



For the Year Ended December 31, 2023

2023 ANNUAL REPORT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF SIOUX FALLS, SOUTH DAKOTA



Annual Comprehensive Financial Report

City of Sioux Falls, South Dakota
For the Year Ended December 31, 2023

Prepared by:
The Finance Department
Shawn Pritchett, Director of Finance

Table of Contents

I. Introductory Section

Title Page
Table of Contents 1
Letter of Transmittal 3
Certificate of Achievement 12
City Elected Officials and City Appointive Officers 13
Departmental Organization Chart 14

II. Financial Section

A. Independent Auditor’s Report 15
B. Management’s Discussion and Analysis 19
C. Basic Financial Statements
 Government-wide Financial Statements
 Statement of Net Position 32
 Statement of Activities 33
 Fund Financial Statements
 Governmental Fund Financial Statements
 Balance Sheet 35
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 37
 Statement of Revenues, Expenditures, and Changes in Fund Balances 39
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
 Balances of Governmental Funds to the Statement of Activities 41
 Proprietary Fund Financial Statements
 Statement of Net Position 43
 Statement of Revenues, Expenses, and Changes in Net Position 45
 Statement of Cash Flows 47
 Fiduciary Fund Financial Statements
 Statement of Fiduciary Net Position 49
 Statement of Changes in Fiduciary Net Position 50
 Notes to Financial Statements 51
D. Required Supplementary Information
 Budget Comparison Schedule – General Fund 93
 Budget Comparison Schedule – Major Special Revenue Funds
 Entertainment Tax Fund 96
 Sales and Use Tax Fund 97
 Housing Fund 98
 Storm Drainage Fund 99
 Notes to Required Supplementary Information—Budgetary Reporting 100
 Schedules of Changes in the Net Pension Liability and Related Ratios 101
 Schedules of Employer’s Net Pension Liability 102
 Schedules of Employer Contributions 103
 Schedule of City’s Proportionate Share of the Net Pension Liability/(Asset) 104
 Schedule of City Contributions 104
 Schedule of Changes in the Employer’s Net OPEB Liabilities (Assets) 105
 Schedule of Employer OPEB Contributions 106
E. Supplementary Information—
 Budget Comparison Schedule – General Government Construction Fund 107
 Budget Comparison Schedule – Public Safety Facility Construction Fund 108
 Combining Financial Statements
 Nonmajor Governmental Funds
 Balance Sheet 111
 Statement of Revenues, Expenditures, and Changes in Fund Balances 112
 Nonmajor Special Revenue Funds
 Balance Sheet 113
 Statement of Revenues, Expenditures, and Changes in Fund Balances 114
 Budget Comparison Schedules 115
 Nonmajor Debt Service Funds
 Balance Sheet 117
 Statement of Revenues, Expenditures, and Changes in Fund Balances 118

Table of Contents (cont)

Budget Comparison Schedules	119
Nonmajor Permanent Funds	
Balance Sheet	121
Statement of Revenues, Expenditures, and Changes in Fund Balances	122
Budget Comparison Schedules	123
Internal Service Funds	
Statement of Net Position	125
Statement of Revenues, Expenses, and Changes in Fund Net Position	127
Statement of Cash Flows	129
III. Statistical Section	
A. Financial Trends	
Table I—Net Position by Component	133
Table II—Changes in Net Position	133
Table III—Fund Balances of Governmental Funds	137
Table IV—Changes in Fund Balances of Governmental Funds	139
Table V—Changes in Fund Balance of General Fund	141
Table VI—General Governmental Tax Revenues by Source	143
B. Revenue Capacity	
Table VII—Direct and Overlapping Property Tax Rates	143
Table VIII—Assessed Value and Estimated Actual Value of Taxable Property	144
Table IX—Property Tax Levies and Collections	144
Table X—Principal Property Taxpayers	145
Table XI—Taxable Sales by Category	145
C. Debt Capacity	
Table XII—Ratios of Outstanding Debt by Type	146
Table XIII—Legal Debt Margin Information	146
Table XIV—Computation of Direct and Overlapping Debt	147
Table XV—Revenue Bond/Note Coverage – Sales and Use Tax	147
Table XVI—Revenue Note Coverage – Storm Drainage	148
Table XVII—Revenue Note Coverage – Water	148
Table XVIII—Revenue Note Coverage – Water Reclamation	149
Table XIX—Revenue Bond Coverage – Public Parking	149
D. Demographic and Economic Information	
Table XX—Demographic and Economic Statistics	150
Table XXI—Major Employers	150
Table XXII—Nonfarm Wage and Salaried Workers	151
Table XXIII—Building Permit and Construction Values	151
E. Operating Information	
Table XXIV—City Government Employees by Function/Program	152
Table XXV—Operating Indicators by Function/Program	153
Table XXVI—Capital Asset and Infrastructure Statistics by Function/Program	155
IV. Single Audit Section	
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	157
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	159
Schedule of Expenditures of Federal Awards	163
Notes to Schedule of Expenditures of Federal Awards	166
Schedule of Findings and Questioned Costs	168
Summary Schedule of Prior Audit Findings	170

Letter of Transmittal



P.O. Box 7402, Sioux Falls, SD 57117-7402

April 4, 2024

**The Honorable Mayor Paul TenHaken
Members of the City Council
Citizens of the City of Sioux Falls, South Dakota**

I am pleased to submit to you the Annual Comprehensive Financial Report of the City of Sioux Falls, South Dakota, (the "City") for the fiscal year ended December 31, 2023.

The report was prepared by the City's Finance Department in accordance with U.S. Generally Accepted Accounting Principles (GAAP) applicable to government as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City's management. We believe the data, as presented, is accurate and reliable in all material respects; is presented in a manner designed to set forth fairly the financial position and results from operations of the City; and includes disclosures necessary to enable readers to gain an understanding of the City's finances.

Management of the City is responsible for establishing and maintaining an accounting and internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's financial statements have been audited by Eide Bailly, LLP, a firm of certified public accountants authorized to conduct the City's audit by the State of South Dakota. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sioux Falls for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sioux Falls' financial statements for the fiscal year ended December 31, 2023, and that the financial statements are fairly presented in conformity with

GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Sioux Falls was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. The Single Audit reports begin on page 157.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sioux Falls for its annual comprehensive financial report (Annual Report) for the fiscal year ended December 31, 2022. This was the 43rd consecutive year that the City of Sioux Falls has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sioux Falls' MD&A can be found immediately following the report of the independent auditors.

The preparation of audited statements in a timely manner after year-end was accomplished by the dedicated services of the entire staff of the Finance department. The timely completion of this report ensures that decision-makers have access to audited year-end information prior to entering the formal budget cycle, making the report much more valuable. The Finance staff, along with the help of each department, has put forth extraordinary effort to produce the report within the time frame established. I would like to express my sincere appreciation to all members of the Finance team and others throughout the City who assisted and contributed to its timely preparation.

Respectfully submitted,

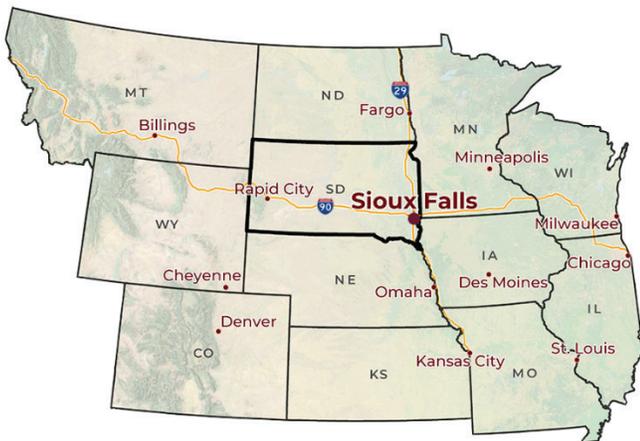
A handwritten signature in black ink, appearing to read 'Shawn Pritchett'.

Shawn Pritchett
Director of Finance

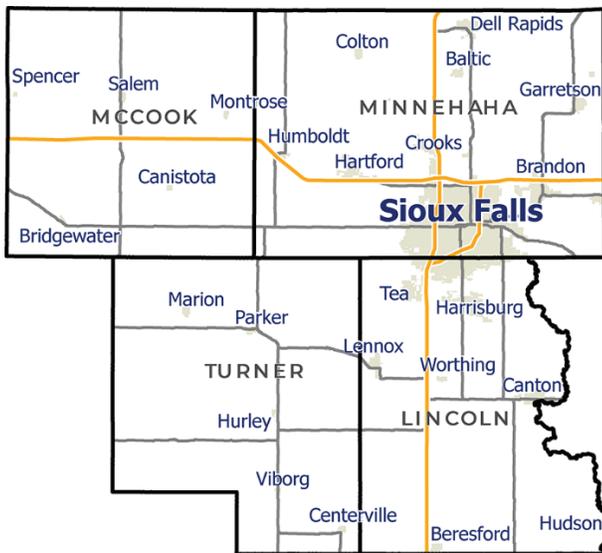
Letter of Transmittal

Profile of the City of Sioux Falls

Located on the Big Sioux River in southeastern South Dakota, Sioux Falls is the largest city in the four northern states of Wyoming, Montana, North Dakota, and South Dakota, with 213,891 residents. Sioux Falls is a crossroads city, lying strategically at the junction of Interstate 90, connecting Boston to Seattle, and Interstate 29, joining Winnipeg and Kansas City. It sits on the border of the states of South Dakota, Minnesota, and Iowa, serving as a primary market area for over 750,000 consumers.



The Sioux Falls Metropolitan Statistical Area (MSA) includes Minnehaha, Lincoln, McCook, and Turner counties. The City itself is located within two counties, Minnehaha and Lincoln, and crosses the boundaries of seven separate school districts.



The City provides a wide range of municipal services including police and fire protection, infrastructure development and maintenance of highways, bridges, and streets, public utilities (e.g., water, sewer, limited electricity, regional landfill), public parking, public transportation, planning and development, health services, culture and

recreation activities, inspections, planning and zoning enforcement, and general administrative services.

Sioux Falls is home to more than 80 neighborhood and regional parks, indoor and outdoor aquatic facilities, three golf courses, outdoor snow skiing, arboretum, zoo, and one of the best bike trail systems for a community of our size in the nation.

The City continues to invest in quality of life amenities including maintaining and overseeing a 10,600 fixed seat events center, as well as an adjacent convention center and 7,200 fixed seat legacy arena. The City’s Washington Pavilion of Arts and Sciences, located in the vibrant downtown, includes a large 1,800 fixed seat state-of-the-art performance hall hosting first class Broadway performance series, a children’s science discovery museum, planetarium, and a visual arts center. Also part of the downtown atmosphere is the Levitt Pavilion that hosts 50 outdoor concerts annually, the Sioux Falls State Theatre, and the 686 seat Orpheum Theater Center which hosts plays, concerts, dance and other forms of entertainment throughout the year.

Sioux Falls continues to garner national attention based on its continued economic strength and quality of life including:

- World Population Review named Sioux Falls as #1 for best city for young professionals.
- Empower named Sioux Falls #1 for 2023’s most affordable U.S. city to live for working adults.
- SmartAdvisor lists Sioux Falls as the 2nd highest city with the best job markets.
- Policom Corp ranked Sioux Falls 3rd in economic strength out of 384 MSA’s.
- WalletHub ranked Sioux Falls as the 8th happiest place to live in the U.S. in 2023.
- Livability.com named Sioux Falls as one of the top 100 best places to live in the U.S.

Major 2023 Initiatives

The City embarked on several capital and operational initiatives including:

- **Public Safety and Health** – The health and well-being of our residents is always top of mind. During 2023, the City continued to invest in public safety by adding seven additional full-time employees between the Sioux Falls Police Department and Sioux Fall Fire Rescue. The City also completed construction of the Public Safety Campus including a Public Safety Answering Point (911). This campus opened in the fall of 2023 providing a top-of-the-line training environment with modern training equipment for our police officers and firefighters and a premier space for emergency dispatch operations (911) to continue to provide service for our first responders and our community for years ahead.

Letter of Transmittal

- **Innovation and Sustainable Growth** – The City invested over \$59 million in capital improvements to our highways and streets system. The City is fortunate that our partnership with the South Dakota Department of Transportation continues to grow and that South Veterans Parkway, a critical transportation corridor for Sioux Falls and the region is one of several projects being coordinated together. From 2023 to 2026, the State of South Dakota Department of Transportation will invest close to \$765 million in and around Sioux Falls. Along with these street investments, vital utility infrastructure projects totaling more than \$134 million were invested into essential services such as water, water reclamation, sanitary landfill, and power and distribution. These investments include the continued expansion of the water reclamation plant and opening reclamation basins to allow for future development.

- **Workforce Development** – The MSA is experiencing a very low unemployment rate. In order to continue to combat market competitiveness and care for our employees, the City made a mid-year inflationary wage adjustment for both full-time and part-time employees.

Ensuring the City continues to provide an excellent quality of life is a priority to continue to attract new businesses and workforce. In 2023, the City invested over \$24 million in capital projects in the parks system, entertainment venues, and libraries. These investments will ensure the City of Sioux Falls remains a very attractive community for residents and one of the best places to live, work, and play.

- **Accessible Housing** – Along with workforce, housing continues to be a pressing need. While we benefit in many ways from a growing community and a strong economic environment, the need for intentional focus and investment into housing is even more important. In 2023, the City updated its housing needs projections which will provide useful data to guide funding investments with the actual area of need. To support this effort, the City made a one-time commitment of \$4.0 million from general reserves and continues to utilize ARPA grant sources to support the need for strategic housing investments. Looking ahead to 2024, there are some exciting projects beginning to take shape to support housing needs in our community.
- **Kids, Families, and Engaging People** – In 2023, the Mayor committed to putting a new emphasis on funding strategic investments that will positively impact quality of life for kids, families, and the community. These included improving the public transit model and focusing on education for kids and families on how to access the system. The City also continued to move efforts forward on options to replace our aging outdoor pools. These options include a combination of continued outdoor aquatics along with exploring options to build two indoor recreation centers. The City also began construction of a skate park at Nelson Park through a partnership with the Sioux Falls Skatepark Association and began construction of Jacobsen Plaza

which includes an outdoor refrigerated ice ribbon, adaptive playground, dog park, and splash pad.

Major Capital Projects completed in 2023 were:

- Construction of the Public Safety Training Facility;
- Overlay of 273 blocks, 10 blocks of concrete rehab, and 430 blocks of slurry seal in various locations;
- Reconstruction of Minnesota Avenue from Russell Street to 2nd Street;
- Reconstruction of 57th Street from Veterans Parkway to Six Mile Road;
- Reconstruction of 26th Street from Cleveland Avenue to Alpine Avenue;
- Reconstruction of 6th Street from I229 to Sycamore Avenue;
- Improvements to 85th Street and Cliff Avenue Intersection;
- Construction of Basin 17 Sanitary Sewer;
- Construction of Rotary Park Fitness Court;
- Construction of Great Life Tennis Complex in Tomar Park, and
- Construction of Terrace Park Mini Pitch.

Major projects in progress in 2023 include:

- Water Reclamation Facility Expansion;
- 6th Street Bridge Reconstruction;
- Expansion of the Downtown River Greenway;
- Construction of Barb Iverson Skate Park;
- Expansion of the Great Plains Zoo African Exhibit;
- Jacobson Plaza Ice Ribbon and Inclusive Playground;
- Replacement of the Cornice Parapet at the Washington Pavilion;
- Construction of the 41st Street and I29 intersection interchange;
- Construction of Veterans Parkway from Western Avenue to Cliff Avenue;
- Construction of Tallgrass Avenue from 74th Street to 89th Street; and
- Expansion and Remodel of Fire Station #9.

Major projects in design in 2023 include:

- Basin 15 Sanitary Sewer Improvements;
- Aquatics renovations at Frank Olson and Kuehn Park;
- McKennan Park Wading Pool Replacement;

Letter of Transmittal

- Elmwood Golf Course Clubhouse and Cart Storage Replacement;
- Construction of 6th Street from Foss Avenue to Veterans Parkway;
- Reconstruction of Sycamore Avenue from Madison Street to 10th Street; and
- Construction of Pump Station 240 Forcemain.

In total, the City invested \$457.2 million (\$486.4 million with equipment) in capital improvement projects in 2023, continuing to focus on rebuilding, repairing, and replacing the City’s critical core infrastructure. Accounting for year-end construction-in-progress, the City reported additional capital assets of \$235.8 million, ending the year with net capital assets of \$2.4 billion (see the capital note beginning on page 63 for more details on the City’s capital assets).

Forward Looking Investments

All Funds – Citywide Investment in Services

The City has a commitment to maintain quality services as the community continues to grow. The pressures of a growing city require a balanced approach to meeting the demands of existing services with new development. Maintaining a vibrant and investable city requires partnerships with local developers, entrepreneurs, and philanthropists in visioning, planning, and working together to make transformative investments that will benefit future generations.

The most visible sign of Sioux Falls’ vibrant economic growth has been the Cherapa II development and Steel District development, both downtown. These developments will add hundreds of residential units, thousands of square feet in office and retail space, hotel, conference center, and other amenities. Together, they continue to transform and expand the City’s downtown as the “go to” place for entertainment, and a highly sought after place to live.

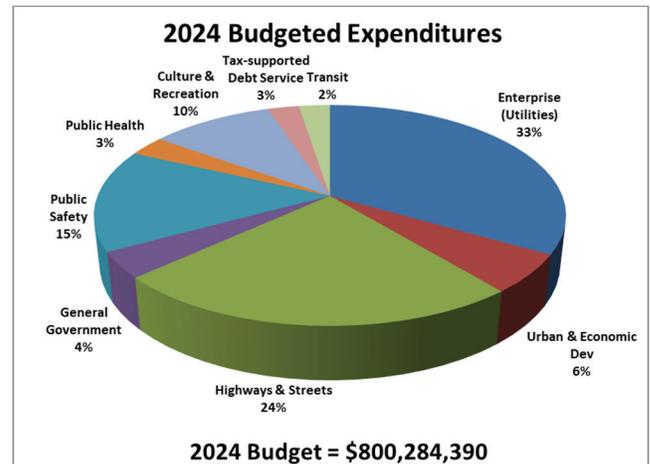
Planning continued for several other transformative investments in 2023 with the design details being finalized for Jacobson Plaza and the River Greenway Phase III expansion, both which will complement and support the new development downtown.

In addition, the City has started to envision the potential for another large community project in downtown Sioux Falls, the Riverline District. With its proximity to the river, bike trail, the Whittier neighborhood, and a growing and prospering downtown, this property was identified as having a much greater potential for vibrance than in its current state. This vision potentially introduces a new downtown convention center to support our growing community and stimulate economic growth.

Work on Veteran’s Parkway continues, representing a nearly \$200 million investment in road infrastructure, finishing a key transportation corridor, and providing additional capacity for moving traffic from I29 southwest of Sioux Falls to I90 in the northeast. This project will connect interstate 29 with Interstate 90 and drive future development in the south and southeast areas of Sioux Falls and

accommodate growing transportation needs across the corridor.

The following graph reflects the investment of City resources into essential services for the citizens and visitors to Sioux Falls. Expenditures include operating, capital, and debt service. Excluded are transfers, internal service, and trust funds that are not direct allocations of current revenues.



