City of Brandon

Independent Auditor's Report
and Financial Statements

For the Year Ended
December 31, 2024

City of Brandon

City Officials

December 31, 2024

Mayor:

Harry Buck

Governing Board:

Barb Fish

Randy Marso

David Kull

Kevin Lawrence

Colin Steen

Bruce Johnson

Finance Officer:

Christina Smith

City Administrator:

Bryan Read

City of Brandon

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the City Council
City of Brandon
Minnehaha County, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota, 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, and have issued our report thereon dated August 19, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

Elk Point, South Dakota
August 19, 2025

Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the City Council
City of Brandon
Minnehaha County, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Brandon, South Dakota, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Prior and Current Audit Findings and Questioned Costs.

In our opinion, the City of Brandon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

CLO PC LLC

Elk Point, South Dakota
August 19, 2025

City of Brandon

Schedule of Prior and Current Audit Findings and Questioned Costs
For the Year Ended December 31, 2024

Schedule of Prior Audit Findings

The prior audit report contained no written audit comments.

Schedule of Current Audit Findings

Section I - Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified:	____ Yes	X No	
Significant deficiencies identified that are not considered to be material weakness(es)?	____ Yes	X None reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards:

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiencies identified	____ Yes	X None reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No	

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000		
Auditee qualified as low-risk auditee?	____ Yes	X No	

Section II - Financial Statement Findings

There are no findings which are required to be reported in accordance with Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

There are no findings or questioned costs relating to federal award programs which are required to be reported in accordance with 2 CFR 200.516(a).

Independent Auditor's Report

City Council
City of Brandon
Brandon, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota, 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, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the 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 the financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of The United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Brandon 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Brandon, South Dakota'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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the City of Brandon, South Dakota'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 of Brandon, South Dakota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), Budgetary Comparison Schedules, the Schedule of the City Proportionate Share of the Net Pension Liability (Asset), and Schedule of the City's Contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 Schedule of Expenditures of Federal Awards, which is required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance) and the Combining Nonmajor Fund Financial Statements as listed in the Table of Contents 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 was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 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 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.

CLO Pfj LLC

Elk Point, South Dakota
August 19, 2025

Management's Discussion and Analysis

This section of the City of Brandon's annual financial report presents our discussion and analysis of the City of Brandon financial performance during the fiscal year ending December 31, 2024. Please read it in conjunction with the City of Brandon financial statements, which follow this section.

Financial Highlights

During the year, the City of Brandon's net position increased by $7,992,944 leaving an ending net position of $91,186,998, a 9.61% increase from prior year.

Overview of the Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, including related notes, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

1. The first two statements are government-wide financial statements that provide both long-term and short-term information about the overall financial status of the City of Brandon.

2. The remaining statements are fund financial statements that focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

    A. The governmental fund statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

    B. Proprietary fund statements offer short- and long-term financial information about the activities that the City operates like businesses. The City has four proprietary funds – the Water Fund, the Sewer Fund, the Golf Course Fund and the Electrical Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Figure A-1 summarizes the major features of the City of Brandon's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City of Brandon's Government-wide and Fund Financial Statements

	Government Wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as finance office, police, fire and parks.	Activities the City operates similar to private businesses, the water, sewer and electric systems and the golf course.
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City of Brandon's net position and how they have changed. Net position – the difference between the City of Brandon's assets and liabilities – is one way to measure the City of Brandon's financial health or position.

1. Increases or decreases in the City of Brandon's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

2. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City of Brandon's property tax base and changes in the sales tax revenue base.

The government-wide financial statements of the City are reported in two categories:

1. Governmental Activities -- This category includes most of the City of Brandon's basic services, such as police, fire, public works, parks department and general administration. Property taxes, sales taxes, charges for services, state and federal grants finance most of these activities.

2. Business-type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City of Brandon's water, sewer, golf course and electrical accounts are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City of Brandon's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

1. State Law requires some of the funds.

2. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two kinds of funds:

1. Governmental Funds – Most of the City of Brandon's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City of Brandon's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

2. Proprietary Funds – Services for which the City charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The City of Brandon's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Financial Analysis of the City as a Whole

Table A-1
City of Brandon
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2023	2024	2023	2024	2023	2024	2023-2024
Current and Other Assets	$ 13,576,266	$ 15,798,651	$ 21,362,931	$ 13,026,946	$ 34,939,197	$ 28,825,597	-17.50%
Capital Assets (Net of Depreciation)	43,615,168	45,889,674	62,785,367	80,496,300	106,400,535	126,385,974	18.78%
Total Assets	57,191,434	61,688,325	84,148,298	93,523,246	141,339,732	155,211,571	9.81%
Pension Related Deferred Outflows	721,068	665,746	212,659	195,359	933,727	861,105	-7.78%
Total Deferred Outflows or Resources	721,068	665,746	212,659	195,359	933,727	861,105	-7.78%
Long-Term Liabilities Outstanding	26,008,327	28,038,244	29,371,369	31,867,986	55,379,696	59,906,230	8.17%
Other Liabilities	646,267	668,750	2,432,921	3,642,817	3,079,188	4,311,567	40.02%
Total Liabilities	26,654,594	28,706,994	31,804,290	35,510,803	58,458,884	64,217,797	9.85%
Other Deferred Inflows	--	--	--	5,251	--	5,251	0.00%
Pension Related Deferred Inflows	478,502	511,428	142,019	151,202	620,521	662,630	6.79%
Total Deferred Inflows of Resources	478,502	511,428	142,019	156,453	620,521	667,881	7.63%
Net Investment in Capital Assets	18,030,382	18,314,536	33,586,782	48,880,750	51,617,164	67,195,286	30.18%
Restricted	3,190,284	3,473,617	628,193	621,271	3,818,477	4,094,888	7.24%
Unrestricted	9,558,740	11,347,496	18,199,673	8,549,328	27,758,413	19,896,824	-28.32%
Total Net Position	30,779,406	33,135,649	52,414,648	58,051,349	83,194,054	91,186,998	9.61%
Beginning Net Position	30,804,179	30,779,406	42,376,435	52,414,648	73,180,614	83,194,054	13.68%
Increase (Decrease) in Net Position	$ (24,773)	$ 2,356,243	$ 10,038,213	$ 5,636,701	$ 10,013,440	$ 7,992,944	-20.18%
Percentage of Increase (Decrease) in Net Position	-0.08%	7.66%	23.69%	10.75%	13.68%	9.61%	

This section explains the differences between the current and prior years' assets, liabilities, and changes in net position.

The Statement of Net position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average 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 of compensated absences payable, sales tax revenue bonds payable, water and revenue bonds payable, and special assessment bonds with governmental commitment have been reported in this manner on the Statement of Net position. The difference between the City of Brandon's assets and liabilities is its net position.

Changes in Net Position

The City of Brandon's total revenues (excluding special items) totaled $26,132,801. This was approximately a 7.29% decrease from prior year. Approximately 38% of the City's revenue comes from charges for services, with another 37% from property and other taxes. (See Table A-2).

Table A-2
City of Brandon
Sources of Revenues
Fiscal Year 2023-2024

Charges For Services	$ 10,046,816	38.93%
Taxes	9,734,792	37.72%
Operating Grants & Contributions	2,700,358	10.46%
Capital Grants and Contributions	1,735,518	6.72%
Unrestricted Investment Earnings	1,295,919	5.02%
Other General Revenues	105,135	0.41%
State Sources	190,263	0.74%
Total Revenue	$ 25,808,801	100.00%

Total cost of all programs and services decreased by approximately 0.19%. The city's expenses totaled $18,139,857. The City's expenses cover a range of services. (See Table A-3).

Table A-3
City of Brandon
Statement of Expenditures
Fiscal Year 2023-2024

General government	$ 1,406,458	7.89%
Public safety	2,991,516	16.79%
Public works	3,010,009	16.90%
Health and welfare	9,852	0.06%
Culture and recreation	1,614,970	9.06%
Conservation and development	204,798	1.15%
Interest on long-term debt	960,566	5.39%
Water	2,761,026	15.50%
Electric	292,518	1.64%
Sewer	2,941,347	16.51%
Golf course	1,622,797	9.11%
Total Expenditures	$ 17,815,857	100.00%

Governmental and Business-Type Activities

Table A-4 and the narrative that follows consider the operations of the governmental activities and the business-type activities of the City.

Table A-4
Changes in Net Position

	Government Activities		Business-type Activities		Total		Percentage
	2023	2024	2023	2024	2023	2024	Change
Revenues							
Program Revenues							
Charge for Services	$ 702,489	$ 865,892	$ 9,110,004	$ 9,180,924	$ 9,812,493	$ 10,046,816	2.39%
Operating Grants/Contributions	650,587	681,533	5,934,884	2,018,825	6,585,471	2,700,358	-59.00%
Capital Grants and Contributions	1,408,988	1,735,518	--	--	1,408,988	1,735,518	23.17%
General Revenues							
Taxes	9,275,790	9,734,792	--	--	9,275,790	9,734,792	4.95%
Revenue State Sources	228,712	190,263	--	--	228,712	190,263	-16.81%
Other general revenues	246,064	70,144	278	34,991	246,342	105,135	-57.32%
Unrestricted Investment Earnings	183,803	351,204	447,076	944,715	630,879	1,295,919	105.41%
	12,696,433	13,629,346	15,492,242	12,179,455	28,188,675	25,808,801	-8.44%
Expenses							
General government	1,342,774	1,406,458	--	--	1,342,774	1,406,458	4.74%
Public safety	3,061,732	2,991,516	--	--	3,061,732	2,991,516	-2.29%
Public works	4,163,217	3,010,009	--	--	4,163,217	3,010,009	-27.70%
Health and welfare	3,926	9,852	--	--	3,926	9,852	150.94%
Culture and recreation	1,365,995	1,614,970	--	--	1,365,995	1,614,970	18.23%
Conservation and development	231,688	204,798	--	--	231,688	204,798	-11.61%
Interest on long-term debt	738,629	960,566	--	--	738,629	960,566	30.05%
Water	--	--	2,685,078	2,761,026	2,685,078	2,761,026	2.83%
Electric	--	--	265,909	292,518	265,909	292,518	10.01%
Sewer	--	--	2,873,972	2,941,347	2,873,972	2,941,347	2.34%
Golf course	--	--	1,442,315	1,622,797	1,442,315	1,622,797	12.51%
	10,907,961	10,198,169	7,267,274	7,617,688	18,175,235	17,815,857	-1.98%
Excess (Deficiency) Before Transfers	1,788,472	3,431,177	8,224,968	4,561,767	10,013,440	7,992,944	-20.18%
Transfers	(1,813,245)	(1,074,934)	1,813,245	1,074,934	--	--	0.00%
Increase (Decrease) in Net Position	(24,773)	2,356,243	10,038,213	5,636,701	10,013,440	7,992,944	-20.18%
Beginning Net Position	30,804,179	30,779,406	42,376,435	52,414,648	73,180,614	83,194,054	13.68%
Ending Net Position	$ 30,779,406	$ 33,135,649	$ 52,414,648	$ 58,051,349	$ 83,194,054	$ 91,186,998	9.61%

Governmental Activities

Governmental expenses decreased by approximately 27.20% mainly due to decreases public safety, public works, and conversation and development. The increase in the governmental revenues was approximately 9.01%, mainly due to increases in capital grants and contributions, unrestricted investment earnings, and taxes. Net position of the governmental activities increased by $2,356,243.

