence supporting amounts and disclosures in the financial statements;
- Assessment of accounting principles used and significant estimates made by management;
- Evaluation of overall financial statement presentation.

Based on this review, the independent auditor rendered an unmodified opinion, indicating that the City's financial statements are fairly presented in all material respects in accordance with GAAP. The Independent Auditor's Report is presented as the first component of the Financial Section of this report.

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Brookings for its Annual Comprehensive Financial Report for the year ended December 31, 2023. This certificate represents the highest recognition in governmental financial reporting and accounting.

We believe our 2024 ACFR continues to meet the Certificate program requirements and is being submitted to the GFOA for review.

Profile of the City of Brookings

Brookings is located along the I-29 corridor in east-central South Dakota and is home to approximately 24,000 residents, making it the fourth-largest city in the state. The City is known for its high quality of life, strong economy, and excellent education system, including South Dakota State University, which had an enrollment of over 11,500 students in 2024.

Brookings serves as a regional economic hub, drawing consumers and businesses from a market area of over 70,000 people. The City has a diverse local economy supported by manufacturing, biosciences, food production, and higher education.



Brookings Municipal Utilities

Brookings Municipal Utilities (BMU) is a publicly owned utility system providing essential services to residents and businesses in Brookings. BMU oversees the electric, water, wastewater, and telecommunications infrastructure, ensuring reliable and efficient service. The utility is dedicated to sustainability, innovation, and maintaining infrastructure that supports the City's growing population. BMU continues to invest in modernizing its systems to enhance operational efficiency and environmental responsibility.

Brookings Health System

Brookings Health System is a non-profit, city-owned health care provider offering a wide range of medical services to the region. The health system includes a 49-bed acute care hospital, a skilled nursing facility, and multiple specialty clinics. It provides comprehensive care, including emergency services, surgery, obstetrics, and outpatient therapies. Brookings Health System is recognized for its commitment to high-quality patient care and community health initiatives, and it continues to expand services to meet the evolving needs of residents. Recent investments in technology and facility improvements further position the health system as a regional leader in healthcare.

Economic Condition and Outlook

Brookings continues to experience steady population and economic growth, supported by low unemployment, business expansion, and ongoing capital investments. Key economic indicators for 2024 include:

- **Employment growth:** The labor force grew to 14,200 in 2024, with an unemployment rate consistently below the national average.
- **Construction activity:** The City issued 565 building permits, reflecting continued investment in residential, commercial, and industrial development.
- **Major capital investments:** ongoing projects in infrastructure, education, and healthcare contributed to economic vitality.

Strategic Initiatives and Long-term Planning

The City Council remains committed to a long-term vision for sustainable growth and financial stability. The 2021-2026 Strategic Plan focuses on the following areas:

- A. **Fiscal Responsibility:** The City of Brookings will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.
- B. **Safe, Inclusive, and Connected Community:** The City of Brookings will create an environment for inclusive programs, gathering places, and events where the community can safely live, work, and come together to participate in opportunities for learning, recreation, and enjoyment.
- C. **Service and Innovation Excellence:** The City of Brookings will provide an accessible environment committed to ongoing innovation and outstanding service through listening and engagement.
- D. **Sustainability:** The City of Brookings will meet environmental, community, and economic desires and needs without compromising future generations' quality of life by strategically planning, implementing, and maintaining infrastructure and facilities.
- E. **Economic Growth:** The City of Brookings will support effective diversified community investment and equitable opportunities for prosperity.

Major Accomplishments in 2024

Fiscal Responsibility

- OpenGov Budgeting and Planning software purchased in 2024 to optimize the budgeting process.
- Created and implemented a procurement policy and guidebook to ensure compliance with government regulations.
- Reviewed and updated the Tax Increment Financing policy, as well as projected revenues and costs.
- Entered into an energy efficiency performance contract with Ameresco to provide extensive energy and cost savings through equipment upgrades and improvements at City facilities and reducing the City's carbon footprint by 15 percent.
- Replaced windows and doors at the Brookings Public Library.
- Collaborated with Brookings County to upgrade audio/video equipment in the City/County Administration Building chambers.

Safe, Inclusive, and Connected Community

- Constructed a pickleball court at Hillcrest Park.
- Restored the Pioneer Park Bandshell, which was originally constructed in 1936.
- Fostered partnerships with local developers, resulting in several workforce housing projects.
- Expanded the Community Service Unit in the Police Department to cover code enforcement, parking, security, and animal control.
- Continued to increase membership and programming at Brookings Activity Center.

Service and Innovation Excellence

- Completed City Charter review with an 11-member citizen panel who recommended updates, to be voted on in the City's 2025 regular election.
- Completed a comprehensive review of City Council policies, which began in 2019, and were approved by the Council in August 2024.
- All full-time staff participated in High Performing Organizations Training to embrace the culture of continuous improvement.

Sustainability

- Approved the master drainage plan, which will guide management of the City's stormwater system over the next ten years.
- Completed the Six-mile Creek Feasibility Study, outlining flooding issues and mitigation options.
- Continued to implement the City's Solid Waste Master Plan.
- Developed an Emerald Ash Borer Management Plan after the pest was confirmed in Brookings County in July 2024.
- Continued the Urban Forest Initiative, a rebate program designed to encourage residents to plant trees at little or no cost.
- Created a pilot program for stormwater incentives to offer rain barrels and native plants to help manage stormwater.

Economic Growth

- Continued the Brookings Marketplace Property Development process, which will ultimately become a regional shopping center expected to generate approximately \$1.1 million in direct sales tax revenue.
- Implemented the Community Economic Development Master Plan, in which partner agencies work together to meet goals and create an efficient ecosystem for economic progress.
- Completed the Downtown Brookings Master Plan, which offers ideas to nurture the future of downtown by creating a shared vision for future community and economic development.
- Reached a development agreement with Solventum to facilitate the plant's \$220 million expansion, while resulting in \$3.5 million in sales tax and TIF revenue for the City over the next several years.
- Continued to experience growth associated with the I-29 and 20th Street South Interchange, which was completed in 2023.

For these reasons, and so many others, Brookings has received national recognition in many areas which include:

- Named National Micropolitan Success Story (Walton Family Foundation, 2018)
- Perfect MEI Score – 100, (Municipal Equality Index, HRC.org, 2018-2024)
- #1 Best Places to live in SD (Niche, 2018, 2017, 2016), (chamberofcommerce.org, 2021), (Affiliated Mortgage, 2021)
- #2 Best School Districts in SD (Niche, 2019, 2018, 2017)
- #2 Safest Cities in SD (Safewise.com, 2024)
- #7 Top 10 Most Arts-Vibrant Small Communities in the U.S. (SMU Data Arts, 2019)
- Outstanding Philanthropic Community (Association of Fundraising Professionals, 2020)
- Recognized as a Tree City USA by the Arbor Day Foundation for the 42nd year in a row
- Brookings Health System was named as one of the top 20 Rural Community Hospitals in the United States (2017, 2019-2025)
- SDSU was named the Safest College Campus in the State of South Dakota by, Your Local Security: Safest College Campuses in America (2024)

Acknowledgments

Preparation of this report could not have been accomplished without the dedicated efforts of the Finance Department staff, Brookings Health System, and Brookings Municipal Utilities. We also extend our appreciation to all City departments for their contributions in providing essential data for this report.

Finally, we recognize the Mayor and City Council for their unwavering commitment to fiscal responsibility, transparency, and good governance.

Respectfully submitted,

CITY OF BROOKINGS

A handwritten signature in black ink, appearing to read "Paul Briseno", with a stylized flourish at the end.

Paul Briseno, City Manager

A handwritten signature in blue ink, appearing to read "Ashley Rentsch", with a large, circular flourish at the end.

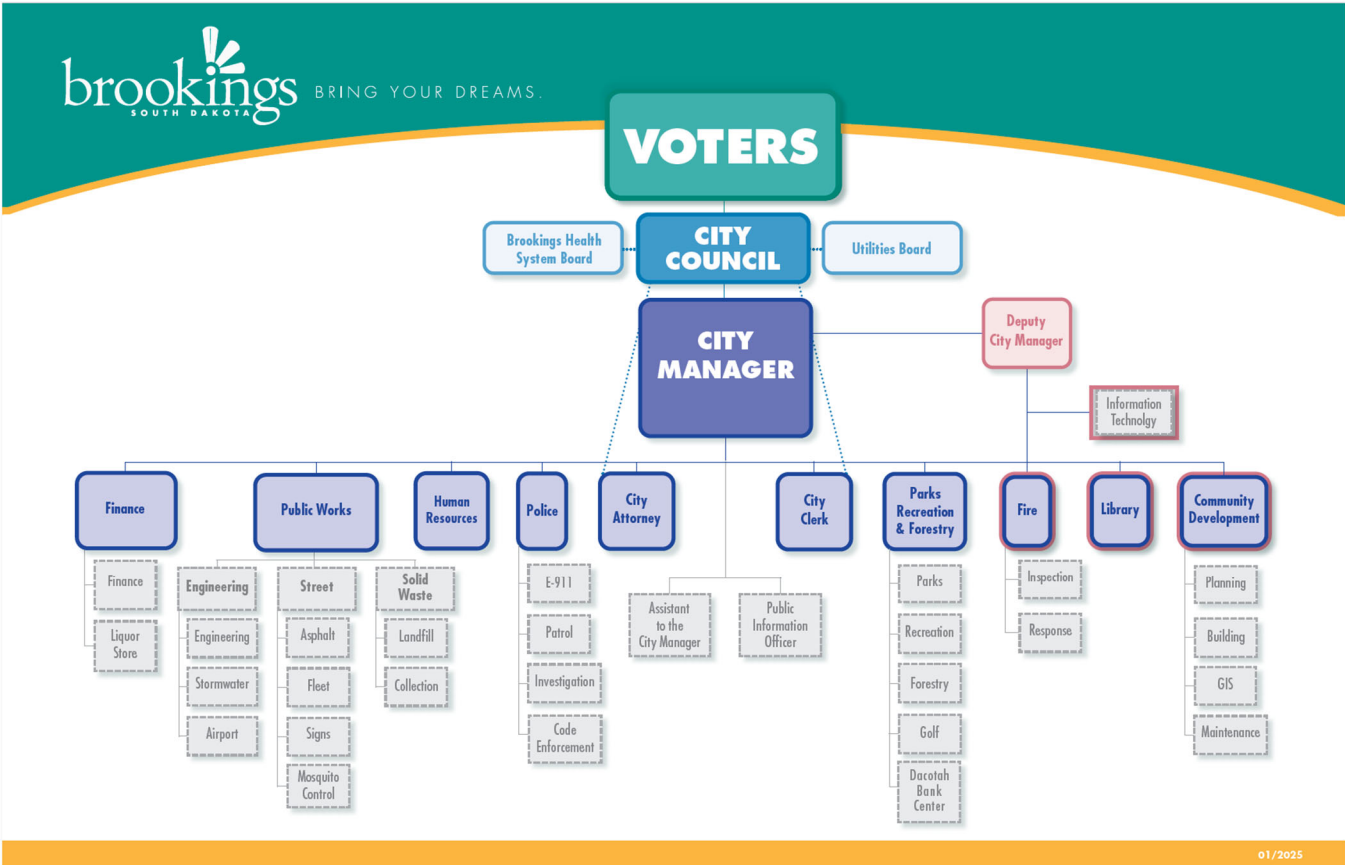
Ashley Rentsch, Finance Director

City of Brookings, South Dakota

Listing of City Officials

December 31, 2024

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Elected Officials		
Oepke "Ope" Niemeyer	Mayor	May 2027
Nick Wendell	Deputy Mayor	May 2027
Wayne Avery	Council Member	May 2027
Brianna Doran	Council Member	May 2025
Holly Tilton Byrne	Council Member	May 2025
Andrew Rasmussen	Council Member	May 2026
Bonny Specker	Council Member	May 2025
Appointed Officials		
Paul Briseno	City Manager	
Jacob Meshke	Deputy City Manager	
Steven Britzman	City Attorney	
Bonnie Foster	City Clerk	
Ashley Rentsch	Finance Director	
Mike Struck	Community Development Director	
Casey Bell	Human Resources Director	
Michael Logan	Dacotah Bank Center GM	
Ashia Gustafson	Library Director	
Kristin Zimmerman	Parks, Rec, and Forestry Director	
Sherry Fuller-Bordewyk	Public Information Officer	
John Thompson	Public Works Director	
Don Goff	IT Manager	
Michael Drake	Police Chief	
Pete Bolzer	Fire Chief	
Jason R. Merkley	Health System CEO	
Steve Meyer	Utilities EVP & GM	





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Brookings
South Dakota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Financial Section

Year Ended December 31, 2024

City of Brookings, South Dakota

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information



Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Brookings, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Brookings, South Dakota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. Accordingly, a restatement has been made to the governmental activities, business-type activities, and the electric, wastewater, telephone, water, and nonmajor enterprise funds net position as of January 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

What inspires you, inspires us. | eidebailly.com

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in the City's total OPEB liability and related ratios, schedule of employer's share of net pension liability (asset), and schedule of employer's contributions 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and budgetary comparison schedules 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 GAAS. In our opinion, the combining financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
June 30, 2025

This discussion and analysis presents an overview of the financial activities and financial position for the City of Brookings ("the City") for the year ended December 31, 2024. The information presented in this section should be considered in conjunction with that presented in the basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$643,359,284 (net position) for the calendar year reported.
- The City's total ending net position of \$643,359,284 reflects an increase of \$57,792,278 during the calendar year.
- Total net position is comprised of the following:
 - Net investment in capital assets of \$359,355,124 includes property and equipment, net of accumulated depreciation/amortization and reduced for outstanding debt related to the purchase or construction of capital assets.
 - Net position of \$2,808,365 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - Net position of \$474,000 is restricted for landfill closure and postclosure costs.
 - Unrestricted net position of \$280,721,795 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental activities reported a total ending net position of \$168,668,116 this year reflecting an increase of \$11,791,178 during the calendar year. Unrestricted net position of \$48,539,853 at December 31, 2024, represents 28.8% of total net position.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$15,325,545 or 71.1% of total General Fund expenditures.
- The City's business-type activities reported an increase in net position of \$46,001,100 or 10.7 percent compared to the previous year, ending the current year at \$474,691,168. This increase in business-type activities is somewhat similar to what a private business might report as net profit
- The City's total outstanding long-term liabilities increased by \$28,304,779, ending the current fiscal year at \$90,866,794.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements, which consists of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements. The report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to give users a broad overview of the City's finances, in a manner similar to that of a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, excluding fiduciary funds, with the difference reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The Statement of Activities shows how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event that caused the change occurs, regardless of the timing of the related cash flows. There are revenues and expenses reported in this statement for some items that will only result in cash flows in future fiscal years; examples include uncollected taxes and vacation days that are earned, but not used.

The government-wide financial statements distinguish between functions that are mainly supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health & welfare, culture and recreation, conservation and development, and debt service. The business-type activities of the City include the enterprise activities of electric, water, sewer, telephone, hospital, liquor, solid waste, airport, golf course, and the research & technology facility.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained 25 individual governmental funds for 2024. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and 2nd Penny Sales and Use Tax Fund, which is considered a major fund. Data from the other 23 governmental funds are combined into a single aggregated presentation. Fund data for each individual nonmajor governmental fund is provided in the form of combining statements following the required supplementary information.

The City adopts an annual budget for its governmental funds. Budgetary comparison statements have been provided in the basic financial statements for the major governmental funds (General Fund and 2nd Penny Sales and Use Tax Fund) to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two different types of proprietary funds. The first type is enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the electric, wastewater, health system, telephone, and water funds, all of which are considered major funds. Data from the remaining enterprise funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is included in the combining and individual fund section of this report.

Internal service funds are the other type of proprietary funds. Internal service funds are used to accumulate and allocate costs internally among the City's various functions for self-insurance. Because the self-insurance funds predominately benefit the business-type functions, they have been included with the business-type activities portion of the presentation of the government-wide statements. Internal balances reflect an allocation of 35 percent of internal service fund balances to the governmental funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes select pension information and the schedule of changes in the City's total other postemployment benefit liability and related ratios.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position over time serves as a useful indicator of a government's financial position. At the close of 2024, assets and deferred outflows exceeded liabilities and deferred inflows by \$643,359,284. This reflects an increase in the City's combined net position of 9.9% between fiscal year 2023 and 2024.

The following table presents condensed financial information on the City's net position for the fiscal years ending December 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Assets						
Current and other assets	\$ 62,279,416	\$ 60,849,549	\$ 258,848,606	\$ 227,438,303	\$ 321,128,022	\$ 288,287,852
Capital assets	134,207,195	123,896,086	306,342,527	267,355,900	440,549,722	391,251,986
Total assets	196,486,611	184,745,635	565,191,133	494,794,203	761,677,744	679,539,838
Deferred Outflows of Resources	3,350,559	3,643,656	9,282,261	10,626,693	12,632,820	14,270,349
Liabilities						
Other liabilities	7,671,294	5,876,972	15,387,619	20,385,389	23,058,913	26,262,361
Long-term liabilities	20,566,487	21,751,679	70,300,307	40,810,336	90,866,794	62,562,015
Total liabilities	28,237,781	27,628,651	85,687,926	61,195,725	113,925,707	88,824,376
Deferred Inflows of Resources	2,931,273	3,063,526	14,094,300	14,086,048	17,025,573	17,149,574
Net Position						
Net investment in capital assets	118,112,144	105,443,260	241,242,980	235,451,151	359,355,124	340,894,411
Restricted	2,016,119	2,981,594	1,266,246	10,951,984	3,282,365	13,933,578
Unrestricted	48,539,853	49,272,260	232,181,942	183,735,988	280,721,795	233,008,248
Total net position	\$ 168,668,116	\$ 157,697,114	\$ 474,691,168	\$ 430,139,123	\$ 643,359,284	\$ 587,836,237

* Effective January 1, 2024, the City adopted provisions of GASB Statement No. 101 *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the City to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended December 31, 2023, was not restated. See Note 15 to the financial statements for further information on the change in accounting principle.

The Statement of Net Position reports all financial and capital resources. The statement presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources in order of relative liquidity. The liabilities with maturities greater than one year are reported in two components: the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting primarily of compensated absences payable, sales tax revenue bonds payable, loans payable, and leases have been reported in this manner on the Statement of Net Position. The difference between the City's assets and deferred outflow of resources, and the liabilities and deferred inflow of resources is equal to its net position.

By far the largest portion (55.9%) of the City's net position is represented by \$359.4 million in investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position makes up 0.4% of the total net position. These assets are subject to external restriction on how they may be used.

The remaining unrestricted balance of \$280.7 million (43.6%) may be used to meet the government's ongoing obligations to citizens and creditors. Certain balances within the unrestricted net position have internally imposed designations or limitations which may further limit the purpose for which such net position may be used.

Changes in Net Position

The City's net position increased by \$57,792,278 in 2024. Of this growth, \$11,791,178 was attributable to the governmental activities, and \$46,001,100 to the business-type activities. The increase in governmental activities was primarily driven by strong sales tax collections and capital asset growth resulting from major infrastructure investments. These included energy efficiency enhancements, HVAC and lighting upgrades across multiple City facilities, the Pioneer Park Bandshell remodel, the addition of Hillcrest Pickleball Courts, and installation of a dehumidification unit at the Larson Ice Center. Other contributing factors included several large equipment acquisitions and the continuation of the City's annual street maintenance and overlay program. The increase in business-type activities net position was largely due to strong net income across utility funds, along with the water treatment plant construction.

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending December 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Revenues						
Program revenues						
Charges for services	\$ 4,819,060	\$ 5,929,983	\$ 162,493,267	\$ 156,242,305	\$ 167,312,327	\$ 162,172,288
Operating grants and contributions	889,344	1,423,432	134,607	19,597	1,023,951	1,443,029
Capital grants and contributions	1,037,872	3,522,266	12,989,640	16,360,576	14,027,512	19,882,842
General revenues						
Taxes	30,748,604	28,636,861	-	-	30,748,604	28,636,861
State shared revenues	235,372	258,706	-	-	235,372	258,706
Unrestricted investment earnings	2,198,819	1,932,897	13,101,502	11,596,175	15,300,321	13,529,072
Miscellaneous	1,047,880	2,420,298	749,473	770,929	1,797,353	3,191,227
Total revenues	<u>40,976,951</u>	<u>44,124,443</u>	<u>189,468,489</u>	<u>184,989,582</u>	<u>230,445,440</u>	<u>229,114,025</u>
Expenses						
General government	4,753,253	8,344,311	-	-	4,753,253	8,344,311
Public safety	6,854,226	5,431,752	-	-	6,854,226	5,431,752
Public works	10,010,126	8,873,381	-	-	10,010,126	8,873,381
Health and welfare	88,239	203,596	-	-	88,239	203,596
Culture and recreation	7,206,532	6,686,316	-	-	7,206,532	6,686,316
Conservation and development	1,655,681	1,311,522	-	-	1,655,681	1,311,522
Interest and fiscal charges	614,296	466,650	-	-	614,296	466,650
Electric	-	-	26,173,810	25,493,188	26,173,810	25,493,188
Health system	-	-	70,717,026	67,834,662	70,717,026	67,834,662
Telephone	-	-	13,300,516	12,788,884	13,300,516	12,788,884
Liquor	-	-	12,910,811	13,352,938	12,910,811	13,352,938
Water	-	-	5,977,228	4,121,713	5,977,228	4,121,713
Wastewater	-	-	6,321,602	5,556,864	6,321,602	5,556,864
Airport	-	-	1,399,895	1,380,685	1,399,895	1,380,685
Golf	-	-	919,496	881,613	919,496	881,613
Solid waste	-	-	3,618,702	3,514,504	3,618,702	3,514,504
Research and technology	-	-	131,723	146,368	131,723	146,368
Total expenses	<u>31,182,353</u>	<u>31,317,528</u>	<u>141,470,809</u>	<u>135,071,419</u>	<u>172,653,162</u>	<u>166,388,947</u>
Excess before transfers	9,794,598	12,806,915	47,997,680	49,918,163	57,792,278	62,725,078
Transfers	<u>1,996,580</u>	<u>3,038,793</u>	<u>(1,996,580)</u>	<u>(3,038,793)</u>	<u>-</u>	<u>-</u>
Change in net position	11,791,178	15,845,708	46,001,100	46,879,370	57,792,278	62,725,078
Beginning net position**	<u>156,876,938</u>	<u>141,851,406</u>	<u>428,690,068</u>	<u>383,259,753</u>	<u>585,567,006</u>	<u>525,111,159</u>
Ending net position	<u>\$ 168,668,116</u>	<u>\$ 157,697,114</u>	<u>\$ 474,691,168</u>	<u>\$ 430,139,123</u>	<u>\$ 643,359,284</u>	<u>\$ 587,836,237</u>

* 2023 has not been restated for implementation of GASB Statement No. 101, see page 8 for further explanation

** 2024 beginning net position as restated

Governmental Activities

Revenues for the City's governmental activities were \$40,976,951. Taxes accounted for 75.0% of the overall revenues generated in 2024 compared to 64.9% in 2023, reflecting continued strong local economic activity and effective sales tax collections. First and second penny sales tax revenue increased by \$1,138,294 or 5.9% year over year, reflected by an increase of \$569,147. Performance in the 3rd Penny (Bed and Booze) tax was particularly strong, rising by 13.7% from 2023. A one-time audit payment of \$109,640 was the main driver of the 2024 increase in this revenue.

Capital grants and contributions decreased by \$2,484,394, driven by the timing and nature of infrastructure partnership funding, notably the substantial contributions recognized in 2023 from Brookings Municipal Utilities (BMU), and South Dakota State University for the University Boulevard project. Operating grants and contributions decreased by \$534,088 from 2023 due to the recognition of FEMA funding in 2023 for the 2022 Derecho.

Governmental Activities expenses decreased by 0.4% or \$135,175 from 2023. This small difference reflects a relatively consistent budget of operating and capital activities across the two years.

Business-type Activities

Overall revenues of the City's Business-Type Activities increased 0.4% in 2024 which is lower than the 15.4% achieved in 2023, primarily based on the progress of the Water Treatment Plant construction and timing of funding. Charges for services increased \$6,250,962, or 4.0%, with the largest portion due to an increase in patient and resident volumes for the Health System.

Expenses increased by \$6,399,390 or 4.7% in 2024 compared to a \$799,620 or 0.5% increase in 2023. This is due to modest increases across all enterprise funds with the exception of the Liquor Fund, for which expenses decreased by approximately 3.3% from 2023 due to fluctuations in inventory and demand.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by statute while others are established internally to assist management in accounting for certain activities.

Governmental Funds

The accounting focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City's financing activities and abilities. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the primary operating fund of the City. The fund balance increased by \$705,019 or 2.5% from 2023. This increase is primarily due to sustained positive sales tax performance, as well as conservative budgeting and expenditure control.

In 2024, General Sales and Use Taxes increased by \$569,147 and property tax increased by \$188,222 keeping revenues relatively stable year over year. Miscellaneous revenue decreased by \$1,527,304 based on one-time insurance and FEMA payments for the May 2022 derecho received in 2023. This was also a main driver of the decrease in overall revenues by 5.4% or \$1,092,634 compared to 2023.

General Fund expenditures increased by \$1,546,785 or 7.7%. The change is mainly driven by increases across the board as service levels and budget capacity increased due to increased tax revenues.

2nd Penny Sales and Use Tax Fund

The 2nd Penny Sales and Use Tax Fund is used to account for the revenue and expenditures of the 2nd Penny Sales and Use Tax. Proceeds of this tax are committed by the City Council to be used for Capital Improvements which involve the construction and financing of public improvements.

In 2024, 2nd Penny Sales and Use Tax Fund revenues decreased by 15.8% or \$2,219,621. This decrease is primarily the 22nd Avenue Reconstruction Project Phase II, which concluded in 2023, for which Surface Transportation Grant Funds were recognized.

2nd Penny Sales and Use Tax Fund expenditures decreased by \$12,319 or 0.1% in 2024, driven by large equipment purchases and projects including annual street maintenance, as well as the Hillcrest Pickleball Courts, the Pioneer Park Band Shell restoration, and a city-wide energy efficiency project.

Proprietary (Business-Type) Funds

Electric Fund

The Electric Fund net position increased by \$4,453,634 in 2024 compared to an increase of \$5,383,170 in 2023. Operating revenues decreased slightly by \$57,033 due to a decrease in residential and commercial sales. Kilowatt-hour sales were down slightly from the prior year, decreasing 1.6% in 2024. Operating expenses increased by \$693,344. The cost of purchased power remains a considerable amount of all operating expenses (72%) for 2024. Nonoperating revenues increased by \$368,589 due to an increase in interest and dividend income. Operating transfers totaling \$2,405,000 were made from the Electric Fund to the General Fund in 2024. GASB Statement No. 101 was implemented in 2024, requiring an adjustment of 2023 net position, a decrease of \$377,000.

Wastewater Fund

The Wastewater Fund net position increased by \$4,166,476 in 2024 compared to an increase of \$1,424,226 in 2023. Capital contributions of \$3,225,270 in 2024 and \$223,856 in 2023 were responsible for 78.1% and 15.7% of the increase in net position, respectively. Operating revenues increased by \$470,317 in 2024 compared to 2023. Operating expenses increased \$775,416 in 2024. Interest and dividend income from investments increased by \$7,776 in 2024. GASB Statement No. 101 was implemented in 2024, requiring an adjustment of 2023 net position, a decrease of \$197,389.

Health System Fund

Total operating revenues, nonoperating revenues, and capital grants and contributions of \$85,418,791 exceeded total expenses of \$67,771,646 for an increase in net position of \$17,647,145. Ending net position is \$138,343,776 which is 14.6% over 2023's net position of \$120,696,631. Continued strong investment markets in 2024 provided \$6,847,428 of investment income, of which \$754,253 was attributed to the return on dollars in the operating bank account. Volumes remained strong throughout all of 2024. There were 4 less acute admissions compared to 2023 but 191 more acute days resulting in an overall average length of stay of 3.13 (.15 higher than 2023). Of these totals, obstetrics inpatient days increased very slightly with 16 more newborn deliveries than 2023, an increase of 4.26%.

Telephone Fund

The Telephone Fund net position increased by \$6,063,123 in 2024 compared to an increase of \$5,518,097 in 2023. Operating revenues increased by \$646,129 and operating expenses increased by \$305,473 over the prior year. Nonoperating revenues increased by \$239,553 due to an increase in interest income partially offset by increases in interest and other expenses. Operating transfers totaling \$200,000 were made from the Telephone Fund to the General Fund in 2024. GASB Statement No. 101 was implemented in 2024, requiring an adjustment of 2023 net position, a decrease of \$536,108.

Water Fund

The Water Fund net position increased by \$11,992,743 in 2024 and \$19,096,006 in 2023. Capital contributions and transfers from governmental activities of \$9,309,540 in 2024 and \$15,035,951 in 2023 were responsible for 77.6% and 78.7% of the increase, respectively. Operating revenues increased by \$391,326 in 2024 compared to 2023. Operating expenses increased by \$1,391,052 in 2024 due to increased maintenance expense of lead lines and increases in personnel services and depreciation expense. Nonoperating revenues decreased by \$377,126 due to an increase in interest expense from the SRF loan advances, partially offset by an increase in interest income. In 2022, the Water fund applied for funding to finance a new water treatment plant, and to extend and replace existing pipelines. An American Rescue Plan Act (ARPA) grant in the amount of \$21,039,300 was awarded for this project in 2022 and an additional \$8,000,000 was awarded in 2024. A significant amount of the contributed capital recognized in both 2024 and 2023 are due to the ARPA grant award. BMU also initiated loans from State Revolving Funds (SRF) totaling \$91,663,200 for the projects. Construction on the both the water treatment plant and pipeline projects began late Fall of 2022. GASB Statement No. 101 was implemented in 2024, requiring an adjustment of 2023 net position, a decrease of \$206,469.

General Fund Budgetary Highlights

Over the course of the year, the City Council approved ten budget amendments. Supplemental appropriations and contingency transfers were approved for unanticipated, yet necessary, expenses to provide for items necessary for the health and welfare of its citizens. The final General Fund expenditure budget reflects an increase to the original budget by \$3,048,785. Actual General Fund expenditures were \$2,307,494 less than the adjusted budget. This surplus was mainly driven by funds carried forward to the subsequent year for contracted services and equipment, as well as remaining funding allocations to community partners for redistribution of funds received through the American Rescue Plan Act. Overall, the departments held their spending in line with the adjusted budget for 2024. Actual General Fund revenues were \$2,659,943 more than the adjusted budget primarily due to higher-than-expected sales tax revenues and interest income.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The carrying value of the City's capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$440,549,722 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, infrastructure, buildings and improvements, equipment, intangible lease assets, and intangible subscription assets.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of December 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 11,511,451	\$ 11,409,951	\$ 11,643,624	\$ 10,303,215	\$ 23,155,075	\$ 21,713,166
Construction in progress	1,902,691	8,515,208	63,601,627	37,337,214	65,504,318	45,852,422
Infrastructure	69,696,941	55,126,367	215,078	228,180	69,912,019	55,354,547
Buildings and improvements	38,425,407	37,625,780	214,976,493	202,323,119	253,401,900	239,948,899
Equipment	12,670,705	11,218,780	12,438,835	13,270,571	25,109,540	24,489,351
Intangible lease assets	-	-	1,523,265	1,735,351	1,523,265	1,735,351
Intangible subscription assets	-	-	1,943,605	2,158,250	1,943,605	2,158,250
Total capital assets	<u>\$ 134,207,195</u>	<u>\$ 123,896,086</u>	<u>\$ 306,342,527</u>	<u>\$ 267,355,900</u>	<u>\$ 440,549,722</u>	<u>\$ 391,251,986</u>

Major activity within the Governmental Activities in 2024 included the following:

- Main Building additions – Pioneer Park Bandshell Restoration
- Main Equipment purchased – Larson Ice Center Blue Rink Dehumidification Unit, Street Department Payloader and Snow Blower
- Key Infrastructure added – University Boulevard and 22nd Avenue reconstruction, Western Avenue Culvert Replacement, Annual Chip and Slurry Seal Project, Annual Concrete and Overlay Project.