Factors Affecting Economic Condition

The information presented in these financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates. A more current look at economic conditions is reviewed in the Management Discussion and Analysis on page 29.

Local Economy - General

The Sioux Falls economy was strong in 2023 as evidenced by the pace of building permit values issued, taxable sales, and population growth. Even though the City experienced a strong local economic environment, it was not immune to the various challenges facing the rest of the nation including the impacts of low unemployment, high inflation, cost escalation, and product logistics and material shortages.

The labor market continues to be extremely tight, with the City MSA experiencing an average unemployment rate of 1.8 percent in 2023, even lower than the national average of 3.6 percent.

Permit values were led by the New Commercial sector. Although down 49.1 percent from the all-time highs and record setting values in 2022, values were \$154.3 million or 33.2 percent higher than 2021. Growth was experienced in manufacturing, apartments, and in particular, other commercial such as strip malls, hotels and restaurants.

In terms of housing development permits, new single-family homes lagged the previous two years and construction of new multi-family units permitted declined with a total of 1,930 units permitted, down nearly 42 percent from the prior year. These declines are due in large part to cost escalation, supply and labor shortages, and increased

Letter of Transmittal

financing costs. While this was a sharp decline, it was the second most multi-family units permitted.

Economic growth was steady across most industry sectors, as reflected in taxable sales. Total taxable sales were up nearly \$200 million in 2023, \$48.6 million from eating establishments, \$48.1 million from department and general merchandise stores and \$37.6 million in remote retailer sales. There also was a \$67.1 million increase in the accounting and auditing services due to a 2023 State of South Dakota audit adjustment.

The City experienced a 3.0 percent increase in sales tax growth (2.3 percent including audits), the City's largest source of revenue. The growth in 2023 was in line with the ten-year historical average annual rate of three to six percent.

Restaurants, bars, and other entertainment industries continue to be strong, resulting in 6.4 percent growth in the City's entertainment tax, which supports the City-owned entertainment venues. These venues help foster a strong local economy, engage residents, and bring the community together. The hospitality industry continued to perform well even with occupancy rates down about 1 percent as average daily rates were up about 5 percent, resulting in stronger overall revenues for the hotel sector.

The City recognized strong financial performance for various municipal-owned facilities primarily due to solid third-party management and strong cooperative partnerships. The City's Events Center Complex generated over \$19.0 million in total revenues and over \$2.8 million in net income, both records for the facility since the Denny Sanford PREMIER Center opened in 2014. With significant activity growth leading to increased revenues, the Washington Pavilion for Arts and Sciences is in a stronger financial condition than any other time since it opened in 1999.

Population

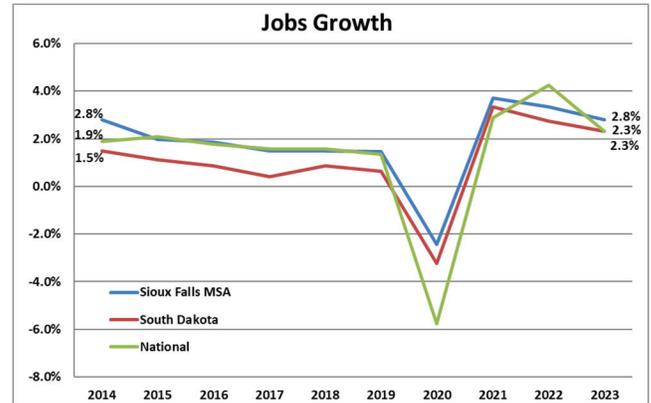
The City's population increased by 2.4 percent in 2023 as the estimated population grew from 208,900 in 2022 to 213,891 in 2023. With a 2023 statewide population of 919,318, the City accounts for 23.3 percent of the State's population. The population of the Sioux Falls Metropolitan Statistical Area (MSA) is 297,247 which is over 32% of the State's population.

City projections indicate continuing population growth through 2040 and at a more accelerated rate than in previous year projections. This anticipated growth in population will require the City to carefully plan for future development and infrastructure needs.

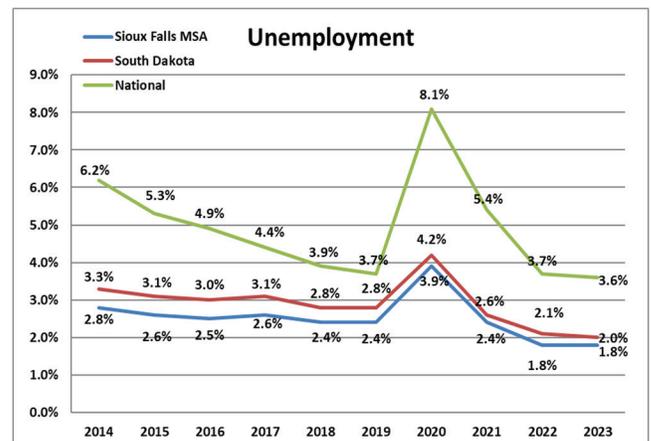
Employment

In 2023, the number of jobs in the Sioux Falls MSA increased by 4,700 as measured by the annual average of nonfarm wage and salaried workers' statistics. The MSA saw an increase of 1,900 jobs in private education and health services. Other industries experiencing significant job growth included both construction and hospitality, adding

600 jobs each. Additionally, retail trade added 1,100 jobs. The following chart shows the job growth of both the Sioux Falls MSA and State of South Dakota when compared on a national basis.

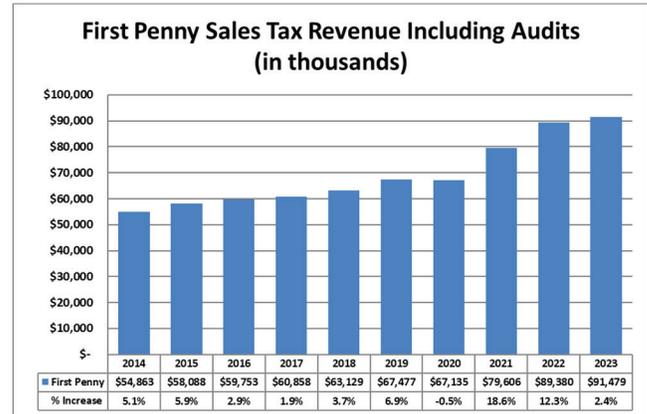
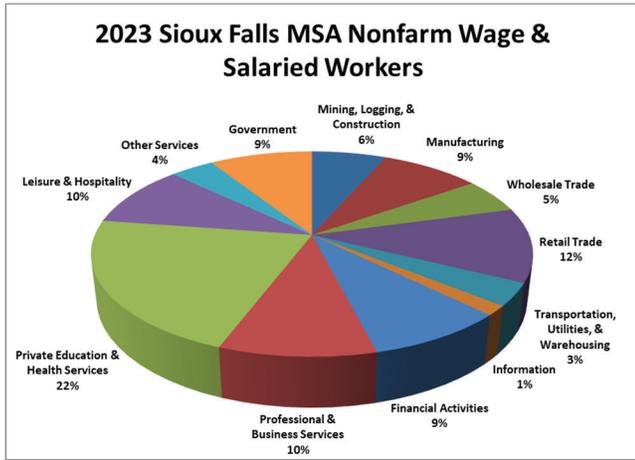


The annual average resident labor force of the Sioux Falls MSA increased by 2,768 or 1.7 percent from 163,101 in 2022 to 165,869 in 2023. The Sioux Falls MSA annual average unemployment rate decreased from 2.0 percent in 2022 to 1.8 percent in 2023. The City and State unemployment rates compare very favorably to the national unemployment rate as shown in the following chart.



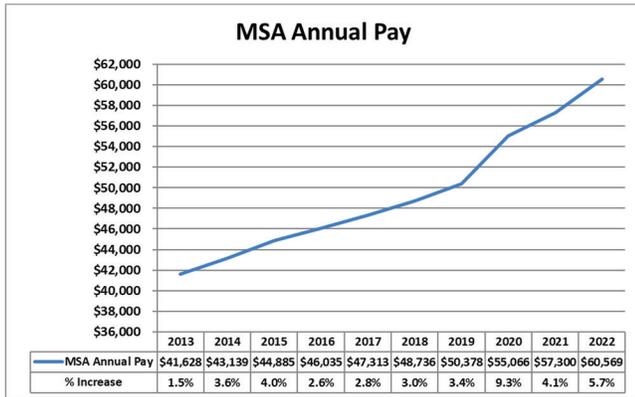
The diversity of the Sioux Falls jobs market leads to a balanced economy and a stronger employment market compared to the national average as indicated on the following chart.

Letter of Transmittal



Wages and Income

As shown in the following chart, annual pay of workers covered by unemployment insurance in the MSA increased to \$60,569 in 2022, the most recent year available. From 2013 to 2022, pay rose by 45.5 percent or by a compound annual growth rate of 3.8 percent.



Gross and Taxable Sales

Gross sales were \$20.1 billion in 2023, up 1.9 percent over the prior year. Taxable sales were \$9.2 billion in 2023, an increase of 2.1 percent. These sales figures for Sioux Falls comprised 18.6 percent of gross sales and 27.9 percent of taxable sales statewide.

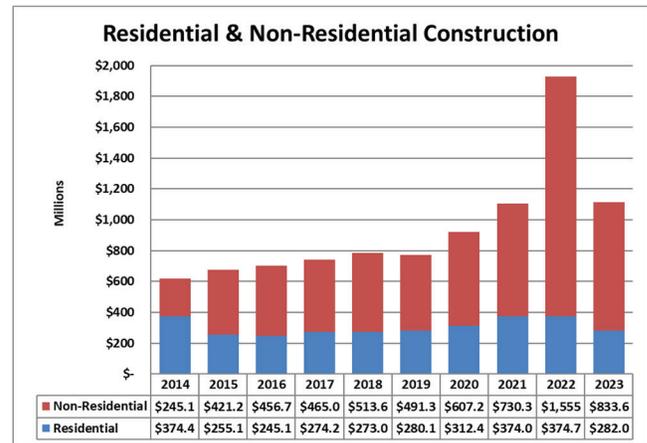
The increase in taxable sales translated into the City realizing an increase in net sales and use tax revenue of 2.4 percent. Revenue growth from sales tax over the last ten years has ranged from a high of 18.6 percent in 2021 to a low of -0.5 percent in 2020.

In addition to reviewing long-term annual trends, the City utilizes a cumulative 12-month rolling sales and use tax growth as a sound and reliable method of measuring growth.

Construction Activity

The City added 1,930 new multiple family dwellings in 2023, a 42.3 percent decrease from 2022 but a 6 percent increase from 2021. A total of 752 new units were added between single-family dwellings and town house units, a decline of 27.8 percent over last year and 42.5 percent over 2021. The biggest factor to the decline was due to rising interest rates.

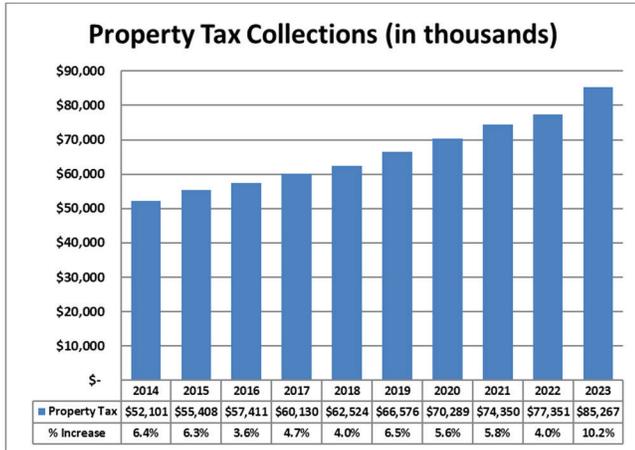
During 2023, the City approved 246 subdivision plats totaling 953 lots and 1,343 acres. Seventy-five percent of the City’s total construction value was related to nonresidential development. The largest single project permitted in Sioux Falls during the past year was the One2 Apartments, which had a construction value of \$35.0 million. The Sanford Health Virtual Care Center came in second at \$27.8 million, with the Avera Health/Owens & Minor shell warehouse coming in third at \$25.7 million. The fourth and fifth largest projects were the Maguire Iron Manufacturing Facility at \$22.7 million and a Northwest Elementary School for the Sioux Falls School District at \$21.9 million.



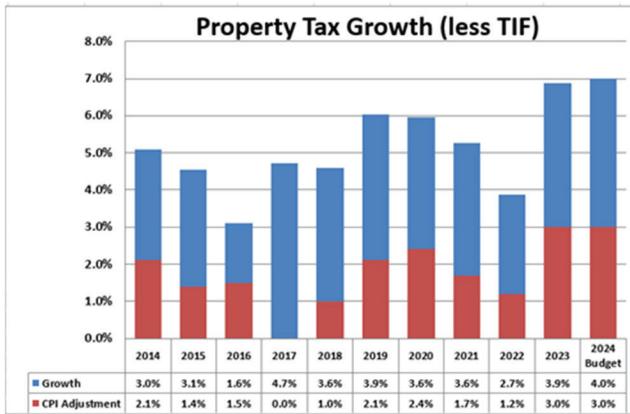
The City grew in area in 2023, adding 0.94 square miles within its borders to equal 84.28 square miles total. The City has added 55 new and annexed centerline miles of roads,

Letter of Transmittal

12 miles of storm sewer, 19 miles of sanitary sewer, and 24 miles of water mains to its infrastructure (excluding construction-in-progress).



The rise in previous year’s construction activity has resulted in increasing property tax collections for the City, as shown in the above graph. Property tax revenues are a strong and stable revenue source integral to addressing increased demands for city services to support continued economic expansion and to combat against inflationary pressures.



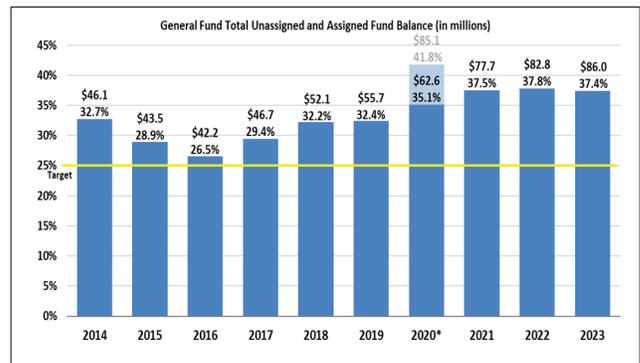
General Fund (Primary Operating Account)

The City Council has established the following financial and budgetary policies regarding the City’s primary operating account, the General Fund:

- A goal that the City maintain a General Fund unassigned fund balance as of December 31 of each fiscal year equal to 25 percent of the General Fund expenditure budget for that year and a minimum unrestricted cash balance at the end of each calendar month equal to 11 percent of the General Fund budget for that year. If the General Fund unassigned fund balance as of December 31 or the unrestricted cash reserves at any month-end fall below these thresholds, the Mayor shall present the Council with an explanation and plan for replenishing the unrestricted cash balance or General Fund unassigned fund balance to the targeted level.

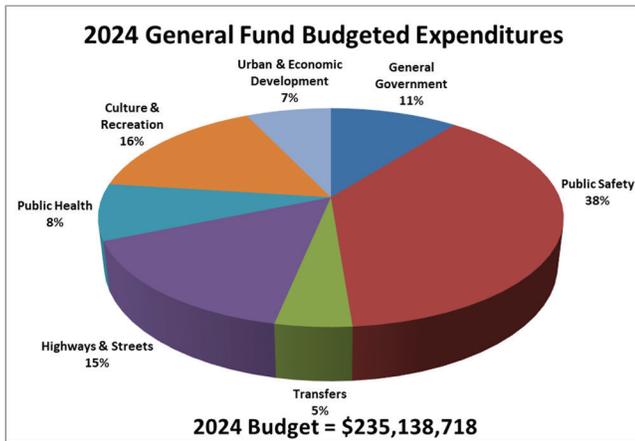
- A goal that the Mayor’s proposed General Fund budget for each fiscal year provide for balance between projected revenues and expected expenditures without the use of the General Fund unassigned fund balance, and that the elected and appointed officials of the City use their best efforts and mutual cooperation to accomplish that goal. If the Mayor believes that the financial condition or needs of the City require the use of funds from the General Fund unassigned fund balance in the proposed budget, such budget proposal shall include a statement of the reasons which the Mayor believes justify the use of the General Fund unassigned funds.
- A policy that if the Mayor’s proposed General Fund budget includes projected revenues from increases in fees, charges, taxes, or other similar sources that require Council approval, the ordinance or ordinance amendment authorizing such increase should be presented to and approved by the Council prior to the submission of the proposed budget.

The 2023 General Fund total unassigned and assigned fund balance combined was \$86.0 million, an increase of \$3.2 million. The increase in fund balance was primarily due to strong sales tax revenues exceeding budget, a larger than anticipated allotment of on-sale liquor licenses made available for sale, and a continued robust growth in building licenses and permit revenues. This fund balance represents 37.4 percent of the 2023 final budget against a reserve policy target of 25 percent (assigned and unassigned fund balance).



The following chart shows the general operating priorities of the City, excluding public utilities, for the 2024 General Fund budget.

Letter of Transmittal



City Structure, Financial Policies, and Principles

In 1995, the City became a home-rule municipality chartered under the constitution of the State of South Dakota, organized and existing under the constitution and general laws of the State. Eight part-time City Council members and a full-time Mayor govern the City, each serving four-year terms. The Mayor and three City Council members are elected at large and five City Council members are elected from districts.

The City has a long-standing history of maintaining balance in taking care of today while investing in the future. Couple this with the values of being conservative, sensible, and responsible, the City’s financials remained strong in 2023 and the fund balance and reserves of the City continued to increase and remain above target levels.

Transparent, accurate, and timely financial information is a cornerstone to a well-run city. Generating the annual financial information in a timely manner allows the City to make prudent financial decisions and accelerate investment of remaining funds for infrastructure and quality of life projects.

The City uses a minimum of ten-year forecasting models for almost all funds as a foundation to planning and implementing city initiatives. These models identify projected resources that will be available to implement both current and future initiatives. They include evaluating the operating impacts and staffing of future capital projects based on a five-year capital plan. The annual budget serves to allocate the resources available for not only the current year but based on future expectations and working backwards to provide current services.

The City applies budgetary controls to ensure compliance with legal provisions under South Dakota Codified Laws, the City Charter, and with the annual appropriation ordinance and budgetary guidelines adopted by the City Council. Approved expenditures for the ensuing fiscal year for the General Fund, the special revenue funds, debt service funds, permanent funds, and capital project funds are included in the annual appropriation ordinance, establishing the legal level of control.

The City’s long-standing commitment to balancing fiscal discipline with forward-thinking leadership continues to play a key role in the strength of our local community. This steady and balanced commitment has allowed the City to quickly adapt to changing economic environments and respond to extraneous events without compromising on remaining fiscally strong. This financial strength is the backdrop for providing the community with critical infrastructure services and quality of life amenities to support a growing community.