Business-Type Activities

Business-type activities expenses increased approximately 4.60% while business-type revenues decreased by approximately 27.20% mainly due to decreases in operating grants and contributions. Net position of the City's business-type activities increased approximately by $5.6 million.

Financial Analysis of the City's Funds

The financial analysis of the City of Brandon funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains fourteen governmental funds – General Fund; Brandon Revolving Loan Fund; 3rd Cent Sales Tax; 2006 TIF #2(BID) Special Revenue Fund; Surface Transportation Program Fund; Street Maintenance Fund; Stormwater Fund; TIF #2 Convention Center Debt Service; TIF #4, TIF #5, TIF #6, and TIF #7 Debt Service Funds; Core Area – Phase 2b Project; and Rushmore Area – Phase 2 Project Fund. The City has four business type funds - Water; Sewer; Golf Course and Electric.

Overall, the governmental funds have a 2.3 million dollar increase in fund balance over the last year due to increase in capital grants and contributions, taxes, and unrestricted investment earnings.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget. This amendment was for contingency transfers and supplemental appropriations approved for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of its citizens and to improve the Brandon Community.

Capital Asset Administration

By the end of 2024, the City had invested $126,385,974 (net of depreciation) in a broad range of capital assets, including, land, construction in progress, buildings, various machinery and equipment, and intangible lease assets. (See Table A-5). This amount represents a net increase (including additions and deductions) of $19,985,439.

Table A-5
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar	Total %
	2023	2024	2023	2024	Change	Change
Land	$ 2,765,908	$ 3,100,109	$ 2,619,179	$ 2,656,829	$ 371,851	1.86%
Construction in progress	5,272,887	5,317,099	22,977,705	31,183,607	8,250,114	41.28%
Buildings & Improvements	33,704,434	35,516,391	35,921,607	45,514,768	11,405,118	57.07%
Machinery & Equipment	1,871,939	1,956,075	1,228,750	1,141,096	(3,518)	-0.02%
Intangible Lease Assets	--	--	38,126	--	(38,126)	-0.19%
Total Capital Assets	$ 43,615,168	$ 45,889,674	$ 62,785,367	$ 80,496,300	$ 19,985,439	100.00%

This year's capital asset purchases of $19,985,439 included new vehicles, playground equipment, lights for Aspen Park's field, and progress on multiple projects.

Long-Term Debt

At the end of the year, the City has $59,906,230 in general long-term obligations. This is a total dollar change of $4,526,534. See individual balances as shown on Table A-6 below.

Table A-6
Outstanding Debt and Obligations

Governmental Activities	2023	2024	Total Dollar Change	Total % Change
Revenue Bonds	$ 24,029,176	$ 26,010,604	$ 1,981,428	8.25%
Plus: Unamortized Premiums	1,400,260	1,564,534	164,274	11.73%
Bank Notes Payable	155,350	--	(155,350)	-100.00%
Accrued Compensated Absences - Governmental Funds	423,541	463,106	39,565	9.34%
Total Outstanding Debt	$ 26,008,327	$ 28,038,244	$ 2,029,917	7.80%

Business-Type Activities	2023	2024	Total Dollar Change	Total % Change
Revenue Bonds	$ 20,124,356	$ 22,684,174	$ 2,559,818	12.72%
Plus: Unamortized Premiums	1,211,247	1,470,041	258,794	21.37%
State Revolving Loans	7,597,692	7,343,714	(253,978)	-3.34%
Intangible Leases	208,732	117,621	(91,111)	-43.65%
Pension Liability	3,108	6,569	3,461	111.36%
Accrued Compensated Absences - Governmental Funds	226,234	245,867	19,633	8.68%
Total Outstanding Debt	$ 29,371,369	$ 31,867,986	$ 2,496,617	8.50%

Economic Factors and Next Year's Budgets and Rates

The City of Brandon has adopted a General Fund budget for the 2024 fiscal year which has an increase of 4% in expenditures compared to 2023 budget for a total of $12,388,423.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Brandon's finances and to demonstrate the City of Brandon's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Brandon's Finance Office, PO Box 95-304 S Main Ave, Brandon, SD 57005. City Hall phone number is 605-582-6515.

City of Brandon
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	$ 12,791,350	$ 10,634,501	$ 23,425,851
Investments	827,112	799,593	1,626,705
Taxes receivable	20,733	--	20,733
Special assessments receivable	1,185,032	--	1,185,032
Accounts receivable, net	263,884	930,790	1,194,674
Inventories	42,648	74,159	116,807
Other assets	1,014	4,220	5,234
Restricted assets:			
Cash	442,050	574,998	1,017,048
Net pension asset	2,997	8,685	11,682
Notes receivable	221,831	--	221,831
Capital assets:			
Land and construction in process	8,417,208	33,840,436	42,257,644
Other capital assets, net of depreciation	37,472,466	46,655,864	84,128,330
Total Assets	61,688,325	93,523,246	155,211,571
Deferred Outflows of Resources:			
Pension related deferred outflows	665,746	195,359	861,105
Liabilities:			
Accounts payable and other current liabilities	207,857	3,011,341	3,219,198
Other current liabilities	364,506	477,751	842,257
Unearned revenue	96,387	153,725	250,112
Noncurrent liabilities:			
Due within one year	1,590,568	1,053,115	2,643,683
Due in more than one year	26,447,676	30,814,871	57,262,547
Total Liabilities	28,706,994	35,510,803	64,217,797
Deferred Inflows of Resources:			
Other deferred inflows	--	5,251	5,251
Pension related deferred inflows	511,428	151,202	662,630
Total Deferred Inflows of Resources	511,428	156,453	667,881
Net Position:			
Net investment in capital assets	18,314,536	48,880,750	67,195,286
Restricted for:			
Debt services	1,025,189	574,998	1,600,187
Capital improvements	2,291,113	--	2,291,113
SDRS pension purposes	157,315	46,273	203,588
Unrestricted	11,347,496	8,549,328	19,896,824
Total Net Position	$ 33,135,649	$ 58,051,349	$ 91,186,998

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

City of Brandon

Statement of Activities

For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
General government	$ 1,406,458	$ 375,841	$ --	$ --	$ (1,030,617)	$ --	$ (1,030,617)
Public safety	2,991,516	1,732	--	--	(2,989,784)	--	(2,989,784)
Public works	3,010,009	220,512	681,533	1,712,318	(395,646)	--	(395,646)
Health and welfare	9,852	--	--	--	(9,852)	--	(9,852)
Culture and recreation	1,614,970	267,807	--	23,200	(1,323,963)	--	(1,323,963)
Conservation and development	204,798	--	--	--	(204,798)	--	(204,798)
Interest on long-term debt	960,566	--	--	--	(960,566)	--	(960,566)
Total Governmental Activities	10,198,169	865,892	681,533	1,735,518	(6,915,226)	--	(6,915,226)
Business-type Activities:							
Water	2,761,026	3,605,161	--	--	--	844,135	844,135
Electric	292,518	313,610	--	--	--	21,092	21,092
Sewer	2,941,347	3,770,151	1,211,382	--	--	2,040,186	2,040,186
Golf Course	1,622,797	1,492,002	807,443	--	--	676,648	676,648
Total Business-Type Activities	7,617,688	9,180,924	2,018,825	--	--	3,582,061	3,582,061
Total Primary Government	$ 17,815,857	$ 10,046,816	$ 2,700,358	$ 1,735,518	(6,915,226)	3,582,061	(3,333,165)
General Revenues:							
Taxes:							
Property tax					3,840,671	--	3,840,671
Sales tax					5,894,121	--	5,894,121
State shared revenues					190,263	--	190,263
Unrestricted investment earnings					351,204	944,715	1,295,919
Miscellaneous revenue					70,144	34,991	105,135
Transfers					(1,074,934)	1,074,934	--
Total General Revenues and Transfers					9,271,469	2,054,640	11,326,109
Change in Net position					2,356,243	5,636,701	7,992,944
Net Position-Beginning of Year					30,779,406	52,414,648	83,194,054
Net Position-End of Year					$ 33,135,649	$ 58,051,349	$ 91,186,998