Major activity in the Business-Type Activities in 2024 included the following:

- The Electric Fund used approximately \$3,800,000 of funds for the acquisition and construction of assets in 2024. The purchases of a Bobcat track loader, a mini excavator, a pickup truck, and a trailer accounted for \$146,000. The continued Automated Meter Reading (AMR) and the conversion of street light system to LED resulted in expenditures of \$225,000 and \$29,000, respectively. The balance was spent on distribution system facilities to meet the needs of customers.
- The Telephone Fund used approximately \$1,900,000 for the acquisition and construction of capital assets in 2024. Non-cash activities that increased (decreased) the additions of capital assets include the change in accounts payable incurred for the acquisition of capital assets of approximately \$(200,000). Upgrades included the continuing deployment of fiber facilities, a variety of electronics and infrastructure improvements, and the continued deployment of broadband services.
- The Water Fund used approximately \$36,500,000 in 2024 for the acquisition and construction of assets. Noncash activities that increased (decreased) the additions of capital assets include the change in accounts payable incurred for the acquisition of capital assets of approximately \$(3,200,000), the change in accounts receivable as contributed capital of approximately \$(300,000), and capital asset additional from contributed capital of approximately \$1,000,000. Construction of the new water treatment plant and replacement of pipelines projects accounted for approximately \$33,700,000. The balance was spent on the general improvements of structures and equipment. Grant funds received of \$8,000,000 in 2024 and \$14,739,375 in 2023 were recorded as capital contributions.
- The Wastewater fund used approximately \$7,700,000 for the acquisition and construction of capital assets in 2024. Non-cash activities that increased (decreased) the additions of capital assets include the change in accounts payable incurred for the acquisition of capital assets of approximately \$(1,000,000) and capital asset additional from contributed capital of approximately \$3,300,000. A majority of the funds were expended on phase 3 of the collector replacement project from 32nd Street South to 44th Street South, with a total cost of approximately \$4,400,000. The balance was spent in the general improvements of structures and equipment.
- Cash outlay for the purchases of capital assets was \$2,655,430 in 2024. Majority of the 2024 purchases (\$1,997,642) consisted of construction in progress costs for a new Yorkshire Medical Building that will be put into service the summer of 2025. This new building will replace the outdated Yorkshire building that currently houses the Yorkshire Eye Clinic and Optical and will include new space for all outpatient therapy visits. The other capital purchases consisted of \$155,620 in replacement of used furniture and flooring; \$152,484 for a new portable X-Ray machine; \$104,017 for a new Ultrasound machine; \$78,810 for a new microscope needed for cataract surgeries; \$72,879 in laptop/desktop computer replacements; \$65,996 for a new sleep study vital recording system; and other various surgical and medical equipment.

Additional information on the City's capital assets can be found in Note 7 of this report.

Long Term Liabilities

At the end of the current fiscal year, the City had the following long-term liabilities:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Sales tax revenue bonds	\$ 10,729,065	\$ 11,936,051	\$ -	\$ -	\$ 10,729,065	\$ 11,936,051
State revolving fund bonds	2,551,701	2,755,111	39,904,616	11,269,443	42,456,317	14,024,554
Certificates of participation	-	-	15,001,956	17,198,692	15,001,956	17,198,692
Loans payable	2,750,002	3,666,668	-	-	2,750,002	3,666,668
Direct borrowings	64,283	94,996	542,617	841,172	606,900	936,168
Leases payable	-	-	1,674,866	1,858,652	1,674,866	1,858,652
Subscription-Based IT agreements	-	-	1,972,573	2,141,973	1,972,573	2,141,973
Amounts due under joint operating agreements	-	-	4,106,579	1,555,350	4,106,579	1,555,350
Landfill closure/postclosure	-	-	1,254,681	1,200,649	1,254,681	1,200,649
Compensated absences*	1,984,017	1,030,133	3,527,946	1,955,600	5,511,963	2,985,733
Total OPEB liability	2,487,419	2,268,720	2,314,473	2,788,805	4,801,892	5,057,525
Total long-term liabilities	<u>\$ 20,566,487</u>	<u>\$ 21,751,679</u>	<u>\$ 70,300,307</u>	<u>\$ 40,810,336</u>	<u>\$ 90,866,794</u>	<u>\$ 62,562,015</u>

* 2023 balances for compensated absences have not been restated for the implementation of GASB Statement No. 101, *Compensated Absences*. See page 8 for further discussion.

The City has outstanding Sales Tax Revenue Bonds in the amount of \$10,729,065 at the end of 2024. The bonds are secured by revenue generated from the 2nd Penny Sales & Use Tax Fund. The outstanding balance was issued to fund critical infrastructure projects such as sanitary, sewer and drinking water systems upgrades as well as the Larson Ice arena and Bob Shelden Park; the last of these bonds are scheduled to be retired in 2033.

In addition, the City has the following outstanding commitments:

- State Revolving Fund Bonds in the amounts of \$169,083, \$167,185, \$109,819, \$1,058,964, \$289,692, and \$756,958. These bonds are secured by Storm Drainage fees assessed to property owners. These bonds were issued to construct storm drainage projects in the Southland addition, Pheasant's Nest addition, Nelson addition, Camelot addition, Division Ave, and State Ave.
- Zero-interest outstanding loan in the amount of \$2,750,002. These loans are to be repaid from the 75% Sales and Use Tax and scheduled for completion in 2027.
- Capital acquisition lease for purchase of a scoreboard display to be paid using the Dacotah Bank Center funds in the amount of \$64,283.
- State Revolving Fund (SRF) Loan in the amount of \$39,904,616. The loan is secured by revenues of the water fund. This loan was issued to construct a new water treatment plant and the construction and replacement of water distribution lines. The interest rate on the loan is 1.875% with final maturity in 2055.
- Certificates of Participation for the construction of the skilled nursing facility in the amount of \$7,054,663.
- Certificates of Participation for the construction of the new medical office building and renovation of the existing hospital in the amount of \$1,063,215 and \$6,884,078, respectively.
- Lastly, the City is liable for the accrued compensated absences of \$1,984,017 within the Governmental Activities and \$3,527,946 within the Business-Type Activities payable to all full-time employees who have been employed for more than 6 months.

Economic Factors and Next Year's Budgets and Rates

Sales and Use Tax revenues in 2024 increased by 5.9% compared to 2023. While this reflects continued growth, it is a more moderate increase than the 8.9% rise seen in the previous year. The slower growth is attributed to a decline in the Consumer Price Index and overall inflation, along with stabilized consumer activity. Despite this moderation, sales tax revenues remained strong, supported by significant construction activity, including the BMU Water Treatment Plant, two new elementary schools, manufacturing expansion, single and multi-family housing, and a senior living facility.

The strong performance of the local economy, combined with the City's conservative budgeting approach, as guided by the Ends Policy, resulted in 2024 Sales and Use Tax revenues exceeding budget projections by 7.7%. For 2025, the City has budgeted 1st and 2nd Penny Sales and Use Tax revenue based on an estimated 2.2% growth over the 2024 projected figures. It is important to note that the City's annual financial statements recognize sales tax revenue in the month it is generated. However, for economic reporting purposes, the City aligns sales tax reporting with the month in which businesses file their returns with the State of South Dakota.

The overall 2025 budget increased by 3.9% compared to 2024, primarily due to investments in Tax Increment District (TID) improvements and storm drainage projects. The total adopted budget for 2025 is \$73.2 million. The General Fund budget is balanced, with incoming revenues equal to outgoing expenditures. The adopted General Fund budget for 2025 is \$21,860,776, an increase of \$474,720 or 2.2% from the previous year. It's important to note that the 2024 budget included Tax Increment Financing (TIF) transfers, which resulted in a larger contingency allocation. This one-time adjustment artificially inflates the prior year's budget and reduces the apparent year-over-year change in other General Fund expenditures by approximately \$400,000.

The primary drivers of the General Fund increase for 2025 include annual salary adjustments, and the implementation of the OpenGov Budgeting and Planning software suite, which features an online interactive budget book. Additional growth occurred within the Police Department's Community Service Unit, following the transfer of Code Enforcement responsibilities from the Community Development department. The Brookings Activity Center also experienced a budget increase due to rising membership and expanded programming. Two new staff positions were added in the 2025 budget: a Master Mechanic in the Public Works Department, and an Associate Planner in Community Development.

Property Tax levy increases are determined based on a combination of growth and the Consumer Price Index (CPI). For 2024 taxes payable in 2025, the total levy increased by 5.1324%. Under state statute, the CPI adjustment is capped at 3%, and the City utilized the full allowable increase for the upcoming tax year. Additionally, robust construction activity contributed to a growth factor of 2.1324%, further boosting the overall levy.

For the 2025 budget, a Cost-of-Living Adjustment (COLA) of 2.5% and a merit-based increase of up to 2% were authorized for employees. The city conducts a comprehensive salary survey every three years to assess compensation competitiveness within peer communities and the local market, with the most recent survey implemented in 2024. That same year, the City introduced a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) as an alternative to the traditional PPO Plan.

Due to stabilized claims experience in 2024 compared to the previous year, the PPO plan experienced only modest premium increases, while HDHP premiums slightly decreased. Vision premiums remained virtually unchanged for 2025, while enhancements in dental coverage led to a slight increase in dental premiums.

From a personnel perspective, the City is budgeted to have 157 employees in 2025. It is the City's practice to re-evaluate positions as they come open to ensure alignment with strategic objectives and operational needs.

The following table shows the comparison of the 2025 budget with the 2024 budget for all governmental funds.

ALL GOVERNMENTAL FUNDS			
	2024	2025	%
	BUDGET	BUDGET	CHANGE
Personnel & Benefits	\$ 15,776,588	\$ 16,527,685	4.76%
Operating Expenditure	10,621,601	11,075,696	4.28%
Subsidies/Appropriations	1,704,907	1,764,188	3.48%
Capital Expenditure	10,276,285	12,012,071	16.89%
Debt Service	2,275,475	2,751,319	20.91%
Transfers	4,473,039	4,180,102	-6.55%

The increase in personnel services for 2025 is primarily driven by salary adjustments of up to 4.5%, along with the addition of two new positions funded through the General Fund. Budgeted operating expenditures rose year over year due to inflationary factors, expanded programming at the Brookings Activity Center, and the broadened responsibilities of the Police Department's Community Service Unit, which now includes Code Enforcement.

Subsidies and appropriations generally follow similar trends as operating expenditures, increasing in alignment with the Consumer Price Index (CPI) and projected revenue growth. Year-over-year growth in capital expenditures is largely attributed to investments in Storm Drainage improvements and Tax Increment District (TID) projects. Debt Service remains relatively stable, with an increase in payments for the 2019 Bond. Transfers out are budgeted lower in 2025 than in 2024, primarily due to the decertification of Tax Increment Financing District 1 (TIF 1).

The Following table shows the comparison of the 2025 budget with the 2024 budget for the Liquor, Airport, Solid Waste, Golf, and Research & Technology Funds.

ENTERPRISE FUNDS			
	2024	2025	%
Liquor-Airport-SWC-SWD-Golf-R&T Center)	BUDGET	BUDGET	CHANGE
Personnel & Benefits	\$ 2,172,693	\$ 2,246,536	3.40%
Operating Expense	15,493,389	16,255,654	4.92%
Capital	6,584,500	5,224,930	-20.65%
Transfers	1,091,842	1,131,599	3.64%

Personnel and operating expenses in the enterprise funds show trends similar to those in the governmental funds, with increases primarily driven by budgeted cost-of-living and merit-based salary adjustments, as well as general inflation. Capital expenditures, however, vary from year to year based on the timing and scope of airport improvement projects and the ongoing implementation of the Solid Waste Master Plan.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the monies it receives. If you have questions about this report or need additional information, contact the City of Brookings Finance Office, 520 3rd Street Suite 230, Brookings, SD 57006.

City of Brookings, South Dakota
Statement of Net Position
December 31, 2024

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Health System Foundation
Assets				
Cash and cash equivalents	\$ 49,635,232	\$ 101,148,729	\$ 150,783,961	\$ 246,880
Investments	1,874,942	116,471,394	118,346,336	740,270
Receivables (net of allowance for uncollectibles):				
Interest	153,838	490,599	644,437	-
Taxes	37	-	37	-
Accounts	1,871,101	17,742,443	19,613,544	251,571
Special assessments	710,529	-	710,529	-
Intergovernmental	2,626,700	201,282	2,827,982	-
Unbilled receivables	-	1,802,663	1,802,663	-
Leases	-	5,674,989	5,674,989	-
Other	-	4,504,381	4,504,381	-
Internal balances	14,523	(14,523)	-	-
Inventories	218,652	6,106,710	6,325,362	-
Prepaid items	126,941	799,125	926,066	-
Prepaid bond insurance	8,911	-	8,911	-
Other assets	-	1,471,219	1,471,219	-
Property held for resale	1,664,602	-	1,664,602	-
Net pension asset	14,334	50,930	65,264	-
Restricted assets				
Cash and cash equivalents	3,359,074	2,398,665	5,757,739	-
Capital assets, net of accumulated depreciation/ amortization, where applicable				
Land	11,511,451	11,643,624	23,155,075	-
Construction in progress	1,902,691	63,601,627	65,504,318	-
Infrastructure	69,696,941	215,078	69,912,019	-
Buildings and improvements	38,425,407	214,976,493	253,401,900	-
Machinery and equipment	12,670,705	12,438,835	25,109,540	-
Intangible lease assets	-	1,523,265	1,523,265	-
Intangible subscription assets	-	1,943,605	1,943,605	-
Total assets	<u>196,486,611</u>	<u>565,191,133</u>	<u>761,677,744</u>	<u>1,238,721</u>
Deferred Outflows of Resources				
Other postemployment benefits	928,192	585,730	1,513,922	-
Pension plans	2,422,367	8,696,531	11,118,898	-
Total deferred outflows of resources	<u>3,350,559</u>	<u>9,282,261</u>	<u>12,632,820</u>	<u>-</u>

City of Brookings, South Dakota
Statement of Net Position
December 31, 2024

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Health System Foundation
Liabilities				
Accounts payable	3,927,557	11,622,388	15,549,945	1,960
Retainage payable	88,299	-	88,299	-
Accrued taxes payable	-	1,171,383	1,171,383	-
Accrued wages payable	566,327	1,021,838	1,588,165	4,370
Accrued interest payable	41,557	604,802	646,359	-
Due to other governments	4,371	-	4,371	-
Claims incurred but not reported	117,755	686,198	803,953	-
Unearned revenue	2,925,428	7,654	2,933,082	-
Customer deposits	-	273,356	273,356	-
Debt				
Due within one year, other than OPEB	4,384,261	5,780,229	10,164,490	-
Due within one year, total OPEB liability	139,568	155,197	294,765	-
Due in more than one year, other than OPEB	13,694,807	62,205,605	75,900,412	-
Due in more than one year, total OPEB liability	2,347,851	2,159,276	4,507,127	-
Total liabilities	28,237,781	85,687,926	113,925,707	6,330
Deferred Inflows of Resources				
Other postemployment benefits	1,124,959	1,998,607	3,123,566	-
Pension plans	1,806,314	6,401,170	8,207,484	-
Lease related	-	5,146,043	5,146,043	-
Proceeds from the sale of future revenues	-	548,480	548,480	-
Total deferred outflows of resources	2,931,273	14,094,300	17,025,573	-
Net Position				
Net investment in capital assets	118,112,144	241,242,980	359,355,124	-
Restricted for				
Debt service and covenants	555,880	669,984	1,225,864	-
Other purposes (by donations)	58,895	-	58,895	650,394
SDRS pension purposes	14,334	122,262	136,596	-
Enabling legislation	1,387,010	-	1,387,010	-
Landfill closure and postclosure	-	474,000	474,000	-
Unrestricted	48,539,853	232,181,942	280,721,795	581,997
Total net position	\$ 168,668,116	\$ 474,691,168	\$ 643,359,284	\$ 1,232,391

City of Brookings, South Dakota

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Unit Health System Foundation
					Governmental Activities	Business-Type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 4,753,253	\$ 1,397,751	\$ 333,739	\$ -	\$ (3,021,763)	\$ -	\$ (3,021,763)	\$ -
Public safety	6,854,226	70,172	289,125	-	(6,494,929)	-	(6,494,929)	-
Public works	10,010,126	304,581	115,247	13,948	(9,576,350)	-	(9,576,350)	-
Health and welfare	88,239	37,053	-	-	(51,186)	-	(51,186)	-
Culture and recreation	7,206,532	3,009,503	150,133	1,023,924	(3,022,972)	-	(3,022,972)	-
Conservation and development	1,655,681	-	1,100	-	(1,654,581)	-	(1,654,581)	-
Interest	614,296	-	-	-	(614,296)	-	(614,296)	-
Total governmental activities	<u>31,182,353</u>	<u>4,819,060</u>	<u>889,344</u>	<u>1,037,872</u>	<u>(24,436,077)</u>	<u>-</u>	<u>(24,436,077)</u>	<u>-</u>
Business-type activities								
Electric	26,173,810	31,528,615	-	-	-	5,354,805	5,354,805	-
Health system	70,717,026	81,099,082	134,607	264,100	-	10,780,763	10,780,763	-
Telephone	13,300,516	16,512,425	-	-	-	3,211,909	3,211,909	-
Liquor	12,910,811	13,311,591	-	-	-	400,780	400,780	-
Water	5,977,228	7,842,885	-	9,009,540	-	10,875,197	10,875,197	-
Wastewater	6,321,602	6,774,945	-	3,255,270	-	3,708,613	3,708,613	-
Airport	1,399,895	24,488	-	460,730	-	(914,677)	(914,677)	-
Golf	919,496	922,709	-	-	-	3,213	3,213	-
Solid waste	3,618,702	4,354,353	-	-	-	735,651	735,651	-
Research and technology	131,723	122,174	-	-	-	(9,549)	(9,549)	-
Total business-type activities	<u>141,470,809</u>	<u>162,493,267</u>	<u>134,607</u>	<u>12,989,640</u>	<u>-</u>	<u>34,146,705</u>	<u>34,146,705</u>	<u>-</u>
Total primary government	<u>\$ 172,653,162</u>	<u>\$ 167,312,327</u>	<u>\$ 1,023,951</u>	<u>\$ 14,027,512</u>	<u>(24,436,077)</u>	<u>34,146,705</u>	<u>9,710,628</u>	<u>-</u>
Component unit								
Health System Foundation	<u>\$ 378,484</u>	<u>\$ -</u>	<u>\$ 302,997</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,487)</u>
General revenues								
Taxes								
Property taxes					7,068,413	-	7,068,413	-
Sales taxes					22,000,686	-	22,000,686	-
Other taxes					1,679,505	-	1,679,505	-
State shared revenues					235,372	-	235,372	-
Unrestricted investment earnings					2,198,819	13,101,502	15,300,321	-
Miscellaneous					1,047,880	749,473	1,797,353	-
Transfers					1,996,580	(1,996,580)	-	-
Total general revenue and transfers					<u>36,227,255</u>	<u>11,854,395</u>	<u>48,081,650</u>	<u>-</u>
Change in net position					11,791,178	46,001,100	57,792,278	(75,487)
Net position - beginning, as previously reported					157,697,114	430,139,123	587,836,237	1,307,878
Adjustments (Note 15)					(820,176)	(1,449,055)	(2,269,231)	-
Net position - beginning, as restated					<u>156,876,938</u>	<u>428,690,068</u>	<u>585,567,006</u>	<u>1,307,878</u>
Net position - ending					<u>\$ 168,668,116</u>	<u>\$ 474,691,168</u>	<u>\$ 643,359,284</u>	<u>\$ 1,232,391</u>

City of Brookings, South Dakota

Balance Sheet

Governmental Funds

December 31, 2024

	General	2nd Penny Sales and Use Tax	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 26,413,328	\$ 13,041,650	\$ 8,360,432	\$ 47,815,410
Investments	719,665	-	6,029	725,694
Restricted cash and cash equivalents	-	3,134,074	225,000	3,359,074
Receivables (net of allowance for uncollectibles)				
Interest	74,587	47,902	18,089	140,578
Storm drainage fees	-	-	37	37
Accounts	122,089	-	1,746,715	1,868,804
Special assessments	-	-	710,529	710,529
Intergovernmental	1,243,394	1,091,604	291,702	2,626,700
Due from other funds	84,038	432,287	34,155	550,480
Advances to other funds	78,000	48,400	-	126,400
Inventories	157,652	-	61,000	218,652
Prepaid items	75,939	-	50,267	126,206
Property held for resale	1,664,602	-	-	1,664,602
Total assets	\$ 30,633,294	\$ 17,795,917	\$ 11,503,955	\$ 59,933,166
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	\$ 1,058,518	\$ 1,991,883	\$ 872,878	\$ 3,923,279
Retainage payable	88,299	-	-	88,299
Advances from other funds	-	185,648	256,026	441,674
Due to other funds	109,122	2,120	109,441	220,683
Accrued payroll	499,213	-	67,114	566,327
Due to other governments	4,371	-	-	4,371
Unearned revenue	161,573	1,042,315	1,721,540	2,925,428
Total liabilities	1,921,096	3,221,966	3,026,999	8,170,061
Deferred Inflows of Resources				
Unavailable revenue	-	-	710,565	710,565
Fund Balance (Deficit)				
Nonspendable	946,192	-	111,267	1,057,459
Restricted	58,895	-	3,458,340	3,517,235
Committed	5,246,160	14,573,951	3,256,939	23,077,050
Assigned	7,135,406	-	1,337,426	8,472,832
Unassigned	15,325,545	-	(397,581)	14,927,964
Total fund balance (deficit)	28,712,198	14,573,951	7,766,391	51,052,540
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,633,294	\$ 17,795,917	\$ 11,503,955	\$ 59,933,166

City of Brookings, South Dakota
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds	\$ 51,052,540
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	134,207,195
Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are unearned in the funds.	710,565
Long-term assets from pensions reported in the governmental activities are not financial resources, and therefore, are not reported in the funds.	14,334
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.	419,286
Prepaid bond insurance costs are recorded as an expenditure in the fund statements, whereas in the statement of net position they are shown as an asset and amortized.	8,911
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities certain internal service funds are included in the governmental activities in the statement of net position.	2,863,329
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(20,608,044)</u>
Net Position of Governmental Activities	<u><u>\$ 168,668,116</u></u>

City of Brookings, South Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2024

	General	2nd Penny Sales and Use Tax	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
General property taxes	\$ 3,985,987	\$ -	\$ 3,082,426	\$ 7,068,413
Storm drainage taxes	-	-	1,166,502	1,166,502
General sales and use taxes	10,280,908	10,280,908	1,438,870	22,000,686
Other taxes	-	-	774,386	774,386
Special assessments	-	-	86,859	86,859
Licenses and permits	438,451	-	-	438,451
Intergovernmental	949,080	309,872	322,982	1,581,934
Charges for goods and services	590,433	-	2,653,783	3,244,216
Fines and forfeitures	65,870	-	17,830	83,700
Investment income	1,176,649	755,586	266,584	2,198,819
Miscellaneous	1,744,108	506,392	57,215	2,307,715
Total revenues	<u>19,231,486</u>	<u>11,852,758</u>	<u>9,867,437</u>	<u>40,951,681</u>
Expenditures				
Current				
General government	4,188,368	-	684,788	4,873,156
Public safety	5,643,549	-	1,061,325	6,704,874
Public works	1,257,101	-	557,586	1,814,687
Health and welfare	327,030	-	-	327,030
Culture and recreation	5,017,443	-	2,825,429	7,842,872
Conservation and development	1,780,457	100,000	1,275,614	3,156,071
Capital outlay	3,353,870	10,409,010	2,119,253	15,882,133
Debt service				
Principal	-	2,123,652	234,123	2,357,775
Interest and fiscal charges	-	323,896	294,619	618,515
Total expenditures	<u>21,567,818</u>	<u>12,956,558</u>	<u>9,052,737</u>	<u>43,577,113</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(2,336,332)	(1,103,800)	814,700	(2,625,432)
Other Financing Sources (Uses)				
Transfers in	4,212,205	1,152,370	1,083,674	6,448,249
Transfers out	(1,280,807)	(1,892,075)	(1,278,787)	(4,451,669)
Sale of capital assets	109,953	-	-	109,953
Total other financing sources (uses)	<u>3,041,351</u>	<u>(739,705)</u>	<u>(195,113)</u>	<u>2,106,533</u>
Net Change in Fund Balance	705,019	(1,843,505)	619,587	(518,899)
Fund Balance, Beginning of Year	<u>28,007,179</u>	<u>16,417,456</u>	<u>7,146,804</u>	<u>51,571,439</u>
Fund Balance, End of Year	<u>\$ 28,712,198</u>	<u>\$ 14,573,951</u>	<u>\$ 7,766,391</u>	<u>\$ 51,052,540</u>

City of Brookings, South Dakota
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (518,899)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.	10,318,116
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(7,007)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(84,683)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(131,159)
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	851
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	(401,191)
In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	4,219
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,357,775
Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net revenue of certain internal service funds is reported within the governmental activities.	<u>253,156</u>
Change in Net Position of Governmental Activities	<u><u>\$ 11,791,178</u></u>

City of Brookings, South Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	\$ 4,033,328	\$ 4,033,328	\$ 3,985,987	\$ (47,341)
General sales and use taxes	9,543,456	9,543,456	10,280,908	737,452
Licenses and permits	332,450	332,450	438,451	106,001
Intergovernmental	83,920	93,920	949,080	855,160
Charges for goods and services	420,350	420,350	590,433	170,083
Fines and forfeitures	75,080	75,080	65,870	(9,210)
Investment income	307,938	307,938	1,176,649	868,711
Miscellaneous	1,763,456	1,765,021	1,744,108	(20,913)
Total revenues	<u>16,559,978</u>	<u>16,571,543</u>	<u>19,231,486</u>	<u>2,659,943</u>
Expenditures				
Current				
General government	4,525,841	5,216,984	4,188,368	1,028,616
Public safety	5,769,911	5,894,911	5,643,549	251,362
Public works	4,313,353	4,384,953	1,257,101	3,127,852
Public health and welfare	179,191	331,191	327,030	4,161
Culture and recreation	5,119,672	5,212,096	5,017,443	194,653
Conservation and development	-	1,780,457	1,780,457	-
Capital outlay	918,559	1,054,720	3,353,870	(2,299,150)
Total expenditures	<u>20,826,527</u>	<u>23,875,312</u>	<u>21,567,818</u>	<u>2,307,494</u>
Deficiency of Revenues under Expenditures	(4,266,549)	(7,303,769)	(2,336,332)	4,967,437
Other Financing Sources (Uses)				
Transfers in	3,979,880	3,979,880	4,212,205	232,325
Transfers out	(480,807)	(980,807)	(1,280,807)	(300,000)
Sale of capital assets	30,000	30,000	109,953	79,953
Total other financing sources (uses)	<u>3,529,073</u>	<u>3,029,073</u>	<u>3,041,351</u>	<u>12,278</u>
Net Change in Fund Balances	<u>\$ (737,476)</u>	<u>\$ (4,274,696)</u>	705,019	<u>\$ 4,979,715</u>
Fund Balance, Beginning of Year			28,007,179	
Fund Balance, End of Year			<u>\$ 28,712,198</u>	

City of Brookings, South Dakota

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Major Special Revenue Fund - 2nd Penny Sales and Use Tax
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes				
General sales and use taxes	\$ 9,543,456	\$ 9,543,456	\$ 10,280,908	\$ 737,452
Intergovernmental	-	650,000	309,872	(340,128)
Investment income	302,495	302,495	755,586	453,091
Miscellaneous	-	-	506,392	506,392
Total revenues	<u>9,845,951</u>	<u>10,495,951</u>	<u>11,852,758</u>	<u>1,356,807</u>
Expenditures				
Current				
Conservation and development	100,000	100,000	100,000	-
Capital outlay	8,514,805	15,800,114	10,409,010	5,391,104
Debt service				
Principal	2,123,652	2,123,652	2,123,652	-
Interest and fiscal charges	323,789	323,789	323,896	(107)
Total expenditures	<u>11,062,246</u>	<u>18,347,555</u>	<u>12,956,558</u>	<u>5,390,997</u>
Deficiency of Revenues under Expenditures	(1,216,295)	(7,851,604)	(1,103,800)	6,747,804
Other Financing Sources (Uses)				
Transfers in	1,077,054	1,577,054	1,152,370	(424,684)
Transfers out	(2,240,557)	(2,240,557)	(1,892,075)	348,482
Total other financing sources (uses)	<u>(1,163,503)</u>	<u>(663,503)</u>	<u>(739,705)</u>	<u>(76,202)</u>
Net Change in Fund Balances	<u>\$ (2,379,798)</u>	<u>\$ (8,515,107)</u>	(1,843,505)	<u>\$ 6,671,602</u>
Fund Balance, Beginning of Year			<u>16,417,456</u>	
Fund Balances, End of Year			<u>\$ 14,573,951</u>	

City of Brookings, South Dakota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Enterprise Funds						Total Enterprise Funds	Internal Service Funds
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds		
Assets								
Current Assets								
Cash and cash equivalents	\$ 26,491,867	\$ 6,831,194	\$ 25,050,514	\$ 17,386,328	\$ 9,843,307	\$ 12,165,851	\$ 97,769,061	\$ 5,199,490
Investments	8,000,000	-	70,715,547	30,621,530	5,000,000	-	114,337,077	3,283,565
Receivables (net of allowance for uncollectibles):								
Interest	128,447	-	-	230,503	77,308	29,715	465,973	37,886
Accounts	2,569,041	663,929	11,120,852	1,540,289	1,069,590	774,476	17,738,177	6,563
Intergovernmental	-	-	-	-	-	201,282	201,282	-
Unbilled accounts	1,110,977	309,484	-	-	313,835	68,367	1,802,663	-
Current portion of leases receivable	-	-	-	69,963	88,611	50,006	208,580	-
Due from other funds	166,064	22,135	-	145,192	37,092	546	371,029	-
Current portion of advances to other funds	-	-	-	1,173,548	-	-	1,173,548	-
Inventories	1,625,841	70,773	1,425,222	1,318,859	707,411	958,604	6,106,710	-
Prepaid expenses	80,981	22,465	382,624	269,632	22,637	19,420	797,759	2,101
Total current assets	40,173,218	7,919,980	108,694,759	52,755,844	17,159,791	14,268,267	240,971,859	8,529,605
Noncurrent Assets								
Net pension asset	1,833	340	35,283	10,637	839	1,998	50,930	-
Advances to other funds	-	-	-	28,641,955	-	325,794	28,967,749	-
Leases receivable	-	-	-	3,592,348	1,545,670	328,391	5,466,409	-
Other receivables	-	-	4,504,381	-	-	-	4,504,381	-
Other assets	-	15,576	621,489	832,079	2,075	-	1,471,219	-
Restricted cash and cash equivalents	-	-	524,802	-	145,182	1,728,681	2,398,665	-
Capital assets								
Land	59,042	147,561	2,149,246	331,267	4,811,804	4,144,704	11,643,624	-
Construction in progress	822,939	462,311	1,997,642	40,600	59,319,267	958,868	63,601,627	-
Infrastructure	-	-	-	-	-	327,577	327,577	-
Buildings and other improvements	67,941,481	80,622,920	76,340,542	51,977,784	55,150,432	39,747,461	371,780,620	-
Machinery and equipment	3,202,695	1,886,298	26,311,763	3,983,591	988,736	9,675,064	46,048,147	-
Intangible lease assets	-	-	-	253,171	-	1,651,825	1,904,996	-
Intangible subscription assets	50,975	24,314	169,299	2,090,021	23,687	-	2,358,296	-
Less accumulated depreciation/amortization	(32,185,596)	(23,203,923)	(55,583,048)	(44,640,065)	(10,968,175)	(24,741,553)	(191,322,360)	-
Total capital assets, net of accumulated depreciation/amortization	39,891,536	59,939,481	51,385,444	14,036,369	109,325,751	31,763,946	306,342,527	-
Total noncurrent assets	39,893,369	59,955,397	57,071,399	47,113,388	111,019,517	34,148,810	349,201,880	-
Total assets	80,066,587	67,875,377	165,766,158	99,869,232	128,179,308	48,417,077	590,173,739	8,529,605

City of Brookings, South Dakota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Enterprise Funds						Total Enterprise Funds	Internal Service Funds
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds		
Deferred Outflows of Resources								
OPEB related deferred outflows of resources	8,502	3,205	345,337	67,094	6,861	154,731	585,730	-
Pension related deferred outflows of resources	486,448	205,644	5,937,884	1,510,653	218,477	337,425	8,696,531	-
Total deferred outflows of resources	494,950	208,849	6,283,221	1,577,747	225,338	492,156	9,282,261	-
Liabilities								
Current Liabilities								
Accounts payable	1,798,590	77,857	3,704,524	300,357	5,097,876	635,239	11,614,443	12,223
Due to other funds	5,236	27,787	48,270	145,869	449,638	24,026	700,826	-
Accrued taxes payable	140,832	340	950,117	33,825	150	46,119	1,171,383	-
Accrued wages payable	14,634	6,904	889,787	19,810	7,117	83,586	1,021,838	-
Accrued interest payable	778	376	84,763	9,531	504,288	5,066	604,802	-
Claims incurred but not reported	-	-	467,511	-	-	-	467,511	336,442
Current portion of advances from other funds	-	1,173,548	-	-	-	-	1,173,548	-
Current portion of loans payable	-	-	-	-	748,978	-	748,978	-
Current portion of certificates of participation	-	-	2,255,542	-	-	-	2,255,542	-
Current portion of direct borrowings	-	-	306,869	-	-	-	306,869	-
Current portion of lease liabilities	-	-	-	3,791	-	85,155	88,946	-
Current portion of subscription liabilities	12,092	5,723	36,602	182,543	5,526	-	242,486	-
Current portion of compensated absences	181,837	93,203	1,181,466	250,969	103,237	326,696	2,137,408	-
Current portion of total OPEB liability	14,584	2,068	35,396	73,938	6,883	22,328	155,197	-
Unearned revenue	-	-	-	-	-	7,654	7,654	-
Customer deposits	177,545	-	40,698	43,873	-	11,240	273,356	-
Total current liabilities	2,346,128	1,387,806	10,001,545	1,064,506	6,923,693	1,247,109	22,970,787	348,665
Noncurrent Liabilities								
Advances from other funds	-	28,641,955	-	-	-	10,520	28,652,475	-
Landfill closure costs	-	-	-	-	-	1,254,681	1,254,681	-
Long-term debt, net of current portion								
Loans payable	-	-	-	-	39,155,638	-	39,155,638	-
Certificates of participation	-	-	12,746,414	-	-	-	12,746,414	-
Direct borrowings payable	-	-	235,748	-	-	-	235,748	-
Lease liabilities	-	-	-	240,487	-	1,345,433	1,585,920	-
Subscription liabilities	6,468	3,129	39,708	1,677,861	2,921	-	1,730,087	-
Compensated absences	301,817	159,438	332,000	434,568	162,715	-	1,390,538	-
Amount due under joint operating agreements	-	-	4,106,579	-	-	-	4,106,579	-
Total OPEB liability, net of current portion	134,043	19,007	887,772	679,578	63,261	375,615	2,159,276	-
Total noncurrent liabilities	442,328	28,823,529	18,348,221	3,032,494	39,384,535	2,986,249	93,017,356	-
Total liabilities	2,788,456	30,211,335	28,349,766	4,097,000	46,308,228	4,233,358	115,988,143	348,665