Sales and Use Tax Fund (2nd Penny)

The Sales and Use Tax Fund is funded by the second penny sales and use tax and is the City’s primary capital account excluding public utilities. The City Council has adopted a formal policy for the second penny sales and use tax, the primary source for capital funding and the pledged source of bond financing. The policy goal is to maintain a fiscally disciplined approach to debt management and protect the City’s credit quality by strategically approaching the issuance of new debt by balancing the need to consume current resources with the need for future flexibility; and by striving to maintain a debt ratio of 2.00 times coverage on the annual debt service on issues secured by the second penny sales tax. As indicated in Table XV on page 147, the second penny sales tax currently has revenues of 4.00 times the pledged debt service of the second penny and 5.29 times debt service for those issues being repaid by the second penny. The only issues remaining with a pledge of the second penny sales tax that are not being repaid by the tax are the bonds issued for the Lewis & Clark Regional Water System and the bonds issued for a downtown parking ramp constructed in 2020.

Future projections continue to show that the City will maintain coverage well in excess of the policy target and the coverage requirements established within the bond indenture.

Enterprise Funds

The City Council’s adopted policy is that enterprise funds of the City relating to water, water reclamation, sanitary landfill, public parking, and the City electric utility should cover the true cost for that enterprise, including operations, maintenance, periodic capital replacement, new capital acquisitions and improvements, debt service requirements, and other costs deemed necessary.

Letter of Transmittal

The City has established the Housing and Redevelopment Commission and Metro Communications Agency as legally distinct authorities which are reported separately within the City's financial statements. Additional information on these component units can be found in Note 1 on page 51. As of January 1, 2024, the Metro Communications Agency was dissolved and became a part of the City's Fire Rescue department.

City Charter

The City Charter includes the following financial provisions:

1. No personal or corporate income tax will be levied, nor additional debt incurred, except to the extent authorized by State law for SDCL Title 9 cities. (§1.04)
2. The City Council shall provide for an independent annual audit of all city accounts. (§2.10)
3. For any fund, the total of proposed expenditures shall not exceed the total of estimated income plus the fund balance carried forward, exclusive of reserves (a balanced budget). (§5.04)
4. If the Mayor certifies there are available for appropriation revenues in excess of those estimated in the budget, the Council may make supplemental appropriations up to the amount of such excess. (§5.07)
5. To meet a public emergency, the Council or Mayor may make emergency appropriations. The Council may issue emergency notes if there are no available unappropriated revenues or a sufficient fund balance to meet such appropriations. (§5.07)
6. No payment may be made or obligation incurred unless there is a sufficient unencumbered balance in such allotment or appropriation and sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. (§5.10)

Certificate of Achievement



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sioux Falls
South Dakota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

City Elected Officials and City Appointive Officers

City Elected Officials

Mayor Paul TenHaken	2022-2026
Council Members:	
David Barranco—Southeast District	2022-2026
Sarah Cole—At Large	2022-2026
Rich Merkouris—At Large	2022-2026
Curt Soehl—Central District	2022-2026
Alex Jensen—At Large	2020-2024
Marshall Selberg—Southwest District	2020-2024
Pat Starr—Northeast District	2020-2024
Greg Neitzert—Northwest District	2020-2024

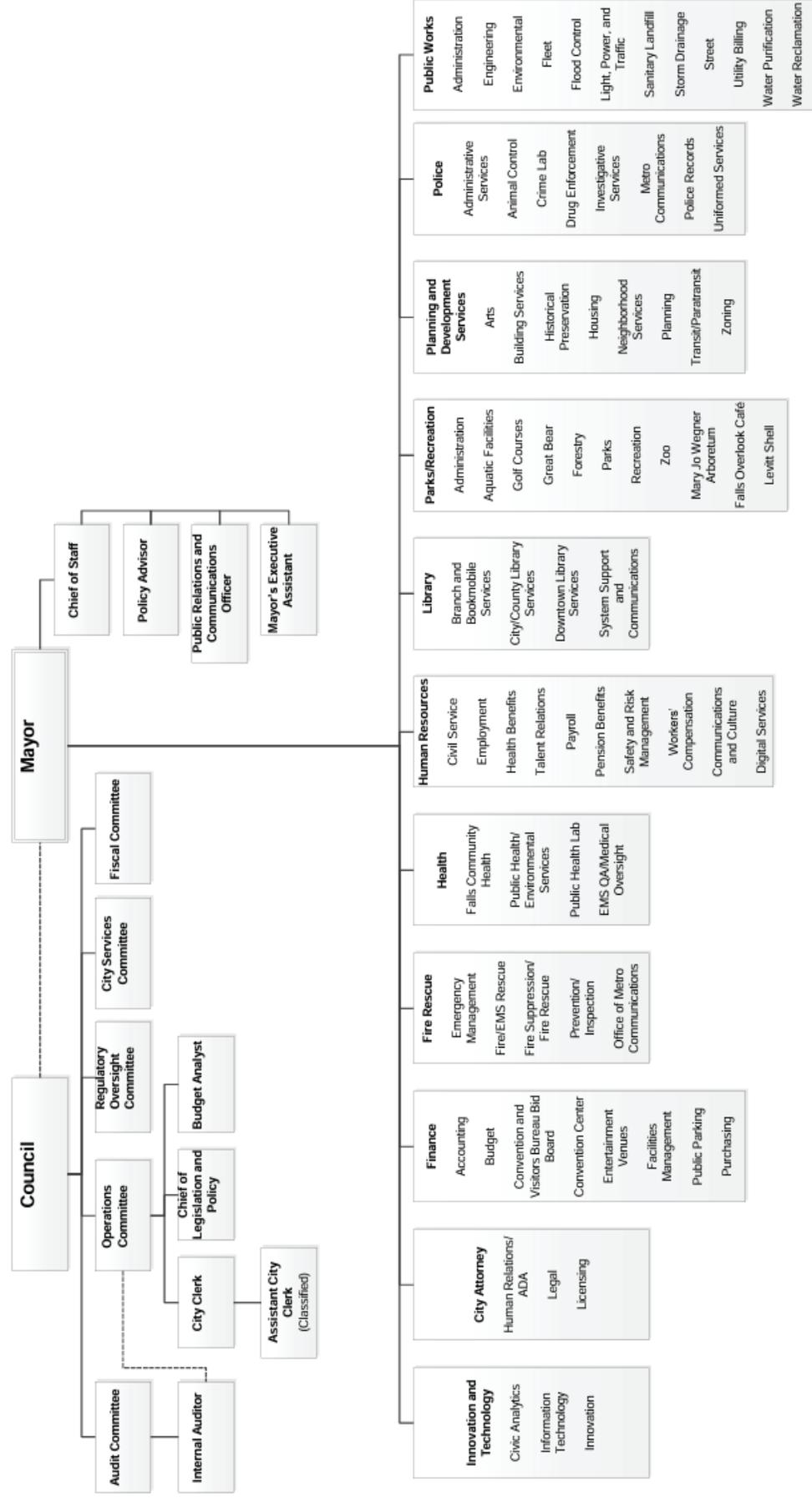
City Appointive Officials

As of December 31, 2023

Public Relations and Communications Officer	Vanessa Gomez
Policy Advisor	Jenna Harris
Chief of Staff	Erica Beck
Communications and Culture Officer	Allie Hartzler
Medical Director	Jennifer Tinguely
City Attorney	David Pfeifle
City Clerk	Jermery Washington
City Council Budget Analyst	David Bixler
Director of Finance/Director of Innovation and Technology	Shawn Pritchett
Director of Human Resources	Bill O'Toole
Director of Parks and Recreation	Don Kearney
Director of Planning and Development Services	Jeff Eckhoff
Director of Public Works	Mark Cotter
Director of Siouxland Libraries	Jodi Fick
Mayor's Executive Assistant	Siera Christianson
Fire Chief	Matt McAreavey
Chief of Legislation and Policy (City Council)	Jim David
Internal Auditor	Ryan Lauseng
Police Chief	Jon Thum
Dental Director	Susan Olson

Departmental Organization Chart

City of Sioux Falls Organizational Chart





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sioux Falls, South Dakota as of and for the year ended December 31, 2023, 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, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing and Redevelopment Commission, which represent 68 percent, 50 percent, and 68 percent, respectively, of the assets, net position, and revenues of the discretely presented component units as of December 31, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing and Redevelopment Commission, is based solely on the report of the other auditors.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 13 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2023. Accordingly, a restatement has been made to the governmental activities, business-type activities, Water Reclamation Fund, Centralized Facilities Fund, and Technology Revolving Fund net position as of January 1, 2023, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City' 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' 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, budgetary comparison schedules, schedules of changes in the net pension liability and related ratios, schedules of employer's net pension liability, schedule of employer contributions, schedule of city's proportionate share of the net pension liability (asset), schedule of city contributions, schedule of changes in the employer's net OPEB liabilities (assets), and schedule of employer OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management regarding 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 financial statements. The budgetary comparison schedule for the General Government Construction Fund, budgetary comparison schedule for the Public Safety Facility Construction Fund, combining nonmajor financial statements, and budgetary comparison schedules for nonmajor funds are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the General Government Construction Fund, budgetary comparison schedule for the Public Safety Facility Construction Fund, combining nonmajor financial statements, and budgetary comparison schedules for nonmajor funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Sioux Falls, South Dakota
March 29, 2024

Management's Discussion and Analysis

This discussion and analysis present an overview of the financial activities and financial position for the City of Sioux Falls (the "City") for the year ended December 31, 2023. Please read and consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 3 of this report.

Financial Highlights

Government-wide Statements

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows at the close of the 2023 fiscal year by \$2.5 billion (net position). Of this amount, \$385.7 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

Fund Financial Statements

- As of the close of the 2023 fiscal year, the City's governmental funds reported combined ending fund balances of \$284.6 million, an increase of \$20.3 million in comparison with the prior year balance. Of this balance, \$79.7 million constitutes unassigned fund balance, \$16.3 million assigned, \$100.8 million committed, \$78.4 million restricted, and \$9.4 million nonspendable.
- The City's five enterprise funds ended the year with net position of \$782.0 million, an increase of \$83.9 million from the prior year fund balance. Net cash flows from operations were \$72.7 million while net cash used by capital and financing activities was \$79.6 million.
- At the end of the 2023 fiscal year, the General Fund assigned and unassigned fund balance was \$86.0 million, an increase of \$3.2 million. This balance represents 37.4 percent of the final 2023 General Fund expenditure and transfers out (financial uses) budget of \$230.0 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them being reported as net position.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, public health, culture and recreation, and urban and economic development. The business-type activities of the City include the enterprise activities of the power and distribution, public parking, sanitary landfill, water, and water reclamation operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Housing and Redevelopment Authority and Metro Communications Agency for which the City is considered to be financially accountable or for which the nature and significance of their relationship with the City is such that the exclusion would cause the City's financial statements to be misleading or incomplete. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 32-34 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful

Management's Discussion and Analysis

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Entertainment Tax Fund, Sales and Use Tax Fund, Housing Fund, Storm Drainage Fund, General Construction Fund and the Public Safety Facility Construction Fund, all of which are considered to be major funds. Data from the other four governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements following the notes to the financial statements.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided as required supplementary information for the major governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page 35 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its power and distribution, public parking, sanitary landfill, water, and water reclamation operations.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee group health, workers' compensation, property/liability insurance, vehicle fleet, technology, and centralized facilities fund. All of these services predominantly benefit governmental rather than business-type functions; therefore, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, all of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 125-130 of this report.

The basic proprietary fund financial statements can be found beginning on page 43 of this report.

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

The City's fiduciary funds consist of the City's two pension funds, the Employee's Retirement System, the Firefighters' Pension Fund, one post-employment trust fund, the retiree health OPEB (Other Post-Employment Benefits) Trust as well as the Police Custodial Trust for funds held by the Police Department on behalf of others. The basic fiduciary fund financial statements for these funds can be found on pages 49 and 50 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 51 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes a budgetary comparison schedule and related notes for the general fund and each major special revenue, as well as information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 93-106 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Management’s Discussion and Analysis

Government-wide Financial Analysis

Net position. As presented in the following table, the City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.5 billion at the close of the fiscal year ending December 31, 2023.

	Governmental Activities		Business-type Activities		Total	
	2022*	2023	2022*	2023	2022*	2023
Current and Other Assets	\$ 364,402,257	\$ 384,786,708	\$ 94,440,583	\$ 109,279,142	\$ 458,842,840	\$ 494,065,850
Capital Assets	1,399,660,419	1,523,442,248	748,194,502	863,296,686	2,147,854,921	2,386,738,934
Total Assets	1,764,062,676	1,908,228,956	842,635,085	972,575,828	2,606,697,761	2,880,804,784
Deferred Outflows of Resources	100,953,503	63,359,794	10,621,813	6,716,443	111,575,316	70,076,237
Long-term Liabilities	207,647,370	163,663,128	119,794,515	160,695,883	327,441,885	324,359,011
Other Liabilities	49,479,440	49,432,871	31,371,761	33,303,419	80,851,201	82,736,290
Total Liabilities	257,126,810	213,095,999	151,166,276	193,999,302	408,293,086	407,095,301
Deferred Inflows of Resources	21,131,986	17,522,710	4,018,919	3,330,082	25,150,905	20,852,792
Net Position:						
Net Investment in Capital Assets	1,243,066,720	1,355,703,795	617,383,847	691,436,401	1,860,450,567	2,047,140,196
Restricted	59,120,129	84,333,528	4,888,890	5,782,434	64,009,019	90,115,962
Unrestricted	284,570,534	300,932,718	75,798,966	84,744,052	360,369,500	385,676,770
Total Net Position	\$ 1,586,757,383	\$ 1,740,970,041	\$ 698,071,703	\$ 781,962,887	\$ 2,284,829,086	\$ 2,522,932,928

*The City elected not to restate 2022 Financial Statements for GASB 96, as such the statements may not be comparable

By far the largest portion of the City’s net position, 81.1 percent, is investments in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, which comprises 3.6 percent of total net position, increased from \$64.0 million in 2022 restricted fund balance to \$90.1 million in 2023. This is primarily due to \$11.7 million of donor restricted funds for various projects in the Sales and Use Tax Fund, as well as a \$5.0 million

increase in restriction for Community Development and increases in restrictions of \$1.4 million for health, \$1.7 million for storm drainage projects and \$1.1 million for other restricted capital projects.

The remaining balance of \$385.7 million, 15.3 percent, in unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors. Certain balances within unrestricted net position have internally imposed designations or limitations which may further limit the purpose for which such net position may be used. For example, a portion of the unrestricted net position within the City’s Sales and Use Tax Fund has been set aside to provide for capital projects that are carried forward from the previous year’s capital program but do not have outstanding contracts or encumbrances as outlined on page 66.

Management’s Discussion and Analysis

Changes in net position. The City’s net position increased by \$238.1 million as revenues exceeded expenses during the current fiscal year for both governmental and enterprise funds. Much of this is committed to current and future capital infrastructure.

More details that account for the change in net position are provided in the following analysis of the governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2022*	2023	2022*	2023	2022*	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 25,874,680	\$ 20,978,801	\$ 105,739,138	\$ 111,766,434	\$ 131,613,818	\$ 132,745,235
Operating Grants and Contributions	18,147,797	40,967,648	260,000	30,450	18,407,797	40,998,098
Capital Grants and Contributions	39,378,506	62,388,264	33,418,736	50,236,294	72,797,242	112,624,558
General Revenues:						
Property Taxes	77,477,025	85,422,885	-	-	77,477,025	85,422,885
Sales Taxes	191,842,140	196,204,090	-	-	191,842,140	196,204,090
Other Taxes	16,946,752	17,868,934	-	-	16,946,752	17,868,934
Other	2,825,788	18,547,830	2,383,948	8,385,579	5,209,736	26,933,409
Grants and Contributions not Restricted to Specific Programs	10,958,647	13,324,870	-	-	10,958,647	13,324,870
Total Revenues	383,451,335	455,703,322	141,801,822	170,418,757	525,253,157	626,122,079
Expenses:						
General Government	19,876,258	21,710,991	-	-	19,876,258	21,710,991
Public Safety	79,572,596	84,407,178	-	-	79,572,596	84,407,178
Highways & Streets	79,768,892	82,385,649	-	-	79,768,892	82,385,649
Public Health	16,235,562	19,476,603	-	-	16,235,562	19,476,603
Culture & Recreation	51,926,933	54,659,069	-	-	51,926,933	54,659,069
Urban & Economic Development	44,429,875	35,309,665	-	-	44,429,875	35,309,665
Interest on Long-term Debt	5,379,052	5,056,113	-	-	5,379,052	5,056,113
Electric Light	-	-	9,417,813	9,079,572	9,417,813	9,079,572
Public Parking	-	-	3,379,597	3,196,535	3,379,597	3,196,535
Sanitary Landfill	-	-	11,614,441	11,397,303	11,614,441	11,397,303
Water	-	-	29,564,158	31,073,556	29,564,158	31,073,556
Water Reclamation	-	-	29,733,235	31,418,179	29,733,235	31,418,179
Total Expenses	297,189,168	303,005,268	83,709,244	86,165,145	380,898,412	389,170,413
Excess before Transfers	86,262,167	152,698,054	58,092,578	84,253,612	144,354,745	236,951,666
Lease (lessor)	-	-	-	-	-	-
Impairment of Land Held for Resale	(774,698)	-	-	-	(774,698)	-
Transfers	1,217,961	362,428	(1,217,961)	(362,428)	-	-
Change in Net Position	86,705,430	153,060,482	56,874,617	83,891,184	143,580,047	236,951,666
Net Position - Beginning, as previously stated	1,500,051,953	1,586,757,383	641,197,086	698,071,703	2,141,249,039	2,284,829,086
Restatement (Note 13)	-	1,152,176	-	-	-	1,152,176
Net Position - Beginning, as restated	1,500,051,953	1,587,909,559	641,197,086	698,071,703	2,141,249,039	2,285,981,262
Net Position - Ending	\$ 1,586,757,383	\$ 1,740,970,041	\$ 698,071,703	\$ 781,962,887	\$ 2,284,829,086	\$ 2,522,932,928

*The City elected not to restate 2022 Financial Statements for GASB 96, as such the statements may not be comparable

Governmental activities. Governmental activities increased the City’s net position by \$154.2 million, thereby accounting for 64.8 percent of the total growth in the net position of the City.

Revenues increased by a net of \$72.3 million or 18.8 percent. This was driven in large part by increases in both operating and capital grants, as well as operating and capital contributions in 2023.

Expenses increased \$5.8 million or 2.0 percent in comparison to the previous year. The City experienced greater expenditures due to regular increases in personnel costs across all departments, an increase in snow events in

Highways and Streets, and a one-time facility expansion in Public Health. However, Urban and Economic Development experienced a decrease in expenditures in 2023. This was due to large one-time community partnerships in 2022 which did not occur in 2023.