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

City of Brandon

Balance Sheet – Governmental Funds

December 31, 2024

	General Fund	Core Reconstruction Project Phase 2b Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 10,479,447	$ 242,276	$ 2,069,627	$ 12,791,350
Investments-certificates of deposit	647,685	--	179,427	827,112
Taxes receivable:				
Delinquent	20,733	--	--	20,733
Accounts receivable	69,600	--	4,826	74,426
Special assessments receivable				
Current	--	--	871,328	871,328
Delinquent	--	--	313,704	313,704
Due from state government	--	--	7,780	7,780
Due from federal governments	181,678	--	--	181,678
Supply inventory	42,648	--	--	42,648
Prepaid expense	1,014	--	--	1,014
Restricted investments and deposits	442,050	--	--	442,050
Note receivable	--	--	221,831	221,831
Total Assets	$ 11,884,855	$ 242,276	$ 3,668,523	$ 15,795,654
Liabilities and Fund Balances:				
Accounts payable	$ 68,363	$ 7,586	$ 4,735	$ 80,684
Accrued wages and benefits payable	127,173	--	--	127,173
Unearned revenue	96,387	--	--	96,387
Total Liabilities	291,923	7,586	4,735	304,244
Deferred Inflows of Resources:				
Property taxes	20,733	--	--	20,733
Special Assessments	--	--	1,185,032	1,185,032
Total Deferred Inflows of Resources	20,733	--	1,185,032	1,205,765
Fund Balances:				
Nonspendable				
Inventory, prepaid expense, note receivable	43,662	--	221,831	265,493
Restricted				
Debt Service	442,050	--	583,139	1,025,189
Capital improvements	--	234,690	871,391	1,106,081
Committed				
Street maintenance	--	--	802,395	802,395
Unassigned	11,086,487	--	--	11,086,487
Total Fund Balances	11,572,199	234,690	2,478,756	14,285,645
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,884,855	$ 242,276	$ 3,668,523	$ 15,795,654

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

City of Brandon

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2024

Total Fund Balances - Government Funds		$ 14,285,645
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset reported in governmental activities is not an available resource and therefore is not reported in the funds.		2,997
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		45,889,674
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.		665,746
Long-term liabilities, including bonds payable and accrued leave payable are not due and payable in the current period and therefore are not reported in the funds.		
Accrued Leave	(463,106)	
Revenue Bonds	(27,575,138)	(28,038,244)
Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are not deferred in the funds.		20,733
Accrued interest payable is not accounted for in the modified accrual basis of accounting, but is accounted for in the statement of net position		(364,506)
Special assessments receivable reported in governmental activities is not an available resource and therefore not reported in the funds.		1,185,032
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.		(511,428)
Net Position - Governmental Funds		$ 33,135,649

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

City of Brandon

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended December 31, 2024

	General Fund	Special Revenue: Formerly Major Fund Street Maintenance Fund	Capital Projects: Formerly Major Fund Rushmore Project Phase 2 Fund	Capital Projects: Formerly Non-Major Fund Core Reconstruction Project Phase 2b Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes						
General property taxes	$ 3,717,262	$ --	$ --	$ --	$ 109,829	$ 3,827,091
General sales taxes	5,553,993	--	--	--	340,128	5,894,121
Penalties and interest	5,037	--	--	--	1,629	6,666
Other	--	--	--	--	24,870	24,870
Licenses and permits	367,416	--	--	--	--	367,416
Intergovernmental revenue						
Federal grants	230,554	--	--	--	--	230,554
State grants	40,029	--	--	--	410,950	450,979
State shared revenues						
Bank franchise tax	108,236	--	--	--	--	108,236
Motor vehicle commercial prorate	6,467	--	--	--	--	6,467
Liquor tax reversion	75,560	--	--	--	--	75,560
Motor vehicles licenses	63,560	--	--	--	--	63,560
Local government highway and bridge	60,756	--	--	--	--	60,756
County shared revenues	11,575	--	--	--	--	11,575
Charges for goods and services						
General government	8,425	--	--	--	--	8,425
Highways and streets	83,820	--	--	--	--	83,820
Sanitation	801	--	--	--	--	801
Culture and recreation	267,807	--	--	--	--	267,807
Fines and forfeits						
Court fines and costs	1,732	--	--	--	--	1,732
Miscellaneous revenue						
Investment earnings	281,378	--	--	50,676	19,150	351,204
Rentals	200	--	--	--	--	200
Special maintenance fee	--	--	--	--	864,924	864,924
Special assessments	51,760	--	--	--	492,199	543,959
Contributions	23,200	--	--	--	--	23,200
Other	69,840	--	--	--	--	69,840
Total Revenue	$ 11,029,408	$ --	$ --	$ 50,676	$ 2,263,679	$ 13,343,763

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

City of Brandon

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

For the Year Ended December 31, 2024 (Continued)

	General Fund	Special Revenue: Formerly Major Fund Street Maintenance Fund	Capital Projects: Formerly Major Fund Rushmore Project Phase 2 Fund	Capital Projects: Formerly Non-Major Fund Core Reconstruction Project Phase 2b Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:						
Current:						
General government:						
Legislative	$ 58,210	$ --	$ --	$ --	$ --	$ 58,210
Publications	28,342	--	--	--	--	28,342
Executive administration	272,598	--	--	--	--	272,598
Legal	47,405	--	--	--	--	47,405
Financial administration	454,985	--	--	--	--	454,985
Planning and zoning	375,589	--	--	--	--	375,589
Other	--	--	--	--	135,100	135,100
Public safety:						
Police	2,153,347	--	--	--	--	2,153,347
Fire	348,325	--	--	--	--	348,325
Building inspection	235,617	--	--	--	--	235,617
Other protection	46,957	--	--	--	--	46,957
Public works:						
Highways and streets	624,631	--	--	81,734	393,098	1,099,463
Sanitation	2,171	--	--	--	--	2,171
Transit	198,648	--	--	--	--	198,648
Health and welfare:						
Health	9,852	--	--	--	--	9,852
Culture and recreation:						
Recreation	388,177	--	--	--	--	388,177
Parks	741,620	--	--	--	--	741,620
Library	6,638	--	--	--	--	6,638
Conservation and development:						
Economic development and assistance (industrial development)	201,941	--	--	--	--	201,941
Debt service	2,296,194	--	--	--	226,459	2,522,653
Capital outlay	1,905,048	--	--	3,619,777	1,009,504	6,534,329
Total Expenditures	10,396,295	--	--	3,701,511	1,764,161	15,861,967
Excess of Revenues Over (Under) Expenditures	633,113	--	--	(3,650,835)	499,518	(2,518,204)
Other Financing Sources:						
Transfers in	886,644	--	--	303,070	227	1,189,941
Transfers out	--	--	--	--	(325,124)	(325,124)
Long-term debt issued	--	--	--	3,582,455	--	3,582,455
Sale of fixed assets	17,632	--	--	--	--	17,632
Total Other Financing Sources	904,276	--	--	3,885,525	(324,897)	4,464,904
Net Change in Fund Balance	1,537,389	--	--	234,690	174,621	1,946,700
Fund Balances- Beginning of Year, as previously presented	10,034,810	3,435	303,691	--	1,997,009	12,338,945
Change within financial reporting entity - (major to nonmajor fund)	--	(3,435)	(303,691)	--	307,126	--
Fund Balances- Beginning of Year, as adjusted	10,034,810	--	--	--	2,304,135	12,338,945
Fund Balances - End of Year	$ 11,572,199	$ --	$ --	$ 234,690	$ 2,478,756	$ 14,285,645

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

City of Brandon

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended December 31, 2024

Net Change in Fund Balances - Total Government Funds	$ 1,946,700
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	6,534,329
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	(2,302,544)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in the amounts accrued.	(30,016)
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or a loss is realized.	(1,957,279)
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets.	1,592,103
The issuance of long-term debt is an other financing source in the fund statements but an increase in the long-term liabilities on the government wide statements.	(3,582,455)
Governmental funds report special assessments as revenue when "available", but the statement of activities includes the full amount of special assessments as revenue upon completion of the project at the point when an enforceable claim arises.	285,479
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	(90,509)
Governmental funds do not reflect the change in accrued leave, but the statement of activities reflects the change in accrued leave through expenditures.	(39,565)
Change in Net Position of Governmental Activities	$ 2,356,243

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

City of Brandon

Statement of Net Position – Proprietary Funds

December 31, 2024

	Enterprise Funds			Non-Major	
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	Totals
Assets:					
Current Assets:					
Cash and cash equivalents	$ 4,988,648	$ 4,922,772	$ 664,822	$ 58,259	$ 10,634,501
Investments-certificates of deposit	605,310	193,913	--	370	799,593
Accounts receivable, net	295,252	377,427	3,902	33,696	710,277
Due from other government	33,637	186,876	--	--	220,513
Supply inventory	20,750	--	53,409	--	74,159
Prepaid expense	--	--	4,220	--	4,220
Total Current Assets	5,943,597	5,680,988	726,353	92,325	12,443,263
Noncurrent Assets:					
Restricted cash and cash equivalents	222,577	352,421	--	--	574,998
Capital assets:					
Land	271,732	583,935	1,801,162	--	2,656,829
Buildings	12,068,585	3,747,630	1,441,723	--	17,257,938
Improvements other than buildings	15,805,890	23,539,819	3,169,885	140,553	42,656,147
Machinery and equipment	1,859,716	798,906	1,183,075	--	3,841,697
Accumulated depreciation	(8,002,323)	(6,875,054)	(2,205,314)	(17,227)	(17,099,918)
Construction in Progress	26,769,525	4,414,082	--	--	31,183,607
Total Capital Assets:	48,773,125	26,209,318	5,390,531	123,326	80,496,300
Net pension asset	5,332	--	3,353	--	8,685
Total Noncurrent Assets	49,001,034	26,561,739	5,393,884	123,326	81,079,983
Total Assets	54,944,631	32,242,727	6,120,237	215,651	93,523,246
Deferred Outflows of Resources:					
Pension related deferred outflows	85,256	45,529	64,574	--	195,359
Liabilities:					
Current Liabilities:					
Accounts payable	1,095,998	1,852,921	23,631	1,216	2,973,766
Accrued wages	15,859	9,320	12,396	--	37,575
Accrued interest payable	391,532	70,953	1,941	--	464,426
Accrued taxes payable	2,140	1,238	9,947	--	13,325
Unearned revenue	--	--	153,725	--	153,725
Current portion of long term debt	589,314	372,039	91,762	--	1,053,115
Total Current Liabilities	2,094,843	2,306,471	293,402	1,216	4,695,932
Noncurrent Liabilities:					
Accrued leave payable	107,212	47,712	90,943	--	245,867
Other long-term debt	24,065,801	6,470,778	25,856	--	30,562,435
Net pension liability	--	6,569	--	--	6,569
Total Noncurrent Liabilities	24,173,013	6,525,059	116,799	--	30,814,871
Total Liabilities	26,267,856	8,831,530	410,201	1,216	35,510,803
Deferred Inflows of Resources:					
Other deferred inflows	262	4,989	--	--	5,251
Pension related deferred inflows	70,053	29,753	51,396	--	151,202
Total Deferred Inflows of Resources	70,315	34,742	51,396	--	156,453
Net Position:					
Net investment in capital assets	24,118,010	19,366,501	5,272,913	123,326	48,880,750
Restricted net position restricted for:					
Debt service	222,577	352,421	--	--	574,998
SDRS pension purposes	20,535	9,207	16,531	--	46,273
Unrestricted net position	4,330,594	3,693,855	433,770	91,109	8,549,328
Total Net Position	$ 28,691,716	$ 23,421,984	$ 5,723,214	$ 214,435	$ 58,051,349