The Notes to Financial Statements are an integral part of this statement

City of Brookings, South Dakota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Enterprise Funds						Total Enterprise Funds	Internal Service Funds
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds		
Deferred Inflows of Resources								
OPEB related deferred inflows	224,945	129,737	921,592	428,674	117,882	175,777	1,998,607	-
Pension related deferred inflows	329,048	146,865	4,434,245	1,059,766	179,635	251,611	6,401,170	-
Lease related deferred inflows	-	-	-	3,282,055	1,491,545	372,443	5,146,043	-
Proceeds from the sale of future revenues	81,375	-	-	454,827	12,278	-	548,480	-
Total deferred inflows resources	635,368	276,602	5,355,837	5,225,322	1,801,340	799,831	14,094,300	-
Net Position								
Net investment in capital assets	39,872,022	59,888,265	35,315,341	11,914,928	63,919,066	30,333,358	241,242,980	-
Restricted for:								
Debt service	-	-	524,802	-	145,182	-	669,984	-
SDRS pension purposes	1,833	340	35,283	10,637	839	73,330	122,262	-
Landfill closure and postclosure	-	-	-	-	-	474,000	474,000	-
Unrestricted	37,263,858	(22,292,316)	102,468,350	80,199,092	16,229,991	12,995,356	226,864,331	8,180,940
Total net position	\$ 77,137,713	\$ 37,596,289	\$ 138,343,776	\$ 92,124,657	\$ 80,295,078	\$ 43,876,044	\$ 469,373,557	\$ 8,180,940
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time							5,317,611	
Net position of business-type activities							\$ 474,691,168	

City of Brookings, South Dakota
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds						Total Enterprise Funds	Internal Service Funds
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds		
Operating Revenues								
Charges for goods and services	\$ 30,560,556	\$ 6,634,339	\$ 79,341,083	\$ 14,872,930	\$ 7,588,667	\$ 18,735,315	\$ 157,732,890	\$ 4,030,107
Miscellaneous	968,059	140,606	1,757,999	1,639,495	254,218	-	4,760,377	-
Total operating revenues	31,528,615	6,774,945	81,099,082	16,512,425	7,842,885	18,735,315	162,493,267	4,030,107
Operating Expenses								
Personnel services	3,407,785	1,958,736	32,293,829	4,999,840	1,993,464	2,325,884	46,979,538	878,294
Other current expenses	20,394,494	1,667,929	29,855,581	4,406,388	2,335,667	2,524,312	61,184,371	-
Cost of goods sold	-	-	-	1,897,953	-	11,942,419	13,840,372	-
Insurance claims and expenses, net	-	-	-	-	-	-	-	2,597,961
Amortization	16,871	8,087	33,860	235,471	7,878	217,517	519,684	-
Depreciation	2,333,107	2,066,676	5,575,923	1,541,858	1,140,489	1,906,465	14,564,518	-
Total operating expenses	26,152,257	5,701,428	67,759,193	13,081,510	5,477,498	18,916,597	137,088,483	3,476,255
Operating Income (Loss)	5,376,358	1,073,517	13,339,889	3,430,915	2,365,387	(181,282)	25,404,784	553,852
Nonoperating Revenues (Expenses)								
Gain (loss) on disposal of assets	(20,222)	(222)	18,953	(109,115)	(30,403)	7,850	(133,159)	-
Investment income	1,494,814	457,863	6,847,429	3,048,745	661,989	590,662	13,101,502	168,846
Interest expense and fiscal charges	(1,331)	(619,952)	(444,084)	(109,891)	(469,327)	(63,655)	(1,708,240)	-
Contributions and donations	-	-	134,607	-	-	-	134,607	604
Miscellaneous revenue (expense)	9,015	-	(2,513,749)	2,469	155,557	85,108	(2,261,600)	-
Total nonoperating revenues (expenses)	1,482,276	(162,311)	4,043,156	2,832,208	317,816	619,965	9,133,110	169,450
Income before Contributions and Transfers	6,858,634	911,206	17,383,045	6,263,123	2,683,203	438,683	34,537,894	723,302
Transfers in	-	-	-	-	300,000	1,400,263	1,700,263	-
Transfers out	(2,405,000)	-	-	(200,000)	-	(1,091,843)	(3,696,843)	-
Capital contributions from other governments	-	3,255,270	264,100	-	9,009,540	460,730	12,989,640	-
Change in Net Position	4,453,634	4,166,476	17,647,145	6,063,123	11,992,743	1,207,833	45,530,954	723,302
Net Position, Beginning of Year, as previously reported	73,061,079	33,627,202	120,696,631	86,597,642	68,508,804	42,805,034	425,296,392	7,450,355
Adjustments (Note 15)	(377,000)	(197,389)	-	(536,108)	(206,469)	(136,823)	(1,453,789)	7,283
Net Position, Beginning of Year, as restated	72,684,079	33,429,813	120,696,631	86,061,534	68,302,335	42,668,211	423,842,603	7,457,638
Net Position, End of Year	\$ 77,137,713	\$ 37,596,289	\$ 138,343,776	\$ 92,124,657	\$ 80,295,078	\$ 43,876,044	\$ 469,373,557	\$ 8,180,940

Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with the business-type activities.

Change in net position of business-type activities

470,146
\$ 46,001,100

City of Brookings, South Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating Activities								
Receipts from customers and users	\$ 31,144,170	\$ 6,620,117	\$ 80,689,671	\$ 14,924,621	\$ 4,633,146	\$ 18,862,401	\$ 156,874,126	\$ -
Cash received from customers pledged for debt retirement	-	-	-	-	3,018,548	-	3,018,548	-
Receipts from (payments to) other funds for services	1,875,512	201,784	-	1,693,133	332,256	-	4,102,685	4,029,306
Payments to suppliers for goods and services	(21,829,980)	(1,637,166)	(29,963,612)	(6,211,398)	(2,566,401)	(14,786,836)	(76,995,393)	(3,363,625)
Payments to and on behalf of employees	(3,307,972)	(1,898,496)	(32,042,298)	(4,820,671)	(1,909,781)	(2,230,938)	(46,210,156)	-
Other receipts	-	-	1,741,082	-	-	-	1,741,082	604
Net Cash from Operating Activities	7,881,730	3,286,239	20,424,843	5,585,685	3,507,768	1,844,627	42,530,892	666,285
Noncapital Financing Activities								
Transfers to other funds	(2,405,000)	-	-	(200,000)	-	(1,091,843)	(3,696,843)	-
Transfers from other funds	-	-	-	-	300,000	1,400,263	1,700,263	-
Payments for interfund borrowing principal	-	(1,150,537)	-	1,150,537	-	234,470	234,470	-
Payments for interfund borrowing interest	-	(619,321)	-	619,321	-	-	-	-
Contributions to foundation	-	-	(203,099)	-	-	-	(203,099)	-
Noncapital grants and programs	-	-	134,607	-	-	-	134,607	-
Net Cash from (Used for) Noncapital Financing Activities	(2,405,000)	(1,769,858)	(68,492)	1,569,858	300,000	542,890	(1,830,602)	-
Capital and Related Financing Activities								
Proceeds from sale of assets	9,680	-	-	57,469	5,597	7,850	80,596	-
Receipts of lease principal	-	-	-	78,363	84,915	54,242	217,520	-
Receipts of lease interest	-	-	-	213,616	100,346	10,244	324,206	-
Long-term debt proceeds	-	-	-	-	28,635,173	-	28,635,173	-
Acquisition and construction of capital assets	(3,834,895)	(7,679,700)	(2,590,792)	(1,936,737)	(36,534,624)	(1,735,946)	(54,312,694)	-
Debt service								
Principal	(15,105)	(7,042)	(2,528,975)	(188,864)	(6,822)	(171,783)	(2,918,591)	-
Interest	(660)	(305)	(458,778)	(109,724)	(306)	(66,458)	(636,231)	-
Intergovernmental capital grants	-	-	264,100	-	8,000,000	460,730	8,724,830	-
Interest income on cash restricted for capital activities	-	-	-	-	2,132	-	2,132	-
Net Cash from (Used for) Capital and Related Financing Activities	(3,840,980)	(7,687,047)	(5,314,445)	(1,885,877)	286,411	(1,441,121)	(19,883,059)	-

City of Brookings, South Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds							
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Investing Activities								
Investments redeemed	8,322,153	-	20,475,132	30,824,486	5,161,077	-	64,782,848	-
Purchase of investments	(8,242,756)	-	(31,177,936)	(30,937,428)	(5,121,378)	-	(75,479,498)	(249,603)
Interest and dividends from investments	1,424,042	457,863	2,924,871	2,102,974	524,346	571,136	8,005,232	161,880
Investments in joint venture	-	-	(104,522)	-	-	-	(104,522)	-
Distributions received	-	-	221,176	156,771	-	-	377,947	-
Net Cash from (Used for) Investing Activities	1,503,439	457,863	(7,661,279)	2,146,803	564,045	571,136	(2,417,993)	(87,723)
Change in Cash and Cash Equivalents	3,139,189	(5,712,803)	7,380,627	7,416,469	4,658,224	1,517,532	18,399,238	578,562
Cash and Cash Equivalents, Beginning of Year	23,352,678	12,543,997	19,164,094	9,969,859	5,330,265	12,377,000	82,737,893	4,620,928
Cash and Cash Equivalents, End of Year	\$ 26,491,867	\$ 6,831,194	\$ 26,544,721	\$ 17,386,328	\$ 9,988,489	\$ 13,894,532	\$ 101,137,131	\$ 5,199,490
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position								
Cash and cash equivalents	\$ 26,491,867	\$ 6,831,194	\$ 25,050,514	\$ 17,386,328	\$ 9,843,307	\$ 12,165,851	\$ 97,769,061	\$ 5,199,490
Restricted cash and cash equivalents	-	-	524,802	-	145,182	1,728,681	2,398,665	-
Brokerage cash included in investments	-	-	969,405	-	-	-	969,405	-
Total cash and cash equivalents, end of year	\$ 26,491,867	\$ 6,831,194	\$ 26,544,721	\$ 17,386,328	\$ 9,988,489	\$ 13,894,532	\$ 101,137,131	\$ 5,199,490

City of Brookings, South Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds					Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Wastewater	Health System	Telephone	Water			
Reconciliation of Operating Income (Loss) to								
Net Cash from Operating Activities								
Operating income (loss)	\$ 5,376,358	\$ 1,073,517	\$ 13,339,889	\$ 3,430,915	\$ 2,365,387	\$ (181,282)	\$ 25,404,784	\$ 554,456
Miscellaneous income	-	-	-	-	-	29,206	29,206	-
Adjustments to reconcile operating income (loss) to net cash from operating activities								
Depreciation/amortization	2,349,978	2,074,763	5,609,783	1,777,329	1,148,367	2,123,982	15,084,202	-
Provision for bad debts	-	-	5,113,931	-	-	-	5,113,931	-
Changes in assets and liabilities								
Accounts receivable	(225,055)	93,305	(3,856,859)	(263,711)	51,648	305,566	(3,895,106)	(801)
Intergovernmental receivables	-	-	-	-	-	(201,282)	(201,282)	-
Unbilled receivables	(184,994)	(28,960)	-	-	(30,260)	(3,420)	(247,634)	-
Other receivables	-	-	(121,594)	-	-	-	(121,594)	-
Due from other funds	10,571	(11,693)	-	(4,012)	190,090	-	184,956	-
Inventories	88,336	5,465	5,898	461,323	(81,190)	82,183	562,015	-
Prepaid expenses	152,763	106,736	63,844	276,179	64,533	4,903	668,958	(2,101)
Net pension asset	6,574	2,969	51,177	8,484	3,181	2,371	74,756	-
Other assets	-	258	-	(65,376)	(96)	-	(65,214)	-
OPEB related deferred outflows	12,542	8,204	161,761	19,706	6,182	(10,986)	197,409	-
Pension related deferred outflows	123,263	55,667	735,304	159,051	59,644	7,316	1,140,245	-
Accounts payable	233,097	(94,964)	247,846	(92,836)	(702,252)	(461,461)	(870,570)	(1,422)
Due to other funds	189	6,359	2,918	2,045	416,975	-	428,486	-
Accrued taxes payable	11,815	109	(311,419)	4,541	(308)	238	(295,024)	-
Accrued wages payable	11,686	4,675	(339,236)	13,089	6,057	15,376	(288,353)	-
Compensated absences	7,150	25,943	146,079	21,000	38,261	39,286	277,719	-
Claims incurred but not reported	-	-	(230,365)	-	-	-	(230,365)	116,153
Unearned revenue	-	-	-	-	-	796	796	-
Deposits payable	1,665	-	(1,979)	(5,790)	-	(3,780)	(9,884)	-
Landfill closure accruals	-	-	-	-	-	54,032	54,032	-
Total OPEB liability	(79,309)	(51,874)	(380,563)	(124,602)	(39,094)	41,948	(633,494)	-
OPEB related deferred inflows	30,029	19,641	81,993	47,180	14,802	(31,125)	162,520	-
Pension related deferred inflows	(8,595)	(3,881)	106,435	(11,091)	(4,159)	30,760	109,469	-
Proceeds from the sale of future revenues	(36,333)	-	-	(67,739)	-	-	(104,072)	-
Net cash from operating activities	<u>\$ 7,881,730</u>	<u>\$ 3,286,239</u>	<u>\$ 20,424,843</u>	<u>\$ 5,585,685</u>	<u>\$ 3,507,768</u>	<u>\$ 1,844,627</u>	<u>\$ 42,530,892</u>	<u>\$ 666,285</u>

City of Brookings, South Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds						Total Enterprise Funds	Internal Service Funds
	Electric	Wastewater	Health System	Telephone	Water	Nonmajor Funds		
Supplemental Schedule of Noncash Investing and Financing Activities								
Acquisition of capital assets through capital contributions and donations	\$ -	\$ 3,255,270	\$ 264,100	\$ -	\$ 9,009,540	\$ 460,730	\$ 12,989,640	\$ -
Acquisition of capital assets through debt	\$ 22,035	\$ 10,516	\$ -	\$ 27,672	\$ 9,891	\$ -	\$ 70,114	\$ -
Accounts receivable as contributed capital	\$ -	\$ -	\$ -	\$ -	\$ 330,430	\$ -	\$ 330,430	\$ -
Accounts payable for capital assets	\$ 954	\$ 42,364	\$ 449,220	\$ 16,759	\$ 5,493,622	\$ -	\$ 6,002,919	\$ -

City of Brookings, South Dakota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Custodial Fund
	<u> </u>
Assets	
Cash and cash equivalents	<u>\$ 57,457</u>
Liabilities	
Accounts payable	<u> 1,897</u>
Net Position	
Restricted for	
Rural fire department	<u><u>\$ 55,560</u></u>

City of Brookings, South Dakota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2024

	Custodial Fund
	<u> </u>
Additions	
Investment income	
Interest income	\$ 169
Member assessments	<u> 28,000</u>
Total additions	<u> 28,169</u>
Change in Net Position	28,169
Net Position, Beginning, as previously reported	34,674
Adjustments (Note 15)	(7,283)
Net Position, Beginning, as restated	<u> 27,391</u>
Net Position, Ending	<u><u> \$ 55,560</u></u>

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the City of Brookings, South Dakota ("the City"):

Basis of Presentation

The financial statements of the City have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting. The City follows and implements all applicable GASB standards.

Reporting Entity

The reporting entity of the City of Brookings consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its Governing Board/City Council appoints a voting majority of another organization's governing body and is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City.

The Brookings Health System Investment Authority ("the Investment Authority") is a legally separate, tax-exempt component unit of the City, reported as a blended component unit of the Health System. The Investment Authority was organized during 2018 as an economic development corporation exclusively for charitable purposes and at all times to be operated for the benefit of, to perform the functions of, or provide support to the Health System. The Investment Authority applied for exempt status with the Internal Revenue Service during 2018 and is currently awaiting determination of its exemption. The Health System controls the activities of the Investment Authority through the appointment of a Board of Trustees that is charged with governance over both the Health System and the Investment Authority. Because the Investment Authority's governing body is substantively the same as that of the Health System, and the Investment Authority provides services entirely to and for the benefit of the Health System, the Investment Authority is considered a blended component unit of the Health System and is presented in the Health System's financial statements.

The Brookings Health System Foundation ("the Foundation") is reported as a discretely presented component unit. Although the City does not control the timing or amount of receipts from the Foundation, the majority of the resources, or income thereon, are restricted to the activities of the City by the donors. Because these restricted resources held by the Foundation are primarily to be used by, or for the benefit of the City, the Foundation is considered a component unit.

The Foundation is a private not-for-profit organization that reports under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), including ASC Topic 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's statements in the City's financial reporting entity for these differences. The Foundation has a December 31st year end. Separately issued financial statements of the Foundation may be obtained from Brookings Health System Foundation, 300 22nd Avenue, Brookings, SD 57006.

Government-Wide and Fund Financial Statements

The goal of government-wide financial statements is to present a broad overview of a government's finances. The basic statements that form the government-wide financial statements are the statement of net position and the statement of activities. These two statements report information on all nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods or services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the government's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include 1) charges for services and 2) operating or capital grants and contributions that are restricted to a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are prepared for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The accrual period does not exceed one bill-paying cycle, and for the City, the length of that cycle is 45 days. The revenues which are accrued at December 31, 2024, are property taxes, storm drainage fees, and sales taxes.

Under the modified accrual basis of accounting, receivables may be measurable but not available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources, reported as unavailable revenues, are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

2nd Penny Sales and Use Tax Fund – The 2nd Penny Sales and Use Tax Fund is used to account for the revenue and expenditures of the 2nd penny sales tax. Proceeds of this tax are committed by the City Council to be used for capital improvements which involve the construction and financing of public improvements.

All proprietary and fiduciary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The City reports the following major proprietary funds:

Electric Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal electrical system and related facilities.

Wastewater Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities.

Health System Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal hospital and nursing home and related facilities.

Telephone Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal telephone system and related services.

Water Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal telephone system and related services.

In addition, the City reports for the following fund types:

Internal Service Funds – Internal service funds account for operations that provide services to other departments or agencies of the City on a cost-reimbursement basis. These include medical insurance, dental insurance, and Section 125 employee benefits. In the government-wide financial statements, the activities of the internal service are allocated as 35% to the governmental activities and 65% to the business-type activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds consist of custodial funds.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial fund:

Rural Fire Fund – to account for deposits and disbursements for the Brookings Rural Volunteer Fire Association.

As a general rule, the City has eliminated the effect of interfund activity from the government-wide financial statements. Exceptions to this rule are when various charges exist between different functions of the government (i.e., water and sewer charges to other various functions of the City). Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include the following: amounts received from those who purchase, use, or directly benefit from a program; amounts received from parties outside the City that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues, including all taxes.

Proprietary funds report operating revenues and expenses separately from nonoperating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered cash and cash equivalents for the purpose of the Statement of Cash Flows. Interest is allocated to the funds based on average cash balances.

The City's investments in money market funds are carried at cost, which approximates fair value. Investments in certificates of deposit are carried at cost. All other investments are carried at fair value, which is determined based on quoted market prices. Investment income consists of interest received and the net change in fair value of investments.

Restricted Cash and Cash Equivalents

Amounts included in restricted cash and cash equivalents represent funds required to be set aside by a covenant in an agreement with a lender for the payment of the loan.

Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds” (current portion) or “advances to/from other funds” (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Property tax levies are established on or before October 1st of each year. Taxes are recorded as receivable, levied, and attached as an enforceable lien on property as of January 1st of each year. Taxes are payable in two installments on or before April 30th and October 31st of that year.

The City is permitted by several state statutes to levy varying amounts of taxes per \$1,000 of taxable valuation on taxable real property in the City.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Inventories and Prepaid Items

Inventory in the General Fund and Dacotah Bank Center Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost using the first-in, first-out (FIFO) method. Inventory within the proprietary funds is generally valued at average cost. Inventories are recorded as an asset at the time of purchase and charged to expenditures or expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The prepayments are charged to expenditures over the period of their economic benefit.

Amounts of governmental fund inventories and vendor prepaid items are offset by a nonspendable fund balance account to indicate that they do not represent “available spendable resources.”

Capital Assets

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined.

Donated capital assets are valued at their acquisition value at the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments which are significant and extend the useful life of the capital asset are also capitalized.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 1980, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 1980, are recorded at cost.

Construction-period interest is not capitalized, in accordance with U.S. generally accepted accounting principles.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to common use assets for which allocation would be unduly complex, and which is reported as unallocated depreciation with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Property, plant and equipment of the government with an historical cost of \$5,000 or greater is depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	10-25 years
Buildings	40-99 years
Machinery and equipment	3-25 years
Infrastructure	25-50 years
Utility property and improvements	10-50 years

Land and construction in progress are not depreciated.

Intangible lease assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Intangible lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Intangible lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 25 years.

Intangible subscription assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Intangible subscription assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Intangible subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 10 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the City.

Direct borrowing payables represent the City's obligation to make installment payments arising from the agreement. Direct borrowing payables are recognized at the agreement commencement date based on the present value of future payments expected to be made during the contract term.

Other Post-Employment Benefits (OPEB)

The City provides post-employment health insurance benefits. It also provides access to its health insurance program for certain retired employees that meet participation requirements based on age and employment tenure. Benefits are provided until the retiree reaches age of 65. The benefit plan provides access to health benefits, but the premium payments are the responsibility of the retiree. An actuarially determined other postemployment benefit obligation liability and deferred inflows/outflows of resources related to postemployment benefits has been recorded to account for the implicit subsidy provided under the benefit plan. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the Plan.

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – annual leave and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation Leave

It is the policy of the City to grant vacations with pay to provide regular full-time employees with periods of rest and recreation in recognition of services performed. Vacation leave for eligible employees for each vacation year is based on length of service. Employees may accumulate up to two hundred eighty (280) hours, or thirty-five (35) days of vacation. Upon separation from employment, an employee will be paid for any accumulated vacation at the employee's current rate of pay. In the event of death, earned but unused vacation will be paid to the employee's estate. Active employees are not eligible for salary in lieu of vacation.

Sick Leave

Regular full-time employees accrue sick leave. Employees with a hire date prior to January 1, 2013, may accumulate up to a maximum of 260 days (2,080 hours) of sick leave. Employees with a hire date of January 1, 2013, and thereafter may accumulate up to a maximum of 1,500 hours of sick leave. Sick leave benefits not used during the calendar year in which they are earned may be carried over and used during succeeding calendar years. After ten years of service and upon termination of employment other than discharge, any unused accumulated sick leave will be paid at ten percent (10%) of the employee's current base hourly rate, plus one percent (1%) additional for each year of service beyond ten (10) years, up to 1,500 hours maximum accumulated sick leave. No other monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Pensions

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City's deferred outflows include the following: unrecognized items not yet charged to pension expense and OPEB expense contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows include the following: unavailable revenues, which represent certain receivables recorded by the City which are deferred as they are not received within the City's measurable period of 45 days, and are not considered measurable and available under the modified accrual basis of accounting; unrecognized items having not yet reduced pension or OPEB expense; and proceeds from the sale of future revenues, which represent cash received in advance of the services to be provided. Another item is deferred inflows related to leases, where the City is the lessor and is reported in the statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements.

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. Deferred outflows of resources or deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also should be included in this component of net position. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted net position consists of restricted assets and deferred outflows of resources, reduced by liabilities and deferred inflows of resources related to those assets, with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Unrestricted net position consists of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the net investment in capital assets or the restricted component of net position.

Fund Balance

Governmental fund balance may distinguish between “Nonspendable”, “Restricted”, “Committed”, “Assigned”, and “Unassigned” components. Proprietary fund balance is classified the same as in the government-wide financial statements.

In accordance with Government Accounting Standards Board (GASB) No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and do not lapse at year-end.

Assigned Fund Balance – amounts the City intends to use for specific purposes that are neither considered restricted nor committed. City Council’s Governance and Ends policy gives the City Manager authority to assign fund balance.

Unassigned Fund Balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Council committed the following fund balances through the Governance and Ends policy:

- Stabilization arrangement where a minimum of \$1,000,000 shall be committed and maintained for use in meeting unanticipated needs and or emergencies, such as an urgent event that affects the health, safety, or general welfare of the City, its residents, as well as public and private property. The urgent event could be an extreme blizzard, tornado, fire, flood, terrorist attack, bombing, explosions, train derailments, extreme straight-line winds/severe thunderstorm, hazardous materials incident, water contamination, failure of electrical grid, mass casualty/fatality or health epidemic. Once the City Manager or his/her designee has determined that it is necessary to draw down the fund balance, written communication shall be provided by the City Manager to the City Council, explaining the nature of the unanticipated need and/or emergency which shall require approval of the Council.
- 5% of the annual revenue of the 2nd Penny Sales and Use Tax should be committed for future economic development opportunities until a one million dollar balance is achieved.
- One-time sales of land will be added to the committed fund balance for future land purchases for industrial and economic development.

The City Council committed the following fund balances through City ordinances:

- Ordinance No. 19-016 commits use of 2nd Penny Sales tax for capital improvements which involve the construction and financing of public improvements designated by ordinance or resolution of the city council following a public hearing.
- Ordinance No. 21-10 commits funds to finance public storm drainage infrastructure improvements.
- Ordinance No 23-11 commits funds for retail economic development investment.
- Ordinance No 02-12 commits BID Fee funds to promotion and marketing of the City.

It is the City's policy to first use restricted resources, prior to the use of unrestricted resources, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned and the unassigned amounts.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Health System Net Patient and Resident Service Revenue and Receivables

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Patient and resident receivables are uncollateralized patient, resident, and third-party payor obligations. Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim. The carrying amount of patient and resident receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients, residents, and third-party payors. Management reviews patient and resident receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients and residents due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Management also reviews accounts to determine if classification as charity care is appropriate.

As discussed previously, the Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare - During 2009, the Health System began participation in the Centers for Medicare and Medicaid Services (CMS) Rural Community Hospital Demonstration Program (RCHD) as mandated under Section 410A of the Medicare Modernization Act. For inpatient services provided to patients under the RCHD program, the Health System is reimbursed on a cost-based methodology subject to retrospective settlement within prescribed limits compared to their initial year base costs under the program. The RCHD program concluded on September 30, 2015, but was extended for five additional years through federal legislation included in Section 15003 of the Cures Act, enacted on December 13, 2016. The RCHD was extended an additional 5 years in late December 2020 as a part of the Consolidated Appropriations Act of 2021.

The Health System is reimbursed for cost reimbursable services under the RCHD program at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare Administrative Contractor. The Health System's Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended December 31, 2022.

Medicaid - Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a reimbursement methodology based on historical cost. Retroactive settlements are not carried out by the Medicaid program.

Blue Cross - Services rendered to Blue Cross subscribers are reimbursed under a prospectively determined methodology.

Nursing Home - The Health System is reimbursed for resident services at established billing rates which are determined based on historical costs adjusted annually for inflation and subject to certain limitations as prescribed by South Dakota Department of Social Services regulations. These rates are subject to retroactive adjustment by field audit. The Health System also participates in the Medicare program for which payment for resident services is made on a prospectively determined per diem rate which varies based on a case-mix resident classification system.

The Health System has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Health System under these agreements includes prospectively determined rates per discharge and discounts from established charges.

Concentration of gross revenues by major payor accounted for the following percentages of the Health System’s patient and resident service revenues for the year ended December 31,2024:

Medicare	43%
Medicaid	8%
Blue Cross	26%
Other third-party payors, patients, and residents	23%
	<hr/>
	100%
	<hr/>

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient and resident service revenue for the year ended December 31, 2024, decreased by approximately \$232,000 due to differences between estimated and final settlements, removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations.

Health System Investment in Joint Ventures

The Health System records its interest in investments where the Health System has a twenty to fifty percent interest in a corporation under the equity method of accounting. The investment is included in other assets of the Health System fund. Under the equity method, original investments are recorded at cost and adjusted for the Health System's share of undistributed earnings or losses and distributions. The Health System’s share of net earnings or losses of the entities is included in nonoperating revenues (expenses). Cash flows related to joint ventures are recorded based on the underlying purpose of the Health System’s participation in the joint venture. During 2024, the Health System evaluated its compliance under certain joint operating agreements and determined that a net distribution to the joint operating agreement partner was required under the written agreements. A settlement transfer of \$2,551,229 was recorded in connection with the agreements, which is included in miscellaneous nonoperating expenses of the Health System fund.

Charity Care

The Health System provides care to patients and residents who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient and resident service revenue. The Health System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The amount of charges foregone, based on established rates, was approximately \$1,344,000 for the year ended December 31, 2024. The direct and indirect costs related to these foregone charges was \$466,000 at December 31, 2024, based on the average ratio of cost to gross charges.

Implementation of GASB Statement No. 101

As of January 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 15.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government – wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 13,280,766	
Loans payable	2,750,002	
Direct borrowings payable	64,283	
Compensated absences	1,984,017	
Accrued interest	41,557	
Total OPEB liability	<u>2,487,419</u>	
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities		<u>\$ 20,608,044</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.” The details of this difference are as follows:

Expenditures capitalized	\$ 15,882,133	
Plus: prior year construction in progress added as asset in current year	<u>8,386,983</u>	
Capital asset increases per Note 6		\$ 24,269,116
Less: assets disposed	(504,134)	
Less: prior year construction in progress added as asset in current year	<u>(8,386,983)</u>	
Capital asset decreases per Note 6		(8,891,117)
Depreciation expense	(5,549,017)	
Plus: accumulated depreciation on assets transferred in from enterprise funds	<u>(15,000)</u>	
Accumulated depreciation/amortization increases per Note 6		(5,564,017)
Accumulated depreciation on assets disposed		<u>497,127</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 10,311,109</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this difference are as follows:

Principal payments on bonded debt	\$ 1,410,396
Principal payments on loans payable	916,666
Principal payments on financed purchases payable	<u>30,713</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 2,357,775</u></u>

Note 3 - Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular Council meeting in September of each year or within ten days thereafter, the governing board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the governing board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the governing board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year-end unless encumbered by resolution of the governing board.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds, debt service funds, and capital projects funds.
7. The Budgetary Comparison Schedules have been prepared on the modified accrual basis of accounting. The Budgetary Comparison Schedule presents expenditures for capital outlay and debt service purposes within each function.

Expenditures in Excess of Appropriation

Expenditures exceeded budget in the following funds by the following amounts:

Nonmajor Funds	
BID Fee	\$ 1,455
TIF-1 Innovation Campus	593,022
TIF-5 32nd Ave.	1,093
TIF-8 Affordable Housing	82,948
TIF-11 Tallgrass & Sweetgrass	200,000

No remedial action is anticipated or required by the City regarding these excess expenditures. The overexpenditures were funded through a combination of greater than expected revenues and existing fund balances.

Deficit Fund Balance

The following funds had a deficit fund balance at December 31, 2024:

Governmental Funds	
Nonmajor Funds	
Dacotah Bank Center	\$ 205,335
20th Street Interchange	80,979

These deficits will be eliminated through future revenues, and if necessary, transfers from other funds.

Note 4 - Deposits and Investments**Deposits**

The City's cash deposits are made in qualified public depositories as defined by South Dakota Codified Law (SDCL) 4-6A-1, 7-20-1, 7-20-1.1 and 9-22-6.2, and may be in the form of demand or time deposits. 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 Federal Deposit Insurance Corporation (FDIC) and National Credit Union Share Insurance (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.

As of December 31, 2024, the carrying amount of the City's deposits was \$171,659,817 and the bank balance was \$173,239,997. The City's deposits were fully secured by FDIC coverage and pledged collateral.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2024, the City’s deposits in financial institutions were fully insured or collateralized and were not exposed to custodial credit risk.

Investments

The City maintains pooled cash portfolios used by substantially all City funds using the pooled deposit and investment concept. These pools are governed by an investment policy.

Fair Value Measurement – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024.