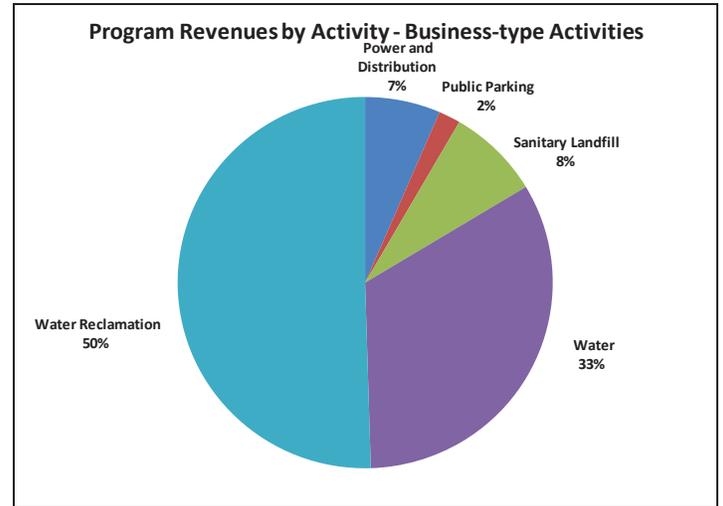
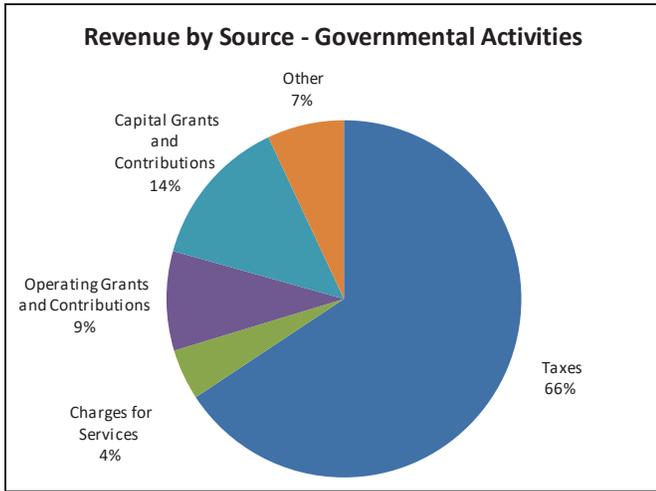
Business-type activities. Business-type activities increased the City’s net position by \$83.9 million, accounting for 35.2 percent of the total growth in the government’s net position. This growth is due to increased revenue over expenses as the City continues to plan for both current and future infrastructure investment.

Management’s Discussion and Analysis

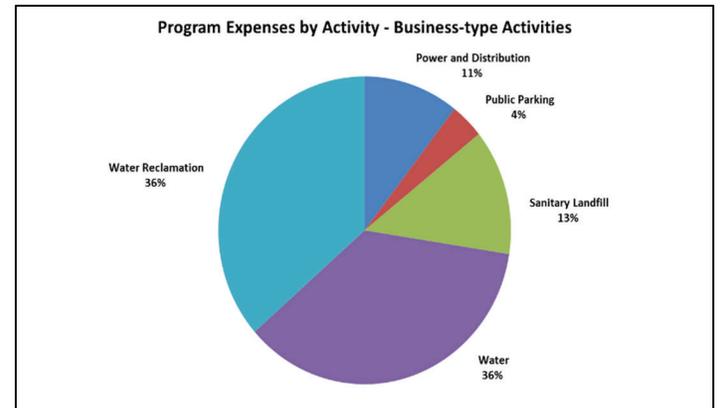
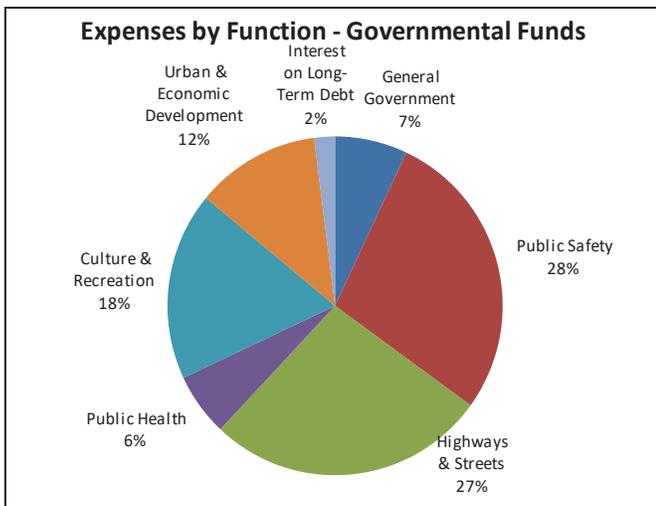
A breakdown of governmental and business-type revenues and expenses are shown on the following four charts:

Taxes account for 66 percent of total governmental revenues. Of this, sales tax comprises 65 percent of total taxes collected, followed by property taxes at 29 percent, and the remainder is frontage and other taxes.

As water and water reclamation utilities provide service to all citizens of Sioux Falls, these utilities account for the largest portion of business-type revenues and related expenses.



Public Safety and Highways and Streets expenses comprise over half of the total governmental expenses.



Management’s Discussion and Analysis

Financial Analysis of the City’s Funds

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

Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financial needs and ability to meet those needs with current revenue streams.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$284.6 million.

Approximately 28.0 percent, or \$79.7 million, of this combined ending fund balance constitutes unassigned fund balance. The remainder of fund balance is assigned (\$16.3 million, 5.7 percent), committed (\$100.8 million, 35.4 percent), restricted (\$78.4 million, 27.6 percent), or nonspendable (\$9.4 million, 3.3 percent).

The **General Fund** is the primary operating fund of the City. At the end of the current fiscal year, the assigned and unassigned fund balance, combined, was \$86.0 million, an increase of \$3.2 million. This fund balance represents 37.4 percent of the 2023 final budget against a reserve policy target of 25 percent (assigned and unassigned fund balance).

The City strategically manages reserves above the policy target of 25 percent to plan for the operating impacts resulting from future growth, including the ability to operate and maintain new capital infrastructure such as fire stations, park and recreation venues, and other new facilities. The current reserve will also support the City’s Employer of Choice initiative to ensure market competitiveness in both pay and benefits.

Year-over-year, total operating revenues increased by \$10.4 million. The major contributing factor to this increase was an increase in sales tax revenue of \$2.1 million or 2.3 percent, and an increase in property tax revenue of \$5.1 million or 6.9 percent. These tax increases are mainly a result of population growth and rising inflation rates during 2023. Additionally, investment revenue increased by \$5.2 million or 594.9 percent, due to higher interest rate earnings on short-term investments. Licenses and permits decreased by \$4.9 million or 30.7 percent, due to a drop in both building permits and new liquor licenses.

Total expenditures increased by \$9.5 million, or 4.7 percent, in 2023 which includes an increase to capital outlay expenditures of \$6.4 million and a \$1.2 million increase in lease debt.

The total increase in operating expenditures were only \$1.9 million. A \$14 million one-time commitment to funding economic development initiatives in 2022 to drive workforce and technology offset substantial operating increases in wages and benefits for the City’s employer of choice

initiative and heavy snow accumulations having an adverse impact on the City snow removal costs in 2023.

Changes within the various service areas are shown in the following table. Expenditures were on track with year-over-year expectations, aligning with expected service levels. Highways and Streets expenditures increased 18.2 percent, primarily due to the increased number of snow events which occurred at the beginning of 2023. Public Health expenditures increased 19.9 percent, which is attributable to increased personnel costs along with a one-time grant funded facility remodel. Urban and economic development was down the most at 50.7 percent. This decrease was attributable to large, one-time donations that occurred in 2022 to partner with the State of South Dakota local university-affiliated organizations to help drive economic growth and development. Below is a snapshot of the operating expenditures for the General Fund. These do not include capital outlay and principal and interest payments as a result of GASB 87 leases or GASB 96 subscriptions.

	Operating Expenditures			Increase(Decrease)
	2022	2023		
General Government	\$ 19,111,341	\$ 20,250,629	\$ 1,139,288	6.0%
Public Safety	78,071,143	82,109,191	4,038,048	5.2%
Highways & Streets	29,266,886	34,599,881	5,332,995	18.2%
Public Health	16,001,401	19,185,410	3,184,009	19.9%
Culture & Recreation	32,109,468	33,618,872	1,509,404	4.7%
Urban & Econ Development	26,141,612	12,887,338	(13,254,274)	-50.7%
	<u>\$200,701,851</u>	<u>\$202,651,321</u>	<u>\$ 1,949,470</u>	1.0%

The **Entertainment Tax Fund** recognized a \$7.3 million increase in fund balance. Total revenues increased by \$4.3 million or 33.5 percent year-over-year. This increase included \$0.7 million, or 6.4 percent, in entertainment tax, \$2.2 million in ARPA revenue for the Washington Pavilion cornice and parapet replacement project, and \$1.1 million in investment revenue. Fund balance also increased due to \$2.8 million in net profits from operations of the Events Center Complex. The Entertainment Tax is derived primarily from a third penny tax on hospitality and entertainment related services.

Total expenditures increased by \$4.4 million in 2023 primarily due to capital outlay expenditures which included the cornice and parapet replacement project at the Washington Pavilion.

The Fund, which is used to operate and maintain the Sioux Falls Convention Center and entertainment venues (Denny Sanford PREMIER Center, Sioux Falls Arena, Orpheum Theater, Washington Pavilion and Sioux Falls Stadium), has a committed fund balance of \$29.9 million to support the infrastructure and long-term viability of the City’s entertainment venues.

The **Sales and Use Tax Fund** accounts for the second penny sales and use tax, which is used to fund non-enterprise capital infrastructure, including City highways and streets, parks, buildings, and equipment.

The total revenues and transfers-in were \$123.8 million. This was an increase of \$27.1 million which includes \$2.1 million (2.3 percent with audits, 3.0 percent without audits) in additional sales tax, \$18.6 million in contributions from private donations and state shared revenues, and \$5.4 million in investment income.

Management’s Discussion and Analysis

Total fund expenditures and transfers-out were \$106.5 million, an increase of \$18.2 million. The City continues to make major investment in street, public safety, and parks and recreation infrastructure and equipment.

Net revenues and expenditures increased fund balance by \$17.4 million, ending the year with \$100.1 million fund balance which includes future commitments and restrictions. Subtracting off these restrictions, \$4.5 million in inventory and land, \$12.4 million of donor contributions for projects, and \$15.6 million in debt reserves, and adding back \$11.8 million unearned revenues for committed projects being carryforward to 2024 leaves a balance of \$78.7 million for future capital spending. Of this, \$71.5 million is encumbered for outstanding contracts and appropriated budget authority being carried forward for projects to be completed in 2024. This leaves a \$7.9 million available fund balance, of which \$3.0 million is dedicated as an internal reserve, leaving \$4.9 million available for additional capital investments.

The **Housing Fund** ended the year with a fund balance of \$33.0 million which was a \$4.9 million increase. However, \$21.7 million is restricted for outstanding housing loan receivables leaving a balance of \$9.3 million. This increase is primarily due to a one-time General Fund transfer of \$4.0 million to support the expansion of low-income housing units.

The **Storm Drainage Fund** experienced a \$2.8 million increase in fund balance, ending with a balance of \$14.0 million. The Storm Drainage balance is built and used over time as the City focuses its efforts on building regional detention facilities and improving the City’s storm drainage system. Thus, the timing of large capital and maintenance projects impacts the addition and use of fund balance depending on the year.

The **General Government Construction Fund**, established in 2016 to account for \$22.2 million of revenue bond proceeds for the new City Center office building, was closed in 2023. A \$0.3 million transfer was made to the Sales Tax Fund to offset future debt service.

The **Public Safety Facility Construction Fund** was established in 2020 to account for the \$50.0 million in revenue bond proceeds for the Public Safety Training and 911 (PSAP) Communications facility. This fund experienced a \$17.8 million decrease in fund balance in the current year as building construction funds were expensed during the year.

Proprietary (business-type) Funds

The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The following table depicts the unrestricted net position and the increase or decrease over previous years for the individual enterprise funds.

	Unrestricted Net Position		
	2022	2023	Increase
Power and Distribution	\$ 10,397,156	\$ 10,304,999	\$ (92,157)
Public Parking Facilities	1,519,302	1,649,529	130,227
Sanitary Landfill	12,716,187	13,590,949	874,762
Water	12,993,310	24,407,399	11,414,089
Water Reclamation	31,899,019	29,599,812	(2,299,207)
	<u>\$ 69,524,974</u>	<u>\$ 79,552,688</u>	<u>\$ 10,027,714</u>

The changes within the unrestricted net position of the proprietary (enterprise) funds are related to the use of accumulated cash assets to invest in capital infrastructure. The City continues to make rate adjustments driven by detailed rate models, which include both current and future operating costs and provide for infrastructure expansion within each of the funds.

All funds experienced positive cash flow from operating activities. The funds ended with a total cash balance of \$87.6 million, an increase of \$26.2 million. Net cash flows from operations ended with a combined positive cash flow of \$72.7 million.

The City, along with outside professional consulting, continues to conduct regular rate reviews for each enterprise fund to ensure the self-sufficiency and sustainability of each fund. During the past year, the City analyzed all utility enterprise rates and approved adjustments for Water, Water Reclamation, and Sanitary Landfill. Established rates compare favorably both regionally and nationally, ensuring rate payers receive high quality, reliable service at competitive pricing levels.

The **Power and Distribution Fund** generated a positive net cash flow from operations of \$2.3 million in 2023, ending the year with a cash balance of \$9.1 million and an unrestricted net position of \$10.3 million.

The Power and Distribution Fund is reviewed annually to identify and plan for both operational and capital infrastructure costs that will need to be added or replaced over the next decade. Power and Distribution required no adjustments for this time period.

The **Public Parking Fund** generated \$1.6 million in cash flow from operating activities. After accounting for \$1.5 million in cash outflows for capital and financing activities, the fund ended the year with a net cash increase of \$0.2 million, a cash balance of \$3.6 million and an unrestricted net position of \$1.6 million.

The City adopted a new parking rate structure in 2016, which allows for annual rate adjustments up to established maximums. As rates are nearing the maximum allowed by ordinance, the City will be evaluating future allowable rates.

The **Sanitary Landfill Fund** ended the year with an unrestricted net position of \$13.6 million and a cash balance of \$24.4 million. A substantial portion of the cash balance, or \$11.8 million, has been restricted to meet the City’s future landfill closure and post-closure obligations.

The City recently adopted a four-year schedule of annual rate adjustments, the first effective on January 1, 2024.

Management's Discussion and Analysis

The **Water Fund** generated \$26.3 million in cash flow from operating activities ending with a cash balance of \$21.2 million. After accounting for \$16.1 million in cash outflows from capital and related financing activities, the fund recognized a net cash increase of \$11.3 million and an unrestricted net position of \$24.4 million.

The City recently adopted a four-year schedule of annual rate adjustments, the first effective on January 1, 2024.

The **Water Reclamation Fund** recognized an increase in cash from operations of \$38.3 million and a total increase of cash flows in the amount of \$13.1 million for an ending cash balance of \$29.3 million and unrestricted net position of \$29.6 million.

The City recently adopted a four-year schedule of annual rate adjustments, the first effective on January 1, 2024.

The City will continue to evaluate inflationary and other cost escalation impacts on large infrastructure investments for all enterprise funds. The City will need to plan, balance, and adapt to ensure both current demands and future growth needs are met.

Pension and Other Post-Employment Benefit (OPEB) Funds

The City has two defined benefit pension plans, the Employee's Retirement System and Firefighters' Pension Fund. The two plans were closed to new membership as of July 1, 2013. All full-time employees hired after this date become members of the South Dakota Retirement System (SDRS). The City's proportionate share within the SDRS plan is a net asset.

On a market value basis, the Employees' Retirement System and Firefighter's Pension Fund are 100 percent funded. For future contribution rates, the funds use an investment return assumption of 7.0 percent, a 3.5 percent wage inflation assumption, and a 14 year amortization on unfunded liabilities. Both plans have substantial unallocated income reserves to buffer against contribution increases should investment markets or other economic or non-economic assumptions not perform as assumed.

The City's OPEB Trust closed to new members as of January 1, 2014. The trust is 734.0 percent funded on a market value basis as of December 31, 2023, with \$3.6 million in assets available to meet a \$0.5 million estimated liability.

General Fund Budgetary Highlights

The City's 2023 budget was built with estimated sales tax growth rates of 8 percent in 2022 and 4 percent in 2023. Although the 2023 recognized growth was slightly below estimates at 3 percent (2.3 percent including audits), actual

revenue received was \$1.9 million above budget projections due to the large 12.2 percent growth rate in 2022.

Strong population growth and construction activity continue to drive growing property tax collections. The City's property tax collections were 6.9 percent (3.9% from growth) above last year's collections and on pace with budget expectations.

Overall total revenues and other financing sources exceeded budget projections by \$12.6 million. This increase was primarily due to increases in licenses and permits which included additional on-sale liquor licenses permitted, strong building permits and licenses, a large increase in investment revenue due to higher interest rates, and higher than estimated sales tax revenues.

The General Fund expenditures budget is comprised of approximately 62 percent wages and benefits and 38 percent other operating expenditures. The fund expenditures ended the year \$10.9 million or 4.7 percent below final budget. Higher than normal wage and benefit savings contributed to over 80 percent of the savings, or \$8.8 million. The City of Sioux Falls' MSA is experiencing a very low unemployment rate of 1.8 percent and is not immune to the pressures of hiring and retaining employees, especially in the public safety sector.

Other notable budget savings were \$0.8 million in utility savings comprised mostly of street light electricity as the LED conversion program continues to pay dividends, \$1.0 million in deicing material savings due to improved application methods, \$0.7 million for holding plans to buildout and remodel the LINK building, and one-time savings of \$2.1 million of unspent budget due to recognizing a land swap between the City and Minnehaha County as an asset and not an expense.

The 2023 budget anticipated the use of \$1.6 million in operating reserves, or budgeted revenues under expenses. The City ended the year adding \$7.6 million to fund balance. Adjusting for the restrictions for land and committed cash of \$4.4 million, the City added \$3.2 million to reserves ending 2023 with a 37.4 percent reserve as a percentage of budget.

Details of the City's Budgetary Comparison Schedule can be found starting on page 93.

Capital Assets and Debt Administration

Capital assets. Total capital assets for the governmental and business-type activities as of December 31, 2023, amounted to \$2.4 billion (net of accumulated depreciation). This investment in capital assets include land, buildings, improvements, machinery and equipment, infrastructure, intangibles, and construction in progress.

Management’s Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2022*	2023	2022*	2023	2022*	2023
Land	\$ 190,289,197	\$ 198,117,477	\$ 20,615,851	\$ 21,607,317	\$ 210,905,048	\$ 219,724,794
Buildings	224,223,370	258,036,132	55,739,728	65,278,548	279,963,098	323,314,680
Improvements Other Than Buildings	56,992,069	58,746,739	22,784,279	25,738,955	79,776,348	84,485,694
Machinery and Equipment	50,092,675	62,338,653	18,923,487	19,670,136	69,016,162	82,008,789
Infrastructure	819,011,423	886,058,728	460,446,463	480,525,233	1,279,457,886	1,366,583,961
Intangibles	5,542,337	5,567,337	75,701,718	76,314,266	81,244,055	81,881,603
Construction in Progress	50,638,487	44,780,902	93,926,016	174,095,783	144,564,503	218,876,685
Right to Use Leased Assets	2,870,861	7,556,703	56,960	39,334	2,927,821	7,596,037
Right to Use Subscription Assets	-	2,239,577	-	27,114	-	2,266,691
Total Assets	\$ 1,399,660,419	\$ 1,523,442,248	\$ 748,194,502	\$ 863,296,686	\$ 2,147,854,921	\$ 2,386,738,934

**The City elected not to restate 2022 Financial Statements for GASB 96, as such the statements may not be comparable*

The City’s total capital assets, net of accumulated depreciation, increased by \$238.9 million in the current fiscal year compared to the prior year restated capital assets. This increase was due in large part to the addition of the following capital assets:

- The completion of a variety of street construction and reconstruction projects (including donated and annexed streets) totaling \$95.5 million, including the overlay and concrete restoration of several city streets for \$16.4 million.
- The completion of light, water, wastewater, and storm drainage infrastructure totaling \$66.8 million.
- The construction of the Public Safety Training Center, totaling \$50.6 million.
- The construction of Landfill Cell #4 expansion totaling \$5.2 million.