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

City of Brandon

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds

For the Year Ended December 31, 2024

	Enterprise Funds			Non-Major	
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	Totals
Operating Revenues:					
Charges for goods and services	$ 2,211,462	$ 3,460,493	$ 1,479,725	$ 306,864	$ 7,458,544
Surcharges for debt	1,336,860	197,384	--	--	1,534,244
Other	56,839	112,274	12,277	6,746	188,136
Total Operating Revenues	3,605,161	3,770,151	1,492,002	313,610	9,180,924
Operating Expenses:					
Personal services	543,781	285,186	715,031	--	1,543,998
Other current expense	630,328	1,706,440	550,035	273,926	3,160,729
Materials	23,787	152,745	73,167	12,831	262,530
Amortization	--	--	38,126	--	38,126
Depreciation	545,716	590,952	200,894	5,761	1,343,323
Total Operating Expenses	1,743,612	2,735,323	1,577,253	292,518	6,348,706
Operating Income (Loss)	1,861,549	1,034,828	(85,251)	21,092	2,832,218
Nonoperating Revenues:					
Operating grants	--	1,211,382	807,443	--	2,018,825
Investment earnings	910,408	34,110	--	197	944,715
Interest expense	(1,017,414)	(206,024)	(45,544)	--	(1,268,982)
Gain/Loss on sale of capital assets	17,627	4,600	12,764	--	34,991
Total Nonoperating Revenue	(89,379)	1,044,068	774,663	197	1,729,549
Net Income (Loss) Before Contributions	1,772,170	2,078,896	689,412	21,289	4,561,767
Capital contributions	897,135	1,042,616	--	--	1,939,751
Transfers out	(352,978)	(511,839)	--	--	(864,817)
Net Change in Net Position	2,316,327	2,609,673	689,412	21,289	5,636,701
Net Position - Beginning of Year	26,375,389	20,812,311	5,033,802	193,146	52,414,648
Net Position - End of Year	$ 28,691,716	$ 23,421,984	$ 5,723,214	$ 214,435	$ 58,051,349

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

City of Brandon

Statement of Cash Flows – Proprietary Funds

For the Year Ended December 31, 2024

	Water Fund	Sewer Fund	Golf Course Fund	Non-Major Electric Fund	Totals
Cash Flows from Operating Activities:					
Receipt from customers	$ 3,588,622	$ 3,613,462	$ 1,473,874	$ 316,968	$ 8,992,926
Payments to suppliers	(837,025)	(472,382)	(636,890)	(286,844)	(2,233,141)
Payments to employees	(520,456)	(278,457)	(687,242)	--	(1,486,155)
Net Cash Provided (Used) by Operating Activities:	2,231,141	2,862,623	149,742	30,124	5,273,630
Cash Flows From Noncapital Financial Activities:					
Transfers (to) from other funds	(352,978)	(511,839)	--	--	(864,817)
Net Cash Provided (Used) by Noncapital Financing Activities:	(352,978)	(511,839)	--	--	(864,817)
Cash Flows from Capital and Related Financing Activities:					
Operating grants	--	1,211,382	807,443	--	2,018,825
Purchase of capital assets	(13,010,361)	(3,955,174)	(170,811)	(16,286)	(17,152,632)
Proceeds from sales of capital assets	--	4,600	--	--	4,600
Proceeds of long term debt	--	3,335,561	--	--	3,335,561
Payments on long term debt	(571,323)	(199,602)	(91,112)	--	(862,037)
Debt interest paid	(1,024,240)	(173,493)	(45,504)	--	(1,243,237)
Change in restricted cash	(3,577)	(30,553)	--	(193)	(34,323)
Gain/Loss on sale of capital assets	17,627	--	12,764	--	30,391
Net Cash Provided (Used) by Capital and Related Financing Activities:	(14,591,874)	192,721	512,780	(16,479)	(13,902,852)
Cash Flows from Investing Activities:					
Interest earnings	910,408	34,110	--	197	944,715
Net Cash Provided (Used) by Investing Activities	910,408	34,110	--	197	944,715
Net Increase in Cash and Cash Equivalents	(11,803,303)	2,577,615	662,522	13,842	(8,549,324)
Cash and Cash Equivalents - Beginning of Year	16,791,951	2,345,157	2,300	44,417	19,183,825
Cash and Cash Equivalents - End of Year	$ 4,988,648	$ 4,922,772	$ 664,822	$ 58,259	$ 10,634,501

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

City of Brandon
Statement of Cash Flows – Proprietary Funds
For the Year Ended December 31, 2024 (Continued)

Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by Operating Activities:					
Operating income (loss)	$ 1,861,549	$ 1,034,828	$ (85,251)	$ 21,092	$ 2,832,218
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Provided by operating activities:					
Depreciation expense	545,716	590,952	200,894	5,761	1,343,323
Amortization expense	--	--	38,126	--	38,126
(Increase) decrease in:					
Receivables	(12,397)	(156,689)	2,405	3,358	(163,323)
Prepaid expenses	--	--	(1,116)	--	(1,116)
Inventories	(3,530)	--	(12,192)	--	(15,722)
Increase (decrease) in:					
Accounts and other payables	(182,910)	1,381,814	(12,572)	(87)	1,186,245
Pension related deferred inflows and inflows	12,421	10,299	8,369	--	31,089
Accrued wages and leave payable	10,904	(3,570)	19,420	--	26,754
Unearned revenue	(612)	4,989	(8,341)	--	(3,964)
Cash Flows Provided by Operating Activities	$ 2,231,141	$ 2,862,623	$ 149,742	$ 30,124	$ 5,273,630
Noncash Capital Activities					
Capital Contribution	$ 897,135	$ 1,042,616	$ --	$ --	$ 1,939,751

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

1. Summary of Significant Accounting Policies:

a. Financial Reporting Entity:

The reporting entity of the City of Brandon 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), 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.

b. Basis of Presentation:

Government-Wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity, except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

1. Summary of Significant Accounting Policies: (Continued)

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City's financial reporting entity are described below:

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.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

The following Special Revenue Funds are not considered major funds: Street Maintenance Fund, Third Cent Sales Tax, 2006 TIF Special Revenue Fund, Surface Transportation Program Fund, Stormwater Fund and the Brandon Revolving Loan Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The following Debt Service Funds are not considered major funds: TIF Convention Center Debt Service Fund, TIF #4 Fund, TIF #5 Fund, TIF #6 Fund, TIF #7 Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Capital Projects Funds – capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments).

Core Area Reconstruction Project Phase 2b Fund – to account for the capital project authorized for reconstruction of the Core Area. This is a major Fund.

The following Capital Projects are not considered to be major funds: Rushmore Phase 2 Loan Fund. This fund is reported on the fund financial statements as part of "Other Governmental Funds" and is detailed in the combining statement section.

1. Summary of Significant Accounting Policies: (Continued)

Proprietary Funds:

Enterprise Funds – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources:

a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)

b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.

c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Water Fund – financed primarily by user charges, this fund accounts for the construction and operation of the City waterworks system and related facilities (SDCL 9-47-1). This is a major fund.

Sewer Fund – financed primarily by user charges, this fund accounts for the construction and operation of the City sanitary sewer system and related facilities (SDCL 9-48-2). This is a major fund.

Golf Course Fund – financed by user charges, this fund accounts for the operations of the golf course services. This is a major fund.

Electric Fund – financed primarily by user charges, this fund accounts for the operations of electric services. This is a not major fund.

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

1. Summary of Significant Accounting Policies: (Continued)

Measurement Focus:

Government-Wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary fund types.

Basis of Accounting:

Government-Wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the City of Brandon is 30 days. The revenues which are accrued at December 31, 2024 are amounts due from other governments, and other receivables due within 30 days.

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

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary 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.

1. Summary of Significant Accounting Policies: (Continued)

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns.

e. Deposits and Investments:

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with term to maturity at a date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments classified in the financial statements consist primarily of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investments authorized by South Dakota Codified Law (SDCL) 4-5-6.

f. Capital Assets:

Capital assets include land, buildings, improvements other than buildings, furnishings and equipment, construction in progress, intangible lease assets 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.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations, and whether they are reported in government-wide or fund financial statements.

Government-Wide Financial Statements:

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 on 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 that are significant, and which extend to useful file of a capital asset are also capitalized.

1. Summary of Significant Accounting Policies: (Continued)

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, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004 are recorded at cost and classified as "Improvements other than Buildings".

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP. Capital assets used in business-type activities/proprietary fund operations, construction-period interest is also not capitalized; this is in accordance with USGAAP.

Depreciation/Amortization 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 reported as Unallocated Depreciation/Amortization, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation/amortization is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
*Land and land rights	All	N/A	N/A
Improvements other than buildings	$ 5,000	Straight-line	25-75 years
Buildings	25,000	Straight-line	25-75 years
Machinery and equipment	5,000	Straight-line	7-10 years
Furniture	5,000	Straight-line	7-10 years
Infrastructure	All	Straight-line	25-75 years

*Land, an inexhaustible capital asset, is not depreciated

Fund Financial Statements:

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 acquired for use in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide financial statements.

1. Summary of Significant Accounting Policies: (Continued)

g. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of state revolving loans, revenue bonds, notes payable, intangible lease liabilities, and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide financial statements.

h. Leases:

The City is a lessee for noncancellable leases of sixty golf carts. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

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

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

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

1. Summary of Significant Accounting Policies: (Continued)

i. Subscription-Based Information Technology Arrangements:

The City has not entered into subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements if this should happen. This City recognizes subscription liabilities with an initial, individual value of $50,000 or more.