As of December 31, 2024, the City had the following investments, maturities, and fair value measurements:

Investment or Cash Equivalent Type	Credit Rating	Fair Value	Maturities (in Years)			
			< 1	1 - 5	> 5 - 10	>10
General City:						
Money Market Fund: U.S Agencies	AAAm	\$ 37,169,145	\$ 37,169,145	\$ -	\$ -	\$ -
U.S. Government Securities	AAA	1,370,390	1,370,390	-	-	-
		<u>\$ 38,539,535</u>	<u>\$ 38,539,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Brookings Health System Investment Authority:						
U.S. Treasury Bills	AAA	\$ 6,025,972	\$ 6,025,972	\$ -	\$ -	\$ -
U.S. Treasury Notes	AAA	8,890,211	2,954,364	5,935,847	-	-
Corporate Bonds	*	945,484	595,727	349,757	-	-
Equity Mutual Funds	N/A	29,734,333	29,734,333	-	-	-
Equities	N/A	18,801,970	18,801,970	-	-	-
Accrued Income		348,171	-	-	-	-
		<u>\$ 64,746,141</u>	<u>\$ 58,112,366</u>	<u>\$ 6,285,604</u>	<u>\$ -</u>	<u>\$ -</u>

*Corporate bonds are comprised of investments with various corporate issuers having ratings between A1-Aa1

The following table presents the assets measure at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2024:

	Total	Level 1	Level 2	Level 3
General City:				
U.S. Government Securities	\$ 1,370,390	\$ -	\$ 1,370,390	\$ -
Brookings Health System Investment Authority:				
U.S. Treasury Notes	\$ 8,890,211	\$ 8,890,211	\$ -	\$ -
Corporate Bonds	945,484	-	945,484	-
Equity Mutual Funds	29,734,333	29,734,333	-	-
Equities	18,801,970	18,801,970	-	-
	<u>\$ 58,371,998</u>	<u>\$ 57,426,514</u>	<u>\$ 945,484</u>	<u>\$ -</u>

Money Market Funds and U.S. Treasury Bills of the Health System are carried at cost, and thus are not included within the fair value hierarchy.

General City Investment Policy

In General, SDCL 4-5-6 permits City 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 (c) 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 safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits eligible investments for the City, as discussed above. The City has an investment policy that does not further limit its investment choices.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of default of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

United States Government Securities, with a fair market value of \$1,370,390 are held in a safekeeping account with First Bank & Trust Wealth Management Services in Brookings, South Dakota. First Clearing, LLC (FCC), a non-bank affiliate of Wachovia Corporation, and a registered broker-dealer, a member of the New York Stock Exchange and a member of the National Association of Securities Dealers, Inc., carries the City of Brookings, SD account and acts as its custodian for funds and securities deposited with First Bank & Trust Wealth Management directly by the City.

Money Market Funds, with a fair market value of \$37,169,145 are held in a safekeeping account with Wells Fargo Asset Management in Brookings, South Dakota.

Coverage for cash and securities in protected client accounts is provided from two sources. The Securities Investor Protection Corporation (SIPC) protects up to \$500,000, of which \$250,000 may be cash. Additional protection has been obtained, at no cost to the City of Brookings, SD, for the remaining net equity balance of the cash and securities in the City's account. This coverage does not protect against losses from any change in market values of investments.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in any one issuer. As of December 31, 2024, the City had investments in excess of 5% of the total investment portfolio: 96.4% are in money markets at Wells Fargo Asset Management.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has a formal investment policy that limits investment maturities to less than five years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from investments to the fund making the investment.

Brookings Health System Investment Authority Policy

Credit Risk - The investments held by the Brookings Health System Investment Authority are not limited by the provisions of SDCL 4-5-6, and the composition of the portfolio is determined by management and the board of directors of the Authority. The entire investment portfolio of the Health System was held in the name of the Brookings Health System Investment Authority as of December 31, 2024.

Custodial Credit Risk – Deposits – South Dakota statutes require that all municipal deposits are made in qualified public depositories, and that these depositories 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 FDIC and NCUA. As of December 31, 2024, all of the Health System's deposits were secured in accordance with these provisions.

Custodial Credit Risk – Investments – The risk that, in the event of default of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The investments held by the Brookings Health System Investment Authority, with a fair value of \$64,746,141 are held by a custodial bank that is an agent of the City, the Health System or the Investment Authority.

Concentration of Credit Risk – The Health System places no limit on the amount it may invest in any one issuer.

Interest Rate Risk – The Health System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Deposits and investments are included in the financial statements of the primary government as follows:

Cash and cash equivalents	
Statement of net position	\$ 150,783,961
Statement of fiduciary net position	57,457
Investments	
Statement of net position	118,346,336
Restricted cash and cash equivalents	
Statement of net position	<u>5,757,739</u>
	<u>\$ 274,945,493</u>
Deposits and cash on hand	\$ 118,059,622
Investments classified as cash equivalents	38,539,535
Deposits classified as investments	53,600,195
Investments	<u>64,746,141</u>
	<u>\$ 274,945,493</u>

Note 5 - Receivables

Allowances for uncollectible accounts receivable in the Enterprise Funds are calculated based on historical trend data. The other funds receivables are stated at face value. As of December 31, 2024, the allowance for doubtful accounts in the Enterprise Funds were as follows:

Electric	\$ 54,300
Wastewater	13,100
Health System	3,810,000
Telephone	9,600
Water	<u>14,400</u>
	<u>\$ 3,901,400</u>

Note 6 - Other Assets

Other assets at December 31, 2024, were as follows:

Telephone Fund	
South Dakota Network, LLC	\$ 330,357
Express Communications, Inc.	11,895
DHE, LLC	71,282
Capital Credits	<u>418,545</u>
Total telephone fund	832,079
Wastewater Fund - Capital Credits	15,576
Water Fund - Capital Credits	2,075
Health System Fund *	<u>621,489</u>
Total other assets	<u><u>\$ 1,471,219</u></u>

*See Note 17 - Investment in Joint Venture

There is an operating agreement between all of the members of South Dakota Network, LLC, (SDN) including the Telephone Fund, which requires a selling member to first offer to other members any units available for sale. The Telephone Fund owns 7.84% of this company. The Telephone Fund received distributions from SDN of \$156,771 in 2024. In the course of providing many of its network services, SDN uses the fiber network of its members. The members are compensated for the use of their networks through an agreed upon revenue sharing model. Payments to the Telephone Fund relating to these services were approximately \$630,000 in 2024 and are recorded as miscellaneous operating revenues in the statement of revenues, expenses and changes in net position. SDN also provides a variety of telecommunication services to its members. The services are covered by mutually agreed upon pricing and terms. Payments from the Telephone Fund to SDN related to these services were approximately \$282,000 in 2024.

There is a buy-sell agreement between all of the shareholders of Express Communications, Inc. including the Telephone Fund, which requires a selling shareholder to first offer to other shareholders any stock available for sale. The Telephone Fund owns 11,368 shares or 10.14% of Express Communications, Inc. There is an operating agreement between all of the members of DHE, LLC, (DHE), including the Telephone Fund, for the sole and exclusive benefit of the members and no third party shall have any rights under the agreement. The Telephone Fund owns 10.34% of this company as a Class I member.

Capital credits represent each respective Fund's patronage capital allocation resulting from their relationships with cooperative associations.

Note 7 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 11,409,951	\$ 101,500	\$ -	\$ 11,511,451
Construction in progress	8,515,208	1,774,466	8,386,983	1,902,691
Total capital assets, not being depreciated	<u>19,925,159</u>	<u>1,875,966</u>	<u>8,386,983</u>	<u>13,414,142</u>
Capital assets, being depreciated				
Infrastructure	100,555,929	16,915,276	-	117,471,205
Buildings and improvements	59,729,741	2,255,599	-	61,985,340
Equipment	26,502,094	3,222,275	504,134	29,220,235
Total capital assets, being depreciated	<u>186,787,764</u>	<u>22,393,150</u>	<u>504,134</u>	<u>208,676,780</u>
Less accumulated depreciation for				
Infrastructure	45,429,562	2,344,702	-	47,774,264
Buildings	22,103,961	1,455,972	-	23,559,933
Machinery and equipment	15,283,314	1,763,343	497,127	16,549,530
Total accumulated depreciation	<u>82,816,837</u>	<u>5,564,017</u>	<u>497,127</u>	<u>87,883,727</u>
Total capital assets, being depreciated, net	<u>103,970,927</u>	<u>16,829,133</u>	<u>7,007</u>	<u>120,793,053</u>
Governmental Activities Capital Assets, Net	<u>\$ 123,896,086</u>	<u>\$ 18,705,099</u>	<u>\$ 8,393,990</u>	<u>\$ 134,207,195</u>

Depreciation additions include \$15,000 of accumulated depreciation on assets transferred from the business-type activities.

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

Governmental activities	
General government	\$ 2,287,280
Public safety	506,792
Public works	713,498
Public health and welfare	21,511
Culture and recreation	<u>2,019,936</u>
Total depreciation expense - governmental activities	<u>\$ 5,549,017</u>

Business-type activities capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 10,303,215	\$ 1,340,409	\$ -	\$ 11,643,624
Construction in progress	37,337,214	42,674,678	16,410,265	63,601,627
Total capital assets, not being depreciated/amortized	47,640,429	44,015,087	16,410,265	75,245,251
Capital assets, being depreciated				
Infrastructure	327,577	-	-	327,577
Buildings and improvements	350,876,940	24,310,742	3,407,062	371,780,620
Equipment	44,382,178	2,432,051	766,082	46,048,147
Total capital assets, being depreciated	395,586,695	26,742,793	4,173,144	418,156,344
Less accumulated depreciation for				
Infrastructure	99,397	13,102	-	112,499
Buildings and improvements	148,553,821	11,360,135	3,109,829	156,804,127
Equipment	31,111,607	3,247,493	749,788	33,609,312
Total accumulated depreciation	179,764,825	14,620,730	3,859,617	190,525,938
Total capital assets, being depreciated, net	215,821,870	12,122,063	313,527	227,630,406
Intangible lease assets, being amortized	2,080,851	-	175,855	1,904,996
Less accumulated amortization	(345,500)	(212,086)	(175,855)	(381,731)
Total intangible lease assets, being amortized, net	1,735,351	(212,086)	-	1,523,265
Intangible subscription assets, being amortized	2,288,182	70,114	-	2,358,296
Less accumulated amortization	(129,932)	(284,759)	-	(414,691)
Total intangible subscription assets, being amortized, net	2,158,250	(214,645)	-	1,943,605
Business-Type Activities Capital Assets, Net	\$ 267,355,900	\$ 55,710,419	\$ 16,723,792	\$ 306,342,527

Depreciation additions include \$33,373 of accumulated depreciation on assets transferred from the business-type activities.

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

Business-type activities	
Electric	\$ 2,349,978
Health System	5,609,783
Telephone	1,777,329
Liquor	129,006
Water	1,148,367
Wastewater	2,074,763
Airport	1,099,929
Golf	219,782
Solid Waste	623,474
Research and Technology Center	51,791
Total depreciation/amortization expense - business-type activities	<u>\$ 15,084,202</u>

Note 8 - Leases

Lessor Activities

The City has accrued receivables for various towers, hangars, facilities, and land. The remaining receivable for these leases was \$5,674,989 for the year ended December 31, 2024. Interest revenue from leases was \$328,575 for the year ended December 31, 2024. Principal revenue of \$219,180 was recognized during the fiscal year. The interest rates on the leases range from 5.0% to 6.0%. Final receipt is expected in fiscal year 2054.

The future principal and interest lease receipts as of December 31, 2024, are as follows:

<u>Years Ending December 31,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 208,580	\$ 331,765
2026	150,795	292,263
2027	159,888	283,010
2028	114,812	276,174
2029	132,646	268,645
2030-2034	687,779	1,224,912
2035-2039	1,082,397	971,680
2040-2044	1,618,382	562,677
2045-2049	945,215	141,535
2050-2054	574,495	3,255
	<u>\$ 5,674,989</u>	<u>\$ 4,355,916</u>

Lessee Activities

The City has entered into lease agreements for the use of various building spaces and office equipment. The City is required to make principal and interest payments through 2046. The lease liability was valued using discount rates of 3.0% to 6.0%. For leases with no interest rate stated, the City utilized its incremental borrowing rate for valuing the lease. These leases payable are liquidated by the telephone and liquor funds.

The future principal and interest lease payments as of December 31, 2024, are as follows:

Years Ending December 31,	Business-Type Activities	
	Principal	Interest
2025	\$ 88,946	\$ 67,271
2026	94,826	63,380
2027	102,694	59,190
2028	112,525	54,785
2029	121,493	49,682
2030-2034	761,331	159,786
2035-2039	262,764	29,523
2040-2044	74,812	14,223
2045-2046	55,475	2,465
	<u>\$ 1,674,866</u>	<u>\$ 500,305</u>

Note 9 - Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into various SBITA contracts for utility and healthcare management platforms. The City is required to make principal and interest payments through 2034. The subscription liability was valued using discount rates between 5.26% and 5.52% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreement. SBITAs payable are liquidated by the electric, wastewater, health system, telephone, and water funds.

The annual amounts due for principal and interest on subscription liabilities are as follows:

Years Ending December 31,	Business-Type Activities	
	Principal	Interest
2025	\$ 242,486	\$ 96,669
2026	239,837	84,813
2027	188,922	73,061
2028	198,914	63,026
2029	209,824	52,069
2030-2034	892,590	89,051
	<u>\$ 1,972,573</u>	<u>\$ 458,689</u>

Note 10 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2024:

	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Sales tax revenue bonds	\$ 11,936,051	\$ -	\$ 1,206,986	\$ 10,729,065	\$ 1,242,613
State revolving fund bonds	2,755,111	-	203,410	2,551,701	209,309
Total bonds payable	<u>14,691,162</u>	<u>-</u>	<u>1,410,396</u>	<u>13,280,766</u>	<u>1,451,922</u>
Loans payable	3,666,668	-	916,666	2,750,002	916,666
Direct borrowings	94,996	-	30,713	64,283	31,656
Compensated absences*	<u>1,852,858</u>	<u>131,159</u>	<u>-</u>	<u>1,984,017</u>	<u>1,984,017</u>
	<u>\$ 20,305,684</u>	<u>\$ 131,159</u>	<u>\$ 2,357,775</u>	<u>\$ 18,079,068</u>	<u>\$ 4,384,261</u>
Business-Type Activities					
State revolving fund bonds payable	\$ 11,269,443	\$ 28,635,173	\$ -	\$ 39,904,616	\$ 748,978
Certificates of participation	17,198,692	-	2,196,736	15,001,956	2,255,542
Direct borrowings	841,172	-	298,555	542,617	306,869
Leases payable	1,858,652	-	183,786	1,674,866	88,946
Subscription-based IT agreements	2,141,973	70,114	239,514	1,972,573	242,486
Amounts due under joint operating agreement	1,555,350	2,551,229	-	4,106,579	-
Landfill closure/postclosure	1,200,649	54,032	-	1,254,681	-
Compensated absences*	<u>3,215,364</u>	<u>312,582</u>	<u>-</u>	<u>3,527,946</u>	<u>2,137,408</u>
	<u>\$ 39,281,295</u>	<u>\$ 31,623,130</u>	<u>\$ 2,918,591</u>	<u>\$ 67,985,834</u>	<u>\$ 5,780,229</u>

*Change in compensated absences is presented as net.

City of Brookings, South Dakota

Notes to Financial Statements

December 31, 2024

Bonds Payable

At December 31, 2024, the City had the following bond issuances outstanding:

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Governmental Activities:				
Sales Tax Revenue Bonds				
Series 2014A	12/1/2033	2.65%-3.25%	\$ 10,000,000	\$ 5,722,122
Series 2019	6/1/2029	2.97%	<u>7,100,000</u>	<u>5,006,943</u>
Total sales tax revenue bonds			<u>17,100,000</u>	<u>10,729,065</u>
South Dakota State Revolving Fund Bonds				
Bond #3	12/1/2033	3.00%	\$ 390,519	\$ 169,083
Bond #4	4/1/2033	3.00%	335,314	167,185
Bond #5	1/1/2033	3.00%	226,121	109,819
Bond #6	10/1/2032	3.00%	1,972,719	1,058,964
Bond #9	7/1/2035	3.00%	448,140	289,692
Bond #10	1/1/2042	3.00%	<u>827,241</u>	<u>756,958</u>
Total state revolving loan fund bonds			<u>\$ 4,200,054</u>	<u>\$ 2,551,701</u>
Total governmental activities			<u>\$ 21,300,054</u>	<u>\$ 13,280,766</u>
Business-Type Activities				
South Dakota State Revolving Fund Bonds				
Bond #11	1/1/2055	1.88%	<u>\$ 11,269,443</u>	<u>\$ 39,904,616</u>

Sales tax revenue bonds payable are liquidated by the 2nd Penny Sales and Use Tax Fund. State revolving loan fund bonds of the governmental activities are liquidated by the Storm Drainage Fund. State revolving loan fund bonds of the business-type activities are liquidated by the Water Fund.

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2024, are as follows:

<u>Years Ending December 31,</u>	<u>Revenue Bonds</u>		<u>State Revolving Loan Fund Bonds</u>		<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,242,613	\$ 288,645	\$ 209,309	\$ 68,635	\$ 1,451,922	\$ 357,280
2026	1,280,190	252,922	215,381	62,562	1,495,571	315,484
2027	1,315,118	216,169	221,631	56,312	1,536,749	272,481
2028	2,268,268	165,083	228,064	49,879	2,496,332	214,962
2029	1,905,482	113,888	234,687	43,261	2,140,169	157,149
2030-2034	2,717,394	205,369	1,044,875	114,679	3,762,269	320,048
2035-2039	-	-	281,640	28,521	281,640	28,521
2040-2042	-	-	116,114	3,290	116,114	3,290
	<u>\$ 10,729,065</u>	<u>\$ 1,242,076</u>	<u>\$ 2,551,701</u>	<u>\$ 427,139</u>	<u>\$ 13,280,766</u>	<u>\$ 1,669,215</u>

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of December 31, 2024, are as follows:

Years Ending December 31,	State Revolving Loan Fund Bonds	
	Principal	Interest
2025	\$ 748,978	\$ 1,091,295
2026	1,015,125	727,058
2027	1,034,292	707,891
2028	1,053,822	688,361
2029	1,073,721	668,462
2030-2034	5,680,483	3,030,432
2035-2039	6,237,423	2,473,491
2040-2044	6,848,969	1,861,946
2045-2049	7,520,473	1,190,441
2050-2054	8,257,815	453,100
2055	433,515	2,031
	<u>\$ 39,904,616</u>	<u>\$ 12,894,508</u>

Loans Payable

The City has entered into a loan agreement with a private citizen. Details of the amount outstanding are as follows:

	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
Loan from private citizen	11/1/2027	0.00%	<u>\$ 5,500,000</u>	<u>\$ 2,750,002</u>

Payments are made from the Public Improvement Fund.

Annual requirements to amortize the outstanding loan payable are as follows:

Years Ending December 31,	Loans	
	Principal	Interest
2025	\$ 916,666	\$ -
2026	916,666	-
2027	916,670	-
	<u>\$ 2,750,002</u>	<u>\$ -</u>

Direct Borrowings

Direct borrowing consists of financing agreements for the purchase of various pieces of machinery and equipment. Direct borrowings of the governmental activities are paid by the Dacotah Bank Center Fund. Direct borrowings payable of the business-type activities are paid by the Health System Fund.

The annual requirements to amortize the financed purchases payable as of December 31, 2024, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 31,656	\$ 1,975	\$ 306,869	\$ 11,073
2026	32,627	1,002	235,748	2,710
	<u>\$ 64,283</u>	<u>\$ 2,977</u>	<u>\$ 542,617</u>	<u>\$ 13,783</u>

Certificates of Participation

The City has issued certificates of participation to finance acquisition, renovation, and expansion of facilities and equipment. Details of certificates of participation outstanding at December 31, 2024, are as follows:

	Final Maturity	Interest Rate	Original Issue	Outstanding
Business-type Activities				
Certificates of Participation, Series 2012	10/1/2036	2.72%-3.19%	\$ 10,000,000	\$ 7,054,663
Certificates of Participation, Series 2015A	10/1/2037	2.62%	8,000,000	1,063,215
Certificates of Participation, Series 2015B	10/1/2037	2.72%	22,000,000	6,884,078
			<u>\$ 40,000,000</u>	<u>\$ 15,001,956</u>

Certificates of participation are liquidated by the Health System Fund.

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2024, are as follows:

Years Ending December 31,	Certificates of Participation	
	Principal	Interest
2025	\$ 2,255,542	\$ 377,799
2026	2,315,438	317,903
2027	2,377,064	256,277
2028	2,439,884	193,457
2029	642,728	146,176
2030-2034	3,448,676	495,842
2035-2037	1,522,624	55,183
	<u>\$ 15,001,956</u>	<u>\$ 1,842,637</u>

Leases Payable

Leases payable consists of long-term leases as described in Note 8.

Subscription-Based IT Agreements

Subscription-based IT agreements payable consists of subscription agreements as described in Note 9.

Amounts Due under Joint Operating Agreement

Amounts due under joint operating agreement are liquidated by the Health System Fund.

Landfill Closure/Postclosure

Landfill Closure/Postclosure liability consists of expected future obligations relating to the municipal landfill and is liquidated by the Solid Waste Fund. See Note 20 for additional information.

Compensated Absences

Compensated absences liability includes the amount owed by the City to employees for their accrued annual vacation and sick leave balances as described in Note 1, including the City's share of payroll deductions.

Note 11 - Other Post-Employments Benefit Plan

Plan Description

The City, under the authority of SDCL 9-14-35 and SDCL 6-1-16, operates a single-employer defined benefit healthcare plan that is administered and tracked separately as follows: City General, Brookings Municipal Utilities (BMU) and Brookings Health System (BHS or Health System). The plan provides medical benefits to eligible active and retired employees and their spouses. The plan is self-funded and reported as an internal service fund of the City which is included within the scope of this report; therefore, the plan does not issue a stand-alone financial report nor is it included in the report of another entity. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB 75 in connection with the plan and no separate financial reporting is done by the plan.

City General

For current and retired City General employees hired before January 1, 2010, the City pays 50% of the cost of premiums. For current and retired City General employees hired on or after January 1, 2010, the City pays 0% of the cost of premiums. As the rates being paid by retirees for benefits are typically lower than those had the retirees been rated as a separate group, the difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits in addition to the portion of premiums paid by the City for retired City General employees. Benefit provisions for City General employees represented by a collective bargaining agreement are established and amended through collective bargaining with the recognized bargaining agent for each group. Benefits and eligibility for administrators and those not covered by a collective bargaining agreement are established and amended by the City Council.

Brookings Municipal Utilities

The Brookings Municipal Utilities Board determines the contribution amounts for the plan, which currently require participating members to pay 100% of the premium. The plan also allows an early retiree 50% of the premium up to the maximum of \$100 per month provided the employee has been employed by BMU for ten years, is 62 years of age, and begins to draw SDRS retirement benefits. Future amendments to the funding mechanism of the plan are determined by the governing board.

Brookings Health System

The governing board of the Health System determines the contribution amounts for the plan, which currently requires participating members to pay 100% of the group rate premium. Future amendments to the funding mechanism are determined by the governing board.

Funding Policy

At this time the City operates the plan on a pay-as-you-go method and therefore the plan is not funded.

Plan Participation

At December 31, 2024, the following number of current and former employees were covered by the benefit terms:

	City	BMU	BHS	Total
Inactive Employees or Beneficiaries				
Currently Receiving Benefit Payments	17	8	3	28
Inactive Employees Entitled to but Not				
Yet Receiving Benefit Payments	-	-	-	-
Active Employees	121	109	348	578
	<u>138</u>	<u>117</u>	<u>351</u>	<u>606</u>

Total OPEB Liability

The City's total OPEB liability of \$4,801,892 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increase	Graded scale based on merit and service
Discount Rate	4.08%
Healthcare Cost Trend Rate	6.70% - 3.70% over 49 years

Discount Rate

The discount rate used to measure the total OPEB liability was 4.08%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher as of the measurement date, as based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality Rates

Pub-2010 Mortality Table with generational projection per the MP-2021 ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for Public Safety. This assumption includes a margin for mortality improvement beyond the valuation date.

The plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	City	BMU	BHS	Total
Balance at January 1, 2024	\$ 2,624,715	\$ 1,288,241	\$ 1,303,731	\$ 5,216,687
Changes from the Prior Year:				
Service cost	180,781	49,146	60,617	290,544
Interest cost	88,193	42,294	43,887	174,374
Economic/demographic gains (losses)	288,273	(168,510)	(269,661)	(149,898)
Assumption changes	(94,612)	(137,094)	(178,867)	(410,573)
Benefit payments	(201,988)	(80,715)	(36,539)	(319,242)
Total Net Changes	260,647	(294,879)	(380,563)	(414,795)
Balance at December 31, 2024	<u>\$ 2,885,362</u>	<u>\$ 993,362</u>	<u>\$ 923,168</u>	<u>\$ 4,801,892</u>

The total OPEB liability for the City General is comprised of Governmental Activities of \$2,487,419 and Business-Type Activities of \$2,314,473.

Changes of assumptions reflect a change in the discount rate from 3.26% in 2023 to 4.08% in 2024.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.08%) or 1% higher (5.08%) than the current discount rate.

	City	BMU	BHS	Total
1% Decrease (3.08%)	\$ 3,113,964	\$ 1,067,793	\$ 1,030,948	\$ 5,212,705
Current Rate (4.08%)	\$ 2,885,362	\$ 993,362	\$ 923,168	\$ 4,801,892
1% Increase (5.08%)	\$ 2,676,977	\$ 924,019	\$ 828,151	\$ 4,429,147

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates (current trend rates are 6.70% trending down to 3.70%).

	City	BMU	BHS	Total
1% Decrease (5.70% to 2.70%)	\$ 2,584,281	\$ 892,567	\$ 802,116	\$ 4,278,964
Current Rate (6.70% to 3.70%)	\$ 2,885,362	\$ 993,362	\$ 923,168	\$ 4,801,892
1% Increase (7.70% to 4.70%)	\$ 3,234,894	\$ 1,111,394	\$ 1,067,813	\$ 5,414,101

OPEB Expense (Revenue) and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense (revenue) as follows:

	City	BMU	BHS	Total
OPEB Expense (Revenue)	\$ 200,974	\$ (55,878)	\$ (100,270)	\$ 44,826

At December 31, 2024, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources			
	City	BMU	BHS	Total
Differences between expected and actual experience	\$ 935,542	\$ -	\$ 309,927	\$ 1,245,469
Changes in assumptions	147,381	85,662	35,410	268,453
Total deferred outflows of resources	<u>\$ 1,082,923</u>	<u>\$ 85,662</u>	<u>\$ 345,337</u>	<u>\$ 1,513,922</u>

The deferred outflows of resources for City General is comprised of Governmental Activities of \$928,192 and Business-Type Activities of \$154,731.

	Deferred Inflows of Resources			
	City	BMU	BHS	Total
Differences between expected and actual experience	\$ 371,691	\$ 437,185	\$ 227,421	\$ 1,036,297
Changes in assumptions	929,045	464,053	694,171	2,087,269
Total deferred inflows of resources	<u>\$ 1,300,736</u>	<u>\$ 901,238</u>	<u>\$ 921,592</u>	<u>\$ 3,123,566</u>

The deferred inflows of resources for City General is comprised of Governmental Activities of \$1,124,959 and Business Type Activities of \$175,777.

The amount reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ended December 31,</u>	City	BMU	BHS	Total
2025	\$ (68,000)	\$ (152,061)	\$ (180,399)	\$ (400,460)
2026	(89,583)	(165,143)	(174,306)	(429,032)
2027	(97,397)	(165,144)	(111,530)	(374,071)
2028	(21,008)	(149,619)	(84,627)	(255,254)
2029	11,489	(116,133)	(25,393)	(130,037)
Thereafter	46,686	(67,476)	-	(20,790)

Note 12 - Defined Benefit Pension Plans

Plan Information

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provide retirement, disability, and survivor benefits. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

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

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

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

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

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

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

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

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution.

The City's share of contributions to the SDRS for the fiscal years ended December 31, 2024, 2023, and 2022, equal to required contributions each year, were as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 2,835,279
2023	2,573,226
2022	2,408,742

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

At June 30, 2024, SDRS is 100.0% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of the South Dakota Retirement System, for the City as of the measurement period ending June 30, 2024, and reported by the City as of December 31, 2024, are as follows:

Proportionate share of pension liability	\$ 240,514,083
Less proportionate share of net position restricted for pension benefits	<u>(240,579,347)</u>
Proportionate share of net pension liability (asset)	<u>\$ (65,264)</u>

At December 31, 2024, the City reported an asset of \$65,264 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the City's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the City's proportion was 1.612213%, which was a decrease of 0.035420% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$1,695,430. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,043,301	\$ -
Changes of assumptions	1,075,977	8,201,701
Net difference between projected and actual investment earnings on pension plan investments	2,458,248	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	142,133	5,783
City contributions subsequent to the measurement date	<u>1,399,239</u>	<u>-</u>
	<u>\$ 11,118,898</u>	<u>\$ 8,207,484</u>

The \$1,399,239 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2025	\$ (2,202,147)
2026	3,199,544
2027	343,370
2028	171,408

Actuarial Assumptions

The total pension liability (asset) in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Investment rate of return	6.50%, net of plan investment expense. This is composed of an average inflation rate 2.50% and real returns of 4.00%
Cost-of-living adjustments	1.71%

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65

Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above

Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
	<u>100.0%</u>	

Discount Rate

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 33,162,606	\$ (65,264)	\$ (27,256,009)

Pension Plan Fiduciary Net Position

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

Note 13 - Interfund Activity**Due to/Due from Other Funds**

Interfund receivables and payables result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. Amounts due to and from other funds are follows:

	Due to:								
	General Fund	2nd Penny Sales and Use Tax Fund	Nonmajor Governmental Funds	Electric Fund	Wastewater Fund	Telephone Fund	Water Fund	Nonmajor Enterprise Funds	Total
Due from:									
General Fund	\$ -	\$ -	\$ -	\$ 74,940	\$ 1,507	\$ 4,548	\$ 28,127	\$ -	\$ 109,122
2nd Penny Sales and Use Tax Fund	-	-	-	-	-	2,120	-	-	2,120
Nonmajor Governmental Funds	74,480	-	34,155	10	1	248	1	546	109,441
Electric Fund	354	-	-	1,369	102	3,191	220	-	5,236
Wastewater Fund	2,855	-	-	21,591	176	1,570	1,595	-	27,787
Health System Fund	-	-	-	32,017	5,854	4,654	5,745	-	48,270
Telephone Fund	6,342	-	-	12,938	119	126,298	172	-	145,869
Water Fund	7	432,287	-	15,255	33	1,964	92	-	449,638
Nonmajor Enterprise Funds	-	-	-	7,944	14,343	599	1,140	-	24,026
	<u>\$ 84,038</u>	<u>\$ 432,287</u>	<u>\$ 34,155</u>	<u>\$ 166,064</u>	<u>\$ 22,135</u>	<u>\$ 145,192</u>	<u>\$ 37,092</u>	<u>\$ 546</u>	<u>\$ 921,509</u>

Interfund Advances

Advances from other funds as of December 31, 2024, were as follows:

	Advanced from:				Total
	General Fund	2nd Penny Sales and Use Tax Fund	Telephone Fund	Nonmajor Enterprise Funds	
Advanced to:					
2nd Penny Sales and Use Tax Fund	\$ -	\$ -	\$ -	\$ 185,648	\$ 185,648
Nonmajor Governmental Funds	78,000	48,400	-	129,626	256,026
Wastewater Fund	-	-	29,815,503	-	29,815,503
Nonmajor Enterprise Funds	-	-	-	10,520	10,520
	<u>\$ 78,000</u>	<u>\$ 48,400</u>	<u>\$ 29,815,503</u>	<u>\$ 325,794</u>	<u>\$ 30,267,697</u>

Details of the significant advance between the Wastewater and Telephone Funds are as follows:

	Estimated Principal Due in 2025	Noncurrent Interfund Advances	Total Principal
Interfund advances to wastewater fund from:			
Telephone fund 2.0% interest due through 2027	\$ 572,735	\$ 13,978,327	\$ 14,551,062
Telephone fund 2.0% interest due through 2028	<u>600,813</u>	<u>14,663,628</u>	<u>15,264,441</u>
Total interfund advances	<u>\$ 1,173,548</u>	<u>\$ 28,641,955</u>	<u>\$ 29,815,503</u>

Advances from other funds are properly authorized loans with specified repayment requirements. The change in the advances from other funds is as follows for the year ended December 31, 2024:

	Beginning	Advances	Payments	Ending
Interfund advances to wastewater fund from:				
Telephone fund 2.0% interest due through 2027	\$ 15,112,566	\$ -	\$ (561,504)	\$ 14,551,062
Telephone fund 2.0% interest due through 2028	<u>15,853,475</u>	<u>-</u>	<u>(589,034)</u>	<u>15,264,441</u>
Total interfund advances	<u>\$ 30,966,041</u>	<u>\$ -</u>	<u>\$ (1,150,538)</u>	<u>\$ 29,815,503</u>

City of Brookings, South Dakota

Notes to Financial Statements

December 31, 2024

The annual amounts due for principal and future interest on advances from other funds are as follows:

	Principal	Interest	Principal and Interest
2025	\$ 1,173,548	\$ 596,310	\$ 1,769,858
2026	1,197,019	572,839	1,769,858
2027	14,019,224	481,928	14,501,152
2028	13,425,712	201,386	13,627,098
	<u>\$ 29,815,503</u>	<u>\$ 1,852,463</u>	<u>\$ 31,667,966</u>

Pursuant to SDCL 9-25-12, interfund loans are limited to a maximum period of five years. If it is intended for the note to be paid over a longer period, the note may be renewed at the end of the five years. It is the intention of the City to repay the loan from the Telephone Fund to the Wastewater Fund through 2045.