- The purchase of 11 Transit Fixed Route buses totaling \$5.3 million.

Additional information on capital assets can be found in Note 3 in the Notes to the Financial Statements.

Long-term debt. At the end of the fiscal year, the City had total debt outstanding of \$298.2 million. The City made regularly scheduled principal payments of \$28.5 million. The overall debt of the City, including enterprise fund infrastructure activity, increased \$29.6 million from 2022 as shown below due to borrowing for the expansion of the City’s water reclamation plant.

The City has very favorable per capita debt ratios and solid debt service coverage across all funds. Although the City anticipates continued near-term borrowing for water reclamation plant capacity expansion and additional long-term borrowing for upcoming quality of life investments, favorable per capita debt ratios are expected to continue into the foreseeable future.

	Outstanding Debt by Type					
	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Bonds	\$ 139,295,000	\$ 127,635,000	\$ 32,760,000	\$ 28,575,000	\$ 172,055,000	\$ 156,210,000
Notes	10,590,367	9,438,763	85,938,064	132,540,911	96,528,431	141,979,674
Total	\$ 149,885,367	\$ 137,073,763	\$ 118,698,064	\$ 161,115,911	\$ 268,583,431	\$ 298,189,674

The following table provides a breakdown of the outstanding debt on both a pledged basis (the funding source that secures the debt issuance) and a repayment basis (the funding source making the debt service payments).

The bonds issued to fund the City’s investment in the Lewis & Clark Regional Water System and the new downtown parking ramp used the pledge of the second penny sales tax but are being repaid by the Water Fund and Public Parking Fund, respectively. Note this table includes unamortized premiums the previous table does not.

Management’s Discussion and Analysis

Outstanding Debt by Pledge and Repayment				
	Pledged		Repayment	
	2022	2023	2022	2023
Governmental Activities				
Sales and Use Tax Fund	\$ 193,229,393	\$ 175,954,114	\$ 156,293,821	\$ 143,794,185
Housing Fund	600,000	600,000	600,000	600,000
Storm Drainage Fund	9,990,367	8,838,763	9,990,367	8,838,763
Total Governmental Activities	<u>203,819,760</u>	<u>185,392,877</u>	<u>166,884,188</u>	<u>153,232,948</u>
Business-type Activities				
Public Parking Fund	-	-	14,210,000	13,125,000
Water Fund	-	-	22,725,572	19,034,929
Water Reclamation Fund	85,938,064	132,540,912	85,938,064	132,540,912
Total Business-type Activities	<u>85,938,064</u>	<u>132,540,912</u>	<u>122,873,636</u>	<u>164,700,841</u>
Total	<u><u>\$ 289,757,824</u></u>	<u><u>\$ 317,933,789</u></u>	<u><u>\$ 289,757,824</u></u>	<u><u>\$ 317,933,789</u></u>

Moody’s Investors Service reaffirmed the City’s ‘Aa1’ issuer rating and ‘Aa2’ sales tax bond rating in 2023. The City only borrows to construct long-term capital assets that serve both current and future residents. The City does not borrow for operating purposes and does not have any general obligation debt outstanding.

The State Constitution limits the amount of debt a governmental entity may issue based upon three categories as described in the notes to the financial statements. Currently, all the City’s debt is classified under the category of general-purpose debt, which is limited to 5.0 percent of assessed valuation of the taxable property. The current general-purpose debt limitation for the City is \$1.1 billion, which is \$819.3 million in excess of the City’s outstanding bonded debt.

Additional information on the City’s long-term debt can be found beginning on page 67 of this report.

Next Year’s Budget and Economic Outlook

The 2024 budget is guided by the four core tenants of the One Sioux Falls framework including safety and health, accessible housing, workforce and kids and families. When making decisions and investing in being a great place for kids and families, our whole community benefits. The City’s vision of “Taking care of today for a better tomorrow”, is reflected in the 2024 Budget.

The City’s economic climate remains steadfast. In preparing the 2024 Budget, the City balanced the solid local economy with the potential impacts of the federal government’s monetary tightening policy.

Infrastructure investments are the largest portion of the 2024 Budget as the City continues to invest in maintaining our city’s roadway and utility systems for a growing community. The budget reflects the intentional investments to maintain our current assets while planning for the new infrastructure demands. Throughout the 2024 budgeting process, it was essential the teams balance critical infrastructure demands with the quality-of-life projects that make the City a great place to live, work, visit, and play.

The City continues to focus on investments in public safety as the budget supports an additional eight full-time police and fire employees. In the 2024 Budget, there is also additional funding for Police Department body armor, vehicles, and the opportune acquisition of land when for future report-to-work stations, further increasing efficiency of operations and expanding police presence. Sioux Falls Fire Rescue continues to move forward in preparing for its next fire station anticipated to be constructed in Northeast Sioux Falls to support maintaining response times.

Investments in public safety, public health, and quality of life include more than new employees, amenities, or buildings but requires the City to build partnerships. In 2024 the City will add a homeless coordinator position and launch a street outreach team in an effort to strategically engage with community partners and connect the underserve population with support services.

In 2024 the City announced a community partner which will contribute to the expansion of the current locker rooms at our highly utilized Midco Aquatic Center. This project will double the square footage of locker room space, increase the amount and size of the lockers, and make for a much more enjoyable experience. Community surveys continue to show outdoor and indoor swimming and indoor recreation as top park priorities for our community.

The City aims to finalize designs for the replacement of several aging pools in 2024. As indoor recreation continues to be an emphasis of our residents, efforts focus on exploring options for at least one, possibly two indoor recreation centers. With preliminary designs in progress for the aquatics system, the City anticipates entering the bond market to support the construction of these investments in late 2024, early 2025. These investments will have large impacts on the core tenant of kids and families and engage people for future generations.

Accessible housing, along with workforce, continues to be a pressing need for the community. During the past year, the City has made significant investments to support the implementation of new housing initiatives. The City will continue to collaborate with the private and non-profit

Management’s Discussion and Analysis

sectors to work together with a “One Sioux Falls” mindset to address housing challenges.

The City must plan ahead to meet the workforce needs of a growing community and ensure the city teams are equipped to continue providing quality services to the community. Public service is both rewarding and challenging work requiring the City to continue to invest in its employees. The 2024 Budget contains investments to support current employees through focused culture initiatives, competitive wages and benefits, and recruiting future employees through an emphasis of marketing and branding. Included in the 2024 Budget is the addition of 25 new fulltime positions.

	2022	2023	Change	% Change
Population	208,900	213,891	4,991	2.39%
Employment	159,830	162,978	3,148	1.97%
Per Capita Personal Income (trailing year)	71,570	74,725	3,155	4.41%
Taxable Sales (\$ in thousands)	9,026,410	9,214,901	188,491	2.09%
First Penny Net Sales Tax Collections (\$ in thousands)	89,380	91,479	2,099	2.35%
Total Construction (\$ in thousands)	1,930,004	1,115,671	-814,332	-42.19%

Looking ahead, the City is planning and adapting for an economy that has many cross-winds. Recognizing the slowdown in sales tax revenues in the last quarter of 2023 and the federal government’s monetary tightening policies, the City is positioning itself for a constrained 2025 Budget.

The 2024 budget projections for the City’s largest revenue source, sales tax, were built upon a revised projection of 5.0 percent sales tax growth for 2023 (actual results were 3.0 percent) with an estimated 5.0 percent growth for 2024. To make the sales tax revenue budget for 2024, the City will need to realize an estimated 6.0 percent growth rate.

Property tax continues to reflect the City’s strong building environment. The 2024 budget includes a 7.0 percent increase, 4.0 percent new growth and a 3.0 percent inflationary adjustment. The City’s property tax growth continues to be a stable source of revenue with growth averaging around 3.0 percent over the last ten years. Coupled with 2.0 percent population growth the outlook remains strong for future property tax growth.

The City’s one percent entertainment tax funds the City’s entertainment venues (Washington Pavilion, Orpheum Theatre, Denny Sanford PREMIER Center, Sioux Falls Convention Center, and the Sioux Falls Baseball Stadium). In 2023, the City’s entertainment venues experienced very strong attendance resulting in excellent financial results. The outlook for 2024 remains optimistic. The City continues to leverage these strong results to focus on the user experience by investing in and maintaining these facilities in order to position the entertainment venues and convention center as a leading entertainment complex and cultural destination in the Midwest.

The business-type funds rely solely on user fee revenues to support the costs of operations and necessary capital expansions to support growth. The City, along with outside professional consulting, continues to conduct regular rate reviews for each enterprise fund to ensure the self-

Economic Outlook

The Sioux Falls economy overall ended 2023 in a solid financial position as evidenced by the pace of building permit values, taxable sales, and population growth. The decline in construction from 2023 to 2022 can be attributed to severable variables, including a record year in 2022, higher interest rates, and the rising cost of business. Overall total construction valuation had its second highest year in 2023. The table below outlines the economic climate in 2023.

sufficiency and sustainability of each fund. During the past year, the City analyzed all utility enterprise rates and approved for year rate adjustments for Water, Water Reclamation, and Sanitary Landfill.

Summary: Sioux Falls is a vibrant and growing City, encompassing a dynamic and diversified business economy. As the City grows in size and population, the needs of our community continue to expand.

The City’s long-standing commitment to balancing fiscal discipline with forward-thinking leadership continues to play a key role in strengthening the City’s growing community. This commitment has allowed the City to quickly adapt to changing economic environments and respond to extraneous events without compromising on remaining fiscally strong.

This financial strength is the backdrop for providing the community with critical infrastructure services and quality of life amenities to support a growing community.

The City has been rewarded by its commitment to having a solid “**Plan**”, maintaining “**Balance**” in terms of City services and capital investments, and maximizing our ability to “**Adapt**” to changing circumstances. These three guiding principles serve as the foundation framing the City’s long-term finance and operating strategies. The City’s financial position, across all of the City’s various funds, confirms the City’s commitment to these guiding principles year after year.

The City is a proven leader when it comes to fiscal responsibility, with City leaders who are committed to making wise investment of public resources. This leadership provides the backdrop for continued success in providing the public with terrific value for their tax dollars and ensuring Sioux Falls continues to be the best place to live, work, play, and raise a family.

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a thorough accounting of the City of Sioux Falls' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, 224 West Ninth Street, City of Sioux Falls, Sioux Falls, SD 57104, (605) 367-8860

Financial strength is the backdrop for providing the community with critical and reliable infrastructure services while balancing quality of life amenities to support a growing community. The City's long-standing commitment to balancing fiscal discipline with forward-thinking leadership will continue to play a key role in the strength of our local community. This steady and balanced commitment has allowed the City to quickly adapt to changing economic environments and respond to extraneous events without compromising on services and remaining fiscally strong.

Overall, we have a commitment to our residents. A commitment to maintain our quality services while looking ahead to tomorrow. A commitment to balance future capital projects with operational impacts. A commitment to keep our City financially strong.

This page intentionally left blank.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statement of Net Position

	Primary Government			Component Units	
	Governmental	Business-type	Total	Housing & Redevelopment	Metro
	Activities	Activities		Commission	Communications Agency
Assets					
Cash and Cash Equivalents	\$ 289,293,919	\$ 75,805,772	365,099,691	\$ 3,715,063	\$ 2,270,013
Assets Held for Management Agreements	12,279,714	-	12,279,714	-	-
Investments	-	-	-	25,341	-
Receivables, net	29,713,231	10,089,081	39,802,312	293,296	49,048
Lease	237,519	1,358,996	1,596,515	-	-
Prepaid Items	772,728	-	772,728	50,041	43,537
Internal Balances	(5,206,849)	5,206,849	-	-	-
Due From Other Governments	39,132,371	7,631	39,140,002	268,778	603,853
Inventory of Supplies and Stores	10,961,092	4,456,997	15,418,089	3,026,683	-
Restricted Assets:					
Cash and Cash Equivalents	-	11,830,031	11,830,031	-	-
Net Pension Asset	4,448,436	523,785	4,972,221	-	14,578
Net OPEB Asset	3,154,547	-	3,154,547	-	-
Capital Assets:					
Land	198,117,477	21,607,317	219,724,794	776,184	-
Buildings, net	258,036,132	65,278,548	323,314,680	2,843,696	-
Improvements Other Than Buildings, net	58,746,739	25,738,955	84,485,694	171,639	-
Machinery and Equipment, net	62,338,653	19,670,136	82,008,789	126,281	131,731
Infrastructure, net	886,058,728	480,525,233	1,366,583,961	-	-
Intangibles, net	5,567,337	76,314,266	81,881,603	-	-
Construction in Progress	44,780,902	174,095,783	218,876,685	-	2,275,833
Right to Use Leased Assets, net	7,556,703	39,334	7,596,037	-	-
Subscription Assets, net	2,239,577	27,114	2,266,691	-	-
Total Assets	<u>1,908,228,956</u>	<u>972,575,828</u>	<u>2,880,804,784</u>	<u>11,297,002</u>	<u>5,388,593</u>
Deferred Outflow of Resources					
OPEB Trust	73,479	-	73,479	-	-
City Employee's Retirement System	36,098,367	4,825,767	40,924,134	-	-
City Firefighters' Pension Fund	11,819,332	-	11,819,332	-	-
South Dakota Retirement System	15,368,616	1,890,676	17,259,292	-	1,118,024
Total Deferred Outflow of Resources	<u>63,359,794</u>	<u>6,716,443</u>	<u>70,076,237</u>	<u>-</u>	<u>1,118,024</u>
Liabilities					
Accounts Payable and Other Current Liabilities	19,873,629	13,963,182	33,836,811	785,414	873,063
Interest Payable	708,796	440,318	1,149,114	10,041	-
Deposits	138,134	674,449	812,583	18,197	-
Unearned Revenue	11,599,445	158,132	11,757,577	-	-
Unearned Revenue-Other	-	-	-	397,699	-
Loss Reserve on Workers' Comp Claims					
Due Within One Year	700,000	-	700,000	-	-
Due In More Than One Year	2,219,729	-	2,219,729	-	-
Long-term Liabilities:					
Due Within One Year	13,283,706	18,038,951	31,322,657	2,428,369	171,626
Due Within One Year - Leases/Subscriptions	3,129,161	28,387	3,157,548	-	-
Due In More Than One Year	154,946,913	160,657,654	315,604,567	3,106,342	168,879
Due in More Than One Year - Leases/Subscriptions	6,496,486	38,229	6,534,715	-	-
Total Liabilities	<u>213,095,999</u>	<u>193,999,302</u>	<u>407,095,301</u>	<u>6,746,062</u>	<u>1,213,568</u>
Deferred Inflow of Resources					
Lease Related	231,470	1,355,402	1,586,872	-	-
City Employee's Retirement System	5,075,048	678,452	5,753,500	-	-
City Firefighters' Pension Fund	1,661,199	-	1,661,199	-	-
South Dakota Retirement System	10,554,993	1,296,228	11,851,221	-	742,314
Total Deferred Inflow of Resources	<u>17,522,710</u>	<u>3,330,082</u>	<u>20,852,792</u>	<u>-</u>	<u>742,314</u>
Net Position					
Net Investment in Capital Assets	1,355,703,795	691,436,401	2,047,140,196	743,309	2,407,564
Restricted for:					
Debt Service	15,647,267	5,258,649	20,905,916	-	-
Park and Recreation	12,452,250	-	12,452,250	-	-
Police	96,379	-	96,379	-	-
Health	1,473,111	-	1,473,111	-	-
Community Development	32,939,280	-	32,939,280	-	-
Library:					
Expendable	52,647	-	52,647	-	-
Nonexpendable	24,767	-	24,767	-	-
Heroic Awards:					
Expendable	3,840	-	3,840	-	-
Nonexpendable	2,000	-	2,000	-	-
Pension	4,448,436	523,785	4,972,221	-	14,578
OPEB	3,154,547	-	3,154,547	-	-
Storm Drainage	9,808,717	-	9,808,717	-	-
Construction Projects	4,230,287	-	4,230,287	-	-
Other Purposes	-	-	-	373,601	-
Unrestricted	300,932,718	84,744,052	385,676,770	3,434,030	2,128,593
Total Net Position	<u>\$ 1,740,970,041</u>	<u>\$ 781,962,887</u>	<u>\$ 2,522,932,928</u>	<u>\$ 4,550,940</u>	<u>\$ 4,550,735</u>

The notes to the financial statements are an integral part of this statement.