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

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

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

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

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

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

j. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

1. Summary of Significant Accounting Policies: (Continued)

2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

k. Deferred Inflows and Deferred Outflows of Resources:

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

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

l. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Fund Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

m. Cash and Cash Equivalents:

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 to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

n. Equity Classifications:

Government-Wide Financial Statements:

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

1. Summary of Significant Accounting Policies: (Continued)

1. 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 acquisitions, construction or improvement of those assets.

2. Restricted net position – Consists of net position 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.

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

Fund Financial Statements:

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

o. Application of Net Position:

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

p. Fund Balance Classification Policies and Procedures:

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 – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the City Council.

Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

1. Summary of Significant Accounting Policies: (Continued)

The City uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

q. Pensions:

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

2. Deposits and Investments Fair Value Measurement, Credit Risk, Concentrations of Credit Risk and Interest Rate Risk:

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The City's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 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 FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

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

As of December 31, 2024, the investments reported in the financial statements consist of only certificates of deposit.

2. Deposits and Investments Fair Value Measurement, Credit Risk, Concentrations of Credit Risk and Interest Rate Risk: (Continued)

Credit Risk – State Law limits eligible investments for the City, as discussed above. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in any one issuer

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

Interest Rate Risk – The City does not have a formal investment policy that limits investment securities 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 deposits and investments to the fund making the investment.

3. Restricted Cash and Investments:

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

Fund	Amount:	Purpose:
General Fund	$ 442,050	Debt Services, by debt covenants
Water Fund	222,577	Debt Services, by debt covenants
Sewer Fund	352,421	Debt Services, by debt covenants
Total	$ 1,017,048	

4. Receivables and Payables:

Receivables and payables are not aggregated in these financial statements. The City expects all receivables to be collected within one year, except for $221,831 of receivables related to economic development loans to qualifying businesses reported in the Brandon Revolving Fund. This is a summary of Economic Development Loans receivable as of December 31, 2024.

Government Activities:

Years Ending Dec. 31,	Dakota Storage Loan		COVID Response Loans		Xtremely Clean	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 6,223	$ --	$ 10,833	$ --	$ 18,344	$ --
2026	6,348	--	--	--	19,341	--
2027	6,477	--	--	--	20,392	--
2028	6,607	--	--	--	21,496	--
2029	6,741	--	--	--	12,636	--
Thereafter	86,393	--	--	--	--	--
Total	$ 118,789	$ --	$ 10,833	$ --	$ 92,209	$ --

5. Inventory:

Inventory in the General Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Inventory acquired for resale in the proprietary funds is recorded as an asset when acquired. The consumption of inventories held for resale is charged to expense as it is consumed. Inventories held for resale are recorded at the lower of cost or market, on the first-in, first-out cost flow assumption.

Government-Wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, purchases of supply inventory items are recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

6. Property Taxes:

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal 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.

7. Changes in Capital Assets:

A summary of changes in capital assets for the year ended December 31, 2024 is as follows:

	Balance 12/31/2023	Increases	Decreases	Balance 12/31/2024
Governmental Activities:				
Capital assets, not being depreciated/amortized				
Land	$ 2,765,908	$ 334,201	$ --	$ 3,100,109
Construction in progress	5,272,887	4,893,589	4,849,377	5,317,099
Total, not being depreciated/amortized	8,038,795	5,227,790	4,849,377	8,417,208
Capital assets, being depreciated/amortized				
Buildings	5,072,847	--	--	5,072,847
Improvements	45,083,944	3,797,092	71,367	48,809,669
Machinery & Equipment	4,111,620	419,073	74,944	4,455,749
Total, being depreciated/amortized	54,268,411	4,216,165	146,311	58,338,265
Less accumulated depreciation/amortization for:				
Buildings	2,016,254	121,368	--	2,137,622
Improvements	14,436,103	1,846,239	53,839	16,228,503
Machinery & Equipment	2,239,681	334,937	74,944	2,499,674
Total accumulated depreciation/amortization	18,692,038	2,302,544	128,783	20,865,799
Capital Assets Net	$ 43,615,168	$ 7,141,411	$ 4,866,905	$ 45,889,674

Depreciation/amortization expense was charged to functions as follows:

General government	$ 24,441
Public safety	104,275
Public works	1,701,819
Culture and recreation	472,009
	$ 2,302,544

7. Changes in Capital Assets: (Continued)

A summary of changes in capital assets for the year ended December 31, 2024 is as follows: (Continued)

	Balance 12/31/2023	Increases	Decreases	Balance 12/31/2024
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 2,619,179	$ 37,650	$ --	$ 2,656,829
CIP	22,977,705	16,818,212	8,612,310	31,183,607
Total, not being depreciated	25,596,884	16,855,862	8,612,310	33,840,436
Capital assts, being depreciated/amortized:				
Buildings	10,560,979	6,696,959	--	17,257,938
Improvements	38,655,981	4,022,191	22,025	42,656,147
Machinery & Equipment	3,866,139	129,680	154,122	3,841,697
Intangible Lease Assets	148,297	--	--	148,297
Total, being depreciated/amortized	53,231,396	10,848,830	176,147	63,904,079
Less accumulated depreciation/amortization for:				
Buildings	3,084,331	230,425	--	3,314,756
Improvements	10,211,022	895,564	22,025	11,084,561
Machinery & Equipment	2,637,389	217,334	154,122	2,700,601
Intangible Lease Assets	110,171	38,126	--	148,297
Total accumulated depreciation/amortization	16,042,913	1,381,449	176,147	17,248,215
Capital Assets Net	$ 62,785,367	$ 26,323,243	$ 8,612,310	$ 80,496,300

Depreciation/Amortization expense was charged to functions as follows:

Water	$ 545,716
Electric	5,761
Sewer	590,952
Amortization	38,126
Golf Course	200,894
Total Depreciation/Amortization Expense - Business-Type Activities	$ 1,381,449

7. Changes in Capital Assets: (Continued)

Construction Work in Progress at December 31, 2024 is composed of the following:

Project Name	Project Authorization	Expended thru 12/31/2024	Committed
Governmental Activities			
Big Sioux Drainage	$ 1,000,000	$ 913,793	$ 86,207
Ironwood Street Expansion	107,120	107,120	--
Core Area Reconstruction-Phase IIB	3,849,103	3,849,103	--
Bluffs Tract 5 Shared Use Path	9,937	9,937	--
Express Ave-Part of Exit 406 Project	500,000	437,146	62,854
Total Governmental Activities	5,466,160	5,317,099	149,061
Business-Type Activities			
Dual Force Main	2,341,211	2,341,211	--
Eastside Trunk Sewer	1,805,052	1,805,052	--
Pool Lift Station	79,539	45,439	34,100
Exit 406 Sewer Utilities	222,379	222,379	--
Exit 406 Water Utilities	222,481	222,481	--
Water Treatment Plant Expansion	28,396,290	26,547,045	1,849,245
Total Business-Type Activities	33,066,952	31,183,607	1,883,345
Total Work in Progress	$ 38,533,112	$ 36,500,706	$ 2,032,406

8. Long-Term Debt:

A summary of changes in long-term debt follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government					
Government Activities:					
Bonds Payable:					
Revenue	$ 24,029,176	$ 3,320,000	$ 1,338,572	$ 26,010,604	$ 1,474,890
Premiums on bonds	1,400,260	262,455	98,181	1,564,534	115,678
Notes Payable:					
Bank Notes	155,350	--	155,350	--	--
Total Debt	25,584,786	3,582,455	1,592,103	27,575,138	1,590,568
Accrued Leave	423,541	463,106	423,541	463,106	--
Total Governmental Activities	26,008,327	4,045,561	2,015,644	28,038,244	1,590,568
Business-Type Activities:					
Bonds Payable:					
Revenue	20,124,356	3,035,000	475,182	22,684,174	639,110
Premium on Debt	1,211,247	300,561	41,767	1,470,041	61,804
State Revolving Funds	7,597,692	--	253,978	7,343,714	260,439
Intangible Lease	208,732	--	91,111	117,621	91,762
Total Debt	29,142,027	3,335,561	862,038	31,615,550	1,053,115
Pension Liability	3,108	3,461	--	6,569	--
Accrued Leave	226,234	245,867	226,234	245,867	--
Total Business-Type Activities	29,371,369	3,584,889	1,088,272	31,867,986	1,053,115
Total Primary Government	$ 55,379,696	$ 7,630,450	$ 3,103,916	$ 59,906,230	$ 2,643,683

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2024, is comprised of the following:

Governmental Activities:

Revenue Bonds:

Sales Tax Revenue Bonds, Series 2019A Fire Department	During March, 2020, the city entered into an agreement to receive sales tax revenue bonds for $780,477 with an interest rate of 3.0%. The final payment is due September, 2035. This debt is serviced by the General Fund.	$ 575,604
Sales Tax Revenue Bonds, Series 2023	During March 2023, the city entered into an agreement to receive sales tax revenue bonds for $4,445,000 with an interest rate of 5.0%. The final payment is due September, 2038. This debt is serviced by the General Fund.	4,330,000
Sales Tax Revenue Bonds, Series 2019B Holly/Main Project	During June, 2020, the city entered into an agreement to receive sales tax revenue bonds for $6,500,000 with an interest rate of 3.0%. The final payment is due December, 2034. This debt is serviced by the General Fund.	4,660,000
Sales Tax Revenue Bonds, Series 2024 - Core 2B	During April, 2024, the city entered into an agreement to receive sales tax revenue bonds for $3,320,000 with an interest rate of 5.0%. The final payment is due June, 2039. This debt is serviced by the General Fund.	3,320,000
Sales Tax Revenue Bonds, Series 2019C Brandon Park	During June, 2020, the city entered into an agreement to receive sales tax revenue bonds for $2,000,000 with an interest rate of 3.0%. The final payment is due December, 2034. This debt is serviced by the General Fund.	1,435,000
Sales Tax Revenue Bonds, Series 2020 Core Phase	During February, 2021, the city entered into an agreement to receive sales tax revenue bonds for $6,475,000 with an interest rate of 3.0%. The final payment is due August, 2040. This debt is serviced by the General Fund.	5,465,000