Interfund Transfers

Transfers are made for funding various projects, meeting debt service requirements, and for capital infrastructure. Interest earned on Debt fund residuals and reported as revenue in the Debt fund is periodically transferred to the General Fund.

The following interfund transfers occurred during the year ended December 31, 2024:

	Transfers In					Total
	General Fund	2nd Penny Sales and Use Tax	Nonmajor Governmental	Water Fund	Nonmajor Enterprise	
Transfers Out						
General Fund	\$ -	\$ 500,000	\$ 480,807	\$ 300,000	\$ -	\$ 1,280,807
2nd Penny Sales and Use Tax	538,520	-	296,415	-	1,057,140	1,892,075
Nonmajor Governmental Funds	319,965	652,370	306,452	-	-	1,278,787
Electric	2,405,000	-	-	-	-	2,405,000
Telephone	200,000	-	-	-	-	200,000
Nonmajor Enterprise Funds	748,720	-	-	-	343,123	1,091,843
Total	<u>\$ 4,212,205</u>	<u>\$ 1,152,370</u>	<u>\$ 1,083,674</u>	<u>\$ 300,000</u>	<u>\$ 1,400,263</u>	<u>\$ 8,148,512</u>

Note 14 - Net Position and Fund Balances

Restricted net position at December 31, 2024, consists of the following:

Type	Restricted by	Amount
Governmental Activities:		
Debt service and covenants		
Tif-1 innovation campus	Covenant	\$ 5,880
Tif-11	Covenant	550,000
Total debt service and covenants		555,880
Other purposes (by donations)		
Library	Donors	58,895
SDRS pension purposes:		
Governmental funds - pension purposes	Standard	14,334
Enabling legislation		
Enhanced 911	Law	359,608
Library fines	Law	45,879
Bed & booze tax	Law	981,523
Total enabling legislation		1,387,010
Total Governmental Activities Restricted Net Position		\$ 2,016,119
Business-type Activities		
Debt service and covenants		
Health system - debt service	Covenant	\$ 524,802
Water fund - debt service	Covenant	145,182
Total debt service and covenants		669,984
SDRS pension purposes:		
Enterprise funds - pension purposes	Standard	122,262
Enabling legislation		
Solid waste fund - landfill closure/postclosure	Law	474,000
Total Business-type Activities Restricted Net Position		\$ 1,266,246

City of Brookings, South Dakota

Notes to Financial Statements

December 31, 2024

The City classified fund balances within the governmental funds as follows at December 31, 2024:

	General Fund	2nd Penny Sales and Use Tax Fund	Other Governmental Funds	Total
Fund Balances				
Nonspendable				
Inventories	\$ 157,652	\$ -	\$ 61,000	\$ 218,652
Prepaid items	75,939	-	50,267	126,206
Property held for resale	634,601	-	-	634,601
Advances	78,000	-	-	78,000
Total nonspendable	946,192	-	111,267	1,057,459
Restricted				
Donor purposes	58,895	-	-	58,895
Debt service	-	-	2,071,330	2,071,330
Library	-	-	45,879	45,879
E-911	-	-	359,608	359,608
City promotion	-	-	981,523	981,523
Total restricted	58,895	-	3,458,340	3,517,235
Committed				
Industrial park development	1,030,000	-	-	1,030,000
Proceeds from industrial land	2,859,127	-	-	2,859,127
Emergency financial stabilization	1,093,039	-	-	1,093,039
Retail development	1,873	-	-	1,873
Police and fire capital and other	-	14,363,018	-	14,363,018
Economic development	-	210,933	-	210,933
Promotion and marketing of City	-	-	355,343	355,343
Special assessment projects	-	-	472,885	472,885
Storm drainage	-	-	2,428,711	2,428,711
Public art	262,121	-	-	262,121
Total committed	5,246,160	14,573,951	3,256,939	23,077,050
Assigned				
Capital project carryover	2,215,354	-	1,337,426	3,552,780
Future capital	696,468	-	-	696,468
Emergency financial stabilization	3,279,116	-	-	3,279,116
Economic development	944,468	-	-	944,468
Total assigned	7,135,406	-	1,337,426	8,472,832
Unassigned	15,325,545	-	(397,581)	14,927,964
Total Fund Balances	\$ 28,712,198	\$ 14,573,951	\$ 7,766,391	\$ 51,052,540

Note 15 - Restatements**Change Within the Financial Reporting Entity**

During fiscal year 2024, the City determined that a fund previously reported as a custodial fund should be reported as an internal service fund, resulting in a restatement of the amounts reported in the previously issued financial statements.

The following is a summary of the effects of the restatement in the City's December 31, 2023, government-wide statement of net position, proprietary funds statement of net position, and fiduciary fund statement of fiduciary net position:

	January 1, 2024, As Previously Reported	Change Within the Financial Reporting Entity	January 1, 2024, As Restated
Government-Wide Statement of Net Position			
Governmental Activities			
Cash and cash equivalents	\$ 51,216,499	\$ 532	\$ 51,217,031
Accounts receivable	2,099,648	2,017	2,101,665
Unrestricted net position	49,272,260	2,549	49,274,809
Business-Type Activities			
Cash and cash equivalents	72,757,044	989	72,758,033
Accounts Receivable	18,626,572	3,745	18,630,317
Unrestricted net position	183,735,988	4,734	183,740,722
Proprietary Funds Statement of Net Position			
Internal Service Funds			
Cash and cash equivalents	\$ 4,619,407	\$ 1,521	\$ 4,620,928
Accounts Receivable	-	5,762	5,762
Unrestricted net position	-	7,283	7,283
Fiduciary Funds Statement of Fiduciary Net Position			
Custodial Funds			
Cash and cash equivalents	\$ 30,809	\$ (1,521)	\$ 29,288
Accounts Receivable	5,762	(5,762)	-
Net position restricted for section 125 plan	7,283	(7,283)	-

City of Brookings, South Dakota

Notes to Financial Statements

December 31, 2024

The following is a summary of the effects of the restatement in the City's December 31, 2023, government-wide statement of activities, proprietary funds statement of revenues, expenses, and changes in fund net position, and fiduciary funds statement of changes in fiduciary net position:

	January 1, 2024, As Previously Reported	Change Within the Financial Reporting Entity	January 1, 2024, As Restated
Government-Wide Statement of Activities			
Governmental Activities			
General government expenses	\$ 8,334,311	\$ (35)	\$ 8,334,276
Public safety expenses	5,431,752	(151)	5,431,601
Public works expenses	8,873,381	(85)	8,873,296
Health and welfare expenses	203,596	(4)	203,592
Culture and recreation expenses	6,686,316	(115)	6,686,201
Change in net position	15,845,708	390	15,846,098
Business-Type Activities			
Miscellaneous general revenues	770,929	725	771,654
Change in net position	46,879,370	725	46,880,095
Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position			
Internal Service Funds			
Charges for goods and services	\$ 3,939,244	\$ 83,304	\$ 4,022,548
Personnel services expense	665,762	82,195	747,957
Investment income	67,132	6	67,138
Change in net position	416,550	1,115	417,665
Fiduciary Funds Statement of Changes in Fiduciary Net Position			
Custodial Funds			
Interest income	\$ 123	\$ (6)	\$ 117
Contributions	83,304	(83,304)	-
Benefit payments	82,195	(82,195)	-
Change in net position	1,232	(1,115)	117

Change in Accounting Principle

As of January 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of this change in accounting principle is described in the table below.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, the change in accounting principle and change within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund net position/fund balance as follows:

	January 1, 2024, As Previously Reported	Change in Accounting Principle	Change Within the Financial Reporting Entity	January 1, 2024, As Restated
Government-Wide				
Governmental Activities	\$ 157,697,114	\$ (822,725)	\$ 2,549	\$ 156,876,938
Business-Type Activities	430,139,123	(1,453,789)	4,734	428,690,068
Total Primary Government	<u>\$ 587,836,237</u>	<u>\$ (2,276,514)</u>	<u>\$ 7,283</u>	<u>\$ 585,567,006</u>
Proprietary Funds				
Enterprise Funds				
Electric	\$ 73,061,079	\$ (377,000)	\$ -	\$ 72,684,079
Wastewater	33,627,202	(197,389)	-	33,429,813
Telephone	86,597,642	(536,108)	-	86,061,534
Water	68,508,804	(206,469)	-	68,302,335
Nonmajor Enterprise Funds	42,805,034	(136,823)	-	42,668,211
Total enterprise funds	<u>\$ 304,599,761</u>	<u>\$ (1,453,789)</u>	<u>\$ -</u>	<u>\$ 303,145,972</u>
Internal Service Funds				
Medical Insurance	\$ 7,416,914	\$ -	\$ -	\$ 7,416,914
Dental Insurance	33,441	-	-	33,441
Employee Benefits	-	-	7,283	7,283
Total internal service funds	<u>\$ 7,450,355</u>	<u>\$ -</u>	<u>\$ 7,283</u>	<u>\$ 7,457,638</u>
Fiduciary Funds				
Custodial Funds	<u>\$ 34,674</u>	<u>\$ -</u>	<u>\$ (7,283)</u>	<u>\$ 27,391</u>

Note 16 - Segment Information for Water Fund

The State Revolving Fund Loan was issued by the South Dakota Board of Water and Natural Resources. The proceeds are being used for the construction of a new water treatment plant and the construction and replacement of water distribution lines. The rates and charges relating to the improvements will be in the form of a surcharge for water utility service. The loan is secured by gross revenues derived solely from the revenues of the water surcharge and is not a general obligation of the City of Brookings or any political subdivision.

Segment information for these separately identifiable activities that have debt instruments outstanding with a revenue stream pledged in support of that debt, as well as a requirement to account for the activity's revenues, expenses, gains, and losses, assets, and liabilities apart from other activities within the same fund or in different funds is as follows.

Condensed Statement of Net Position of the Water Fund as of December 31, 2024:

	Unsecured Operations	State Revolving Fund Loan	Total Water Fund
Assets			
Current assets	\$ 13,914,421	\$ 3,208,278	\$ 17,122,699
Due from other funds	37,092	-	37,092
Noncurrent assets, excluding capital assets	1,548,584	145,182	1,693,766
Capital assets	32,648,868	76,676,883	109,325,751
Total assets	48,148,965	80,030,343	128,179,308
Deferred outflows of resources	225,338	-	225,338
Liabilities			
Current liabilities	962,559	5,511,496	6,474,055
Due to other funds	449,638	-	449,638
Noncurrent liabilities	(520,081)	39,904,616	39,384,535
Total liabilities	892,116	45,416,112	46,308,228
Deferred inflows of resources	1,801,340	-	1,801,340
Net Position			
Net investment in capital assets	33,389,399	36,023,289	63,919,066
Restricted	39,681	145,182	146,021
Unrestricted	12,251,767	(1,554,240)	16,229,991
Total net position	\$ 45,680,847	\$ 34,614,231	\$ 80,295,078

Condensed Statement of Revenues, Expenses, and Changes in Net Position of the Water Fund for the year ended December 31, 2024:

	Unsecured Operations	State Revolving Fund Loan	Total Water Fund
Operating revenues	\$ 4,777,048	\$ 3,065,837	\$ 7,842,885
Depreciation and amortization expense	(952,829)	(195,538)	(1,148,367)
Other operating expenses	(4,329,131)	-	(4,329,131)
Operating (loss) income	(504,912)	2,870,299	2,365,387
Nonoperating revenue (expense)			
Investment income	659,857	2,132	661,989
Interest expense and fiscal charges	(608)	(468,719)	(469,327)
Other	125,154	-	125,154
Transfers in	300,000		300,000
Capital contributions	1,009,540	8,000,000	9,009,540
Change in net position	1,589,031	10,403,712	11,992,743
Beginning net position, as restated (Note 15)	44,091,816	24,210,519	68,302,335
Ending net position	\$ 45,680,847	\$ 34,614,231	\$ 80,295,078

Condensed Statement of Cash Flows of the Water Fund for the year ended December 31, 2024:

	Unsecured Operations	State Revolving Fund Loan	Total Water Fund
Net cash provided by (used in)			
Operating activities	\$ 3,877,920	\$ (370,152)	\$ 3,507,768
Noncapital financing activities	300,000	-	300,000
Capital and related financing activities	27,473	258,938	286,411
Investing activities	564,045	-	564,045
Net change	4,769,438	(111,214)	4,658,224
Beginning cash and cash equivalents	1,865,591	3,464,674	5,330,265
Ending cash and cash equivalents	\$ 6,635,029	\$ 3,353,460	\$ 9,988,489

Note 17 - Investment in Joint Venture

The Health System is a 50% investor in Avera Home Medical Equipment of Brookings, LLC (AHME). This investment is included in other assets on the statement of net position. Based on the Health System's ownership percentage, the joint venture investment and allocated earnings for the year ended December 31, 2024, are as follows:

	<u>Investment</u>	<u>Share of Income</u>
Avera Home Medical Equipment of Brookings, LLC	<u>\$ 621,489</u>	<u>\$ 247,357</u>

The Health System received distributions of \$221,176 from AHME in 2024, which are included as cash flows from investing activities in the statements of cash flows.

Note 18 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2024, the City managed its risks as follows:

Employee Health Insurance

During the fiscal year 1997, the City of Brookings (City General and BMU) established a Medical Self Insurance Fund (an internal service fund) to account for and finance its health risks of loss. Under this program, the Medical Self Insurance Fund pays the first \$90,000 per person and is reinsured for any remaining loss for that person. The Plan also has aggregate stop loss coverage for the group which pays 100% of the group's claims beyond the aggregate limits (125% of expected claims). Settled claims resulting from these risks have not exceeded the liability coverage in any of the past three fiscal years.

The following summarizes the changes in the balance of the claim liability for the past two years:

<u>Year</u>	<u>Beginning Liability</u>	<u>Current Year Net Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2024	\$ 216,756	\$ 2,591,043	\$ (2,475,615)	\$ 332,184
2023	354,993	2,667,699	(2,805,936)	216,756

During the fiscal year 2020, the City of Brookings (City General) established a Dental Self Insurance Fund (an internal service fund) to account for and finance its dental risks of loss. Under this program, the Dental Self Insurance Fund pays up to \$1,000 per person per year.

The following summarizes the changes in the balance of the claim liability for the past two years:

Year	Beginning Liability	Current Year Net Claims and Changes in Estimates	Claim Payments	Ending Liability
2024	\$ 3,533	\$ 123,071	\$ (122,346)	\$ 4,258
2023	2,216	119,445	(118,128)	3,533

Beginning January 1, 2017, the Health System began partially self-funding its employee health insurance. The Health System provides self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These reserves, which are included in current liabilities on the statements of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

The Health System expenses amounts representing the employer's portion of actual claims paid, adjusted for the estimates of liabilities relating to claims resulted from services provided prior to the year-end not to exceed the annual aggregate expense. These amounts have been estimated based on historical trends and actuarial analysis. Changes in the balance of claims liabilities during the past year are as follows:

Year	Beginning Liability	Current Year Net Claims and Changes in Estimates	Claim Payments	Ending Liability
2024	\$ 697,876	\$ 2,074,196	\$ (2,304,561)	\$ 467,511
2023	555,779	3,004,993	(2,862,896)	697,876

Property and Liability Insurance

The City purchases insurance coverage for its boilers, equipment, and property from a commercial insurance carrier. The deductible for this coverage is \$10,000 per occurrence except for wind/hail (deductible is \$25,000) and Electronic Data Processing Equipment (deductible of \$1,000).

The City joined the South Dakota Public Assurance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program from South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays a Members' Annual Operating Contribution, to provide liability coverage under an occurrence-based policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool for this coverage.

Effective October 5, 2021, the SDPAA adopted a new policy on member departures. Departing members will no longer be eligible for any partial refund of the calculated portion of their contributions which was previously allowed.

The prior policy provided the departing Member with such a partial refund because the departing Member took sole responsibility for all claims and claims expenses whether reported or unreported at the time of their departure from the SDPAA. With such partial refund being no longer available, the SDPAA will now assume responsibility for all reported claims of a departing Member pursuant to the revised IGC.

The City reflected the effects of the new SDPAA policy in the financial statements as a Change in Accounting Estimate in the Statement of Activities and the Fund Operating Statements and also eliminated the reporting of the Deposit on the Statement of Net Position and Fund Balance Sheet.

The city does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

The Health System has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$3 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Health System is also insured under a claims-made excess umbrella policy with a limit of \$4 million.

Workers' Compensation

In 2024, the City utilized the Workers Compensation Program with Travelers Insurance, one of the leading Public Entity Workers Compensation providers in the United States. Travelers provides extensive services to mitigate the occurrences of claims and manage the claim if they do occur. Coverage limits meet all state statutes. There is not a per individual claim limit.

Unemployment Benefits

The City has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

Unemployment claims are charged back to the appropriate department and are paid as they occur.

During the year ended December 31, 2024, the City did not experience any significant claims or refunds.

Note 19 - Litigation

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. In the opinion of City Counsel and management, such claims against the City not covered by insurance, would not materially affect the financial condition of the City at December 31, 2024.

Note 20 - Commitments and Contingencies

Grants and Grants Receivable

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

Construction Commitments

The City had the following significant project commitments at December 31, 2023, as follows:

<u>Project Description</u>	<u>Authorized</u>	<u>Expended or Accrued as of 12/31/2024</u>	<u>Committed</u>
Governmental Activities			
Recreational Trails	\$ 341,000	\$ 214,805	\$ 126,195
Arrowhead Park Trails	75,000	2,232	72,768
Ameresco Energy Efficiency Project	3,166,168	1,413,612	1,752,556
12th Street & Main Avenue Intersection	489,069	41,680	447,389
32nd Avenue Drainage Pond	150,000	102,137	47,863
33rd Avenue Drainage Pond	150,000	128,225	21,775
	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	<u>\$ 4,371,237</u>	<u>\$ 1,902,691</u>	<u>\$ 2,468,546</u>
Business-type Activities			
Water Fund			
Water Treatment Plant	\$ 64,467,080	\$ 55,023,409	\$ 9,443,671
Lead Water Service Replacement	915,493	527,905	387,588
Health System Fund			
Yorkshire Medical Building	7,800,000	1,997,642	5,802,358
Airport Fund			
Airport Hangar Taxilane Extension	159,000	9,999	149,001
Airport Parallel Taxiway C Extension	1,956,000	454,634	1,501,366
Golf Course Fund			
Water Sourcing	800,000	12,027	787,973
Solid Waste Fund			
Landfill Parking Lot Expansion	250,000	230,884	19,116
Storage Building Construction	500,000	124,501	375,499
	<u> </u>	<u> </u>	<u> </u>
Total business-type activities	<u>\$ 76,847,573</u>	<u>\$ 58,381,001</u>	<u>\$ 18,466,572</u>

Municipal Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require Municipalities to place a final cover on their municipal landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Municipality reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,254,681 reported as landfill closure and post-closure care liability at December 31, 2024, represents the cumulative amount reported to date based on the use of 32.1% of the estimated capacity of the landfill. The Municipality will recognize the remaining estimated cost of closure and post-closure care of \$1,254,681 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2024. The Municipality expects to close the landfill in the year of 2064. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The Municipality is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care. The City is in compliance with these requirements; and, at December 31, 2024, investments of \$1,728,681 are held for these purposes. These are reported as restricted assets on the statement of net position. The Municipality expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws and regulations, for example), these costs may need to be covered by increased fees to future landfill users or from future tax revenue.

Note 21 - Subsequent Events

Acquisition of 5th Street Gym

In May 2025, the City of Brookings acquired the 5th Street Gym from the Brookings School District. The property will support future community programming and recreational initiatives. The acquisition was completed through mutual agreement between the two governmental entities.

Marketplace Development Groundbreaking

Also in May 2025, a groundbreaking ceremony was held for the Marketplace retail development in Brookings. The development is planned to include Target, Aldi, and additional commercial tenants. The project is expected to contribute to the City's economic development efforts and generate future sales tax revenues.

New City Attorney

On May 1, 2025, the City entered into a new agreement for legal services with Woods Fuller Shultz & Smith P.C., a law firm based in Sioux Falls, South Dakota following the retirement of longtime City Attorney Steve Britzman.

Required Supplementary Information
December 31, 2024

City of Brookings, South Dakota

City of Brookings, South Dakota
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
December 31, 2024

**Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years***

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 290,544	\$ 286,575	\$ 616,846	\$ 386,643	\$ 352,995	\$ 299,552	\$ 329,850
Interest cost	174,374	185,235	134,513	128,090	190,576	242,003	207,797
Differences between expected and actual experiences	-	-	1,409,060	-	(1,370,970)	-	-
Economic/demographic gains (losses)	(149,898)	-	-	-	-	-	-
Changes in assumptions	(410,573)	204,826	(3,071,237)	32,354	148,092	756,243	(339,559)
Benefit payments	<u>(319,242)</u>	<u>(302,804)</u>	<u>(316,738)</u>	<u>(262,625)</u>	<u>(272,412)</u>	<u>(322,929)</u>	<u>(289,617)</u>
Net change in total OPEB liability	(414,795)	373,832	(1,227,556)	284,462	(951,719)	974,869	(91,529)
Total OPEB liability, beginning	<u>5,216,687</u>	<u>4,842,855</u>	<u>6,070,411</u>	<u>5,785,949</u>	<u>6,737,668</u>	<u>5,762,799</u>	<u>5,854,328</u>
Total OPEB liability, ending	<u>\$ 4,801,892</u>	<u>\$ 5,216,687</u>	<u>\$ 4,842,855</u>	<u>\$ 6,070,411</u>	<u>\$ 5,785,949</u>	<u>\$ 6,737,668</u>	<u>\$ 5,762,799</u>

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Notes to the Schedule of Changes in the City's Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in Benefit Terms

There were no significant changes in benefit terms.

Changes in Assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended December 31, 2024	4.08%
Year ended December 31, 2023	3.26%
Year ended December 31, 2022	3.72%
Year ended December 31, 2021	2.12%
Year ended December 31, 2020	2.12%
Year ended December 31, 2019	2.74%
Year ended December 31, 2018	2.12%

City of Brookings, South Dakota
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
December 31, 2024

2024 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$ 180,781	\$ 49,146	\$ 60,617	\$ 290,544
Interest cost	88,193	42,294	43,887	174,374
Economic/demographic gains (losses)	288,273	(168,510)	(269,661)	(149,898)
Assumption changes	(94,612)	(137,094)	(178,867)	(410,573)
Benefit payments	(201,988)	(80,715)	(36,539)	(319,242)
Total Net Changes	260,647	(294,879)	(380,563)	(414,795)
Balance at December 31, 2024	\$ 2,885,362	\$ 993,362	\$ 923,168	\$ 4,801,892
Covered-employee Payroll	\$ 8,442,732	\$ 8,398,014	\$ 20,353,610	\$ 37,194,356
Total OPEB Liability as a percentage of covered-employee payroll	34%	12%	5%	13%

2023 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$ 177,746	\$ 50,930	\$ 57,899	\$ 286,575
Interest cost	93,252	46,627	45,356	185,235
Assumption changes	102,725	40,659	61,442	204,826
Benefit payments	(154,609)	(103,932)	(44,263)	(302,804)
Total Net Changes	219,114	34,284	120,434	373,832
Balance at December 31, 2023	\$ 2,624,715	\$ 1,288,241	\$ 1,303,731	\$ 5,216,687
Covered-employee Payroll	\$ 2,098,973	\$ 1,314,656	\$ 8,618,169	\$ 12,031,798
Total OPEB Liability as a percentage of covered-employee payroll	125%	98%	15%	43%

2022 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$ 380,465	\$ 93,043	\$ 143,338	\$ 616,846
Interest cost	54,785	44,318	35,410	134,513
Differences between expected and actual experience	1,040,951	(346,071)	714,180	1,409,060
Assumption changes	(1,258,575)	(547,453)	(1,265,209)	(3,071,237)
Benefit payments	(181,038)	(95,897)	(39,803)	(316,738)
Total Net Changes	36,588	(852,060)	(412,084)	(1,227,556)
Balance at December 31, 2022	\$ 2,405,601	\$ 1,253,957	\$ 1,183,297	\$ 4,842,855
Covered-employee Payroll	\$ 9,045,961	\$ 9,005,241	\$ 20,852,081	\$ 38,903,283
Total OPEB Liability as a percentage of covered-employee payroll	27%	14%	6%	12%

City of Brookings, South Dakota
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
December 31, 2024

2021 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$176,259	\$115,814	\$94,570	\$ 386,643
Interest cost	50,296	44,531	33,263	128,090
Assumption changes	12,422	9,519	10,413	32,354
Benefit payments	(131,639)	(96,615)	(34,371)	(262,625)
Total Net Changes	107,338	73,249	103,875	284,462
Balance at December 31, 2021	\$ 2,369,013	\$ 2,106,017	\$ 1,595,381	\$ 6,070,411
Covered-employee Payroll	\$ 9,023,616	\$ 9,065,861	\$ 19,971,193	\$ 38,060,670
Total OPEB Liability as a percentage of covered-employee payroll	26%	23%	8%	16%

2020 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$ 163,297	\$ 102,717	\$ 86,981	\$ 352,995
Interest cost	86,673	59,261	44,642	190,576
Differences between expected and actual experience	(934,861)	(211,525)	(224,584)	(1,370,970)
Assumption changes	17,173	77,660	53,259	148,092
Benefit payments	(140,204)	(110,205)	(22,003)	(272,412)
Total Net Changes	(807,922)	(82,092)	(61,705)	(951,719)
Balance at December 31, 2020	\$ 2,261,675	\$ 2,032,768	\$ 1,491,506	\$ 5,785,949
Covered-employee Payroll	\$ 8,785,102	\$ 10,747,836	\$ 19,971,193	\$ 39,504,131
Total OPEB Liability as a percentage of covered-employee payroll	26%	19%	7%	15%

2019 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$ 153,712	\$ 83,103	\$ 62,737	\$ 299,552
Interest cost	110,686	77,654	53,663	242,003
Assumption changes	350,756	201,322	204,165	756,243
Benefit payments	(181,171)	(115,073)	(26,685)	(322,929)
Total Net Changes	433,983	247,006	293,880	974,869
Balance at December 31, 2019	\$ 3,069,597	\$ 2,114,860	\$ 1,553,211	\$ 6,737,668
Covered-employee Payroll	\$ 8,610,689	\$ 10,635,845	\$ 19,058,624	\$ 38,305,158
Total OPEB Liability as a percentage				

City of Brookings, South Dakota
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
December 31, 2024

2018 Changes in the Total OPEB Liability

	City	BMU	BHS	Total
Changes from the Prior Year:				
Service cost	\$ 168,260	\$ 91,239	\$ 70,351	\$ 329,850
Interest cost	95,498	67,064	45,235	207,797
Assumption changes	(156,482)	(93,071)	(90,006)	(339,559)
Benefit payments	(157,664)	(110,376)	(21,577)	(289,617)
Total Net Changes	(50,388)	(45,144)	4,003	(91,529)
Balance at December 31, 2018	\$ 2,635,614	\$ 1,867,854	\$ 1,259,331	\$ 5,762,799
Covered-employee Payroll	\$ 8,047,014	\$ 10,333,541	\$ 18,410,492	\$ 36,791,047
Total OPEB Liability as a percentage of covered-employee payroll	33%	18%	7%	16%

City of Brookings, South Dakota

Schedule of Employer's Share of Net Pension Liability (Asset) and Schedule of Employer's Contributions

South Dakota Retirement System Pension Plan

December 31, 2024

Schedule of Employer's Share of Net Pension Liability (Asset)

Last 10 Fiscal Years

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered-Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
6/30/2024	1.61%	\$ (65,264)	\$ 42,794,474	0.15%	100.00%
6/30/2023	1.65%	\$ (160,817)	\$ 40,455,580	0.40%	100.07%
6/30/2022	1.68%	\$ (158,890)	\$ 38,263,177	0.42%	100.10%
6/30/2021	1.79%	\$ (13,733,502)	\$ 38,638,175	35.54%	105.53%
6/30/2020	1.88%	\$ (81,555)	\$ 39,123,163	0.21%	100.04%
6/30/2019	1.83%	\$ (193,879)	\$ 36,922,862	0.53%	100.09%
6/30/2018	1.84%	\$ (42,978)	\$ 36,418,929	0.12%	100.00%
6/30/2017	1.79%	\$ 162,889	\$ 34,849,490	0.47%	100.10%
6/30/2016	1.85%	\$ 6,257,168	\$ 33,668,846	18.58%	96.89%
6/30/2015	1.87%	\$ 7,930,006	\$ 32,688,130	24.26%	104.10%

Schedule of Employer's Contributions

Last 10 Fiscal Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
12/31/2024	\$ 2,835,279	\$ 2,835,279	\$ -	\$ 44,708,633	6.34%
12/31/2023	\$ 2,573,226	\$ 2,573,226	\$ -	\$ 40,678,088	6.33%
12/31/2022	\$ 2,408,742	\$ 2,408,742	\$ -	\$ 39,263,284	6.13%
12/31/2021	\$ 2,441,371	\$ 2,441,371	\$ -	\$ 38,051,089	6.42%
12/31/2020	\$ 2,493,420	\$ 2,493,420	\$ -	\$ 39,504,131	6.31%
12/31/2019	\$ 2,420,753	\$ 2,420,753	\$ -	\$ 38,305,158	6.32%
12/31/2018	\$ 2,316,039	\$ 2,316,039	\$ -	\$ 36,791,047	6.30%
12/31/2017	\$ 2,235,945	\$ 2,235,945	\$ -	\$ 35,680,103	6.27%
12/31/2016	\$ 2,096,488	\$ 2,096,488	\$ -	\$ 34,066,020	6.15%
12/31/2015	\$ 2,069,087	\$ 2,069,087	\$ -	\$ 32,960,950	6.28%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

Changes from Prior Valuation

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023 Actuarial Valuation. The details of the changes since the last valuation are as follows:

Benefit Provision Changes

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

Actuarial Assumption Changes

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

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

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

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

Actuarial Method Changes

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

Other Supplementary Information
December 31, 2024

City of Brookings, South Dakota

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,511,089	\$ 2,677,224	\$ 1,172,119	\$ 8,360,432
Investments	6,029	-	-	6,029
Restricted cash and cash equivalents	225,000	-	-	225,000
Receivables (net of allowance for uncollectibles)				
Interest	14,183	-	3,906	18,089
Storm drainage fees	37	-	-	37
Accounts	1,581,068	-	165,647	1,746,715
Special assessments	710,529	-	-	710,529
Intergovernmental	282,515	9,187	-	291,702
Due from other funds	31,486	-	2,669	34,155
Inventories	61,000	-	-	61,000
Prepaid items	50,267	-	-	50,267
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,473,203</u>	<u>\$ 2,686,411</u>	<u>\$ 1,344,341</u>	<u>\$ 11,503,955</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	\$ 247,599	\$ 615,081	\$ 10,198	\$ 872,878
Advances from other funds	256,026	-	-	256,026
Due to other funds	31,745	-	77,696	109,441
Accrued payroll	67,114	-	-	67,114
Unearned revenue	1,721,540	-	-	1,721,540
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>2,324,024</u>	<u>615,081</u>	<u>87,894</u>	<u>3,026,999</u>
Deferred Inflows of Resources				
Unavailable revenue	710,565	-	-	710,565
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance (Deficit)				
Nonspendable	111,267	-	-	111,267
Restricted	1,387,010	2,071,330	-	3,458,340
Committed	3,256,939	-	-	3,256,939
Assigned	-	-	1,337,426	1,337,426
Unassigned	(316,602)	-	(80,979)	(397,581)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance (deficit)	<u>4,438,614</u>	<u>2,071,330</u>	<u>1,256,447</u>	<u>7,766,391</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,473,203</u>	<u>\$ 2,686,411</u>	<u>\$ 1,344,341</u>	<u>\$ 11,503,955</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	\$ -	\$ 3,082,426	\$ -	\$ 3,082,426
Storm drainage taxes	1,166,502	-	-	1,166,502
General sales and use taxes	1,438,870	-	-	1,438,870
Other taxes	774,386	-	-	774,386
Special assessments	86,859	-	-	86,859
Intergovernmental	322,982	-	-	322,982
Charges for goods and services	2,485,467	-	168,316	2,653,783
Fines and forfeitures	17,830	-	-	17,830
Investment income (loss)	175,206	-	91,378	266,584
Miscellaneous	4,557	-	52,658	57,215
Total revenues	<u>6,472,659</u>	<u>3,082,426</u>	<u>312,352</u>	<u>9,867,437</u>
Expenditures				
Current				
General government	5,455	576,947	102,386	684,788
Public safety	1,061,325	-	-	1,061,325
Public works	474,638	82,948	-	557,586
Culture and recreation	2,825,429	-	-	2,825,429
Conservation and development	1,275,614	-	-	1,275,614
Capital outlay	500,570	-	1,618,683	2,119,253
Debt service				
Principal	234,123	-	-	234,123
Interest and fiscal charges	77,451	217,168	-	294,619
Total expenditures	<u>6,454,605</u>	<u>877,063</u>	<u>1,721,069</u>	<u>9,052,737</u>
Excess (Deficiency) of Revenues over (under) Expenditures	18,054	2,205,363	(1,408,717)	814,700
Other Financing Sources (Uses)				
Transfers in	1,083,674	-	-	1,083,674
Transfers out	(377,586)	(901,201)	-	(1,278,787)
Total other financing sources (uses)	<u>706,088</u>	<u>(901,201)</u>	<u>-</u>	<u>(195,113)</u>
Net Change in Fund Balance	724,142	1,304,162	(1,408,717)	619,587
Fund Balance, Beginning of Year	<u>3,714,472</u>	<u>767,168</u>	<u>2,665,164</u>	<u>7,146,804</u>
Fund Balance, End of Year	<u>\$ 4,438,614</u>	<u>\$ 2,071,330</u>	<u>\$ 1,256,447</u>	<u>\$ 7,766,391</u>

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City utilizes the following special revenue funds:

Enhanced 911 Fund – to account for the per phone line surcharge assessed to customers of private phone companies operating within Brookings County. These funds are used to defray the costs incurred by the City in providing emergency dispatch services.