Statement of Activities

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 21,710,991	\$ 4,001,503	\$ 57,522	\$ -
Public Safety:				
Fire Protection	35,579,245	377,224	1,082,860	12,909
Police Protection	48,827,933	187,744	1,020,707	-
Highways and Streets	82,385,649	1,820,342	5,674,321	61,595,532
Public Health	19,476,603	5,567,825	6,956,751	199,978
Culture and Recreation:				
Libraries	11,282,478	74,805	1,368,235	60,000
Museum	3,361	-	-	-
Parks & Recreation	33,052,495	2,276,149	16,041,829	519,845
Entertainment Venues	10,320,735	-	-	-
Urban and Economic Development:				
Affordable Housing	4,085,672	17,979	1,852,201	-
Transit	10,974,190	-	-	-
TIF	6,145,138	-	-	-
Planning and Development Services	14,104,665	6,655,230	6,913,222	-
Interest on Long-Term Debt	5,056,113	-	-	-
Total Governmental Activities	303,005,268	20,978,801	40,967,648	62,388,264
Business-type Activities:				
Power and Distribution	9,079,572	10,501,354	16,377	-
Public Parking	3,196,534	3,044,194	-	-
Sanitary Landfill	11,397,303	12,977,622	12,822	-
Water	31,073,556	44,822,440	1,251	8,863,701
Water Reclamation	31,418,178	40,420,824	-	41,372,593
Total Business-type Activities	86,165,143	111,766,434	30,450	50,236,294
Total Government	\$ 389,170,411	\$ 132,745,235	\$ 40,998,098	\$ 112,624,558
Component Units:				
Housing & Redevelopment Commission	\$ 16,616,686	\$ 836,285	\$ 15,807,184	\$ 39,562
Metro Communications Agency	5,837,436	182,395	4,585,212	-
	\$ 22,454,122	\$ 1,018,680	\$ 20,392,396	\$ 39,562

General Revenues:

Taxes:

Property Tax

Sales Tax

Frontage Tax

E-911 Surcharges

Unrestricted State and County Shared Revenues

Unrestricted Investment Earnings

Miscellaneous Revenue, Net

Debt Forgiveness

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Restatement (Note 13)

Net Position - Beginning, as restated

Net Position - Ending

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

Statement of Activities (cont)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Commission	Metro Communications Agency
\$ (17,651,966)	\$ -	\$ (17,651,966)		
(34,106,252)	-	(34,106,252)		
(47,619,482)	-	(47,619,482)		
(13,295,454)	-	(13,295,454)		
(6,752,049)	-	(6,752,049)		
(9,779,438)	-	(9,779,438)		
(3,361)	-	(3,361)		
(14,214,672)	-	(14,214,672)		
(10,320,735)	-	(10,320,735)		
(2,215,492)	-	(2,215,492)		
(10,974,190)	-	(10,974,190)		
(6,145,138)	-	(6,145,138)		
(536,213)	-	(536,213)		
(5,056,113)	-	(5,056,113)		
<u>(178,670,555)</u>	<u>-</u>	<u>(178,670,555)</u>		
-	1,438,159	1,438,159		
-	(152,340)	(152,340)		
-	1,593,141	1,593,141		
-	22,613,836	22,613,836		
-	50,375,239	50,375,239		
-	75,868,035	75,868,035		
<u>(178,670,555)</u>	<u>75,868,035</u>	<u>(102,802,520)</u>		
			\$ 66,345	\$ -
			-	(1,069,829)
			<u>66,345</u>	<u>(1,069,829)</u>
85,422,885	-	85,422,885	-	-
196,204,090	-	196,204,090	-	-
17,868,934	-	17,868,934	-	-
-	-	-	-	2,846,110
13,324,870	-	13,324,870	-	-
13,616,803	3,631,600	17,248,403	17,054	105,651
4,931,027	3,170,395	8,101,422	(10,903)	327
-	1,583,582	1,583,582	-	-
362,428	(362,428)	-	-	-
<u>331,731,037</u>	<u>8,023,149</u>	<u>339,754,186</u>	<u>6,151</u>	<u>2,952,088</u>
153,060,482	83,891,184	236,951,666	72,496	1,882,259
1,586,757,383	698,071,703	2,284,829,086	4,478,444	2,668,476
1,152,176	-	1,152,176	-	-
<u>1,587,909,559</u>	<u>698,071,703</u>	<u>2,285,981,262</u>	<u>4,478,444</u>	<u>2,668,476</u>
<u>\$ 1,740,970,041</u>	<u>\$ 781,962,887</u>	<u>\$ 2,522,932,928</u>	<u>\$ 4,550,940</u>	<u>\$ 4,550,735</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Balance Sheet - Governmental Funds

	<u>General</u>	<u>Entertainment Tax</u>	<u>Sales and Use Tax</u>	<u>Housing</u>
Assets				
Cash and Cash Equivalents	\$ 80,928,864	\$ 21,043,039	\$ 101,602,835	\$ 12,581,461
Assets Held for Management Agreements	2,545,495	8,978,361	-	-
Receivables:				
Taxes-Delinquent	1,534,696	-	-	-
Accounts (net of allowance for uncollectibles)	3,910,778	-	32,049	-
Interest and Penalty	610,352	135,565	623,878	27,521
Special Assessments	-	-	487,911	-
Rehabilitation Loans and Grants	-	-	-	21,734,097
Leases	165,505	-	72,014	-
Due from Other Funds	280,646	-	-	-
Due from Other Governments	16,729,437	1,575,385	17,363,829	217,152
Inventory of Supplies and Stores	4,863,435	-	4,463,657	51,213
Notes Receivable	-	-	-	60,509
Prepays	82,578	-	-	-
Total Assets	\$ 111,651,786	\$ 31,732,350	\$ 124,646,173	\$ 34,671,953
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$ 2,784,463	\$ 1,148,269	\$ 5,319,587	\$ 231,788
Due to Other Funds	15,963	-	-	-
Accrued Wages	2,525,193	-	-	15,398
Deposits	137,675	-	459	-
Unearned Revenue	2,851,439	-	11,751,421	1,434,274
Total Liabilities	8,314,733	1,148,269	17,071,467	1,681,460
Deferred Inflows of Resources				
Unavailable Revenue-Property Taxes	1,145,184	-	-	-
Unavailable Revenue-Sales Tax	6,966,670	695,989	6,913,860	-
Unavailable Revenue-Special Assessments	30	-	504,684	-
Lease Related	160,296	-	71,174	-
Long-Term Receivables	4,138	-	-	-
Total Deferred Inflows of Resources	8,276,318	695,989	7,489,718	-
Fund Balances				
Nonspendable	4,863,435	-	4,463,657	51,213
Restricted	1,637,636	-	28,038,286	32,939,280
Committed	2,545,495	29,888,092	67,583,045	-
Assigned	6,323,922	-	-	-
Unassigned	79,690,247	-	-	-
Total Fund Balances	95,060,735	29,888,092	100,084,988	32,990,493
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 111,651,786	\$ 31,732,350	\$ 124,646,173	\$ 34,671,953

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Balance Sheet - Governmental Funds (cont)

<u>Storm Drainage</u>	<u>General Government Construction</u>	<u>Public Safety Facility Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 15,059,332	\$ -	\$ 3,907,295	\$ 10,182,437	\$ 245,305,263
-	-	-	755,858	12,279,714
-	-	-	-	1,534,696
-	-	-	-	3,942,827
98,142	-	15,158	319	1,510,935
-	-	-	-	487,911
-	-	-	-	21,734,097
-	-	-	-	237,519
-	-	-	-	280,646
77,150	-	-	3,005,795	38,968,748
-	-	-	-	9,378,305
-	-	-	-	60,509
-	-	-	-	82,578
<u>\$ 15,234,624</u>	<u>\$ -</u>	<u>\$ 3,922,453</u>	<u>\$ 13,944,409</u>	<u>\$ 335,803,748</u>
\$ 920,727	\$ -	\$ 2,171,935	\$ 163,141	\$ 12,739,910
224,251	-	-	50,000	290,214
50,642	-	-	-	2,591,233
-	-	-	-	138,134
-	-	-	2,930,148	18,967,282
<u>1,195,620</u>	<u>-</u>	<u>2,171,935</u>	<u>3,143,289</u>	<u>34,726,773</u>
-	-	-	-	1,145,184
-	-	-	-	14,576,519
-	-	-	-	504,714
-	-	-	-	231,470
-	-	-	-	4,138
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,462,025</u>
-	-	-	26,767	9,405,072
14,039,004	-	1,750,518	49,572	78,454,296
-	-	-	755,858	100,772,490
-	-	-	9,968,923	16,292,845
-	-	-	-	79,690,247
<u>14,039,004</u>	<u>-</u>	<u>1,750,518</u>	<u>10,801,120</u>	<u>284,614,950</u>
<u>\$ 15,234,624</u>	<u>\$ -</u>	<u>\$ 3,922,453</u>	<u>\$ 13,944,409</u>	<u>\$ 335,803,748</u>

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

Total Fund Balances for Governmental Funds		\$ 284,614,950
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$ 2,441,681,442	
Accumulated Depreciation	<u>(952,543,834)</u>	1,489,137,608
Right-to-use and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Right to Use Assets	8,369,703	
Cost of Subscription Assets	553,878	
Accumulated Amortization	<u>(1,876,640)</u>	7,046,941
Deferred inflows of resources and certain unearned revenues are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		
		23,598,392
Internal service funds are used by management to charge the costs of fleet management, insurance programs, and technology equipment to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Position as follows:		
Governmental Activities	65,615,547	
Business-Type Activities	<u>(5,191,364)</u>	60,424,183
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued Interest Payable - Bonds	(665,005)	
Accrued Interest Payable - Leases	(16,090)	
Notes Payable-Revenue	(9,438,763)	
Unamortized Bond Premium	(16,159,185)	
Bonds Payable-Revenue	(127,635,000)	
Lease and Subscription Liability	(7,012,195)	
Accrued Compensated Absences	<u>(14,750,206)</u>	(175,676,444)
Net OPEB asset and OPEB deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:		
Net OPEB Asset	3,154,547	
Deferred Outflows of Resources	<u>73,479</u>	<u>3,228,026</u>
Net pension asset and liability and pension deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:		
Net Pension Asset	4,263,081	
Deferred Outflows of Resources	60,989,358	
Deferred Inflows of Resources	<u>(16,656,054)</u>	<u>48,596,385</u>
Net Position of Governmental Activities		<u><u>\$ 1,740,970,041</u></u>

This page intentionally left blank.

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

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

	General	Entertainment Tax	Sales and Use Tax	Housing
Revenues				
Taxes:				
Property	\$ 79,096,811	\$ -	\$ -	\$ -
Sales	91,478,955	11,260,215	91,478,955	-
Frontage	5,038,082	-	-	-
Lodging (includes Business Improvement District)	3,545,830	-	-	-
Penalties and Interest	113,770	-	-	-
Special Assessments	367,216	-	3,116,292	-
Licenses and Permits	11,189,508	-	148,937	-
Intergovernmental	20,466,010	2,200,000	2,489,744	2,949,937
Charges for Goods and Services	8,731,601	-	-	17,979
Fines and Forfeitures	857,951	-	-	-
Investment Revenue	4,363,106	919,056	5,058,760	230,571
Rentals	56,461	-	24,403	-
Contributions	154,135	-	20,384,448	-
Miscellaneous Revenue	1,069,971	2,889,215	77	139,951
Total Revenues	<u>226,529,407</u>	<u>17,268,486</u>	<u>122,701,616</u>	<u>3,338,438</u>
Expenditures				
Current:				
General Government	20,250,629	-	-	-
Public Safety	82,109,191	-	646,648	-
Highways and Streets	34,599,881	-	-	-
Public Health	19,185,410	-	-	-
Culture and Recreation	33,618,872	4,287,428	52,590	-
Urban and Economic Development	12,887,338	-	-	4,134,364
Debt Service:				
Principal - Bonds	-	-	11,660,000	-
Principal - Right to Use Leases	1,978,347	-	-	163
Principal - Subscription-Based IT Arrangements	188,559	-	-	-
Interest and Fiscal Charges	114,256	-	5,673,794	3
Capital Outlay				
General Government	64,115	-	988,551	-
Public Safety	447	-	6,667,811	-
Highways and Streets	6,991,839	-	59,198,296	-
Public Health	2,374	-	216,167	-
Culture and Recreation	80,993	5,710,123	18,664,702	-
Urban and Economic Development	-	-	25,000	-
Total Expenditures	<u>212,072,251</u>	<u>9,997,551</u>	<u>103,793,559</u>	<u>4,134,530</u>
Revenues Over (Under) Expenditures	<u>14,457,156</u>	<u>7,270,935</u>	<u>18,908,057</u>	<u>(796,092)</u>
Other Financing Sources (Uses)				
Sale of Surplus Property	37,365	6,613	5,000	-
Damage Recovery	150,780	-	-	-
Issuance of Debt	-	-	-	-
Leases Issued	6,994,660	-	-	-
Subscription Arrangements Issued	145,108	-	-	-
Transfers In	-	-	1,144,103	5,725,000
Transfers Out	(14,201,599)	-	(2,700,000)	-
Total Other Financing Sources (Uses)	<u>(6,873,686)</u>	<u>6,613</u>	<u>(1,550,897)</u>	<u>5,725,000</u>
Net Change in Fund Balances	7,583,470	7,277,548	17,357,160	4,928,908
Fund Balance - Beginning	<u>87,477,265</u>	<u>22,610,544</u>	<u>82,727,828</u>	<u>28,061,585</u>
Fund Balance Ending	<u>\$ 95,060,735</u>	<u>\$ 29,888,092</u>	<u>\$ 100,084,988</u>	<u>\$ 32,990,493</u>

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Governmental Funds (cont)**

<u>Storm Drainage</u>	<u>General Government Construction</u>	<u>Public Safety Facility Construction</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 6,169,922	\$ 85,266,733
-	-	-	-	194,218,125
12,830,852	-	-	-	17,868,934
-	-	-	-	3,545,830
-	-	-	-	113,770
1,779,912	-	-	-	5,263,420
-	-	-	-	11,338,445
-	-	-	6,699,306	34,804,997
-	-	-	-	8,749,580
-	-	-	-	857,951
609,672	1,104	600,759	2,152	11,785,180
-	-	-	-	80,864
-	-	-	2,500	20,541,083
-	-	-	397,014	4,496,228
<u>15,220,436</u>	<u>1,104</u>	<u>600,759</u>	<u>13,270,894</u>	<u>398,931,140</u>
-	-	-	-	20,250,629
-	-	-	-	82,755,839
3,885,576	-	-	-	38,485,457
-	-	-	-	19,185,410
-	-	-	-	37,958,890
-	-	-	17,118,791	34,140,493
1,185,311	-	-	-	12,845,311
-	-	-	-	1,978,510
-	-	-	-	188,559
95,513	-	-	-	5,883,566
-	-	-	-	1,052,666
-	-	18,433,507	-	25,101,765
7,330,229	-	-	-	73,520,364
-	-	-	-	218,541
-	-	-	-	24,455,818
-	-	-	5,440,522	5,465,522
<u>12,496,629</u>	<u>-</u>	<u>18,433,507</u>	<u>22,559,313</u>	<u>383,487,340</u>
<u>2,723,807</u>	<u>1,104</u>	<u>(17,832,748)</u>	<u>(9,288,419)</u>	<u>15,443,800</u>
-	-	-	38,540	87,518
-	-	-	-	150,780
33,706	-	-	-	33,706
-	-	-	-	6,994,660
-	-	-	-	145,108
-	-	-	7,726,599	14,595,702
-	(276,455)	-	-	(17,178,054)
<u>33,706</u>	<u>(276,455)</u>	<u>-</u>	<u>7,765,139</u>	<u>4,829,420</u>
2,757,513	(275,351)	(17,832,748)	(1,523,280)	20,273,220
11,281,491	275,351	19,583,266	12,324,400	264,341,730
<u>\$ 14,039,004</u>	<u>\$ -</u>	<u>\$ 1,750,518</u>	<u>\$ 10,801,120</u>	<u>\$ 284,614,950</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds \$ 20,273,220

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for Capital Assets	\$ 122,674,908	
Loss on Capital Assets	(456,841)	
Capital Assets transferred from (to) Business-type Activities	3,249,761	
Less Current Year Depreciation	<u>(65,385,712)</u>	60,082,116

Governmental funds report capital outlays for leases as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which capital outlay exceeded amortization for right to use assets in the current period.

Expenditures for Right to Use and Subscription Asset Additions	7,139,768	
Loss on Right to Use and Subscription Assets	(7,587)	
Less Current Year Amortization	<u>(2,028,228)</u>	5,103,953

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Developer Contributions of Infrastructure	20,198,033	
Infrastructure Contributions from Other Governments	36,042,818	
Property taxes and special assessments	(578,385)	
Due From Other Governments - Taxes	<u>(1,559,865)</u>	54,102,601

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments of Bonds	12,845,311	
Principal Payments of Leases	2,167,069	
Amortization of Bond Premium	839,636	
Revenue Bond Proceeds	(33,706)	
Lease and Subscription Proceeds	(7,139,768)	
Principal Forgiven on Disposed Lease Assets	<u>5,643</u>	8,684,185

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(1,238,837)	
Accrued Interest	<u>44,542</u>	(1,194,295)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 6,826,507

Changes to net OPEB liability (asset) and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 335,759

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported within governmental activities. (1,153,564)

Change in Net Position of Governmental Activities \$ 153,060,482

This page intentionally left blank.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statement of Net Position - Proprietary Funds

	Enterprise Funds		
	Power and Distribution	Public Parking	Sanitary Landfill
Assets			
Current:			
Cash and Cash Equivalents	\$ 9,123,351	\$ 3,559,498	\$ 12,604,271
Receivables, net:			
Accounts	129,897	116,628	1,051,641
Interest	55,362	18,473	153,812
Special Assessments	-	-	-
Unbilled	505,620	-	-
Arbitrage Refund	-	-	-
Lease	-	457,668	-
Lease Accrued Interest	-	29	-
Prepaid Expense	-	-	-
Due From Other Funds	-	21,880	-
Due From Other Governments	-	-	-
Inventory of Supplies and Stores	1,131,964	-	-
Total Current Assets	<u>10,946,194</u>	<u>4,174,176</u>	<u>13,809,724</u>
Noncurrent:			
Restricted Cash and Cash Equivalents	-	-	11,830,031
Net Pension Asset	31,624	20,081	83,081
Capital Assets:			
Land	613,935	4,503,577	3,597,946
Buildings	503,583	468,856	9,859,339
Improvements Other Than Buildings	9,248	37,009,851	40,925,870
Machinery and Equipment	1,222,323	349,871	2,384,065
Infrastructure	46,130,059	-	5,345,235
Intangibles	-	-	-
Construction in Progress	2,178,565	-	3,217,778
Less: Accumulated Depreciation	(27,916,638)	(19,326,272)	(40,342,849)
Right to Use Leased Assets	5,771	5,662	18,784
Less: Accumulated Amortization	(2,886)	(2,831)	(9,392)
Subscription Assets	-	-	-
Less: Accumulated Amortization	-	-	-
Total Noncurrent Assets	<u>22,775,584</u>	<u>23,028,795</u>	<u>36,909,888</u>
Total Assets	<u>33,721,778</u>	<u>27,202,971</u>	<u>50,719,612</u>
Deferred Outflow of Resources			
City Employee's Retirement System	296,364	187,964	776,205
South Dakota Retirement System	72,222	48,036	212,757
Total Deferred Outflow of Resources	<u>368,586</u>	<u>236,000</u>	<u>988,962</u>
Liabilities			
Current:			
Accounts Payable	537,356	31,992	758,111
Accrued Wages	17,523	11,276	51,078
Loss Reserve on Workers' Comp Claims	-	-	-
Accrued Compensated Absences	15,000	5,000	30,000
Accrued Interest Payable	-	57,183	-
Incurred But Not Reported Claims	-	-	-
Due To Other Funds	-	-	6,395
Notes Payable-Revenue	-	-	-
Bonds Payable-Revenue	-	1,195,000	-
Deposits	109,240	17,607	13,805
Unearned Revenue	-	158,132	-
Lease Liabilities	1,445	1,418	4,702
Subscription Liabilities	-	-	-
Lease and Subscription Interest Payable	10	10	32
Total Current Liabilities	<u>680,574</u>	<u>1,477,618</u>	<u>864,123</u>
Noncurrent:			
Accrued Compensated Absences	265,582	45,219	348,873
Loss Reserve on Workers' Comp Claims	-	-	-
Closure & Postclosure Care Costs	-	-	11,830,031
Notes Payable-Revenue	-	-	-
Bonds Payable-Revenue	-	11,930,000	-
Lease Liabilities	1,453	1,425	4,729
Subscription Liabilities	-	-	-
Total Noncurrent Liabilities	<u>267,035</u>	<u>11,976,644</u>	<u>12,183,633</u>
Total Liabilities	<u>947,609</u>	<u>13,454,262</u>	<u>13,047,756</u>
Deferred Inflow of Resources			
City Employee's Retirement System	41,666	26,426	109,126
South Dakota Retirement System	50,489	33,321	145,961
Lease Related	-	444,624	-
Total Deferred Inflow of Resources	<u>92,155</u>	<u>504,371</u>	<u>255,087</u>
Net Position:			
Net Investment in Capital Assets	22,713,977	9,880,871	24,731,701
Restricted for Debt Service	-	1,929,857	-
Restricted for Pension	31,624	20,081	83,081
Unrestricted	10,304,999	1,649,529	13,590,949
Total Net Position	<u>\$ 33,050,600</u>	<u>\$ 13,480,338</u>	<u>\$ 38,405,731</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net Position of business-type activities

The notes to the financial statements are an integral part of this statement.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statement of Net Position - Proprietary Funds (cont.)