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2024, is comprised of the following: (Continued)

Sales Tax Revenue Bonds, Series 2021 Rushmore Phase I	During March, 2022, the city entered into an agreement to receive sales tax revenue bonds for $4,150,000 with an interest rate of 3.0%. The final payment is due September, 2036. This debt is serviced by the General Fund.	3,485,000
Premium on Long Term Debt	The premium on long term debt issued is being amortized. This debt is serviced by the General Fund.	1,564,534
Sales Tax Revenue Bonds, Series 2022 Core Area	During February, 2023, the city entered into an agreement to receive sales tax revenue bonds for $3,000,000 with an interest rate of 5.0%. The final payment is due August, 2037. This debt is serviced by the General Fund.	2,740,000
Total Revenue Bond Debt		27,575,138
Accrued Leave Payable	The liability for accrued leave represents leave benefits earned as of December 31, 2024. This debt is serviced by the General Fund.	463,106
Total Governmental Activities Debt		$ 28,038,244
Business-type Activities:		
State Revolving Fund (SRF) Loans:		
Series 2020 State Revolving Fund	During fiscal year 2023, the city did another drawdown on this note for $518,884. At the rate of 2.125%, the final payment is January, 2053. This debt will be repaid from the Water Fund.	$ 5,455,632
Series 2018 State Revolving Fund	During fiscal year 2018, the city finalized an agreement to receive $2,598,000 on an SRF loan. At the rate of 3%, the final payment is January, 2038. This debt will be repaid from the Sewer Fund.	1,888,082
Total State Revolving Fund Debt		7,343,714

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2024, is comprised of the following: (Continued)

Revenue Bonds:		
Utility Revenue Bonds, Series 2020, Well #8	During December, 2020, the city entered into an agreement for Water Utility Revenue bonds in the amount of $1,000,000. These bonds have a 2.0% fixed rate and the final payment is due December 1, 2029. This debt is serviced by the Water Fund.	515,000
Sewer Revenue Bonds, Series 2024	During October, 2024, the city entered into an agreement for Sewer Utility Revenue bonds in the amount of $3,035,000. (premium of 300,561) These bonds have a 5.0% fixed rate and the final payment is due September 15, 2039. This debt is serviced by the Sewer Fund.	3,335,561
Utility Revenue Bonds, Series 2020, Well #8	During January, 2018, the city entered into an agreement for Utility Revenue bonds in the amount of $2,110,000. These bonds have a 4.56% fixed rate and the final payment is due February, 2038. This debt is serviced by the Sewer Fund.	1,619,174
Water Surcharge Revenue Bonds, Series 2022	During February, 2023, the city entered into an agreement for Water Surcharge Revenue bonds in the amount of $18,080,000. These bonds have a varying rate of 4 to 5% rate and the final payment is due December, 2052. This debt is serviced by the Water Fund.	18,684,480
Total Revenue Bond Debt		24,154,215
Leases Payable:		
Huntington National Bank in Plymouth, MN	During January, 2021, the city entered into an agreement to lease GPS equipment for $122,189 with an interest rate of 2.89%. This note has a final payment due January, 2026. This debt is serviced by the Golf Course Fund.	50,982

8. Long-Term Debt: (Continued)

Debt payable at December 31, 2024, is comprised of the following: (Continued)

Wells Fargo Bank	During February, 2021, the city entered into an agreement to lease golf carts for $325,153 with a varying interest rate of 1.43 to 1.72%. This note has a final payment due April, 2025. This debt is serviced by the Golf Course Fund.	66,639
Total Leases Payable		117,621
Pension Liability	Pension Liability	6,569
Accrued Leave Payable	The liability for accrued leave represents leave benefits earned as of December 31, 2024. This debt is serviced by the proprietary fund making the payroll payment.	245,867
Total Business Activity Debt		31,867,986
Grand Total		$ 59,906,230

The annual requirements to amortize all debt outstanding as of December 31, 2024, except for compensated absences are as follows:

Government Activities:

Years Ending Dec. 31,	Revenue Bonds	
	Principal	Interest
2025	$ 1,590,568	$ 1,080,140
2026	1,821,924	920,381
2027	1,873,322	857,758
2028	1,944,762	792,969
2029	1,996,246	725,436
2030-2034	11,025,100	2,580,797
2035-2039	6,868,354	743,164
2040-2044	454,862	12,750
Total	$ 27,575,138	$ 7,713,395

8. Long-Term Debt: (Continued)

The annual requirements to amortize all debt outstanding as of December 31, 2024, except for compensated absences are as follows: (Continued)

Business-Type Activities:

Years Ending Dec. 31,	Revenue Bonds		State Revolving Loans	
	Principal	Interest	Principal	Interest
2025	$ 700,914	$ 1,103,992	$ 260,439	$ 170,125
2026	720,024	1,085,920	267,068	163,496
2027	759,323	1,056,371	273,873	156,691
2028	783,821	1,018,473	280,856	149,709
2029	818,526	992,468	288,021	142,543
2030-2034	4,081,162	4,448,261	1,554,373	598,449
2035-2039	4,772,466	3,513,147	1,454,023	395,671
2040-2044	3,563,835	2,618,112	1,022,344	264,398
2045-2049	4,573,835	1,641,475	1,136,629	150,113
2050-2054	3,380,309	364,650	806,088	30,295
Total	$ 24,154,215	$ 17,842,869	$ 7,343,714	$ 2,221,490

Years Ending Dec. 31,	Leases Payable		Total	
	Principal	Interest	Principal	Interest
2025	$ 91,762	$ 4,389	$ 1,053,115	$ 1,278,506
2026	25,859	747	1,012,951	1,250,163
2027	--	--	1,033,196	1,213,062
2028	--	--	1,064,677	1,168,182
2029	--	--	1,106,547	1,135,011
2030-2034	--	--	5,635,535	5,046,710
2035-2039	--	--	6,226,489	3,908,818
2040-2044	--	--	4,586,179	2,882,510
2045-2049	--	--	5,710,464	1,791,588
2050-2054	--	--	4,186,397	394,945
Total	$ 117,621	$ 5,136	$ 31,615,550	$ 20,069,495

9. Leases:

The City leased GPS equipment through Huntington National Bank in Plymouth, MN. This equipment had an original cost of $122,189 as of December 31, 2024 and accumulated amortization of $71,207 as of December 31, 2024.

The City leased golf carts through Wells Fargo Equipment Finance. This equipment had an original cost of $325,153 and accumulated amortization of $258,517 as of December 31, 2024.

10. Wastewater Agreement:

In October 2015, the City of Brandon entered into a 20-year agreement with the City of Sioux Falls to obtain wastewater treatment services. An annual administrative fee of $2,000 is paid by the City of Brandon to the City of Sioux Falls along with a 2022 rate of $4.59 per 1,000 gallons of volume of wastewater discharged from the sewer system of Brandon in to the Sioux Falls Wastewater Treatment Facility. The annual administrative fee is for the role of implementation and enforcement of Industrial Pretreatment Program on industrial users in Brandon. The City of Brandon also pays the rates, surcharges and Regional SDC's as established by the Sioux Falls City Council, and adopted in the Code of Ordinances of Sioux Falls for its Regional Wastewater System. Payments are made from the City's Sewer Fund.

11. Restricted Net Position:

Restricted Net Position for the year ended December 31, 2024 was as follows:

	Governmental Funds	Proprietary Funds	Total
Debt service	$ 1,025,189	$ 574,998	$ 1,600,187
Capital projects	2,291,113	--	2,291,113
SDRS pension purposes	157,315	46,273	203,588
Total	$ 3,473,617	$ 621,271	$ 4,094,888

These balances are restricted due to federal grant and statutory requirements.

12. Interfund Transfers:

Interfund transfers for the year ended December 31, 2024 were as follows:

Transfer from TIF Convention Center Fund to 2006 TIF Fund to help close out the project.	$	227
Transfer from 2006 TIF Fund to General Fund to help close out the project.	$	21,827
Transfer from Rushmore Project Phase II Fund to Core Phase 2B help fund the project.	$	303,070
Transfer from Water Fund to General Fund for Engineering Fees.	$	42,301
Transfer from Sewer Fund to General Fund for Engineering Fees.	$	42,301
Transfer from Water Fund to General Fund for Bond Payments Transactions.	$	310,677
Transfer from Sewer Fund to General Fund for Bond Payments Transactions.	$	469,538

13. Pension Plan:

Plan Information:

All employees, working for more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering, and amending plan provisions are found in 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.

13. Pension Plan: (Continued)

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 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.

13. Pension Plan: (Continued)

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 statue to contribute the following percentages of their salary to the plan; Class A members, 6% of salary; Class B Judicial Members, 9% of salary; and Class B Public Safety Members, 8% 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 the required contributions each year as follows:

2024	$	218,923
2023		205,633
2022		174,345

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:

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

Proportionate share of pension liability	$ 18,844,151
Less proportionate share of total pension restricted for pension benefits	18,849,264
Proportionate share of net pension liability (asset)	$ (5,113)

At December 31, 2024, the City reported an asset of ($5,113) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024 and the total pension asset used to calculate the net pension asset was based on a projection of the City's share of contributions to the plan relative to the contributions of all participating entities. At June 30, 2024, the City's proportion was 0.126316%, which is an increase of 0.003582% from its proportion measured as of June 30, 2023.

13. Pension Plan: (Continued)

For the year ended December 31, 2024 the City recognized pension expense of $121,598. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 473,489	$ --
Changes in assumption	84,305	642,653
Net Difference between projected and actual earnings on pension plan investments	192,602	--
Changes in proportion and difference between City contributions and proportionate share of contributions	--	19,977
City contributions subsequent to the measurement date	110,709	--
Total Revenues	$ 861,105	$ 662,630

$110,709 reported as deferred outflow 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 ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions recognized in pension expense (reduction of pension expense) as follows:

Year Ended December 31:	
2025	$ (188,020)
2026	239,018
2027	21,897
2028	14,922
	$ 87,817

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 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
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.71%

13. Pension Plan: (Continued)

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, 2023.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (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.