Dacotah Bank Center Fund – to account for the operations and maintenance of the City owned facility. Financing is provided by revenues from events, rentals, and inter-fund transfers.

Library Fines Fund – to account for the revenue derived from library fines and other allowed charges. Expenditures are authorized by the Library Board.

Special Assessment Fund – to account for the revenue and expenditures of projects that may be assessed back to the property owner.

Storm Drainage Fund – to account for the revenue and expenditures from the storm drainage surcharge to property owners and interfund transfers. Proceeds of this surcharge are committed by the City Council to be used to maintain and construct storm drainage facilities.

Bed and Booze Tax Fund – to account for the revenues and expenditures of the special one percent (1%) city gross receipts tax on lodging, alcoholic beverages, prepared food, and admissions. Revenues are restricted by State Law for the purpose of land acquisition; architectural fees; construction costs; payment for civic center, auditorium, or athletic facility buildings (including the maintenance staffing and operations of such facilities); and the promotion and advertising of the City.

Business Improvement District (BID) Fee Fund – to account for the revenues and expenditures of the \$2 per night occupancy fee charged to lodging facilities. Revenues are committed by City Council for improvements benefiting the City and its hotels and motels located within the District.

City of Brookings, South Dakota

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2024

	Enhanced 911	Dacotah Bank Center	Library Fines	Special Assessment
Assets				
Cash and cash equivalents	\$ 241,782	\$ 209,906	\$ 40,592	\$ 518,748
Investments	-	-	6,029	-
Restricted cash and cash equivalents	25,000	-	-	-
Receivables (net of allowance for uncollectibles)				
Interest	795	-	1	1,729
Storm drainage fees	-	-	-	-
Accounts	-	1,562,040	-	-
Special assessments	-	-	-	710,529
Intergovernmental	151,950	-	-	807
Due from other funds	-	31,486	-	-
Inventories	-	61,000	-	-
Prepaid items	-	50,267	-	-
Total assets	<u>\$ 419,527</u>	<u>\$ 1,914,699</u>	<u>\$ 46,622</u>	<u>\$ 1,231,813</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	\$ 4,920	\$ 178,494	\$ 743	\$ -
Advances from other funds	-	207,626	-	48,400
Due to other funds	259	-	-	-
Accrued payroll	54,740	12,374	-	-
Unearned revenue	-	1,721,540	-	-
Total liabilities	<u>59,919</u>	<u>2,120,034</u>	<u>743</u>	<u>48,400</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	710,528
Fund Balance (Deficit)				
Nonspendable	-	111,267	-	-
Restricted	359,608	-	45,879	-
Committed	-	-	-	472,885
Unassigned	-	(316,602)	-	-
Total fund balance (deficit)	<u>359,608</u>	<u>(205,335)</u>	<u>45,879</u>	<u>472,885</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 419,527</u>	<u>\$ 1,914,699</u>	<u>\$ 46,622</u>	<u>\$ 1,231,813</u>

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	<u>Storm Drainage</u>	<u>Bed and Booze Tax</u>	<u>BID Fee</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets				
Cash and cash equivalents	\$ 2,476,867	\$ 784,440	\$ 238,754	\$ 4,511,089
Investments	-	-	-	6,029
Restricted cash and cash equivalents	-	100,000	100,000	225,000
Receivables (net of allowance for uncollectibles)				
Interest	8,248	2,614	796	14,183
Storm drainage fees	37	-	-	37
Accounts	3,235	-	15,793	1,581,068
Special assessments	-	-	-	710,529
Intergovernmental	3,803	125,955	-	282,515
Due from other funds	-	-	-	31,486
Inventories	-	-	-	61,000
Prepaid items	-	-	-	50,267
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,492,190</u>	<u>\$ 1,013,009</u>	<u>\$ 355,343</u>	<u>\$ 7,473,203</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	\$ 63,442	\$ -	\$ -	\$ 247,599
Advances from other funds	-	-	-	256,026
Due to other funds	-	31,486	-	31,745
Accrued payroll	-	-	-	67,114
Unearned revenue	-	-	-	1,721,540
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>63,442</u>	<u>31,486</u>	<u>-</u>	<u>2,324,024</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>37</u>	<u>-</u>	<u>-</u>	<u>710,565</u>
Fund Balance (Deficit)				
Nonspendable	-	-	-	111,267
Restricted	-	981,523	-	1,387,010
Committed	2,428,711	-	355,343	3,256,939
Unassigned	-	-	-	(316,602)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance (deficit)	<u>2,428,711</u>	<u>981,523</u>	<u>355,343</u>	<u>4,438,614</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,492,190</u>	<u>\$ 1,013,009</u>	<u>\$ 355,343</u>	<u>\$ 7,473,203</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Enhanced 911	Dacotah Bank Center	Library Fines	Special Assessment
Revenues				
Taxes				
Storm drainage taxes	\$ -	\$ -	\$ -	\$ -
General sales and use taxes	-	-	-	-
Other taxes	513,003	-	-	-
Special assessments	-	-	-	86,859
Intergovernmental	215,404	-	-	-
Charges for goods and services	-	2,485,467	-	-
Fines and forfeits	-	-	17,830	-
Investment income	11,001	-	45	22,366
Miscellaneous	4,557	-	-	-
Total revenues	<u>743,965</u>	<u>2,485,467</u>	<u>17,875</u>	<u>109,225</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	1,061,325	-	-	-
Public works	-	-	-	-
Culture and recreation	-	2,816,595	8,834	-
Conservation and development	-	-	-	-
Capital outlay	13,222	167,586	-	40,788
Debt service				
Principal	-	30,713	-	-
Interest and fiscal charges	-	2,917	-	-
Total expenditures	<u>1,074,547</u>	<u>3,017,811</u>	<u>8,834</u>	<u>40,788</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(330,582)	(532,344)	9,041	68,437
Other Financing Sources (Uses)				
Transfers in	430,807	587,048	-	11,425
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>430,807</u>	<u>587,048</u>	<u>-</u>	<u>11,425</u>
Net Change in Fund Balances	100,225	54,704	9,041	79,862
Fund Balance, Beginning of Year	<u>259,383</u>	<u>(260,039)</u>	<u>36,838</u>	<u>393,023</u>
Fund Balances, End of Year	<u>\$ 359,608</u>	<u>\$ (205,335)</u>	<u>\$ 45,879</u>	<u>\$ 472,885</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Storm Drainage	Bed and Booze Tax	BID Fee	Total Nonmajor Special Revenue Funds
Revenues				
Taxes				
Storm drainage taxes	\$ 1,166,502	\$ -	\$ -	\$ 1,166,502
General sales and use taxes	-	1,438,870	-	1,438,870
Other taxes	-	-	261,383	774,386
Special assessments	-	-	-	86,859
Intergovernmental	107,578	-	-	322,982
Charges for goods and services	-	-	-	2,485,467
Fines and forfeits	-	-	-	17,830
Investment income	97,704	30,553	13,537	175,206
Miscellaneous	-	-	-	4,557
Total revenues	<u>1,371,784</u>	<u>1,469,423</u>	<u>274,920</u>	<u>6,472,659</u>
Expenditures				
Current				
General government	-	-	5,455	5,455
Public safety	-	-	-	1,061,325
Public works	474,638	-	-	474,638
Culture and recreation	-	-	-	2,825,429
Conservation and development	-	994,664	280,950	1,275,614
Capital outlay	278,974	-	-	500,570
Debt service				
Principal	203,410	-	-	234,123
Interest and fiscal charges	74,534	-	-	77,451
Total expenditures	<u>1,031,556</u>	<u>994,664</u>	<u>286,405</u>	<u>6,454,605</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	340,228	474,759	(11,485)	18,054
Other Financing Sources (Uses)				
Transfers in	4,394	50,000	-	1,083,674
Transfers out	-	(377,586)	-	(377,586)
Total other financing sources (uses)	<u>4,394</u>	<u>(327,586)</u>	<u>-</u>	<u>706,088</u>
Net Change in Fund Balances	344,622	147,173	(11,485)	724,142
Fund Balance, Beginning of Year	<u>2,084,089</u>	<u>834,350</u>	<u>366,828</u>	<u>3,714,472</u>
Fund Balances, End of Year	<u>\$ 2,428,711</u>	<u>\$ 981,523</u>	<u>\$ 355,343</u>	<u>\$ 4,438,614</u>

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Enhanced 911				Dacotah Bank Center			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
Other taxes	\$ 390,000	\$ 390,000	\$ 513,003	\$ 123,003	\$ -	\$ -	\$ -	\$ -
Intergovernmental	215,404	215,404	215,404	-	-	-	-	-
Charges for goods and services	-	-	-	-	4,639,049	4,639,049	2,485,467	(2,153,582)
Investment income	2,000	2,000	11,001	9,001	-	-	-	-
Miscellaneous	-	-	4,557	4,557	-	-	-	-
Total revenues	<u>607,404</u>	<u>607,404</u>	<u>743,965</u>	<u>136,561</u>	<u>4,639,049</u>	<u>4,639,049</u>	<u>2,485,467</u>	<u>(2,153,582)</u>
Expenditures								
Current								
Public safety	1,095,597	1,140,840	1,061,325	79,515	-	-	-	-
Culture and recreation	-	-	-	-	4,898,196	4,898,196	2,816,595	2,081,601
Capital outlay	17,500	17,500	13,222	4,278	417,621	546,806	167,586	379,220
Debt service								
Principal	-	-	-	-	-	-	30,713	(30,713)
Interest and fiscal charges	-	-	-	-	-	-	2,917	(2,917)
Total expenditures	<u>1,113,097</u>	<u>1,158,340</u>	<u>1,074,547</u>	<u>83,793</u>	<u>5,315,817</u>	<u>5,445,002</u>	<u>3,017,811</u>	<u>2,427,191</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(505,693)	(550,936)	(330,582)	220,354	(676,768)	(805,953)	(532,344)	273,609
Other Financing Sources (Uses)								
Transfers in	<u>430,807</u>	<u>430,807</u>	<u>430,807</u>	<u>-</u>	<u>688,768</u>	<u>841,349</u>	<u>587,048</u>	<u>(254,301)</u>
Net Change in Fund Balances	<u>\$ (74,886)</u>	<u>\$ (120,129)</u>	<u>100,225</u>	<u>\$ 220,354</u>	<u>\$ 12,000</u>	<u>\$ 35,396</u>	<u>54,704</u>	<u>\$ 19,308</u>
Fund Balance, Beginning of Year			<u>259,383</u>				<u>(260,039)</u>	
Fund Balances, End of Year			<u>\$ 359,608</u>				<u>\$ (205,335)</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Library Fines				Special Assessment			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 86,859	\$ (13,141)
Fines and forfeits	35,000	35,000	17,830	(17,170)	-	-	-	-
Investment income	-	-	45	45	4,621	4,621	22,366	17,745
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>17,875</u>	<u>(17,125)</u>	<u>104,621</u>	<u>104,621</u>	<u>109,225</u>	<u>4,604</u>
Expenditures								
Current								
Culture and recreation	30,000	30,000	8,834	21,166	-	-	-	-
Capital outlay	-	-	-	-	215,000	215,000	40,788	174,212
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>8,834</u>	<u>21,166</u>	<u>215,000</u>	<u>215,000</u>	<u>40,788</u>	<u>174,212</u>
Excess (Deficiency) of Revenues over (under) Expenditures	5,000	5,000	9,041	4,041	(110,379)	(110,379)	68,437	178,816
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	110,379	110,379	11,425	(98,954)
Net Change in Fund Balances	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>9,041</u>	<u>\$ 4,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>79,862</u>	<u>\$ 79,862</u>
Fund Balance, Beginning of Year			<u>36,838</u>				<u>393,023</u>	
Fund Balances, End of Year			<u>\$ 45,879</u>				<u>\$ 472,885</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Storm Drainage				Bed and Booze Tax			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
Storm drainage taxes	\$ 1,352,783	\$ 1,352,783	\$ 1,166,502	\$ (186,281)	\$ -	\$ -	\$ -	\$ -
General sales and use taxes	-	-	-	-	1,177,259	1,177,259	1,438,870	261,611
Intergovernmental	-	75,000	107,578	32,578	-	-	-	-
Investment income	28,569	28,569	97,704	69,135	10,663	10,663	30,553	19,890
Total revenues	<u>1,381,352</u>	<u>1,456,352</u>	<u>1,371,784</u>	<u>(84,568)</u>	<u>1,187,922</u>	<u>1,187,922</u>	<u>1,469,423</u>	<u>281,501</u>
Expenditures								
Current								
General government	213	213	-	213	-	-	-	-
Public works	449,698	540,198	474,638	65,560	-	-	-	-
Conservation and development	-	-	-	-	897,272	1,017,772	994,664	23,108
Capital outlay	180,000	480,000	278,974	201,026	-	-	-	-
Debt service								
Principal	203,499	203,499	203,410	89	-	-	-	-
Interest and fiscal charges	74,534	74,534	74,534	-	-	-	-	-
Total expenditures	<u>907,944</u>	<u>1,298,444</u>	<u>1,031,556</u>	<u>266,888</u>	<u>897,272</u>	<u>1,017,772</u>	<u>994,664</u>	<u>23,108</u>
Excess (Deficiency) of Revenues over (under) Expenditures	473,408	157,908	340,228	182,320	290,650	170,150	474,759	304,609
Other Financing Sources (Uses)								
Transfers in	7,732	7,732	4,394	(3,338)	50,000	50,000	50,000	-
Transfers out	-	-	-	-	(346,100)	(498,681)	(377,586)	121,095
Total other financing sources (uses)	<u>7,732</u>	<u>7,732</u>	<u>4,394</u>	<u>(3,338)</u>	<u>(296,100)</u>	<u>(448,681)</u>	<u>(327,586)</u>	<u>121,095</u>
Net Change in Fund Balances	<u>\$ 481,140</u>	<u>\$ 165,640</u>	<u>344,622</u>	<u>\$ 178,982</u>	<u>\$ (5,450)</u>	<u>\$ (278,531)</u>	<u>147,173</u>	<u>\$ 425,704</u>
Fund Balance, Beginning of Year			<u>2,084,089</u>				<u>834,350</u>	
Fund Balances, End of Year			<u>\$ 2,428,711</u>				<u>\$ 981,523</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	BID Fee			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes				
Other taxes	\$ 500,000	\$ 500,000	\$ 261,383	\$ (238,617)
Investment income	4,518	4,518	13,537	9,019
Total revenues	504,518	504,518	274,920	(229,598)
Expenditures				
Current				
General government	4,000	4,000	5,455	(1,455)
Conservation and development	280,950	280,950	280,950	-
Total expenditures	284,950	284,950	286,405	(1,455)
Net Change in Fund Balances	<u>\$ 219,568</u>	<u>\$ 219,568</u>	(11,485)	<u>\$ (231,053)</u>
Fund Balance, Beginning of Year			366,828	
Fund Balances, End of Year			<u>\$ 355,343</u>	

Debt service funds are used to account for financial resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

TIF-1 Innovation Campus Fund – To account for the revenues and expenditures of the Tax Increment District (TID) # 1. This TID was created to capture the incremental tax revenue generated by development of the Innovation Campus area and to pay for the debt incurred on the infrastructure improvements.

TIF-5 32nd Ave Fund - To account for the revenue and expenditures of the Tax Increment District (TID) #5. This TID was created to capture the incremental tax revenue generated by development of the area along 32nd Ave and to pay for the debt incurred by the City on the infrastructure improvements.

TIF-6 Digester Fund – To account for the revenues and expenditures of the Tax Increment District (TID) #6. This TID was created to capture the incremental tax revenue generated by development of the Bel Cheese plant area to pay for the debt incurred by the City on the digester.

TIF-7 S. Main Ave Fund – To account for the revenues and expenditures of the Tax Increment District (TID) #7. This TID was created to capture the incremental tax revenue generated by development around the new elementary school area to pay for the debt incurred by the City on the infrastructure improvements.

TIF-8 Affordable Housing Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #8. TID was created to capture the incremental tax revenue generated by the development of affordable housing lots in the area of West 16th Avenue. This debt is developer guaranteed.

TIF-9 Industrial Park Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #9. This TID was created to capture the incremental tax generated by an industrial park in the north portion of the community to expand the street network and infrastructure within the district and to pay the debt incurred on the infrastructure improvements.

TIF-10 15th & 7th Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #10. This TID was created to capture the incremental tax generated by a workforce housing development at 15th Street South and 7th Avenue South and to pay the debt incurred on the infrastructure improvements.

TIF-11 Tallgrass & Sweetgrass Fund - To account for the revenues and expenditures of the Tax Increment District (TID) #11. This TID was created to capture the incremental tax generated by commercial development north and west of Tallgrass Parkway and Sweetgrass Drive and to pay the debt incurred on the infrastructure improvements.

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	TIF-1 Innovation Campus	TIF-5 32nd Ave	TIF-6 Digester	TIF-7 S. Main Ave
Assets				
Cash and cash equivalents	\$ 581,734	\$ 29,539	\$ -	\$ 1,473,152
Intergovernmental	-	-	-	7,218
Total assets	<u>\$ 581,734</u>	<u>\$ 29,539</u>	<u>\$ -</u>	<u>\$ 1,480,370</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 575,854	\$ -	\$ -	\$ -
Fund Balance				
Restricted	5,880	29,539	-	1,480,370
Total liabilities and fund balances	<u>\$ 581,734</u>	<u>\$ 29,539</u>	<u>\$ -</u>	<u>\$ 1,480,370</u>

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	TIF-8 Affordable Housing	TIF-9 Industrial Park	TIF-10 15th & 7th	TIF-11 Tallgrass & Sweetgrass	Total Nonmajor Debt Service Funds
Assets					
Cash and cash equivalents	\$ 39,706	\$ -	\$ 3,093	\$ 550,000	\$ 2,677,224
Intergovernmental	<u>1,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,187</u>
Total assets	<u>\$ 41,675</u>	<u>\$ -</u>	<u>\$ 3,093</u>	<u>\$ 550,000</u>	<u>\$ 2,686,411</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 39,227	\$ -	\$ -	\$ -	\$ 615,081
Fund Balance					
Restricted	<u>2,448</u>	<u>-</u>	<u>3,093</u>	<u>550,000</u>	<u>2,071,330</u>
Total liabilities and fund balances	<u>\$ 41,675</u>	<u>\$ -</u>	<u>\$ 3,093</u>	<u>\$ 550,000</u>	<u>\$ 2,686,411</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF-1 Innovation Campus	TIF-5 32nd Ave	TIF-6 Digester	TIF-7 S. Main Ave
Revenues				
Taxes				
General property taxes	\$ 732,852	\$ 30,632	\$ 408,968	\$ 1,631,416
Expenditures				
Current				
General government	575,854	1,093	-	-
Public works	-	-	-	-
Debt service				
Interest and fiscal charges	17,168	-	-	-
Total expenditures	593,022	1,093	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,830	29,539	408,968	1,631,416
Other Financing Uses				
Transfers out	(151,118)	-	(408,968)	(151,046)
Net Change in Fund Balances	(11,288)	29,539	-	1,480,370
Fund Balance, Beginning of Year	17,168	-	-	-
Fund Balances, End of Year	\$ 5,880	\$ 29,539	\$ -	\$ 1,480,370

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF-8 Affordable Housing	TIF-9 Industrial Park	TIF-10 15th & 7th	TIF-11 Tallgrass & Sweetgrass	Total Nonmajor Debt Service Funds
Revenues					
Taxes					
General property taxes	\$ 177,753	\$ 80,135	\$ 20,670	\$ -	\$ 3,082,426
Expenditures					
Current					
General government	-	-	-	-	576,947
Public works	82,948	-	-	-	82,948
Debt service					
Interest and fiscal charges	-	-	-	200,000	217,168
Total expenditures	82,948	-	-	200,000	877,063
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,805	80,135	20,670	(200,000)	2,205,363
Other Financing Uses					
Transfers out	(92,357)	(80,135)	(17,577)	-	(901,201)
Net Change in Fund Balances	2,448	-	3,093	(200,000)	1,304,162
Fund Balance, Beginning of Year	-	-	-	750,000	767,168
Fund Balances, End of Year	\$ 2,448	\$ -	\$ 3,093	\$ 550,000	\$ 2,071,330

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF-1 Innovation Campus				TIF-5 32nd Ave.			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	\$ -	\$ -	\$ 732,852	\$ 732,852	\$ -	\$ -	\$ 30,632	\$ 30,632
Expenditures								
Current								
General government	-	-	575,854	(575,854)	-	-	1,093	(1,093)
Debt service								
Interest and fiscal charges	-	-	17,168	(17,168)	-	-	-	-
Total expenditures	-	-	593,022	(593,022)	-	-	1,093	(1,093)
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	139,830	139,830	-	-	29,539	29,539
Other Financing Sources (Uses)								
Transfers out	(284,711)	(284,711)	(151,118)	133,593	-	-	-	-
Net Change in Fund Balances	<u>\$ (284,711)</u>	<u>\$ (284,711)</u>	<u>(11,288)</u>	<u>\$ 273,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>29,539</u>	<u>\$ 29,539</u>
Fund Balance, Beginning of Year			17,168				-	
Fund Balances, End of Year			<u>\$ 5,880</u>				<u>\$ 29,539</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF-6 Digester				TIF-7 S. Main Ave.			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	\$ 375,738	\$ 375,738	\$ 408,968	\$ 33,230	\$ 1,453,462	\$ 1,453,462	\$ 1,631,416	\$ 177,954
Other Financing Sources (Uses)								
Transfers out	(375,738)	(375,738)	(408,968)	(33,230)	(639,058)	(639,058)	(151,046)	488,012
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 814,404</u>	<u>\$ 814,404</u>	<u>1,480,370</u>	<u>\$ 665,966</u>
Fund Balance, Beginning of Year			<u>-</u>				<u>-</u>	
Fund Balances, End of Year			<u>\$ -</u>				<u>\$ 1,480,370</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF-8 Affordable Housing				TIF-9 Industrial Park			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	\$ 62,257	\$ 62,257	\$ 177,753	\$ 115,496	\$ 12,883	\$ 12,883	\$ 80,135	\$ 67,252
Expenditures								
Current								
Public works	-	-	82,948	(82,948)	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	62,257	62,257	94,805	32,548	12,883	12,883	80,135	67,252
Other Financing Sources (Uses)								
Transfers out	(62,257)	(62,257)	(92,357)	(30,100)	(12,883)	(12,883)	(80,135)	(67,252)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	2,448	<u>\$ 2,448</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, Beginning of Year			-				-	
Fund Balances, End of Year			<u>\$ 2,448</u>				<u>\$ -</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF-10 15th & 7th				TIF-11 Tallgrass & Sweetgrass			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes								
General property taxes	\$ 30,927	\$ 30,927	\$ 20,670	\$ (10,257)	\$ -	\$ -	\$ -	\$ -
Expenditures								
Debt service								
Interest and fiscal charges	-	-	-	-	-	-	200,000	(200,000)
Excess (Deficiency) of Revenues over (under) Expenditures	30,927	30,927	20,670	(10,257)	-	-	(200,000)	(200,000)
Other Financing Sources (Uses)								
Transfers out	(30,927)	(30,927)	(17,577)	13,350	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	3,093	<u>\$ 3,093</u>	<u>\$ -</u>	<u>\$ -</u>	(200,000)	<u>\$ (200,000)</u>
Fund Balance, Beginning of Year			-				750,000	
Fund Balances, End of Year			<u>\$ 3,093</u>				<u>\$ 550,000</u>	

Capital projects funds are used to account for financial resources used for the acquisition or construction of capital facilities.

TIF 1 Innovation Project Fund - to account for the resources received and expenditures to upgrade stormwater and street infrastructure on University Boulevard.

Gateway Project Fund - to account for the resources received and expenditures to purchase and put in place stone signage throughout the City identifying various parks and entrances to the City. Resources are derived mainly from private donations.

Bob Shelden Complex Fund – to account for the financial resources used for redesign and replacement of the grandstand building, fencing, lighting, signage, parking, landscaping and updating the exterior appearance of other existing buildings at the Complex.

20th Street Interchange Fund - to account for the financial resources used for design and construction of the Interstate 29 Exit 130 at 20th Street South.

15th & 7th Fund - to account for the financial resources used for the design and construction of infrastructure upgrades at the intersection of 15th Street and 7th Avenue.

Public Safety Center Fund - to account for the financial resources used for design and construction of either upgrading the existing Police and E-911 facility or a new facility.

Armory Upgrades Fund - to account for the financial resources used for roof repairs and other costs associated with the former Armory building on Main Avenue.

TIF 9 Detention Basin - to account for the financial resources used to construct a detention basin to benefit storm drainage in an industrial park located in the north portion of the community.

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	TIF 1 Project Innovation	Gateway	Bob Shelden	20th Street Interchange
Assets				
Cash and cash equivalents	\$ 177,921	\$ 18	\$ 9	\$ -
Receivables (net of allowance for uncollectibles)				
Interest	593	-	-	-
Accounts	165,647	-	-	-
Due from other funds	2,669	-	-	-
Total assets	<u>\$ 346,830</u>	<u>\$ 18</u>	<u>\$ 9</u>	<u>\$ -</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 1,477	\$ -	\$ -	\$ 3,283
Due to other funds	-	-	-	77,696
Total liabilities	<u>1,477</u>	<u>-</u>	<u>-</u>	<u>80,979</u>
Fund Balance (Deficit)				
Assigned	345,353	18	9	-
Unassigned	-	-	-	(80,979)
Total fund balance (deficit)	<u>345,353</u>	<u>18</u>	<u>9</u>	<u>(80,979)</u>
Total liabilities, deferred inflows				
Total liabilities and fund balances	<u>\$ 346,830</u>	<u>\$ 18</u>	<u>\$ 9</u>	<u>\$ -</u>

City of Brookings, South Dakota
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	15th & 7th	Public Safety Center	Armory Upgrades	TIF 9 Detention Basin	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	\$ 290,782	\$ 373,218	\$ 17,459	\$ 312,712	\$ 1,172,119
Receivables (net of allowance for uncollectibles)					
Interest	969	1,244	58	1,042	3,906
Accounts	-	-	-	-	165,647
Due from other funds	-	-	-	-	2,669
Total assets	<u>\$ 291,751</u>	<u>\$ 374,462</u>	<u>\$ 17,517</u>	<u>\$ 313,754</u>	<u>\$ 1,344,341</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ 623	\$ -	\$ 4,815	\$ 10,198
Due to other funds	-	-	-	-	77,696
Total liabilities	<u>-</u>	<u>623</u>	<u>-</u>	<u>4,815</u>	<u>87,894</u>
Fund Balance (Deficit)					
Assigned	291,751	373,839	17,517	308,939	1,337,426
Unassigned	-	-	-	-	(80,979)
Total fund balance (deficit)	<u>291,751</u>	<u>373,839</u>	<u>17,517</u>	<u>308,939</u>	<u>1,256,447</u>
Total liabilities, deferred inflows					
Total liabilities and fund balances	<u>\$ 291,751</u>	<u>\$ 374,462</u>	<u>\$ 17,517</u>	<u>\$ 313,754</u>	<u>\$ 1,344,341</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	TIF 1 Project Innovation	Gateway	Bob Sheldon Complex	20th Street Interchange
Revenues				
Charges for goods and services	\$ 168,316	\$ -	\$ -	\$ -
Investment income	46,459	16	8	-
Miscellaneous	-	-	-	52,658
Total revenues	<u>214,775</u>	<u>16</u>	<u>8</u>	<u>52,658</u>
Expenditures				
Current				
General government	-	-	-	-
Capital outlay	1,450,139	-	-	131,368
Total expenditures	<u>1,450,139</u>	<u>-</u>	<u>-</u>	<u>131,368</u>
Net Change in Fund Balances	(1,235,364)	16	8	(78,710)
Fund Balance, Beginning of Year	<u>1,580,717</u>	<u>2</u>	<u>1</u>	<u>(2,269)</u>
Fund Balances, End of Year	<u>\$ 345,353</u>	<u>\$ 18</u>	<u>\$ 9</u>	<u>\$ (80,979)</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	15th & 7th	Public Safety Center	Armory Upgrades	TIF-9 Detention Basin	Total Nonmajor Capital Projects Funds
Revenues					
Charges for goods and services	\$ -	\$ -	\$ -	\$ -	\$ 168,316
Investment income	12,497	17,028	750	14,620	91,378
Miscellaneous	-	-	-	-	52,658
Total revenues	12,497	17,028	750	14,620	312,352
Expenditures					
Current					
General government	-	-	-	102,386	102,386
Capital outlay	-	37,176	-	-	1,618,683
Total expenditures	-	37,176	-	102,386	1,721,069
Net Change in Fund Balances	12,497	(20,148)	750	(87,766)	(1,408,717)
Fund Balance, Beginning of Year	279,254	393,987	16,767	396,705	2,665,164
Fund Balances, End of Year	\$ 291,751	\$ 373,839	\$ 17,517	\$ 308,939	\$ 1,256,447

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	TIF 1 Project Innovation				Gateway			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Charges for goods and services	\$ -	\$ -	\$ 168,316	\$ 168,316	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	46,459	46,459	-	-	16	16
Total revenues	-	-	214,775	214,775	-	-	16	16
Expenditures								
Capital outlay	-	1,559,951	1,450,139	109,812	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (1,559,951)</u>	<u>(1,235,364)</u>	<u>\$ 324,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>16</u>	<u>\$ 16</u>
Fund Balance, Beginning of Year			<u>1,580,717</u>				<u>2</u>	
Fund Balances, End of Year			<u>\$ 345,353</u>				<u>\$ 18</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	Bob Shelden Complex				20th Street Interchange			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,658	\$ 52,658
Expenditures								
Capital outlay	-	-	-	-	-	579,829	131,368	448,461
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	8	8	-	(579,829)	(78,710)	501,119
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	8	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ (579,829)</u>	(78,710)	<u>\$ 501,119</u>
Fund Balance, Beginning of Year			1				(2,269)	
Fund Balances, End of Year			<u>\$ 9</u>				<u>\$ (80,979)</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	15th & 7th				Public Safety Center			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	\$ -	\$ -	\$ 12,497	\$ 12,497	\$ -	\$ -	\$ 17,028	\$ 17,028
Expenditures								
Capital outlay	-	-	-	-	-	45,000	37,176	7,824
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	12,497	<u>\$ 12,497</u>	<u>\$ -</u>	<u>\$ (45,000)</u>	(20,148)	<u>\$ 24,852</u>
Fund Balance, Beginning of Year			<u>279,254</u>				<u>393,987</u>	
Fund Balances, End of Year			<u>\$ 291,751</u>				<u>\$ 373,839</u>	

City of Brookings, South Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	Armory Upgrades				TIF 9 Detention Basin			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Investment income	\$ -	\$ -	\$ 750	\$ 750	\$ -	\$ -	\$ 14,620	\$ 14,620
Expenditures								
Current								
General government	-	-	-	-	-	381,600	102,386	279,214
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	750	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ (381,600)</u>	(87,766)	<u>\$ 293,834</u>
Fund Balance, Beginning of Year			<u>16,767</u>				<u>396,705</u>	
Fund Balances, End of Year			<u>\$ 17,517</u>				<u>\$ 308,939</u>	

The enterprise funds account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City has decided that periodic determination of the revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or for other purposes.

The City operates the following nonmajor enterprise funds:

Liquor Fund – to account for revenues and expenses of the City owned liquor store.

Airport Fund – to account for air transportation services to the residents of the City. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operations, and maintenance.

Golf Fund – to account for revenues and expenses of the City-owned municipal golf course.

Solid Waste Fund – to account for solid waste services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, billing, and collection.

Research & Technology Center Fund – to account for revenues and expenses of a City-owned facility designed to house startup companies.