		Enterprise Funds (cont.)		Internal Service Funds	
Water	Water Reclamation	Total			
\$ 21,246,054	\$ 29,272,598	\$ 75,805,772	\$	43,988,656	
1,517,295	1,210,751	4,026,212		204,348	
125,411	143,097	496,155		237,908	
205,883	-	205,883		-	
1,992,471	2,834,101	5,332,192		-	
17,089	-	17,089		-	
901,328	-	1,358,996		-	
11,521	-	11,550		-	
-	-	-		690,150	
-	-	21,880		-	
3,857	3,774	7,631		163,623	
3,133,886	191,147	4,456,997		1,582,787	
29,154,795	33,655,468	91,740,357		46,867,472	
-	-	11,830,031		-	
190,087	198,912	523,785		185,355	
9,465,797	3,426,062	21,607,317		-	
34,687,766	52,291,811	97,811,355		2,705,385	
98,932	287,906	78,331,807		1,019,810	
37,216,729	15,357,343	56,530,331		60,248,251	
372,019,069	440,629,061	864,123,424		-	
76,314,266	-	76,314,266		-	
11,296,972	157,402,468	174,095,783		174,225	
(172,878,299)	(245,119,987)	(505,584,045)		(39,639,311)	
25,010	22,315	77,542		1,782,189	
(11,942)	(11,157)	(38,208)		(891,095)	
-	36,152	36,152		3,384,296	
-	(9,038)	(9,038)		(1,526,051)	
368,424,387	424,511,848	875,650,502		27,443,054	
397,579,182	458,167,316	967,390,859		74,310,526	
1,729,861	1,835,373	4,825,767		1,719,505	
859,832	697,829	1,890,676		577,452	
2,589,693	2,533,202	6,716,443		2,296,957	
1,034,304	11,249,793	13,611,556		1,689,621	
143,449	128,300	351,626		74,889	
-	-	-		700,000	
80,000	40,000	170,000		15,000	
96,563	285,717	439,463		-	
-	-	-		2,800,000	
-	-	6,395		5,917	
-	11,890,659	11,890,659		-	
4,783,292	-	5,978,292		-	
533,797	-	674,449		-	
-	-	158,132		-	
6,624	5,586	19,775		70,576	
-	8,612	8,612		520,320	
43	760	855		27,701	
6,678,072	23,609,427	33,309,814		5,904,024	
620,996	715,064	1,995,734		210,441	
-	-	-		2,219,729	
-	-	11,830,031		-	
-	120,650,252	120,650,252		-	
14,251,637	-	26,181,637		-	
6,660	5,617	19,884		1,566,838	
-	18,345	18,345		455,718	
14,879,293	121,389,278	160,695,883		4,452,726	
21,557,365	144,998,705	194,005,697		10,356,750	
243,200	258,034	678,452		241,745	
589,439	477,018	1,296,228		393,441	
910,778	-	1,355,402		-	
1,743,417	735,052	3,330,082		635,186	
348,941,815	285,168,037	691,436,401		24,043,916	
3,328,792	-	5,258,649		-	
190,087	198,912	523,785		185,355	
24,407,399	29,599,812	79,552,688		41,386,276	
\$ 376,868,093	\$ 314,966,761	776,771,523	\$	65,615,547	
		5,191,364			
		\$ 781,962,887			

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

**Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds**

	Enterprise Funds		
	Power and Distribution	Public Parking	Sanitary Landfill
Operating Revenues:			
Charges for Goods and Services	\$ 10,500,614	\$ 2,529,745	\$ 12,977,622
Fines and Forfeitures	740	514,449	-
Pledged as Security for Revenue Bonds and Notes:			
Charges for Goods and Services	-	-	-
Fines and Forfeitures	-	-	-
Total Operating Revenues	<u>10,501,354</u>	<u>3,044,194</u>	<u>12,977,622</u>
Operating Expenses:			
Personnel Services	852,601	584,107	2,596,562
Casualty Loss	-	-	-
Insurance	23,746	44,377	28,987
Professional Services	43,266	351,364	2,174,320
Rent	195,313	40,855	1,888,973
Repairs and Maintenance	277,641	180,087	1,239,058
Supplies and Materials	49,535	127,743	862,078
Utilities and Bulk Energy	5,822,596	118,714	299,655
Depreciation	1,763,864	1,239,510	2,472,935
Amortization - Lease	1,443	1,415	4,696
Amortization - Subscription	-	-	-
Other Current Expenses	20,651	695	23,851
Total Operating Expenses	<u>9,050,656</u>	<u>2,688,867</u>	<u>11,591,115</u>
Operating Income (Loss)	<u>1,450,698</u>	<u>355,327</u>	<u>1,386,507</u>
Nonoperating Revenues (Expenses):			
Investment Revenue	384,492	188,830	1,064,931
Gain (Loss) on Capital Assets	(4,458)	-	-
Rent/Operating Leases	33,657	3,000	86,153
Cost Recovery & Special Assessments	-	185	-
Miscellaneous	(103,951)	(15,791)	(319,602)
Federal and State Operating Grants	16,377	-	12,822
Federal and State Capital Grants	-	-	-
Interest Expense and Fiscal Agent Charges	-	(486,137)	-
Debt Forgiveness	-	-	-
Lease Financing	-	47,422	-
Lease Interest Revenue	-	5,270	-
Lease Interest Expense	(25)	(24)	(81)
Subscription Interest Expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>326,092</u>	<u>(257,245)</u>	<u>844,223</u>
Income (Loss) Before Contributions and Transfers	1,776,790	98,082	2,230,730
Capital Contributions	-	-	-
Transfers In	69,652	-	-
Transfers Out	(37,414)	-	-
Change in Net Position	1,809,028	98,082	2,230,730
Net Position - Beginning	31,241,572	13,382,256	36,175,001
Restatement (Note 13)	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - Beginning, as Restated	31,241,572	13,382,256	36,175,001
Net Position - Ending	<u>\$ 33,050,600</u>	<u>\$ 13,480,338</u>	<u>\$ 38,405,731</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in Net Position of Business-type Activities

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

**Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds (cont)**

Water	Enterprise Funds		Internal Service Funds
	Water Reclamation	Total	
\$ -	\$ -	\$ 26,007,981	\$ 58,375,806
-	-	515,189	-
44,813,040	40,420,824	85,233,864	-
9,400	-	9,400	-
<u>44,822,440</u>	<u>40,420,824</u>	<u>111,766,434</u>	<u>58,375,806</u>
6,796,413	6,334,760	17,164,443	5,344,405
-	-	-	25,459,248
237,513	261,134	595,757	2,561,646
1,059,780	822,524	4,451,254	3,366,711
546,022	1,322,185	3,993,348	464,824
1,487,771	1,151,487	4,336,044	5,461,367
8,685,326	1,661,183	11,385,865	10,447,037
1,370,440	2,451,865	10,063,270	1,507,919
10,374,805	15,769,940	31,621,054	5,036,753
6,088	5,578	19,220	445,547
-	9,038	9,038	1,526,051
44,388	68,392	157,977	40,852
<u>30,608,546</u>	<u>29,858,086</u>	<u>83,797,270</u>	<u>61,662,360</u>
<u>14,213,894</u>	<u>10,562,738</u>	<u>27,969,164</u>	<u>(3,286,554)</u>
896,438	1,096,909	3,631,600	1,719,797
14,170	(1,509)	8,203	84,370
237,892	-	360,702	-
1,192,629	2,408,322	3,601,136	-
(114,841)	(381,191)	(935,376)	274,830
1,251	-	30,450	354,238
-	29,692,361	29,692,361	-
(321,982)	(1,497,236)	(2,305,355)	-
1,583,582	-	1,583,582	-
56,978	-	104,400	-
26,060	-	31,330	-
(104)	(96)	(330)	(13,846)
-	(721)	(721)	(42,879)
<u>3,572,073</u>	<u>31,316,839</u>	<u>35,801,982</u>	<u>2,376,510</u>
<u>17,785,967</u>	<u>41,879,577</u>	<u>63,771,146</u>	<u>(910,044)</u>
8,863,701	11,680,232	20,543,933	-
-	-	69,652	2,865,530
-	(394,666)	(432,080)	(3,170,511)
<u>26,649,668</u>	<u>53,165,143</u>	<u>83,952,651</u>	<u>(1,215,025)</u>
350,218,425	261,801,618	-	65,702,856
-	-	-	1,127,716
<u>350,218,425</u>	<u>261,801,618</u>	<u>66,830,572</u>	<u>66,830,572</u>
<u>\$ 376,868,093</u>	<u>\$ 314,966,761</u>	<u>\$ 65,615,547</u>	<u>\$ 65,615,547</u>
		(61,467)	
		<u>\$ 83,891,184</u>	

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

Statement of Cash Flows - Proprietary Funds

	Enterprise Funds	
	Power and Distribution	Public Parking
Cash Flows Provided by Operating Activities:		
Receipts from Customers	\$ 8,442,371	\$ 2,260,098
Cash Receipts from Interfund Services Provided	2,109,650	319,622
Payments to Suppliers	(7,344,572)	(805,786)
Payment for Interfund Services Used	(5,510)	(111,635)
Payments to Employees	(860,375)	(563,132)
Claims Paid	-	-
Other Receipts (Payments)	9,285	470,303
Net Cash Provided by Operating Activities	2,350,849	1,569,470
Cash Flows Provided (Used) By Noncapital Financing Activities		
Subsidy from Federal Grants	16,377	-
Transfers In	-	-
Transfers Out	-	-
Net Cash Flows Provided (Used) By Noncapital Financing Activities	16,377	-
Cash Flows Provided (Used) By Capital and Related Financing Activities		
Sale of Capital Assets	-	-
Purchase of Capital Assets	(2,713,550)	-
Purchase of Lease Assets	-	-
Purchase of Subscription Assets	-	-
Interest Payments and Fiscal Charges	-	(490,233)
Proceeds from Revenue Notes	-	-
Principal Payments-Revenue Notes	-	-
Principal Payments-Revenue Bonds	-	(1,085,000)
Proceeds from Lease and Subscription Liabilities	-	-
Principal Payments - Lease Liabilities and Subscription Assets	(1,435)	(1,410)
Interest Payments - Lease and Subscription Liabilities	(21)	(20)
Cash Received on Lease Receivables	-	47,422
Cash Received for Interest on Lease Receivables	-	5,241
Net Cash Flows (Used) By Capital and Related Financing Activities	(2,715,006)	(1,524,000)
Cash Flows Provided (Used) By Investing Activities		
Rent Received	33,657	3,000
Investment Revenue Received	349,815	179,841
Net Cash Flows Provided (Used) By Investing Activities	383,472	182,841
Net Increase (Decrease) in Cash & Cash Equivalents During the Year	35,692	228,311
Cash and Cash Equivalents, January 1	9,087,659	3,331,187
Cash and Cash Equivalents, December 31	\$ 9,123,351	\$ 3,559,498
Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities:		
Operating Income (Loss)	\$ 1,450,698	\$ 355,327
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	1,763,864	1,239,510
Amortization	1,443	1,415
(Increase) Decrease in-Receivables	51,407	71,855
-Inventory	40,166	-
-Prepaid Expense	-	-
-Due From Other Funds	-	(21,880)
-Due From Other Governments	-	-
-Deposits	-	-
-Net Pension Asset	(30,081)	(19,313)
-Pension Related Deferred Outflows	211,063	223,766
Increase (Decrease) in-Accounts Payable	(957,500)	(53,586)
-Accrued Wages	5,536	(162)
-Compensated Absences	41,346	7,417
-Net Pension Liability	(168,039)	(146,554)
-Pension Related Deferred Inflows	(67,599)	(44,179)
-Loss Reserve on Workers' Comp Claims	-	-
-Incurred But Not Reported Claims	-	-
-Deposits	(3,480)	1,255
-Unearned Revenue	-	10,118
-Due To Other Funds	-	-
-Closure/Post closure Cost	-	-
-Lease Related Deferred Inflows	-	(47,422)
Other Revenue Sources (Uses)	12,025	(8,097)
Net Cash Provided by Operating Activities	\$ 2,350,849	\$ 1,569,470
Noncash Investing, Capital and Financing Activities		
Capital Contributions	\$ -	\$ -
Capital Asset Purchases in Accounts Payable	27,085	-
Net Interfund Transfers of Capital Assets	32,237	-

The notes to the financial statements are an integral part of this statement.

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

Statement of Cash Flows - Proprietary Funds (cont)

Enterprise Funds (cont)				Internal
Sanitary Landfill	Water	Water Reclamation	Total	Service Funds
\$ 12,841,392	\$ 43,972,994	\$ 52,282,801	\$ 119,799,656	\$ 12,997,222
79,161	820,024	227,009	3,555,466	45,664,882
(5,817,376)	(13,215,891)	(9,631,310)	(36,814,935)	(24,711,457)
(24,436)	(1,204,797)	(256,889)	(1,603,267)	(10,080)
(2,595,907)	(6,850,698)	(6,393,333)	(17,263,445)	(5,702,259)
-	-	-	-	(24,041,813)
(309,538)	2,783,556	2,078,126	5,031,732	629,069
4,173,296	26,305,188	38,306,404	72,705,207	4,825,564
12,822	1,251	29,692,361	29,722,811	-
-	-	-	-	2,850,000
-	-	(267,649)	(267,649)	-
12,822	1,251	29,424,712	29,455,162	2,850,000
-	14,170	1,083	15,253	1,271,510
(3,684,395)	(12,110,464)	(100,670,410)	(119,178,819)	(9,311,988)
-	(1,593)	-	(1,593)	-
-	-	-	-	(738,557)
-	(932,000)	(1,540,854)	(2,963,087)	-
-	-	58,088,130	58,088,130	-
-	-	(11,485,283)	(11,485,283)	-
-	(3,100,000)	-	(4,185,000)	-
-	1,594	-	1,594	738,556
(4,676)	(5,897)	(14,751)	(28,169)	(1,350,727)
(68)	(85)	(80)	(274)	(33,658)
-	56,978	-	104,400	-
-	20,421	-	25,662	-
(3,689,139)	(16,056,876)	(55,622,165)	(79,607,186)	(9,424,864)
86,153	237,892	-	360,702	-
966,263	795,963	1,007,651	3,299,533	1,575,288
1,052,416	1,033,855	1,007,651	3,660,235	1,575,288
1,549,395	11,283,418	13,116,602	26,213,418	(174,012)
22,884,907	9,962,636	16,155,996	61,422,385	44,162,668
<u>\$ 24,434,302</u>	<u>\$ 21,246,054</u>	<u>\$ 29,272,598</u>	<u>\$ 87,635,803</u>	<u>\$ 43,988,656</u>
\$ 1,386,507	\$ 14,213,894	\$ 10,562,738	\$ 27,969,164	\$ (3,286,554)
2,472,935	10,374,805	15,769,940	31,621,054	5,036,753
4,696	6,088	14,616	28,258	1,971,598
(97,069)	(331,007)	12,092,760	11,787,946	344,491
-	44,338	(82,256)	2,248	(405,567)
-	-	-	-	(31,955)
40,000	-	-	18,120	-
-	(3,857)	(3,774)	(7,631)	(3,560)
-	-	-	-	-
(80,822)	(181,161)	(191,247)	(502,624)	(203,839)
646,001	1,410,591	1,413,949	3,905,370	927,715
141,631	(718,944)	(2,067,173)	(3,655,572)	(439,576)
13,233	33,571	39,010	91,188	(8,962)
48,054	48,314	100,489	245,620	6,371
(534,938)	(1,189,693)	(1,214,896)	(3,254,120)	(986,834)
(90,873)	(175,907)	(205,878)	(584,436)	(146,938)
-	-	-	-	617,435
-	-	-	-	800,000
-	(4,779)	-	(7,004)	-
-	-	-	10,118	-
6,395	-	-	6,395	5,917
533,479	-	-	533,479	-
-	(56,978)	-	(104,400)	-
(315,933)	2,835,913	2,078,126	4,602,034	629,069
<u>\$ 4,173,296</u>	<u>\$ 26,305,188</u>	<u>\$ 38,306,404</u>	<u>\$ 72,705,207</u>	<u>\$ 4,825,564</u>
\$ -	\$ 8,863,701	\$ 11,680,232	\$ 20,543,933	\$ -
255,644	244,272	6,565,828	7,092,829	600,331
-	-	(127,017)	(94,780)	(3,154,981)

Statement of Fiduciary Net Position - Fiduciary Funds

	<u>Pension and Health Care Trust Funds</u>	<u>Police Custodial Fund</u>
Assets		
Cash and Cash Equivalents	\$ 7,058,076	\$ 278,794
Receivables:		
Contribution	338,701	-
Interest	1,123,398	-
Total Receivables	<u>1,462,099</u>	<u>-</u>
Investments at Fair Value:		
US Government	68,912,130	-
Corporate Obligations	43,681,506	-
Foreign Obligations	19,310,229	-
State and Local Obligations	1,808,136	-
Domestic Stocks	57,102,578	-
Foreign Stocks	3,596,069	-
Index Funds:		
Equity	288,407,582	-
Government / Corporate Bonds	53,528,923	-
Mutual Funds:		
Foreign Equity	169,238,299	-
Domestic Equity	21,927,271	-
Real Estate	61,326,158	-
Total Investments	<u>788,838,881</u>	<u>-</u>
Total Assets	<u>797,359,056</u>	<u>278,794</u>
Liabilities		
Accounts Payable	29,178	-
Accrued Wages	5,475	-
Total Liabilities	<u>34,653</u>	<u>-</u>
Net Position		
Restricted for Pension Benefits	793,672,264	-
Restricted for Post Employment Health Care Benefits	3,652,139	-
Restricted for Police Evidence and Found Property	-	<u>278,794</u>
Total Net Position	<u>\$ 797,324,403</u>	<u>\$ 278,794</u>

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

	Pension and Health Care Trust Funds	Police Custodial Fund
Additions		
Contributions		
Employer	\$ 12,847,672	\$ -
Plan Members	3,685,553	-
Total Contributions	<u>16,533,225</u>	<u>-</u>
Investment Income	96,555,106	-
Less Investment Expense	<u>1,367,707</u>	<u>-</u>
Net Investment Income	95,187,399	-
Police Funds Received into Custody	<u>-</u>	<u>170,764</u>
Total Additions	<u>111,720,624</u>	<u>170,764</u>
Deductions		
Benefit Payments		
Pension	40,816,822	-
Health Premiums	<u>143,399</u>	<u>-</u>
Total Benefit Payments	40,960,221	-
Police Funds Released from Custody	-	342,724
Refunds	203,501	-
Administrative Expense	<u>344,590</u>	<u>-</u>
Total Deductions	41,508,312	342,724
Change in Net Position	70,212,312	(171,960)
Restricted Net Position, January 1	<u>727,112,091</u>	<u>450,754</u>
Restricted Net Position, December 31	<u>\$ 797,324,403</u>	<u>\$ 278,794</u>

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies

A. BASIS OF PRESENTATION

The financial statements of the City of Sioux Falls (the "City") have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting. The City follows and implements all applicable GASB standards. Below are applicable statements not yet required to be implemented.