13. Pension Plan: (Continued)

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 discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.6%
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%
Total	100%	

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current 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 Liability to Changes in the Discount Rate:

The following presents the City's proportionate share of net pension asset calculated using the discount rate of 6.50 percent, 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	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset)	$ 2,598,272	$ (5,113)	$ (2,135,493)

Pension Plan Fiduciary Net Position:

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

14. Risk Management:

The City is exposed to various risks of loss related to tort; 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:

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

Liability Insurance:

The City joined the South Dakota Public Assurance Alliance, a public entity risk pool currently operating as a common risk management and insurance program for 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 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 detailed below, under an occurrence-made 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 to provide coverage for torts, thefts, errors and omissions, automobile and general liability.

Effective October 5, 2022, 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 has reflected the effects of the SDPAA policy in the financial statements as a Change in Accounting Estimate in the Statement of Activities and in the Fund Operating Statements and also eliminated the reporting of the Deposit on the Statement of Net Position and Fund Balance Sheet.

The City carries a $1,000 deductible for the automobile collision coverage, $250 deductible for official's liability and $5,000 for Law Enforcement liabilities.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liabilities coverage.

14. Risk Management: (Continued)

Worker's Compensation:

The City joined the South Dakota City League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of $2,000,000 per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Unemployment Benefits:

The city provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

During the year ended December 31, 2024, no claims were filed for unemployment benefits. At December 31, 2024, no claims were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next year.

15. Implementation of New Accounting Standard:

In 2024, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*. GASB 100 provides guidance on the accounting and financial reporting for accounting changes and error corrections. It distinguishes between different types of accounting changes—such as changes in accounting principles, changes in estimates, and changes to or within the financial reporting entity—and prescribes specific reporting and disclosure requirements for each. This Statement aims to improve consistency and transparency in financial reporting by requiring retroactive application of changes in accounting principles and corrections of errors, when practicable, and enhancing disclosures. The effect of the implementation of this standard on beginning net position is disclosed in Note 16.

16. Adjustment to Beginning Balances:

In 2024, the City implemented the provisions of GASB 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*. The effects of this implementation is as follows:

	Funds			
	Street Maintenance Fund	Rushmore Project Phase 2 Fund	Core Reconstruction Project Phase 2b Fund	Other Governmental Funds
Beginning fund balance, as previously reported	$ 3,435	$ 303,691	$ --	$ 1,997,009
Change from major to nonmajor fund	(3,435)	(303,691)	--	307,126
Beginning fund balance, as adjusted	$ --	$ --	$ --	$ 2,304,135

Required Supplementary Information

City of Brandon
Budgetary Comparison Schedules-Budgetary Basis – General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Revenue from Local Sources:				
Taxes:				
General property tax	$ 3,701,845	$ 3,701,845	$ 3,717,262	$ 15,417
General sales and use tax	4,800,000	4,800,000	5,553,993	753,993
Penalties and interest on taxes	4,000	4,000	5,037	1,037
Licenses and permits	259,786	259,786	367,416	107,630
Intergovernmental:				
Federal grants	115,292	115,292	230,554	115,262
State grants	34,479	34,479	40,029	5,550
State shared revenues				
Bank franchise tax	124,000	124,000	108,236	(15,764)
Motor vehicle commercial prorate	6,000	6,000	6,467	467
Liquor tax reversion	66,000	66,000	75,560	9,560
Motor vehicle licenses (5%)	60,000	60,000	63,560	3,560
Local government highway and bridge fund	57,000	57,000	60,756	3,756
County Shared Revenue:				
County road tax (25%)	11,000	11,000	11,575	575
Charges for Goods and Services:				
General government	5,000	5,000	8,425	3,425
Public safety	80,200	80,200	83,820	3,620
Sanitation	59,733	59,733	801	(58,932)
Health	1,500	1,500	--	(1,500)
Culture and recreation	168,700	168,700	267,807	99,107
Fines and Forfeits:				
Court fines and costs	3,200	3,200	1,732	(1,468)
Miscellaneous Revenue:				
Investment earnings	3,000	3,000	281,378	278,378
Rentals	1,950	1,950	200	(1,750)
Special assessments	--	--	51,760	51,760
Contributions and donations	--	--	23,200	23,200
Other	15,000	15,000	69,840	54,840
Total Revenues	$ 9,577,685	$ 9,577,685	$ 11,029,408	$ 1,451,723

City of Brandon

Budgetary Comparison Schedules-Budgetary Basis – General Fund
For the Year Ended December 31, 2024 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Expenditures				
General Government:				
Mayor & council	$ 58,021	$ 58,521	$ 58,210	$ 311
Publications	30,000	30,000	28,342	1,658
Elections	2,550	2,550	--	2,550
Executive Admin	278,187	278,187	272,598	5,589
Financial administration	495,214	495,214	454,985	40,229
Legal	68,000	68,000	47,405	20,595
General Government Building	342,303	407,303	385,789	21,514
Public Safety:				
Police	2,313,691	2,313,691	2,196,049	117,642
Fire	352,935	352,935	348,325	4,610
Building inspection	242,719	242,719	235,617	7,102
Other protection	134,800	134,800	118,396	16,404
Public Works:				
Highways and streets	3,206,684	3,206,684	1,888,079	1,318,605
Sanitation	3,500	3,500	2,171	1,329
Transit	209,748	209,748	198,648	11,100
Health and Welfare:				
Health	8,300	11,200	9,852	1,348
Culture and Recreation:				
Recreation	415,830	415,830	402,995	12,835
Parks	1,243,336	1,263,336	1,244,061	19,275
Libraries	10,000	10,000	6,638	3,362
Conservation and Development:				
Economic Development and Assistance	386,411	536,411	201,941	334,470
Debt Service	2,296,194	2,296,194	2,296,194	--
Contingency	75,000	51,600	--	51,600
Total Expenditures	12,173,423	12,388,423	10,396,295	1,992,128
Excess of Revenues Over Expenditures	(2,595,738)	(2,810,738)	633,113	3,443,851
Other Financing Sources:				
Transfers in	885,900	885,900	886,644	744
Transfers (out)	(397,461)	(397,461)	--	397,461
Sale of Municipal Property	--	--	17,632	17,632
Total Other Financing Sources	488,439	488,439	904,276	415,837
Net Changes in Fund Balance	(2,107,299)	(2,322,299)	1,537,389	3,859,688
Fund Balance, Beginning of Year	10,034,810	10,034,810	10,034,810	--
Fund Balance, End of Year	$ 7,927,511	$ 7,712,511	$ 11,572,199	$ 3,859,688

Note 1. Budgets and Budgetary Accounting:

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

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board/City Commission introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the Governing Board/City Commission, 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 City budget and may be transferred by resolution of the Governing Board/City Commission 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/City Commission.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP).

Note 2. GAAP/Budgetary Accounting Basis Differences:

The financial statements prepared in conformity with USGAAP applied within the context of the modified accrual basis of accounting present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

City of Brandon

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.1263160%	0.1227340%	0.1140410%	0.1086590%	0.1104884%	0.1132433%	0.1105286%	0.1074691%	0.1139722%	0.1092210%
City's proportionate share of net pension liability (asset)	$ (5,113)	$ (11,979)	$ (10,778)	$ (832,142)	$ (4,798)	$ (12,001)	$ (2,578)	$ (9,753)	$ 384,987	$ (463,237)
City's covered-employee payroll	3,165,013	2,837,389	2,418,600	2,203,238	2,170,841	2,172,704	2,145,528	1,980,543	1,923,651	1,800,249
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.16%	-0.42%	-0.45%	-37.77%	-0.22%	-0.55%	-0.12%	-0.49%	20.01%	-25.73%
Plan fiduciary net position as a percentage of the total pension benefit	100.00%	100.10%	100.10%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%

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

City of Brandon

Schedule of the City's Contributions (SDRS)

As of December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 218,923	$ 205,633	$ 174,345	$ 152,290	$ 146,814	$ 145,185	$ 143,439	$ 132,752	$ 128,889	$ 121,042
Contributions in relation to the contractually required contribution	218,923	205,633	174,345	152,290	146,814	145,185	143,439	132,752	128,889	121,042
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered-employee payroll	$ 3,252,786	$ 3,069,320	$ 2,596,208	$ 2,258,151	$ 2,187,970	$ 2,172,704	$ 2,145,528	$ 1,980,543	$ 1,923,651	$ 1,800,249
Contributions as a percentage of covered-employee payroll	6.73%	6.70%	6.72%	6.74%	6.71%	6.68%	6.69%	6.70%	6.70%	6.72%

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 Method Changes:

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

Actuarial Assumption Changes:

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

As of June 30, 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.