City of Brookings, South Dakota

Combining Balance Sheet

Nonmajor Enterprise Funds

December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 871,409	\$ 518,919	\$ 1,641,167	\$ 8,986,664	\$ 147,692	\$ 12,165,851
Receivables (net of allowance for uncollectibles):						
Interest	2,865	11,911	6,265	8,195	479	29,715
Accounts	425,894	22,453	2,754	310,344	13,031	774,476
Intergovernmental	-	201,282	-	-	-	201,282
Unbilled accounts	-	-	-	68,367	-	68,367
Current portion of leases receivable	-	9,293	14,277	26,436	-	50,006
Due from other funds	-	-	-	546	-	546
Inventories	924,796	-	-	33,808	-	958,604
Prepaid expenses	19,420	-	-	-	-	19,420
Total current assets	2,244,384	763,858	1,664,463	9,434,360	161,202	14,268,267
Noncurrent Assets						
Net pension asset	337	228	166	1,267	-	1,998
Advances to other funds	10,520	-	-	315,274	-	325,794
Leases receivable	-	260,225	68,166	-	-	328,391
Restricted cash and cash equivalents	-	-	-	1,728,681	-	1,728,681
Capital assets						
Land	-	1,923,340	50,000	496,364	1,675,000	4,144,704
Construction in progress	-	591,456	12,027	355,385	-	958,868
Infrastructure	-	-	327,577	-	-	327,577
Buildings and other improvements	281,077	28,792,786	1,501,906	7,053,080	2,118,612	39,747,461
Machinery and equipment	378,434	1,133,622	972,889	7,190,119	-	9,675,064
Intangible lease assets	1,651,825	-	-	-	-	1,651,825
Less accumulated depreciation/amortization	(962,459)	(12,259,915)	(1,590,546)	(8,773,885)	(1,154,748)	(24,741,553)
Total capital assets, net of accumulated depreciation/amortization	1,348,877	20,181,289	1,273,853	6,321,063	2,638,864	31,763,946
Total noncurrent assets	1,359,734	20,441,742	1,342,185	8,366,285	2,638,864	34,148,810
Total assets	3,604,118	21,205,600	3,006,648	17,800,645	2,800,066	48,417,077

City of Brookings, South Dakota

Combining Balance Sheet

Nonmajor Enterprise Funds

December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Deferred Outflows of Resources						
OPEB related deferred outflows of resources	23,477	16,527	10,587	104,140	-	154,731
Pension related deferred outflows of resources	56,944	38,473	28,055	213,953	-	337,425
Total deferred outflows of resources	80,421	55,000	38,642	318,093	-	492,156
Liabilities						
Current Liabilities						
Accounts payable	459,419	13,084	90,603	68,550	3,583	635,239
Due to other funds	2,189	1,636	1,229	14,887	4,085	24,026
Accrued taxes payable	42,918	-	33	3,168	-	46,119
Accrued wages payable	22,631	4,423	3,667	52,865	-	83,586
Accrued interest payable	5,066	-	-	-	-	5,066
Current portion of lease liabilities	85,155	-	-	-	-	85,155
Current portion of compensated absences	48,487	50,652	31,475	196,082	-	326,696
Current portion of total OPEB liability	4,789	2,485	2,130	12,924	-	22,328
Unearned revenue	7,654	-	-	-	-	7,654
Customer deposits	10,000	1,240	-	-	-	11,240
Total current liabilities	688,308	73,520	129,137	348,476	7,668	1,247,109
Noncurrent Liabilities						
Advances from other funds	-	-	10,520	-	-	10,520
Landfill closure costs	-	-	-	1,254,681	-	1,254,681
Long-term debt, net of current portion						
Lease liabilities	1,345,433	-	-	-	-	1,345,433
Total OPEB liability, net of current portion	80,564	41,808	35,826	217,417	-	375,615
Total noncurrent liabilities	1,425,997	41,808	46,346	1,472,098	-	2,986,249
Total liabilities	2,114,305	115,328	175,483	1,820,574	7,668	4,233,358

City of Brookings, South Dakota

Combining Balance Sheet

Nonmajor Enterprise Funds

December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Deferred Inflows of Resources						
OPEB related deferred inflows	33,269	15,629	18,492	108,387	-	175,777
Pension related deferred inflows	42,462	28,688	20,920	159,541	-	251,611
Lease related deferred inflows	-	267,383	79,195	25,865	-	372,443
Total deferred inflows resources	<u>75,731</u>	<u>311,700</u>	<u>118,607</u>	<u>293,793</u>	<u>-</u>	<u>799,831</u>
Net Position						
Net investment in capital assets	(81,711)	20,181,289	1,273,853	6,321,063	2,638,864	30,333,358
Restricted for:						
SDRS pension purposes	337	10,013	7,301	55,679	-	73,330
Landfill closure and postclosure	-	-	-	474,000	-	474,000
Unrestricted	<u>1,575,877</u>	<u>642,270</u>	<u>1,470,046</u>	<u>9,153,629</u>	<u>153,534</u>	<u>12,995,356</u>
Total net position	<u>\$ 1,494,503</u>	<u>\$ 20,833,572</u>	<u>\$ 2,751,200</u>	<u>\$ 16,004,371</u>	<u>\$ 2,792,398</u>	<u>\$ 43,876,044</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Operating Revenues						
Charges for goods and services	\$ 13,311,591	\$ 24,488	\$ 922,709	\$ 4,354,353	\$ 122,174	\$ 18,735,315
Operating Expenses						
Personnel services	476,844	215,066	262,162	1,371,812	-	2,325,884
Other current expenses	299,137	84,900	437,177	1,623,166	79,932	2,524,312
Cost of goods sold	11,942,419	-	-	-	-	11,942,419
Amortization	117,507	-	100,010	-	-	217,517
Depreciation	11,499	1,099,929	119,772	623,474	51,791	1,906,465
Total operating expenses	12,847,406	1,399,895	919,121	3,618,452	131,723	18,916,597
Operating Income (Loss)	464,185	(1,375,407)	3,588	735,901	(9,549)	(181,282)
Nonoperating Revenues (Expenses)						
Gain on disposal of assets	-	7,850	-	-	-	7,850
Investment income	30,055	34,016	54,124	466,592	5,875	590,662
Interest expense and fiscal charges	(63,405)	-	-	(250)	-	(63,655)
Miscellaneous revenue (expense)	2,862	13,972	(375)	32,738	35,911	85,108
Total nonoperating revenues (expenses)	(30,488)	55,838	53,749	499,080	41,786	619,965
Income (Loss) before Contributions and Transfers	433,697	(1,319,569)	57,337	1,234,981	32,237	438,683
Transfers in	-	370,263	1,030,000	-	-	1,400,263
Transfers out	(487,537)	-	-	(553,491)	(50,815)	(1,091,843)
Capital contributions from other governments	-	460,730	-	-	-	460,730
Change in Net Position	(53,840)	(488,576)	1,087,337	681,490	(18,578)	1,207,833
Net Position, Beginning of Year, as previously reported	1,573,430	21,337,671	1,677,757	15,405,200	2,810,976	42,805,034
Adjustments (Note 15)	(25,087)	(15,523)	(13,894)	(82,319)	-	(136,823)
Net Position, Beginning of Year, as restated	1,548,343	21,322,148	1,663,863	15,322,881	2,810,976	42,668,211
Net Position, End of Year	\$ 1,494,503	\$ 20,833,572	\$ 2,751,200	\$ 16,004,371	\$ 2,792,398	\$ 43,876,044

City of Brookings, South Dakota

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Operating Activities						
Receipts from customers and users	\$ 13,508,425	\$ (154,959)	\$ 922,754	\$ 4,441,127	\$ 145,054	\$ 18,862,401
Cash received from customers pledged for debt retirement						
Payments to suppliers for goods and services	(12,473,130)	(100,556)	(451,001)	(1,683,059)	(79,090)	(14,786,836)
Payments to and on behalf of employees	(468,661)	(206,408)	(252,065)	(1,303,804)	-	(2,230,938)
Net cash from (Used for) Operating Activities	566,634	(461,923)	219,688	1,454,264	65,964	1,844,627
Noncapital Financing Activities						
Transfers to other funds	(487,537)	-	-	(553,491)	(50,815)	(1,091,843)
Transfers from other funds	-	370,263	1,030,000	-	-	1,400,263
Payments for interfund borrowing principal	21,521	214	(21,129)	233,315	549	234,470
Net Cash from (Used for) Noncapital Financing Activities	(466,016)	370,477	1,008,871	(320,176)	(50,266)	542,890
Capital and Related Financing Activities						
Proceeds from sale of assets	-	7,850	-	-	-	7,850
Receipts of lease principal	-	12,923	13,269	28,050	-	54,242
Receipts of lease interest	-	5,019	3,565	1,660	-	10,244
Acquisition of capital assets	-	(464,632)	(177,199)	(1,094,115)	-	(1,735,946)
Debt service						
Principal	(78,123)	-	(93,660)	-	-	(171,783)
Interest	(63,680)	-	(2,528)	(250)	-	(66,458)
Intergovernmental capital grants	-	460,730	-	-	-	460,730
Net Cash from (Used for) Capital and Related Financing Activities	(141,803)	21,890	(256,553)	(1,064,655)	-	(1,441,121)
Investing Activities						
Interest and dividends from investments	29,911	23,317	47,171	464,950	5,787	571,136

City of Brookings, South Dakota

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Change in Cash and Cash Equivalents	(11,274)	(46,239)	1,019,177	534,383	21,485	1,517,532
Cash and Cash Equivalents, Beginning of Year	882,683	565,158	621,990	10,180,962	126,207	12,377,000
Cash and Cash Equivalents, End of Year	<u>\$ 871,409</u>	<u>\$ 518,919</u>	<u>\$ 1,641,167</u>	<u>\$ 10,715,345</u>	<u>\$ 147,692</u>	<u>\$ 13,894,532</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position						
Cash and cash equivalents	\$ 871,409	\$ 518,919	\$ 1,641,167	\$ 8,986,664	\$ 147,692	12,165,851
Restricted cash and cash equivalents	-	-	-	1,728,681	-	1,728,681
Total cash and cash equivalents, end of year	<u>\$ 871,409</u>	<u>\$ 518,919</u>	<u>\$ 1,641,167</u>	<u>\$ 10,715,345</u>	<u>\$ 147,692</u>	<u>\$ 13,894,532</u>

City of Brookings, South Dakota

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended December 31, 2024

	Liquor	Airport	Golf	Solid Waste	Research and Technology Center	Total
Reconciliation of Operating Income (Loss) to						
Net cash from (Used for) Operating Activities						
Operating income (loss)	\$ 464,185	\$ (1,375,407)	\$ 3,588	\$ 735,901	\$ (9,549)	\$ (181,282)
Miscellaneous revenue (expense)	2,862	549	(14,201)	4,085	35,911	29,206
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities						
Depreciation/amortization	129,006	1,099,929	219,782	623,474	51,791	2,123,982
Changes in assets and liabilities						
Accounts receivable	197,176	21,066	14,246	86,109	(13,031)	305,566
Intergovernmental receivables	-	(201,282)	-	-	-	(201,282)
Unbilled accounts	-	-	-	(3,420)	-	(3,420)
Inventories	54,253	-	-	27,930	-	82,183
Prepaid expenses	4,903	-	-	-	-	4,903
Net pension asset	446	258	253	1,414	-	2,371
OPEB related deferred outflows	(1,644)	(1,425)	(317)	(7,600)	-	(10,986)
Pension related deferred outflows	4,830	(98)	4,962	(2,378)	-	7,316
Vouchers payable	(290,556)	(15,656)	(13,826)	(142,265)	842	(461,461)
Accrued taxes payable	(174)	-	2	410	-	238
Accrued wages payable	2,226	511	885	11,754	-	15,376
Compensated absences	(2,182)	3,904	4,234	33,330	-	39,286
Unearned revenue	796	-	-	-	-	796
Deposits payable	(4,000)	220	-	-	-	(3,780)
Landfill closure accruals	-	-	-	54,032	-	54,032
Net OPEB liability	6,277	5,440	1,209	29,022	-	41,948
OPEB related deferred inflows	(4,658)	(4,036)	(897)	(21,534)	-	(31,125)
Pension related deferred inflows	2,888	4,104	(232)	24,000	-	30,760
Net cash from (Used for) Operating Activities	<u>\$ 566,634</u>	<u>\$ (461,923)</u>	<u>\$ 219,688</u>	<u>\$ 1,454,264</u>	<u>\$ 65,964</u>	<u>\$ 1,844,627</u>
Supplemental Schedule of Noncash						
Investing and Financing Activities						
Acquisition of capital assets through capital contributions and donations	<u>\$ -</u>	<u>\$ 460,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,730</u>

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the primary government.

Medical Insurance Internal Service Fund – To account for the employer and employee shares of medical insurance premiums and expenses incurred to administer the program.

Dental Insurance Internal Service Fund - To account for the employer and employee shares of dental insurance premiums and expenses incurred to administer the program.

Section 125 Fund – To account for the employees' withholdings and disbursements for Section 125 Flexible Spending Accounts.

City of Brookings, South Dakota
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Section 125</u>	<u>Total</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 5,124,368	\$ 73,009	\$ 2,113	\$ 5,199,490
Investments	3,283,565	-	-	3,283,565
Receivables (net of allowance for uncollectibles):				
Interest	37,886	-	-	37,886
Accounts	-	-	6,563	6,563
Prepaid expenses	2,101	-	-	2,101
Total assets	<u>8,447,920</u>	<u>73,009</u>	<u>8,676</u>	<u>8,529,605</u>
Liabilities				
Current Liabilities				
Accounts payable	30	12,193	-	12,223
Claims incurred but not reported	332,184	4,258	-	336,442
Total liabilities	<u>332,214</u>	<u>16,451</u>	<u>-</u>	<u>348,665</u>
Net Position				
Unrestricted	<u>\$ 8,115,706</u>	<u>\$ 56,558</u>	<u>\$ 8,676</u>	<u>\$ 8,180,940</u>

City of Brookings, South Dakota
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2024

	Medical Insurance	Dental Insurance	Section 125	Total
Operating Revenues				
Charges for goods and services	\$ 3,806,671	\$ 156,374	\$ 67,062	\$ 4,030,107
Miscellaneous revenue	604	-	-	604
Total operating revenues	\$ 3,807,275	\$ 156,374	\$ 67,062	\$ 4,030,711
Operating Expenses				
Other current expenses	801,672	10,946	65,676	878,294
Insurance claims and expenses, net	2,475,615	122,346	-	2,597,961
Total operating expenses	3,277,287	133,292	65,676	3,476,255
Operating Income	529,988	23,082	1,386	554,456
Nonoperating Revenues				
Investment income	168,804	35	7	168,846
Change in Net Position	698,792	23,117	1,393	723,302
Net Position, Beginning, as previously reported	7,416,914	33,441	-	7,450,355
Adjustments (Note 15)	-	-	7,283	7,283
Net Position, Beginning, as adjusted	7,416,914	33,441	7,283	7,457,638
Net Position, End of Year	\$ 8,115,706	\$ 56,558	\$ 8,676	\$ 8,180,940

City of Brookings, South Dakota
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2024

	Medical Insurance	Dental Insurance	Section 125	Total
Operating Activities				
Receipts from customers and users	\$ 3,806,671	\$ 156,374	\$ 66,261	\$ 4,029,306
Payments to suppliers	(3,165,426)	(132,523)	(65,676)	(3,363,625)
Other receipts	604	-	-	604
Net cash from Operating Activities	641,849	23,851	585	666,285
Investing Activities				
Purchase of investments	(249,603)	-	-	(249,603)
Interest and dividends from investments	161,838	35	7	161,880
Net Cash from (Used for) Investing Activities	(87,765)	35	7	(87,723)
Change in Cash and Cash Equivalents	554,084	23,886	592	578,562
Cash and Cash Equivalents, Beginning of Year	4,570,284	49,123	1,521	4,620,928
Cash and Cash Equivalents, End of Year	\$ 5,124,368	\$ 73,009	\$ 2,113	\$ 5,199,490
Reconciliation of Operating Income to Net cash from Operating Activities				
Operating income	\$ 529,988	\$ 23,082	\$ 1,386	\$ 554,456
Changes in assets and liabilities				
Accounts receivable	-	-	(801)	(801)
Prepaid expenses	(2,101)	-	-	(2,101)
Accounts payable	(1,466)	44	-	(1,422)
Claims incurred but not reported	115,428	725	-	116,153
Net cash from Operating Activities	\$ 641,849	\$ 23,851	\$ 585	\$ 666,285

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial fund:

Rural Fire Fund – to account for deposits and disbursements for the Brookings Rural Volunteer Fire Association.

City of Brookings, South Dakota
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	Section 125 Fund	Rural Fire Fund
Assets		
Cash and cash equivalents	\$ -	\$ 57,457
Liabilities		
Accounts payable	-	1,897
Net Position		
Restricted for		
Rural fire department	\$ -	\$ 55,560

City of Brookings, South Dakota
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2024

	Section 125 Fund	Rural Fire Fund	Total
Additions			
Investment income			
Interest income	\$ -	\$ 169	\$ 169
Member assessments	-	28,000	28,000
	<u>-</u>	<u>28,000</u>	<u>28,000</u>
Total additions	<u>-</u>	<u>28,169</u>	<u>28,169</u>
Deductions			
Benefit payments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	-	28,169	28,169
Net Position, Beginning, as previously reported	7,283	27,391	34,674
Adjustments (Note 15)	<u>(7,283)</u>	<u>-</u>	<u>(7,283)</u>
Net Position, Beginning, as adjusted	<u>-</u>	<u>27,391</u>	<u>27,391</u>
Net Position, Ending	<u><u>\$ -</u></u>	<u><u>\$ 55,560</u></u>	<u><u>\$ 55,560</u></u>

Statistical Section

Year Ended December 31, 2024

City of Brookings, South Dakota

This part of the City Brookings's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends – These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess two of the government's significant local revenue sources: property and sales tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment in which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services and activities the government provides and performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Brookings, South Dakota

Table 1: Components of Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 64,579,729	\$ 72,145,788	\$ 76,993,653	\$ 79,953,311	\$ 84,969,255	\$ 94,815,128	\$ 96,652,905	\$ 98,599,831	\$ 105,443,260	\$ 118,112,144
Restricted	5,013,005	4,886,747	4,537,648	3,572,368	2,815,166	1,872,953	6,995,992	1,195,001	2,981,594	2,016,119
Unrestricted	22,424,600	20,064,256	16,898,022	19,508,946	22,975,842	26,603,557	29,373,296	42,056,574	49,272,260	48,539,853
Total Governmental Activities Net Position	<u>\$ 92,017,334</u>	<u>\$ 97,096,791</u>	<u>\$ 98,429,323</u>	<u>\$ 103,034,625</u>	<u>\$ 110,760,263</u>	<u>\$ 123,291,638</u>	<u>\$ 133,022,193</u>	<u>\$ 141,851,406</u>	<u>\$ 157,697,114</u>	<u>\$ 168,668,116</u>
Business-Type Activities										
Net investment in capital assets	\$ 114,205,616	\$ 136,023,245	\$ 136,462,888	\$ 138,103,929	\$ 139,415,546	\$ 147,989,715	\$ 156,555,939	\$ 170,925,218	\$ 235,451,151	\$ 241,242,980
Restricted	13,109,068	7,771,643	12,954,510	14,150,261	6,101,737	6,436,784	15,524,423	9,559,237	10,951,984	1,266,246
Unrestricted	98,824,153	94,982,598	104,848,871	110,623,099	133,162,139	149,268,072	188,217,767	202,775,298	183,735,988	232,181,942
Total Business-Type Activities Net Position	<u>\$ 226,138,837</u>	<u>\$ 238,777,486</u>	<u>\$ 254,266,269</u>	<u>\$ 262,877,289</u>	<u>\$ 278,679,422</u>	<u>\$ 303,694,571</u>	<u>\$ 360,298,129</u>	<u>\$ 383,259,753</u>	<u>\$ 430,139,123</u>	<u>\$ 474,691,168</u>
Primary Government										
Net investment in capital assets	\$ 178,785,345	\$ 208,169,033	\$ 213,456,541	\$ 218,057,240	\$ 224,384,801	\$ 242,804,843	\$ 253,208,844	\$ 269,525,049	\$ 340,894,411	\$ 359,355,124
Restricted	18,122,073	12,658,390	17,492,158	17,722,629	8,916,903	8,309,737	22,520,415	10,754,238	13,933,578	3,282,365
Unrestricted	121,248,753	115,046,854	121,746,893	130,132,045	156,137,981	175,871,629	217,591,063	244,831,872	233,008,248	280,721,795
Total Primary Government Net Position	<u>\$ 318,156,171</u>	<u>\$ 335,874,277</u>	<u>\$ 352,695,592</u>	<u>\$ 365,911,914</u>	<u>\$ 389,439,685</u>	<u>\$ 426,986,209</u>	<u>\$ 493,320,322</u>	<u>\$ 525,111,159</u>	<u>\$ 587,836,237</u>	<u>\$ 643,359,284</u>

City of Brookings, South Dakota

Table 2: Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General government	\$ 2,865,778	\$ 3,105,729	\$ 2,683,335	\$ 2,647,096	\$ 3,100,823	\$ 3,891,685	\$ 3,697,969	\$ 4,682,100	\$ 8,344,311	\$ 4,753,253
Public safety	5,054,020	5,565,159	4,982,599	3,751,634	1,045,554	6,634,204	470,457	6,995,897	5,431,752	6,854,226
Public works	5,934,626	6,743,700	6,135,577	7,826,805	8,781,586	6,961,151	13,352,554	11,930,779	8,873,381	10,010,126
Health and welfare	101,042	109,111	62,421	112,288	361,670	296,258	144,386	114,115	203,596	88,239
Culture and recreation	7,400,596	7,506,553	8,020,666	7,878,881	7,989,691	7,475,475	7,526,172	8,604,916	6,686,316	7,206,532
Conservation and development	1,209,287	901,572	6,761,176	3,126,428	5,075,005	726,066	683,221	2,822,296	1,311,522	1,655,681
Interest and fiscal charges	734,534	826,085	737,456	691,513	638,665	1,177,732	812,306	505,000	466,650	614,296
Total governmental activities expenses	<u>23,299,883</u>	<u>24,757,909</u>	<u>29,383,230</u>	<u>26,034,645</u>	<u>26,992,994</u>	<u>27,162,571</u>	<u>26,687,065</u>	<u>35,655,103</u>	<u>31,317,528</u>	<u>31,182,353</u>
Business-Type Activities										
Electric	22,650,657	24,525,853	24,515,516	25,453,375	24,763,773	22,967,667	23,222,080	24,716,075	25,493,188	26,173,810
Health System	54,370,009	57,019,809	60,558,629	69,543,974	73,126,615	73,554,617	64,040,798	69,417,081	67,834,662	70,717,026
Telephone	30,598,739	30,825,559	29,219,330	30,588,645	31,994,685	28,097,557	13,574,794	12,742,358	12,788,884	13,300,516
Liquor	3,608,454	3,859,242	3,678,655	3,781,087	3,996,363	3,827,891	12,165,414	12,919,462	13,352,938	12,910,811
Water	2,964,843	2,952,599	2,888,204	3,313,377	3,548,165	3,624,238	3,536,211	3,753,612	4,121,713	5,977,228
Waste water	3,704,292	3,973,778	4,584,074	5,057,364	5,358,562	5,392,789	5,018,852	5,523,463	5,556,864	6,321,602
Airport	839,807	1,252,509	1,195,489	1,196,653	1,266,013	1,228,299	1,047,388	1,383,189	1,380,685	1,399,895
Golf	561,156	609,864	558,579	617,329	720,382	635,773	816,962	840,397	881,613	919,496
Solid waste	2,168,527	2,444,615	2,188,944	2,543,324	2,729,960	2,723,993	2,736,232	2,836,962	3,514,504	3,618,702
Research and technology	119,473	129,354	134,559	199,973	95,993	165,585	97,992	139,199	146,368	131,723
Total business-type activities expenses	<u>121,585,957</u>	<u>127,593,182</u>	<u>129,521,979</u>	<u>142,295,101</u>	<u>147,600,511</u>	<u>142,218,409</u>	<u>126,256,723</u>	<u>134,271,798</u>	<u>135,071,419</u>	<u>141,470,809</u>
Total Primary Government Expenses	<u>\$ 144,885,840</u>	<u>\$ 152,351,091</u>	<u>\$ 158,905,209</u>	<u>\$ 168,329,746</u>	<u>\$ 174,593,505</u>	<u>\$ 169,380,980</u>	<u>\$ 152,943,788</u>	<u>\$ 169,926,901</u>	<u>\$ 166,388,947</u>	<u>\$ 172,653,162</u>

City of Brookings, South Dakota
Table 2: Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 106,379	\$ 108,943	\$ 109,310	\$ 228,638	\$ 207,378	\$ 127,946	\$ 50,314	\$ 1,222,516	\$2,206,630	\$ 1,397,751
Public safety	99,666	101,069	96,173	91,015	92,323	57,731	76,631	80,117	77,080	70,172
Public works	2,638,528	672,785	161,414	193,102	216,335	212,732	17,630	286,991	515,783	304,581
Health and welfare	10,735	12,965	12,240	8,245	8,385	7,175	6,360	24,107	22,565	37,053
Culture and recreation	2,419,523	2,552,726	2,338,974	2,639,300	2,482,252	1,992,848	1,867,974	2,950,055	3,107,925	3,009,503
Operating grants and contributions	249,049	255,425	344,154	1,196,236	3,402,511	5,137,166	3,053,017	5,656,413	1,423,432	889,344
Capital grants and contributions	5,418,303	1,822,082	2,283,328	1,367,148	531,055	4,448,295	920,807	2,080,698	3,522,266	1,037,872
Total governmental activities program revenues	10,942,183	5,525,995	5,345,593	5,723,684	6,940,239	11,983,893	5,992,733	12,300,897	10,875,681	6,746,276
Business-Type Activities										
Charges for services										
Electric	26,341,321	27,779,114	28,502,743	30,354,463	30,725,604	30,115,105	30,605,847	31,551,919	31,585,648	31,528,615
Health System	61,882,772	59,598,490	65,773,982	67,205,567	73,432,103	70,860,789	73,794,228	75,101,015	76,453,818	81,099,082
Telephone	34,313,078	32,311,864	31,162,913	30,846,434	33,711,084	31,664,281	16,720,477	16,156,512	15,866,296	16,512,425
Liquor	4,169,571	4,340,680	4,132,486	4,169,811	4,101,303	4,069,616	12,439,465	13,117,601	13,475,899	13,311,591
Water	5,004,185	5,151,101	5,394,391	5,538,265	5,335,695	6,026,269	6,559,572	6,590,386	7,451,559	7,842,885
Waste water	4,816,146	4,963,644	5,537,130	5,667,674	5,658,116	5,685,854	6,148,600	6,158,968	6,304,628	6,774,945
Airport	34,459	33,153	47,299	52,667	42,681	51,823	54,364	57,841	63,477	24,488
Golf	316,181	380,066	385,897	378,017	457,412	511,101	661,886	714,248	824,790	922,709
Solid waste	3,703,602	3,771,061	3,721,235	3,748,244	3,891,541	3,848,560	3,793,392	4,063,951	4,095,711	4,354,353
Research and technology	176,524	189,248	168,312	157,616	133,536	123,642	48,428	118,106	120,479	122,174
Operating grants and contributions	20,112	20,766	19,988	-	135,639	8,217,128	7,057,625	281,057	19,597	134,607
Capital grants and contributions	2,210,269	3,246,363	2,847,446	1,511,754	1,597,975	3,790,599	1,624,955	11,093,899	16,360,576	12,989,640
Total business-type activities program revenues	142,988,220	141,785,550	147,693,822	149,630,512	159,222,689	164,964,767	159,508,839	165,005,503	172,622,478	175,617,514
Total Primary Government Program Revenues	\$ 153,930,403	\$ 147,311,545	\$ 153,039,415	\$ 155,354,196	\$ 166,162,928	\$ 176,948,660	\$ 165,501,572	\$ 177,306,400	\$ 183,498,159	\$ 182,363,790
Net Revenue (Expense)										
Governmental Activities	\$ (12,357,700)	\$ (19,231,914)	\$ (24,037,637)	\$ (20,310,961)	\$ (20,052,755)	\$ (15,178,678)	\$ (20,694,332)	\$ (23,354,206)	\$ (20,441,847)	\$ (24,436,077)
Business-Type Activities	21,402,263	14,192,368	18,171,843	7,335,411	11,622,178	22,746,358	33,252,116	30,733,705	37,551,059	34,146,705
Total Primary Government Net Revenue (Expense)	\$ 9,044,563	\$ (5,039,546)	\$ (5,865,794)	\$ (12,975,550)	\$ (8,430,577)	\$ 7,567,680	\$ 12,557,784	\$ 7,379,499	\$ 17,109,212	\$ 9,710,628

City of Brookings, South Dakota
Table 2: Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 4,397,088	\$ 4,729,382	\$ 5,181,164	\$ 4,710,575	\$ 5,075,216	\$ 5,379,861	\$ 7,980,481	\$ 5,808,596	\$ 6,432,193	\$ 7,068,413
Sales taxes	13,475,972	14,160,915	14,164,131	14,687,019	15,693,162	15,093,694	16,463,176	18,959,530	20,688,970	22,000,686
Other taxes	354,971	357,367	361,246	1,361,492	1,465,982	1,432,906	1,586,599	1,487,294	1,515,698	1,679,505
State shared revenue	208,033	220,472	189,586	176,729	194,899	220,596	226,796	245,698	258,706	235,372
Unrestricted investment earnings (losses)	162,862	126,700	116,358	428,667	596,688	301,724	-	346,144	1,932,897	2,198,819
Gain on disposal of capital asset	-	-	-	2,767	43,185	570,114	(2,072)	24,277	-	-
Miscellaneous	1,508,487	1,906,424	1,548,447	1,613,764	1,691,530	1,551,984	1,541,478	2,212,857	2,420,298	1,047,880
Transfers	2,406,167	2,810,111	3,809,237	2,880,230	3,066,109	3,159,175	3,085,486	3,099,023	3,038,793	1,996,580
Change in accounting estimate	-	-	-	-	-	-	(457,058)	-	-	-
Total governmental activities	<u>22,513,580</u>	<u>24,311,371</u>	<u>25,370,169</u>	<u>25,861,243</u>	<u>27,826,771</u>	<u>27,710,054</u>	<u>30,424,886</u>	<u>32,183,419</u>	<u>36,287,555</u>	<u>36,227,255</u>
Business-Type Activities										
Unrestricted investment earnings (losses)	550,280	473,140	879,148	856,049	6,270,358	4,573,388	5,178,540	(4,712,117)	11,596,175	13,101,502
Gain on disposal of capital asset	175,464	12,397	327	37,299	6,519	1,842	22,003,027	33,634	-	-
Miscellaneous	192,028	770,855	246,702	5,487,728	969,189	852,736	(301,424)	5,427	770,929	749,473
Transfers	(2,406,167)	(2,810,111)	(3,809,237)	(2,880,230)	(3,066,109)	(3,159,175)	(3,085,486)	(3,099,023)	(3,038,793)	(1,996,580)
Total business-type activities	<u>(1,488,395)</u>	<u>(1,553,719)</u>	<u>(2,683,060)</u>	<u>3,500,846</u>	<u>4,179,957</u>	<u>2,268,791</u>	<u>23,794,657</u>	<u>(7,772,079)</u>	<u>9,328,311</u>	<u>11,854,395</u>
Total Primary Government	<u>\$ 21,025,185</u>	<u>\$ 22,757,652</u>	<u>\$ 22,687,109</u>	<u>\$ 29,362,089</u>	<u>\$ 32,006,728</u>	<u>\$ 29,978,845</u>	<u>\$ 54,219,543</u>	<u>\$ 24,411,340</u>	<u>\$ 45,615,866</u>	<u>\$ 48,081,650</u>
Change in Net Position										
Governmental Activities	\$ 10,155,880	\$ 5,079,457	\$ 1,332,532	\$ 5,550,282	\$ 7,774,016	\$ 12,531,376	\$ 9,730,554	\$ 8,829,213	\$ 15,845,708	\$ 11,791,178
Business-Type Activities	<u>19,913,868</u>	<u>12,638,649</u>	<u>15,488,783</u>	<u>10,836,257</u>	<u>15,802,135</u>	<u>25,015,149</u>	<u>57,046,773</u>	<u>22,961,626</u>	<u>46,879,370</u>	<u>46,001,100</u>
Total Primary Government Change in Net Position	<u>\$ 30,069,748</u>	<u>\$ 17,718,106</u>	<u>\$ 16,821,315</u>	<u>\$ 16,386,539</u>	<u>\$ 23,576,151</u>	<u>\$ 37,546,525</u>	<u>\$ 66,777,327</u>	<u>\$ 31,790,839</u>	<u>\$ 62,725,078</u>	<u>\$ 57,792,278</u>