Supplementary Information

City of Brandon
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Capital Projects Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	$ 2,013,767	$ 55,860	$ --	$ 2,069,627
Investments-certificates of deposit	179,427	--	--	179,427
Accounts receivable	4,826	--	--	4,826
Special assessments receivable				
Current	871,328	--	--	871,328
Delinquent	313,704	--	--	313,704
Due from county governments	7,780	--	--	7,780
Notes Receivable	221,831	--	--	221,831
Total Assets	$ 3,612,663	$ 55,860	$ --	$ 3,668,523
Liabilities and Fund Balances:				
Accounts payable	$ 4,735	$ --	$ --	$ 4,735
Total Liabilities	4,735	--	--	4,735
Deferred Inflows of Resources:				
Special Assessments	1,185,032	--	--	1,185,032
Total Deferred Inflows of Resources	1,185,032	--	--	1,185,032
Fund Balances:				
Nonspendable	221,831	--	--	221,831
Restricted	1,398,670	55,860	--	1,454,530
Committed	802,395	--	--	802,395
Total Fund Balances	2,422,896	55,860	--	2,478,756
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,612,663	$ 55,860	$ --	$ 3,668,523

City of Brandon
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Capital Projects Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes				
General property taxes	$ --	$ 109,829	$ --	$ 109,829
General sales taxes	340,128	--	--	340,128
Penalties and interest	1,629	--	--	1,629
Other	24,870	--	--	24,870
Intergovernmental revenue				
State grants	410,950	--	--	410,950
Miscellaneous revenue				
Investment earnings	9,382	25	9,743	19,150
Special maintenance fee	864,924	--	--	864,924
Special assessments	492,199	--	--	492,199
Total Revenue	2,144,082	109,854	9,743	2,263,679
Expenditures:				
Current:				
General government:				
Other	135,100	--	--	135,100
Public works:				
Highways and streets	393,098	--	--	393,098
Debt service	44,727	181,732	--	226,459
Capital outlay	999,140	--	10,364	1,009,504
Total Expenditures	1,572,065	181,732	10,364	1,764,161
Excess of Revenues Over (Under) Expenditures	572,017	(71,878)	(621)	499,518
Other Financing Sources:				
Transfers in	227	--	--	227
Transfers out	(21,827)	(227)	(303,070)	(325,124)
Total Other Financing Sources	(21,600)	(227)	(303,070)	(324,897)
Net Change in Fund Balance	550,417	(72,105)	(303,691)	174,621
Fund Balances- Beginning of Year, as previously presented	1,869,044	127,965	--	1,997,009
Change within financial reporting entity - (major to nonmajor fund)	3,435	--	303,691	307,126
Fund Balances- Beginning of Year, as adjusted	1,872,479	127,965	303,691	2,304,135
Fund Balances - End of Year	$ 2,422,896	$ 55,860	$ --	$ 2,478,756

City of Brandon

Combining Balance Sheet

Special Revenue Nonmajor Governmental Funds

December 31, 2024

	Special Revenue						
	Third Cent Sales Tax Fund	2006 TIF Fund	Street Maintenance Fund	Surface Transportation Program Fund	Revolving Loan Fund	Stormwater Fund	Total Nonmajor Special Revenue Funds
Assets:							
Cash and cash equivalents	$ 312,623	$ --	$ 88,567	$ 541,607	$ 359,710	$ 711,260	$ 2,013,767
Investment-certificates of deposit	7,957	--	--	1,424	167,569	2,477	179,427
Accounts receivable	--	--	3,933	--	--	893	4,826
Special assessments receivable							
Current	--	--	871,328	--	--	--	871,328
Delinquent	--	--	11,868	--	--	301,836	313,704
Due from county governments	7,780	--	--	--	--	--	7,780
Notes receivable	--	--	--	--	221,831	--	221,831
Total Assets	$ 328,360	$ --	$ 975,696	$ 543,031	$ 749,110	$ 1,016,466	$ 3,612,663
Liabilities and Fund Balances:							
Accounts payable	$ --	$ --	$ 4,149	$ --	$ --	$ 586	$ 4,735
Total Liabilities	--	--	4,149	--	--	586	4,735
Deferred Inflows of Resources:							
Special Assessments	--	--	883,196	--	--	301,836	1,185,032
Total Deferred Inflows of Resources	--	--	883,196	--	--	301,836	1,185,032
Fund Balances:							
Nonspendable	--	--	--	--	221,831	--	221,831
Restricted	328,360	--	--	543,031	527,279	--	1,398,670
Committed	--	--	88,351	--	--	714,044	802,395
Total Fund Balances	328,360	--	88,351	543,031	749,110	714,044	2,422,896
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 328,360	$ --	$ 975,696	$ 543,031	$ 749,110	$ 1,016,466	$ 3,612,663

City of Brandon

Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Special Revenue Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue						
	Third Cent Sales Tax Fund	2006 TIF Fund	Street Maintenance Fund	Surface Transportation Program Fund	Revolving Loan Fund	Stormwater Fund	Total Nonmajor Special Revenue Funds
Revenues:							
Taxes							
General sales taxes	$ 340,128	$ --	$ --	$ --	$ --	$ --	$ 340,128
Penalties and interest	--	--	773	--	--	856	1,629
Other	--	24,870	--	--	--	--	24,870
Intergovernmental revenue							
State grants	--	--	--	410,950	--	--	410,950
Miscellaneous revenue							
Investment earnings	480	55	3	959	5,612	2,273	9,382
Special assessments	--	--	--	--	--	492,199	492,199
Special maintenance fee	--	--	864,924	--	--	--	864,924
Total Revenue	340,608	24,925	865,700	411,909	5,612	495,328	2,144,082
Expenditures:							
Current:							
General government:							
Other	$ 135,100	$ --	$ --	$ --	$ --	$ --	$ 135,100
Public works:							
Highways and streets	--	--	105,644	--	--	287,454	393,098
Debt service	--	44,727	--	--	--	--	44,727
Capital outlay	324,000	--	675,140	--	--	--	999,140
Total Expenditures	459,100	44,727	780,784	--	--	287,454	1,572,065
Excess of Revenues Over (Under) Expenditures	(118,492)	(19,802)	84,916	411,909	5,612	207,874	572,017
Other Financing Sources:							
Transfers in	--	227	--	--	--	--	227
Transfers out	--	(21,827)	--	--	--	--	(21,827)
Total Other Financing Sources	--	(21,600)	--	--	--	--	(21,600)
Net Change in Fund Balance	(118,492)	(41,402)	84,916	411,909	5,612	207,874	550,417
Fund Balances- Beginning of Year, as previously presented	446,852	41,402	--	131,122	743,498	506,170	1,869,044
Change within financial reporting entity - (major to nonmajor)	--	--	3,435	--	--	--	3,435
Fund Balances- Beginning of Year, as adjusted	446,852	41,402	3,435	131,122	743,498	506,170	1,872,479
Fund Balances - End of Year	$ 328,360	$ --	$ 88,351	$ 543,031	$ 749,110	$ 714,044	$ 2,422,896

City of Brandon
Combining Balance Sheet
Debt Service Nonmajor Governmental Funds
December 31, 2024

	Debt Service					Total Nonmajor Debt Service Funds
	TIF Convention Center Fund	TIF #4 Fund	TIF #5 Fund	TIF #6 Fund	TIF #7 Fund	
Assets:						
Cash and cash equivalents	$ --	$ --	$ --	$ --	$ 55,860	$ 55,860
Total Assets	$ --	$ --	$ --	$ --	$ 55,860	$ 55,860
Fund Balances:						
Restricted	$ --	$ --	$ --	$ --	$ 55,860	$ 55,860
Total Fund Balances	--	--	--	--	55,860	55,860
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ --	$ --	$ --	$ --	$ 55,860	$ 55,860

City of Brandon
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Debt Service Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Debt Service					Total Nonmajor Debt Service Funds
	TIF Convention Center Fund	TIF #4 Fund	TIF #5 Fund	TIF #6 Fund	TIF #7 Fund	
Revenues:						
Taxes:						
General property taxes	$ --	$ --	$ 7,883	$ 46,086	$ 55,860	$ 109,829
Miscellaneous revenue:						
Investment earnings	25	--	--	--	--	25
Total Revenue	25	--	7,883	46,086	55,860	109,854
Expenditures:						
Current:						
Debt service	$ 113,125	$ 7,806	$ 14,715	$ 46,086	$ --	$ 181,732
Total Expenditures	113,125	7,806	14,715	46,086	--	181,732
Excess of Revenues Over (Under) Expenditures	(113,100)	(7,806)	(6,832)	--	55,860	(71,878)
Other Financing Sources:						
Transfers out	(227)	--	--	--	--	(227)
Total Other Financing Sources	(227)	--	--	--	--	(227)
Net Change in Fund Balance	(113,327)	(7,806)	(6,832)	--	55,860	(72,105)
Fund Balances- Beginning of Year	113,327	7,806	6,832	--	--	127,965
Fund Balances - End of Year	$ --	$ --	$ --	$ --	$ 55,860	$ 55,860

City of Brandon
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Capital Projects	
	Rushmore Project Phase 2 Fund	Total Nonmajor Capital Projects Funds
Assets:		
Cash and cash equivalents	$ --	$ --
Total Assets	$ --	$ --
Fund Balances:		
Restricted	$ --	$ --
Total Fund Balances	--	--
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ --	$ --

City of Brandon

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Capital Projects Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Capital Projects		
	Formerly Major Fund Rushmore Project Phase 2 Fund	Formerly Non-Major Fund Core Reconstruction Project Phase 2b Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Miscellaneous revenue			
Investment earnings	$ 9,743	$ --	$ 9,743
Total Revenue	9,743	--	9,743
Expenditures:			
Current:			
Capital outlay	$ 10,364	$ --	$ 10,364
Total Expenditures	10,364	--	10,364
Excess of Revenues Over (Under) Expenditures	(621)	--	(621)
Other Financing Sources:			
Transfers out	(303,070)	--	(303,070)
Total Other Financing Sources	(303,070)	--	(303,070)
Net Change in Fund Balance	(303,691)	--	(303,691)
Fund Balances- Beginning of Year, as previously presented	--	--	--
Change within financial reporting entity - (major to nonmajor fund)	303,691	--	303,691
Fund Balances- Beginning of year, as adjusted	303,691	--	303,691
Fund Balances - End of Year	$ --	$ --	$ --

City of Brandon
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
U.S. Department of Transportation:				
Pass through the S.D Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	09NJ-SECO-1	$ 49,170	
Total Highway Planning and Construction Cluster				49,170
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NA	2,483	
Total Transit Services Programs Cluster				2,483
Other Programs:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NA		77,839
Total U.S. Department of Transportation				129,492
U.S. Department of Treasury:				
US Department of Treasury - Direct Programs:				
Coronavirus State and Local Fiscal Recovery Funds (Note 3)	21.027	SLFRP5319		1,211,382
Total U.S. Department of Treasury				1,211,382
U.S. Department of Health and Human Service:				
Pass through SD Department of Human Services				
Aging Cluster:				
Special Programs for the Aging	93.044	NA	1,131	
Total Aging Cluster				1,131
Total U.S. Department of Health and Human Services				1,131
US Department of Homeland Security - Pass-Through Programs:		SD-4469-PW-00250(1) & PA-08-SD-4469-PW-00339		
SD Department of Public Safety - Office of Emergency Management, Disaster Grants-Public Assistance (Presidentially Declared Disasters) (Note 3)	97.036			913,906
Total U.S. Department of Health and Human Services				913,906
Grand Total				$ 2,255,911

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Major Federal Financial Assistance Program

This represents a Major Federal Financial Assistance Program.