City of Brookings, South Dakota
Table 3: Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 3,606,784	\$ 3,220,395	\$ 3,263,418	\$ 2,743,864	\$ 2,729,473	\$ 2,238,814	\$ 2,055,124	\$ 3,726,013	\$3,556,193	\$ 946,192
Restricted	849,383	83,215	59,925	56,532	43,074	36,979	2,219,383	43,288	52,277	58,895
Committed	3,609,682	3,918,640	3,973,356	4,022,621	3,918,640	3,676,972	2,821,073	6,274,091	5,810,142	5,246,160
Assigned	1,528,508	1,629,181	2,111,523	1,868,278	1,655,915	4,306,181	5,430,333	7,220,426	8,835,220	7,135,406
Unassigned	5,242,679	5,820,728	6,333,144	8,072,334	9,799,639	11,886,955	8,731,692	7,565,950	9,753,347	15,325,545
Total General Fund	<u>\$ 14,837,036</u>	<u>\$ 14,672,159</u>	<u>\$ 15,741,366</u>	<u>\$ 16,763,629</u>	<u>\$ 18,146,741</u>	<u>\$ 22,145,901</u>	<u>\$ 21,257,605</u>	<u>\$ 24,829,768</u>	<u>\$ 28,007,179</u>	<u>\$ 28,712,198</u>
All Other Governmental Funds										
Nonspendable	\$ 42,111	\$ 37,709	\$ 40,224	\$ 37,656	\$ 59,033	\$ 46,628	\$ 27,779	\$ 65,308	\$162,197	\$ 111,267
Restricted	1,786,616	2,880,425	1,364,894	1,065,733	2,294,142	1,361,983	1,874,951	1,116,797	1,897,739	3,458,340
Committed	5,574,697	6,590,061	6,745,577	8,540,497	9,897,600	12,641,410	12,460,324	17,223,269	19,188,446	17,830,890
Assigned	2,726,334	664,484	1,992,551	1,694,206	1,138,714	1,833,952	5,790,076	2,887,454	2,667,433	1,337,426
Unassigned	(1,495,895)	(2,559,229)	(1,899,178)	(1,249,220)	(1,091,346)	(4,175,979)	(2,293,117)	567,784	(351,555)	(397,581)
Total All Other Governmental Funds	<u>\$ 8,633,863</u>	<u>\$ 7,613,450</u>	<u>\$ 8,244,068</u>	<u>\$ 10,088,872</u>	<u>\$ 12,298,143</u>	<u>\$ 11,707,994</u>	<u>\$ 17,860,013</u>	<u>\$ 21,860,612</u>	<u>\$ 23,564,260</u>	<u>\$ 22,340,342</u>

City of Brookings, South Dakota

Table 4: Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes										
General property taxes	\$ 3,543,269	\$ 3,866,409	\$ 4,262,451	\$ 4,707,840	\$ 5,064,083	\$ 5,383,033	\$ 5,797,455	\$ 5,808,596	\$ 6,432,193	\$ 7,068,413
Storm drainage taxes	854,955	859,563	917,714	989,359	1,086,278	1,043,517	1,188,986	1,125,727	1,137,934	1,166,502
General sales and use tax	13,475,972	14,160,915	14,164,131	14,687,019	15,693,162	15,093,694	16,463,176	18,959,530	20,688,970	22,000,686
Other taxes	356,459	358,927	362,782	372,133	379,704	389,389	397,613	361,567	639,316	774,386
Special assessments	-	-	-	-	-	-	-	-	371,541	86,859
Licenses and permits	278,742	303,644	268,969	345,587	270,442	273,392	165,309	414,311	590,558	438,451
Intergovernmental	1,763,471	945,470	936,325	1,177,296	3,970,162	5,364,146	1,126,390	6,050,301	5,113,984	1,581,934
Charges for goods and services	2,381,029	2,515,301	2,306,130	2,611,715	2,456,733	1,964,584	1,840,095	2,942,073	3,172,701	3,244,216
Fines and forfeitures	114,370	117,509	109,053	103,113	104,950	65,478	84,427	88,589	80,900	83,700
Investment income (losses)	-	-	-	-	-	-	-	-	1,932,897	2,198,819
Miscellaneous	2,410,762	2,302,836	2,442,085	2,345,704	2,637,665	1,954,579	2,495,561	5,610,331	4,452,731	2,307,715
Total revenues	25,179,029	25,430,574	25,769,640	27,339,766	31,663,179	31,531,812	29,559,012	41,361,025	44,613,725	40,951,681
Expenditures										
General government	2,597,446	2,700,095	2,630,111	2,645,216	2,855,206	3,467,373	3,541,113	4,420,811	5,498,417	4,873,156
Public safety	4,368,472	4,590,036	4,706,909	4,763,325	5,326,205	5,478,874	5,596,525	6,144,985	6,403,870	6,704,874
Public works	3,535,346	4,660,597	2,977,358	3,076,864	3,896,994	3,815,230	3,932,553	3,899,314	3,979,767	1,814,687
Health and welfare	93,827	96,325	96,106	101,306	153,606	152,334	138,334	122,561	198,572	327,030
Culture and recreation	5,861,992	6,020,065	6,239,403	6,729,733	6,450,287	5,438,652	5,833,083	6,937,141	7,381,448	7,842,872
Conservation and development	1,238,578	901,572	6,761,176	1,473,168	1,414,749	726,066	673,221	935,239	1,612,171	3,156,071
Capital outlay	6,832,674	7,538,729	7,612,708	5,340,886	12,456,908	9,234,893	7,589,210	11,229,410	14,867,426	15,882,133
Debt service										
Principal	1,892,589	2,232,399	2,429,006	2,605,454	2,374,750	2,461,021	2,526,433	2,717,104	2,376,817	2,357,775
Interest and fiscal charges	808,782	753,345	679,705	620,672	569,498	1,084,964	499,946	505,000	471,821	618,515
Total expenditures	27,229,706	29,493,163	34,132,482	27,356,624	35,498,203	31,859,407	30,330,418	36,911,565	42,790,309	43,577,113

City of Brookings, South Dakota

Table 4: Changes in Fund Balances of Governmental Funds (continued)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (Deficiency) of Revenues over (under) Expenditures	(2,050,677)	(4,062,589)	(8,362,842)	(16,858)	(3,835,024)	(327,595)	(771,406)	4,449,460	1,823,416	(2,625,432)
Other Financing Sources (Uses)										
Transfers in	14,486,415	10,044,081	9,362,226	5,337,859	5,071,661	10,257,969	11,545,517	11,205,485	8,503,787	6,448,249
Transfers out	(12,080,248)	(7,233,970)	(5,552,989)	(2,457,630)	(2,005,552)	(7,098,795)	(8,460,031)	(8,106,462)	(5,464,994)	(4,451,669)
Proceeds of long term debt	187,274	32,515	6,194,600	-	4,297,500	-	3,724,468	-	-	-
Sale of capital assets	26,578	34,673	58,830	3,700	63,797	577,430	(2,072)	24,277	18,850	109,953
Total other financing sources (uses)	2,620,019	2,877,299	10,062,667	2,883,929	7,427,406	3,736,604	6,807,882	3,123,300	3,057,643	2,106,533
Change in Accounting Estimate	-	-	-	-	-	-	(457,058)	-	-	-
Net Change in Fund Balances	\$ 569,342	\$ (1,185,290)	\$ 1,699,825	\$ 2,867,071	\$ 3,592,382	\$ 3,409,009	\$ 5,579,418	\$ 7,572,760	\$ 4,881,059	\$ (518,899)
Debt Service as a Percentage of Noncapital Expenditures	12.6%	12.4%	11.6%	14.8%	9.8%	17.9%	13.0%	12.2%	10.1%	10.7%

City of Brookings, South Dakota
Table 5: Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Agricultural	Residential	Commercial	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2024	\$ 486,600	\$ 1,063,184,900	\$ 842,118,098	\$ 1,905,789,598	2.20	\$ 2,194,730,683	87%
2023	423,800	986,465,460	778,713,286	1,765,602,546	2.26	2,032,004,926	87%
2022	413,700	885,688,055	670,637,999	1,556,739,754	2.45	1,802,571,339	86%
2021	411,655	814,943,485	629,869,719	1,445,224,859	2.53	1,717,341,084	84%
2020	438,090	755,225,510	634,738,218	1,390,401,818	2.52	1,631,260,928	85%
2019	616,420	704,070,250	597,710,647	1,302,397,317	2.60	1,558,833,361	84%
2018	611,830	677,716,410	574,716,993	1,253,045,233	2.59	1,504,932,503	83%
2017	710,090	649,977,680	569,081,239	1,219,769,009	2.55	1,427,426,106	85%
2016	1,204,840	626,344,925	551,781,913	1,179,331,678	2.55	1,361,245,510	87%
2015	1,117,070	601,728,500	520,802,468	1,123,648,038	2.61	1,266,747,083	89%

Source: Deputy Director of Brookings County Board of Equalization

City of Brookings, South Dakota
Table 6: Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate**	Overlapping rates				Total Direct and Overlapping Rates
		Brookings School District*				
		County Rate	Operating	Debt Service	Total School	
2024	2.20	3.93	7.66	1.50	9.16	15.29
2023	2.26	4.00	7.61	1.55	9.16	15.42
2022	2.45	4.16	7.93	1.62	9.55	16.16
2021	2.53	4.20	8.21	0.81	9.02	15.75
2020	2.52	4.18	8.28	0.84	9.12	15.82
2019	2.60	4.20	8.32	0.89	9.21	16.01
2018	2.59	4.15	8.36	0.94	9.30	16.04
2017	2.55	4.16	8.21	0.97	9.18	15.89
2016	2.55	4.07	8.67	1.01	9.68	16.30
2015	2.61	4.30	9.29	1.05	10.34	17.25

Source: County Finance Officer

* School District amount varies based on class of property; this table uses owner occupied.

** The City's direct rate is a single component.

City of Brookings, South Dakota

Table 7: Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dakotronics	\$ 31,903,600	1	1.67%	\$ 30,696,500	1	2.42%
Bel Brands USA Inc	22,050,100	2	1.16%	19,720,400	2	1.56%
Innovation Village I LLC	20,157,500	3	1.06%	15,145,800	4	1.20%
Individual	18,997,000	4	1.00%	17,902,800	3	1.41%
3M	18,256,400	5	0.96%	11,969,400	5	0.94%
Southland Apartments LLC	14,203,400	6	0.75%	-	N/A	N/A
Fusion Developers LLC	13,237,500	7	0.69%	-	N/A	N/A
Wal-Mart	11,722,500	8	0.62%	9,090,000	8	0.72%
Global Properties LLC	11,524,000	9	0.60%	10,945,600	6	0.86%
Premier Land Development LLC	11,442,300	10	0.60%	-	N/A	N/A
Larson Manufacturing Co.	-	N/A	N/A	10,013,200	7	0.79%
First Bank & Trust	-	N/A	N/A	8,588,100	9	0.68%
PrairieLand Partners Comm	-	N/A	N/A	8,147,500	10	0.64%
Total attributable to top taxpayers	173,494,300		9.11%	142,219,300		11.22%
Total of all other properties	1,732,295,298		90.89%	1,124,527,783		88.78%
	<u>\$ 1,905,789,598</u>		<u>100.00%</u>	<u>\$ 1,266,747,083</u>		<u>100.00%</u>

Source: Brookings County Board of Equalization

City of Brookings, South Dakota
Table 8: Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 4,196,930	*	N/A	\$ -	\$ -	0.00%
2023	3,993,799	3,954,005	99.00%	-	3,954,005	99.00%
2022	3,814,157	3,807,570	99.83%	59	3,807,629	99.83%
2021	3,654,587	3,652,166	99.93%	3	3,652,169	99.93%
2020	3,505,625	3,505,299	99.99%	326	3,505,625	100.00%
2019	3,390,015	3,389,856	100.00%	159	3,390,015	100.00%
2018	3,251,533	3,246,302	99.84%	1,669	3,247,971	99.89%
2017	3,112,984	3,108,533	99.86%	1,140	3,109,673	99.89%
2016	3,010,404	3,009,134	99.96%	-	3,009,134	99.96%
2015	2,933,514	2,930,670	99.90%	1,957	2,932,627	99.97%

* The year shown on this table indicates the year of the levy for collection in the next year. The 2024 tax levy will be collected in the year 2025, so such information is not available at the time of preparing this table.

City of Brookings, South Dakota
Table 9: Historical Sales and Use Tax Receipts
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Sales Tax</u>	<u>Second Penny Sales Tax</u>	<u>Bed and Booze Tax*</u>
2024	\$ 10,280,908	\$ 10,280,908	\$ 1,438,870
2023	9,711,761	9,711,761	1,265,448
2022	8,888,789	8,888,789	1,132,585
2021	7,697,851	7,699,876	1,065,449
2020	7,134,701	7,111,368	847,625
2019	7,112,056	7,158,724	1,052,364
2018	6,900,623	6,868,310	917,773
2017	6,642,103	6,607,370	914,658
2016	6,630,466	6,595,427	935,022
2015	6,327,828	6,295,374	852,770

* This sales tax is generated on revenue from lodging, alcoholic beverages, prepared food and admission.

City of Brookings, South Dakota

Table 10: Taxable Sales by Category

Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture, Forestry, Fishing, and Mining	\$ 4,817,812	\$ 5,854,829	\$ 5,981,653	\$ 6,919,546	\$ 7,705,357	\$ 7,704,195	\$ 8,790,980	\$ 9,779,627	\$ 12,224,798	\$ 12,182,939
Construction	23,198,279	17,709,994	19,042,533	15,102,290	18,668,880	17,497,752	16,842,057	15,289,221	18,225,703	23,287,037
Manufacturing	68,317,602	65,649,247	75,424,180	82,368,915	76,553,010	62,672,720	34,149,061	52,935,405	66,649,122	71,454,183
Transportation and Public Utilities	63,736,072	64,423,894	66,146,585	67,980,706	70,687,681	68,020,720	57,990,830	59,480,960	57,979,923	70,478,713
Wholesale Trade	32,972,756	39,311,898	35,267,841	36,223,105	41,697,122	130,609,920	74,196,651	78,552,608	94,563,581	130,710,541
Retail Trade	403,696,421	424,518,776	434,648,788	435,700,335	460,506,278	394,622,227	433,783,061	476,682,400	534,394,969	564,982,644
Finance, Insurance, and Real Estate	7,289,425	8,777,732	10,686,280	8,594,283	10,264,918	10,642,598	11,740,314	13,884,217	16,789,813	18,738,459
Services	103,652,639	110,379,441	117,919,260	122,176,165	120,898,257	114,492,457	97,109,085	114,098,875	127,142,799	140,022,986
Other	31,605	30,827	1,308	2,254	155,873	192,885	2,452	19,844	3,565	22,198
Total	<u>\$ 707,712,611</u>	<u>\$ 736,656,638</u>	<u>\$ 765,118,428</u>	<u>\$ 775,067,599</u>	<u>\$ 807,137,376</u>	<u>\$ 806,455,474</u>	<u>\$ 734,604,491</u>	<u>\$ 820,723,157</u>	<u>\$ 927,974,273</u>	<u>\$ 1,031,879,700</u>

Source: South Dakota Department of Revenue & Regulation

City of Brookings, South Dakota
Table 11: Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate*</u>	<u>City Direct Rate**</u>	<u>State Rate</u>	<u>Total Tax Rate</u>
2024	2.00%	1.00%	4.20%	7.20%
2023	2.00%	1.00%	4.20%	7.20%
2022	2.00%	1.00%	4.50%	7.50%
2021	2.00%	1.00%	4.50%	7.50%
2020	2.00%	1.00%	4.50%	7.50%
2019	2.00%	1.00%	4.50%	7.50%
2018	2.00%	1.00%	4.50%	7.50%
2017	2.00%	1.00%	4.50%	7.50%
2016	2.00%	1.00%	4.50%	7.50%
2015	2.00%	1.00%	4.00%	7.00%

Source: South Dakota Department of Revenue and Regulations

* General Rate

** This rate is generated on revenue from lodging, alcoholic beverages, prepared food, and admission.

City of Brookings, South Dakota
Table 12: Ratio of Net General Bonded Debt
Last Ten Fiscal Years

<u>Year</u>	<u>Sales Tax Revenue Bonds</u>	<u>Total Taxable Sales</u>	<u>Percentage of Actual Taxable Sales</u>	<u>Per Capita</u>
2024	\$ 10,729,065	\$ 1,031,879,700	1.04%	435.63
2023	11,936,051	927,974,273	1.29%	490.95
2022	13,174,561	820,723,157	1.61%	549.10
2021	14,065,539	734,604,491	1.91%	576.10
2020	14,034,043	806,455,474	1.74%	600.34
2019	16,118,896	807,137,376	2.00%	657.67
2018	14,219,851	775,067,599	1.83%	580.19
2017	16,168,893	765,118,428	2.11%	676.66
2016	18,075,077	736,656,638	2.45%	764.05
2015	19,936,067	707,712,611	2.82%	858.39

City of Brookings, South Dakota
Table 13: Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income**	Per Capita**
	Bonds Payable	Notes and Loans Payable	Direct Borrowings	Bonds Payable	Notes and Loans Payable	Direct Borrowings	Leases Payable*	SBITAs Payable*			
2024	\$ 13,280,766	\$ 2,750,002	\$ 64,283	\$ -	\$ 39,904,616	\$ 15,544,573	\$ 1,674,866	1,972,573	\$ 75,191,679	3.35%	\$ 3,053
2023	14,691,162	3,666,668	94,996	-	11,269,443	18,039,864	1,858,652	2,141,973	51,762,758	2.60%	2,129
2022	16,127,349	4,583,334	118,960	-	9,837,048	20,470,854	1,969,470	-	53,107,015	2.74%	2,213
2021	17,911,396	5,500,000	147,868	-	25,674,927	22,838,678	-	-	72,072,869	4.11%	2,952
2020	16,495,169	5,700,000	175,915	4,848,003	30,826,747	26,618,345	-	-	84,664,179	5.05%	3,622
2019	18,740,963	5,900,000	203,125	5,199,536	27,131,004	39,599,277	-	-	96,773,905	6.58%	3,949
2018	17,103,800	5,600,000	229,525	5,536,946	27,824,448	41,479,390	-	-	97,774,109	6.64%	3,989
2017	19,487,859	5,800,000	260,970	5,865,471	28,495,805	43,297,098	-	-	103,207,203	7.01%	4,319
2016	21,795,220	-	-	6,185,336	29,143,534	26,696,924	-	-	83,821,014	5.64%	3,543
2015	24,006,034	-	-	9,816,751	24,064,478	22,484,843	-	-	80,372,106	5.83%	3,461

Source:

* The City elected not to restate the 2021 lease amounts for GASB 87 and 2022 SBITA amounts for GASB 96; as such the amounts may not be comparable.

** See Table 17 Demographic and Economic Statistics, for income and population data

City of Brookings, South Dakota

Table 14: Computation of Direct and Overlapping Debt
Last Ten Fiscal Years

<u>Taxing Entity</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt*</u>
City of Brookings	\$ 16,095,051	100.00%	\$ 16,095,051
Brookings School District	<u>49,781,282</u>	77.31%	<u>38,488,138</u>
Total Direct and Overlapping Debt	<u>\$ 65,876,333</u>		<u>\$ 54,583,189</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Auditors Office. Debt outstanding data was provided by the Brookings School District.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Brookings.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Brookings. This process recognizes that, when considering the governments' ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated by using taxable assessed property values. Applicable percentages were estimated by determining the portion of the schools taxable assessed value that is within the City's boundaries and dividing it by the Schools' total taxable assessed value.

City of Brookings, South Dakota
Table 15: Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 56,182,402	\$ 58,966,584	\$ 61,005,575	\$ 62,652,262	\$ 65,119,866	\$ 69,520,091	\$ 72,261,243	\$ 77,836,988	\$ 88,280,127	\$ 95,289,480
Total net debt applicable to limit	<u>23,922,139</u>	<u>21,723,310</u>	<u>19,427,934</u>	<u>17,103,798</u>	<u>18,740,963</u>	<u>16,495,169</u>	<u>17,899,411</u>	<u>16,127,349</u>	<u>14,691,162</u>	<u>13,280,766</u>
Legal debt margin	<u>\$ 32,260,263</u>	<u>\$ 37,243,274</u>	<u>\$ 41,577,641</u>	<u>\$ 45,548,464</u>	<u>\$ 46,378,903</u>	<u>\$ 53,024,922</u>	<u>\$ 54,361,832</u>	<u>\$ 61,709,639</u>	<u>\$ 73,588,965</u>	<u>\$ 82,008,714</u>
Total net debt applicable to the limit as a percentage of debt limit	42.58%	36.84%	31.85%	27.30%	28.78%	23.73%	24.77%	20.72%	16.64%	13.94%

Note: The State of South Dakota Constitution sets two legal debt limits on municipalities . The City has an unrestricted (i.e., for any legally authorized purpose) legal debt limit equal to 5% of the total assessed value of taxable property. In addition, the Constitution permits the City to issue debt for water or sewer improvements in an amount equal to 10% of the total value of taxable property. Water or sewer debt that applies against the 10% limit does not apply against the 5% limit.

City of Brookings, South Dakota

Legal Debt Margin Information

Fiscal Year 2023

		<u>"No Limit" Debt</u>	<u>Debt Capacity at 5% (unrestricted)</u>	<u>Additional 10% Debt Capacity (Water/Sewer)</u>
2024 Assessed Value	<u>\$ 1,905,789,598</u>			
Maximum Debt Capacity			\$ 95,289,480	\$ 190,578,960
Existing Bonds				
2014A Sales Tax Revenue Bonds	\$ -	5,722,122	-	-
2019 Sales Tax Revenue Bond	-	5,006,943	-	-
SRF Loan No.2 Bond TIF 1 (3%)	-	169,083	-	-
SRF Loan No.3 Bond (3%)	-	167,185	-	-
SRF Loan No. 4 Bond (3%)	-	109,819	-	-
SRF Loan No. 5 Bond (3%)	-	1,058,964	-	-
SRF Loan No. 7 Bond (3.25)	39,904,616	-	-	-
SRF Loan No. 9 Bond (3%)	-	289,692	-	-
SRF Loan No. 10 Bond (3%)	-	756,958	-	-
Total Bonded Debt	\$ 39,904,616	\$ 13,280,766	\$ -	-
Other Debt				
Direct borrowing - scoreboard	64,283	-	-	-
Direct borrowing - Hospital	542,617	-	-	-
Loan	2,750,002	-	-	-
2012 Certificate of Participation	7,054,663	-	-	-
2015A Certificates of Participation	1,063,215	-	-	-
2015B Certificates of Participation	6,884,078	-	-	-
Total other debt	18,358,858	-	-	-
Total Debt	58,263,474	13,280,766	-	-
Available Debt Capacity	N/A	\$ 82,008,714	\$ 190,578,960	

City of Brookings, South Dakota

Table 16: Pledged Revenue Coverage

Last Ten Fiscal Years

Governmental Activities

Year	Sales Tax Revenue Bonds				
	Sales Tax Collections	Debt Service			Coverage
		Principal	Interest	Total	
2024	\$ 10,280,908	\$ 2,095,784	\$ 348,925	\$ 2,444,709	4.21
2023	9,711,761	2,155,174	353,720	2,508,894	3.87
2022	8,915,100	2,123,091	406,863	2,529,954	3.52
2021	7,699,876	2,312,389	403,624	2,716,013	2.83
2020	7,111,368	2,253,288	382,630	2,635,918	2.70
2019	7,329,098	2,596,165	443,255	3,039,420	2.41
2018	6,868,467	2,121,244	472,293	2,593,537	2.65
2017	6,607,370	1,877,326	518,723	2,396,049	2.76
2016	6,595,427	1,832,981	560,873	2,393,854	2.76
2015	6,295,374	1,355,000	278,442	1,633,442	3.85

City of Brookings, South Dakota

Table 16: Pledged Revenue Coverage

Last Ten Fiscal Years

Business Type Activities

2005 Utility Revenue Bonds							
Year	Utility Service Charge	Less: Operating Expense	Net Available Revenue	Principal	Debt Service Interest	Total	Coverage
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2023	-	-	-	-	-	-	N/A
2022	-	-	-	-	-	-	N/A
2021	-	-	-	-	-	-	N/A
2020	330,696	54,449	276,247	71,532	42,965	114,497	2.41
2019	338,826	41,949	296,877	67,410	47,087	114,497	2.59
2018	334,201	42,558	291,643	63,525	50,972	114,497	2.55
2017	321,144	40,539	280,605	59,865	54,632	114,497	2.45
2016	332,196	43,596	288,600	56,415	58,082	114,497	2.52
2015	329,171	41,926	287,245	53,164	61,333	114,497	2.51
2011 Utility Revenue Bonds							
Year	Utility Service Charge	Less: Operating Expense	Net Available Revenue	Principal	Debt Service Interest	Total	Coverage
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2023	-	-	-	-	-	-	N/A
2022	-	-	-	-	-	-	N/A
2021	-	-	-	-	-	-	N/A
2020	628,945	-	628,945	280,000	156,976	436,976	1.44
2019	653,487	-	653,487	270,000	163,535	433,535	1.51
2018	668,406	-	668,406	265,000	169,298	434,298	1.54
2017	636,743	176,929	459,814	260,000	174,301	434,301	1.06
2016	629,302	-	629,302	255,000	179,047	434,047	1.45
2015	627,635	-	627,635	255,000	182,745	437,745	1.43

City of Brookings, South Dakota
Table 17: Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Per Capita Income (2)	Total Personal Income (thousands of dollars) (2)	K-12 Public School Enrollment (3)	Unemployment Rate (4)
2024	24,629	\$ 62,408	\$ 2,245,441	3,546	1.3%
2023	24,312	\$ 56,045	\$ 1,988,715	3,446	1.6%
2022	23,993	\$ 53,860	\$ 1,865,655	3,442	2.1%
2021	24,415	\$ 49,278	\$ 1,754,451	3,337	3.3%
2020	23,377	\$ 47,782	\$ 1,676,045	3,345	4.5%
2019	24,509	\$ 46,302	\$ 1,631,329	3,408	3.4%
2018	24,509	\$ 44,774	\$ 1,533,749	3,396	3.1%
2017	23,895	\$ 43,111	\$ 1,471,603	3,421	3.5%
2016	23,657	\$ 43,815	\$ 1,485,181	3,342	2.7%
2015	23,225	\$ 41,416	\$ 1,379,745	3,400	2.6%

(1) Source – U.S. Census Bureau

(2) Source - BU.S. Department of Commerce Bureau of Economic Analysis. Personal Income and Per Capita Income are based on Brookings County.

(3) Brookings School District Business Office

(4) South Dakota Department of Labor.

Median age from 2010 census was 23.4 years old. Education statistics per the 2010 census indicate that 93.8% of the population 25 years or older has a high school degree or greater with 45.5% of the same population holding a bachelor's degree or greater.

City of Brookings, South Dakota

Table 18: Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
South Dakota State Univ.	3,973	1	16.13%	3,900	1	16.79%
Daktronics	1,329	2	5.40%	1,605	2	6.91%
3M	1,156	3	4.69%	975	3	4.20%
Wal-Mart	538	4	2.18%	425	6	1.83%
Brookings Health System	496	5	2.01%	433	5	1.86%
Brookings School District	492	6	2.00%	400	8	1.72%
Hy-Vee Food Store	450	7	1.83%	382	9	1.64%
Larson Manufacturing	448	8	1.82%	465	4	2.00%
Aramark	384	9	1.56%	N/A	-	N/A
Dacotah Bank Center	355	10	1.44%	N/A	-	N/A
Twin City Fan	N/A	-	N/A	414	7	1.78%
City of Brookings	N/A	-	N/A	319	10	1.37%
Total	9,621		39.06%	9,318		40.10%

Source: Employee data provided by Brookings Economic Development Corporation and total city employment provided by South Dakota Department of Labor.

City of Brookings, South Dakota

Table 19: Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Mayor/City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
City Clerk	3.0	3.0	3.0	2.0	1.0	1.0	1.5	2.0	2.0	2.0
City Manager	1.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0	5.0	6.0
Human Resources	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	4.0	4.0	4.0	3.0	4.0	4.0	4.0	4.0	3.0	4.0
Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development	4.8	4.4	4.4	4.0	4.0	8.0	8.5	9.0	8.0	8.0
Engineering	5.2	4.6	4.6	4.0	5.0	3.0	2.0	3.0	3.0	5.0
Public safety										
Police	36.0	35.0	36.0	36.0	40.0	36.0	38.0	38.0	39.0	39.0
Fire	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0
E-911	9.0	9.0	9.0	7.0	10.0	9.0	9.0	12.0	10.0	12.0
Public works										
Streets	14.0	14.0	14.0	14.0	14.0	12.0	13.0	13.0	12.0	12.0
Health and Welfare										
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	1.0	2.0
Recreation & culture										
Activity Center	-	-	-	-	-	-	-	-	-	1.0
Recreation	3.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0	3.0
Park	10.0	11.0	12.0	12.0	13.0	10.0	12.0	9.0	12.0	11.0
Ice Arena	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	3.0
Forestry	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0
Library	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Storm Drainage	1.0	1.0	1.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0
Liquor	5.0	5.0	5.0	6.0	5.0	4.0	4.0	3.0	4.0	4.0
Water	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0
Electric	36.0	35.0	33.0	36.0	34.0	39.0	42.0	40.0	41.0	52.0
Wastewater	12.0	12.0	12.0	14.0	13.0	15.0	12.0	14.0	13.0	14.0
Telephone	100.0	98.0	99.0	98.0	94.0	82.0	49.0	47.0	44.0	49.0
Hospital	220.0	236.0	236.0	222.0	225.0	234.0	214.0	214.0	224.0	240.0
Golf Course	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Airport	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0
Solid Waste Collection	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Solid Waste Disposal	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0	7.0
Total	521.0	532.0	533.0	519.0	526.0	525.0	475.0	472.0	483.0	524.0

City of Brookings, South Dakota
Table 20: Operating Indicators by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Dispatch										
Total number of 911 calls	9,962	8,043	7,842	8,425	10,409	8,256	8,712	8,271	8,513	6,513
Total number of animals impounded	390	455	450	405	417	441	332	414	498	0
Fire										
Fire calls	202	231	212	240	252	258	238	360	290	293
Average response time (min:sec)	6:47	6:02	4:56	4:15	4:53	4:09	5:49	5:50	5:46	6:20
Public Works										
Community development										
Number of code enforcement investigations	936	1,648	1,543	1,725	1,252	1,473	1,530	1,416	1,243	N/A
Percent of rental units inspected and licensed	29%	36%	32%	21%	31%	24%	28%	17%	25%	27%
Engineering										
Building permits issued:										
Single family	88	78	54	63	72	77	68	63	61	84
Townhomes	7	4	5	2	1	1	2	1	1	4
Duplexes	2	-	-	2	3	3	8	8	6	8
Apartments	8	6	5	4	2	1	15	6	12	5
Solid Waste										
Number of households collected	4,939	5,060	5,264	5,355	5,385	5,445	5,596	5,721	5,804	5,938
Tons of recycling collected	827	837	836	886	880	876	846	814	792	776
Tons of refuse collected	4,553	4,738	4,787	4,893	4,893	5,045	4,766	4,678	4,528	4,743
Tons of yard waste collected	710	752	696	661	813	737	1,267	1,365	1,296	1,477
Street										
Total lane miles swept	244	246.31	248.06	249.06	251.99	258.22	263.10	261.16	262.96	296.25
Total miles swept	2,500.00	2,500.00	2,523.00	2,408.00	2,140.00	2,218.00	2,855.50	2,917.50	2,932.50	2,772.00
Culture and Recreation										
Park & Recreation										
Number of season passes sold for pool	1,559	1,420	1,343	1,267	1,736	-	1,377	1,296	1,130	913
Number of season passes sold for golf	233	318	341	320	513	271	337	413	597	594
Number of paid golf rounds played:										
9-holes	4,729	6,214	6,244	5,123	3,098	3,964	4,531	3,638	4,685	4,837
18-holes	2,673	1,908	1,989	1,381	1,134	2,096	1,920	1,429	2,499	2,807
Library										
Participants in children's programs	37,838	15,679	16,536	21,636	18,708	5,645	8,349	22,119	18,058	18,011
Use of electronic databases	8,713	8,891	5,033	5,278	5,194	5,971	4,283	4,658	3,139	163
Total circulation	274,733	208,255	218,775	197,724	198,135	165,354	219,319	246,677	219,610	291,106
Dacotah Bank Center										
Number of events held	213	262	285	298	278	141	180	201	194	200

Source: City Departments

City of Brookings, South Dakota
Table 21: Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Refuse Collection										
Collection Trucks	7	7	7	7	7	7	8	8	8	10
Public Works										
Miles of paved streets	244.13	246.13	248.06	249.06	251.99	258.22	263.10	263.10	236.10	285.44
Number of street lights	3,025	3,165	3,157	3,155	3,179	3,238	3,312	3,329	3,329	3,490
Traffic signals	118	122	122	132	31	31	31	32	32	32
Parks and Recreation										
Acreage	664.80	665.55	662.17	662.17	662.17	662.17	662.17	662.17	662.17	662.17
Playgrounds	13	14	15	15	15	15	15	15	15	15
Baseball/softball fields	21	21	21	21	21	21	21	21	21	21
Soccer/football fields	11	11	11	11	11	11	11	11	11	11
Recreation centers	1	1	1	1	1	1	1	1	1	1
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Water										
Miles of water mains	122.20	124.02	124.02	126.96	120.66	130.00	131.00	132.69	140.68	142.79