The first statement issued but not yet implemented that will affect the City is statement No. 100 *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement will be implemented at the City in the year ended December 31, 2024.

The second statement issued but not yet implemented that will affect the City is statement No. 101 *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement will be implemented at the City in the year ended December 31, 2024.

The third statement issued but not yet implemented that will affect the City is statement No. 102 *Certain Risk Disclosures*. The objective of this Statement will improve financial reporting by providing disclosures with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. Management has not yet determined the effect these pronouncements will have on the City's financial statements.

B. REPORTING ENTITY

The City is a municipality chartered under the constitution of the state of South Dakota and is governed by a Council, including a full-time Mayor who is vested with the executive and administrative powers of the City, as well as eight part-time Council members who serve in a policy-making and legislative capacity.

The accompanying financial statements present the City and its component units. Blended component units are entities which are legally separate from the City but which are so intertwined with the City that they are, in substance, the same as the City. Discretely presented component units are entities for which the City is considered to be financially accountable, has the ability to impose its will, or for which

the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Units

Metro Communications Agency, The City of Sioux Falls and Minnehaha County have entered into a joint cooperative agreement for emergency dispatch through the Metro Communications Agency. The Metro Communications Agency is an administrative agency with its own standing, separate and apart from the governmental organizations of either the City or the county.

The agency is governed by a five-member Council which includes the Mayor, two members of the City Council, appointed by the Mayor, and two county commissioners. The agency is responsible for city and county-wide public safety dispatch, maintenance of centralized dispatch records, and the maintenance and purchasing of related communication equipment. In 2023, the City provided \$2,093,815 to the agency to provide funding for operations and equipment. The Metro Communications Agency financial results presented within this report are for fiscal year-end as of December 31, 2023. Complete financial statements are available at the administrative offices located at 500 North Dakota Avenue in Sioux Falls, South Dakota.

As of January 1, 2024, Metro Communications Agency was dissolved and has become a part of the City of Sioux Falls within the Fire Rescue department.

The **Housing and Redevelopment Commission** of the City of Sioux Falls, South Dakota (Housing Commission), was organized pursuant to the Municipal Housing and Redevelopment Act of South Dakota as a public housing agency formed to provide financial assistance for low-income public housing pursuant to the United States Housing Act of 1937 (42 United States Code Section 1401 et seq.). The Mayor appoints the five members of the governing board. The Housing Commission does not meet the specific financial accountability criteria to be included as a component unit. However, City management determined that it would be beneficial to the readers of these financial statements to include the Housing Commission as a discretely presented component unit. In 2023, the Housing Fund did not provide any federal grant proceeds to the Housing Commission for housing assistance. The Housing Commission's fiscal year-end presented in this report is September 30, 2023. Complete financial statements are available at the administrative offices located at 630 South Minnesota Avenue in Sioux Falls, South Dakota.

C. BASIC FINANCIAL STATEMENTS

The basic financial statements are prepared and presented on both the government-wide and fund financial level. Both the government-wide and fund financial statements

Notes to Financial Statements

categorize primary activities as either governmental or business-type.

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund and internal service fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and governmental and internal service funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

Budgetary Reporting

The City legally adopts an annual budget for all the governmental funds. The Budgetary Comparison Schedules present comparisons of the original and legally amended budget with actual amounts on a departmental level for the General Fund, Entertainment Tax Fund, Sales and Use Tax Fund, Housing Fund, General Government Construction Fund, the Public Safety Facility Construction Fund, and the Storm Drainage Fund. In addition to the required General Fund presentation, the four special revenue funds and two

capital project funds presented have a legally adopted annual budget and are reported as major funds in the financial statements.

Each budget is adopted on a basis consistent with generally accepted accounting principles except for bad debt expense, compensated absences, and the reporting of capital outlay and debt service expenditures. The City budgets for compensated absences only to the extent they are expected to be paid rather than on the modified accrual method. On the budget to actual schedules, debt service and capital outlay are included within the individual functions whereas they are reported as separate items on the governmental fund statements.

The City may apply a portion of the prior years' fund balance, reported as net change in fund balance in the budget column, to the current year's budget as an offset to revenue. The original budget is the budget as originally adopted by the City Council. The final budget is the original budget adjusted by capital encumbrances and carry-forwards, transfers within organizational units, and supplemental appropriations.

Summary of Significant Budget Policies

City Charter requires the Mayor to submit a budget to the City Council on or before the first day of August of each year. Upon publication and public hearing, the City Council must annually adopt the budget on or before the 30th day of September. If the City Council fails to adopt the budget by this date, the budget proposed by the Mayor shall go into effect.

The budget is adopted and appropriated by fund on a service function (i.e., general government, public safety, etc.) and departmental basis for all governmental funds, the legal level of control. The City adopts an annual budget for all of the governmental funds.

Proprietary (enterprise and internal service), trust, and agency funds are not appropriated because they are not supported by revenue derived from the annual appropriated tax levy. Although non-appropriated, an annual budget for these funds must be published no later than the last day of December.

For each fund, the total of proposed expenditures shall not exceed the total of estimated income plus the fund balance carried forward, exclusive of reserves. If, during the year, the Mayor certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may, by ordinance, approve supplemental appropriations for the year up to the amount of the excess.

The City Council approved supplemental appropriations of \$35.0 million during 2023. A majority of the supplemental appropriations were funded by the General Fund and Sales and Use Tax Fund unassigned balances carried forward from 2023.

All departments experienced a portion of a \$3.3 million supplement for employee wages due to inflationary pressures. Most of this increase impacted the General

Notes to Financial Statements

Fund which used \$3.2 million of available fund balance for this supplement.

Highways and Streets was supplemented for \$12.0 million. These supplements included \$6.5 million to support arterial street construction funded from the Sales and Use Tax Fund unassigned balances and an additional \$5.5 million to support winter street operations funded from the General Fund unassigned balances.

Parks and Recreation had supplements totaling \$11.2 million. These supplements included \$6.5 million in Sales Tax available fund balance for improvements to the River Greenway and the Jacobson Plaza. The City also supplemented \$4.2 million in contributions for the upcoming Lloyd Landing, T. Denny Sanford Splash Pad, Pawsible Park and Jacobson Plaza.

Other supplements made in 2023 include:

- \$4 million transfers from the General Fund to the Housing Fund with another \$1 million of fund balance from Housing for community reinvestment and housing projects.
- \$1.25 million for facilities management to support centralized land acquisition (Sales and Use Tax Fund unassigned balance);
- \$0.6 million for Landscapes Gold Management (General Fund unassigned balance)
- \$0.5 million for Fire equipment (Sales Tax Fund unassigned balance);
- \$0.3 million for the closure of the General Government Construction Fund to the Sales and Use Tax Fund. (General Government Construction Fund unassigned balance);
- \$0.3 million for homelessness street outreach (General Fund unassigned fund balance) and:

Additional supplements in the amount totaling \$0.6 million to the health, planning and development, police, and water departments.

Budget Compliance

There were no material violations of the annual appropriated budget for the fiscal year ending December 31, 2023.

D. FINANCIAL STATEMENT PRESENTATION

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added the Entertainment Tax Fund, the Storm Drainage Fund, and the General Government Construction Fund. The non-major

funds are combined in a column in the fund financial statements and are detailed in the combining statements section.

The government reports the following **major governmental funds**:

The **General Fund** is the government's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue sources include property taxes and the first cent of City sales tax, licenses and permits, state and county shared revenues, and charges for goods and services. In addition to general government, primary expenditures include Public Safety, Highways and Streets, Health, Culture and Recreation, and Urban and Economic Development.

The **Entertainment Tax Fund** accounts for the collection of a one percent tax on lodging, sales of alcoholic beverages, prepared meals, as well as ticket sales and admissions. This tax is used to provide operating and capital funds for the City's convention and entertainment facilities.

The **Sales and Use Tax Fund** is a special revenue fund that accounts for the collections of the second cent of City sales tax and the uses of these funds for capital improvement projects (and other related costs) and debt service.

The **Housing Fund** accounts for all activities financed by the Community Development Block Grant funds, similar federal grant and loan programs, and City general funds.

The **Storm Drainage Fund** is a special revenue fund that accounts for the collections of the drainage and storm sewer fees/taxes and uses these funds for maintenance (and other related costs), capital improvements, and debt service (state revolving loans) related to the storm drainage system.

The **General Government Construction Fund** accounts for the construction of the new City Center office building.

The **Public Safety Facility Construction Fund** accounts for the construction of the new Public Safety Facility training center and related expenses.

Other governmental (non-major) funds are a compilation of all the non-major governmental funds. These include additional special revenue, debt, capital projects, and permanent funds.

The government reports the following **major proprietary funds**:

The **Power and Distribution Fund** accounts for the activities of the City's electric distribution operations.

Notes to Financial Statements

The **Public Parking Fund** accounts for the activities of the City's parking system which provides on- and off-street parking in the downtown area.

The **Sanitary Landfill Fund** accounts for the activities of the City's regional landfill operations.

The **Water Fund** accounts for the activities of the City's water distribution system.

The **Water Reclamation Fund** accounts for the activities of the City's wastewater collection and treatment system.

Additionally, the government reports the following fund types:

The **internal service funds** account for health, workers' compensation, liability insurance, technology equipment/software, facilities, and fleet management services provided to other departments of the government, or to other governments, on a cost reimbursement basis.

The **pension trust funds** account for the activities of the City Employee's Retirement System and the City Firefighters' Pension Fund, which accumulates resources for pension to qualified City employees. These funds were closed to new entrants as of July 1, 2013.

The **retiree health OPEB trust fund** accounts for the activities of the City's Other Postemployment Benefit (OPEB). The City offers eligible retirees who retired prior to January 1, 2014, coverage under its group health plan.

The **police custodial fund** accounts for cash collected and held, as a result of law enforcement related activities.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded, regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. This focus concentrates on the fund's net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus

concentrates on the fund's resources available for spending currently or in the near future. Revenues are recognized as soon as they are considered to be both measurable and available. Management has decided that to be considered available, revenues other than sales taxes should generally be collected within 30 days of the end of the current reporting period.

The availability period for sales tax revenue recognition is 15 days. Sales tax collections received by the City within 15 days of year-end that are derived from underlying transactions that occurred during the reporting period are accrued and recognized as revenue.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for certain debt service, compensated absences, and claim and judgment expenditures.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Special assessments are susceptible to accrual as revenue of the current period when the lien attaches to the benefited properties. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then, unrestricted resources as they are needed.

Notes to Financial Statements

F. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

Cash and Cash Equivalents—

Cash and cash equivalents include investments within the City's internal cash management pool which provides ready access to cash liquidity as well as any additional cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are identified only for the purpose of the Statement of Cash Flows.

A pooled cash account is maintained for all City funds. Those funds that have an average negative balance in the cash account are charged interest at the rate earned by the pool. Interest earnings are allocated to those funds that have an average positive balance in the cash account.

Investments—

Investments are reported at fair value based on the framework established by GASB 72 *Fair Value Measurement and Application*.

Receivables and Payables—

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current interfund loans) or "advances to/from other funds" (i.e., non-current interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by "nonspendable" fund balance in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectible accounts. This allowance is equal to estimated losses that may be incurred in collection of outstanding receivables.

Inventories and Prepaid Items—

Inventories for both governmental and business-type funds are stated using the weighted average method. The cost of inventory is recognized as an expense in both the fund and the government-wide financial statements when used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method to record its changes in prepaid items in which the City reports a prepaid asset in the period which they are purchased and defer the recognition of

the expenditure until the period in which the items are consumed.

Deferred Outflows of Resources—

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until that time.

Deferred Inflows of Resources—

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue from a variety of sources in the governmental funds including long-term receivables. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Capital Assets—

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, water and sewer lines, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$7,500, and estimated useful life in excess of one year. Additions or improvements that significantly add value to an asset such as extending the useful life of an asset or increasing its capacity or efficiency are capitalized. Other costs for repairs and maintenance are expensed as incurred. The cost of equipment in excess of \$5,000 is inventoried for purposes of federal grant reporting.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, historical treasures and similar assets, and capital assets that the City receives in a service concession arrangement are recorded at acquisition value. The City chose to include all general infrastructure assets (those reported in the governmental activities), regardless of acquisition date or amount, using backtrending analysis to estimate historical costs. Capital assets and improvements are capitalized as projects are constructed.

Notes to Financial Statements

Property, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Primary Government:

Buildings:	
Structures	40 years
Remodeling and renovation	15 years
Improvements other than buildings:	
Park improvements	10–30 years
Other	5–25 years
Machinery and equipment:	
Furniture and fixtures	10–20 years
Office equipment	5–10 years
Computer equipment	2–5 years
Library books	10 years
Vehicles	4–10 years
Heavy equipment	10–20 years
Utility system equipment	20–40 years
Other	5–20 years
Infrastructure:	
Streets	15–40 years
Traffic signals	15 years
Street and parking area lighting	15 years
Light distribution lines	40 years
Water distribution mains	50 years
Water reclamation lines	25 years
Storm drainage pipe	25 years
Other	20–50 years

Component Units:

Housing Commission:

Buildings	25–40 years
Modernization improvements	15 years
Equipment	5 years
Furnishings	5 years

Metro Communications Agency:

Equipment	10–50 years
-----------	-------------

Right to use leased assets are recognized at the lease commencement date and represent the City’s right to use an underlying asset for the lease term. Right to use leased assets are measure at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Subscription-based information technology arrangements (SBITAs) are recognized at the arrangement commencement date and represent the City’s right to use an underlying asset for the term of the agreement. The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription

assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Net Position/Fund Balance

The difference between assets and liabilities is “Net Position” on the government-wide, proprietary and fiduciary fund financial statements, and “Fund Balance” on the governmental fund financial statements.

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City’s financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund balances are classified based on the spending constraints placed upon them. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same, or higher, level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. An ordinance is the highest level of authority and requires another ordinance to modify or rescind.

Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, project construction, debt service, or other

Notes to Financial Statements

purposes). City management has the authority to assign fund balances for specific purposes.

The City's first priority is to utilize the restricted fund balance. Committed funds will be considered second with assigned fund balance third when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are eligible to be used.

In the General Fund, the City strives to maintain an unobligated fund balance to be used for cash flow and unanticipated expenditures of 25 percent of the current year's final expenditure budget.

Long-term Obligations—

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Lessee—

The City is a lessee for noncancellable leases. 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.

Lessor—

The City is also a lessor for noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements—

The City has 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.

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

Notes to Financial Statements

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.

As of January 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)*. This statement improves accounting and financial reporting for SBITAs; enhances the comparability of financial statements between governments; and also enhances the understandability, reliability, relevance, and consistency of information about SBITAs. The effect of the implement of this standard on beginning net position is disclosed in Note 13 and the additional disclosures required by this standard are included in Notes 3G, 3H, and 3I.

G. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences—

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. The accumulation of unused vacation and comp time is limited based upon employee classification. Upon separation, the City will reimburse the employee for accumulated vacation and comp time not to exceed established maximums. The amount of unused sick leave accumulation is not limited. Upon retirement, or upon separation in good standing for employees not represented by a bargaining unit, the City reimburses eligible employees a portion of unused sick leave. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Vacation, comp time, and sick leave accruals are

recognized as a long-term liability which will generally be liquidated from the General Fund. Thus, the governmental fund financial statements accrue vacation and comp time benefits only to the extent that they have matured due to retirement or separation from the City.

Grant Revenue—

The City recognizes grant revenues when all applicable eligibility requirements, including time requirements, are met. The City follows the policy that if expenditures of funds are the prime factor for determining eligibility for the grant funds, revenue is recognized at the time of the expenditure.

Retirement and Other Post-Employment Benefits—

The City has two separate retirement plans covering 38 percent of all full-time and regular part-time employees. The City is required by statute to fund the normal costs and amortization of the unfunded prior service costs and to account for such costs on the accrual basis (see Note 12).

Self-Insurance—

The City is self-insured for workers' compensation, unemployment compensation, property losses (deductible portion only), and health-life benefits (up to \$250,000 per individual). The City does carry reinsurance for workers' compensation and health benefits. Liabilities are recorded when a determinable claim or loss has been incurred and the amount of the loss can reasonably be estimated.

H. ACCOUNTING ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. PENSIONS

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

Note 2—Stewardship, Compliance, and Accountability

A. Compliance with Finance-Related Legal and Contractual Provisions

The City incurred no material violations of finance-related legal and contractual provisions.

B. Excess of Expenditures Over Appropriations at the Legal Level of Control

The City incurred no material excess of expenditures over appropriations at the legal level of control.

Notes to Financial Statements

C. Net Position/Fund Balance Deficits

The City incurred no funds with negative unassigned fund balance at year end.

Note 3—Detailed Notes On All Funds

A. Deposits and Investments

The City maintains a pooled cash portfolio that is used by all City funds using the pooled deposit and investment concept. This concept provides the City with the ability to maximize earnings on idle fund monies while ensuring that the liquidity needs of each fund are met and the integrity of the cash balances of each fund are preserved. This pool is governed by an investment policy established by the City Council. The pool consists of checking accounts, savings accounts, certificates of deposit, and securities guaranteed either directly or indirectly by the United States government, including money market accounts, which are stated at market value. Fund equity in the pool is shown as cash and cash equivalents in all financial statements.

Governmental and Business-Type Funds

Investment Policy: The City has an adopted investment policy, conforming to all applicable laws of the state of South Dakota, which serves as the guide to the deposit and investment of operating funds which are managed within the City's pooled cash portfolio. This policy sets forth the City's investment objectives as well as authorized and suitable deposits and investments, and serves as a guide for proper diversification, maturity constraints, internal controls, and performance measurement. The foremost objective of the City's investment program as set forth by the investment policy is safety of principal. Investment decisions are made under the assumption that, except under limited circumstances, all investments within the pooled cash portfolio will be held to maturity.

There are certain deposits and investments that are held in trust for debt service or for specific purposes outside of the pooled cash portfolio and the adopted investment policy. These assets are governed by state law (SDCL 4-5-6) which sets forth eligible deposits and investments for the City. The same deposits and investments are allowed under both the City's investment policy and state law.

Allowable deposits and investments include:

- a. Securities issued by the United States Treasury.
- b. Securities issued by government-sponsored enterprises (GSEs) or federally related institutions that are guaranteed directly or indirectly by the U.S. government (U.S. agencies).
- c. Mutual and money market funds that invest in (a) or (b).

- d. Repurchase agreements fully collateralized by (a) or (b).
- e. Certificates of deposits (100 percent collateralized).
- f. Deposit and savings accounts (100 percent collateralized).

Credit Risk. The credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As outlined above, state statute and City policy limit the type of investments allowed to reduce the amount of credit risk to the portfolio. The next chart summarizes the credit quality of the City's investment holdings.

Custodial Credit Risk. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or investments or will not be able to recover collateral securities that are in the possession of an outside party. City deposits in excess of depository insurance must be 100 percent collateralized. Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A. Collateral is required to be segregated by each depository as approved by the South Dakota Public Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve. As of December 31, 2023, the deposits of the City were \$9.0 million. No depository fell below the 100 percent of pledged collateral required as of December 31, 2023. Other investments are held for safekeeping in the City's name by a qualified bank or trustee pursuant to SDCL 4-5-9.

Concentration of credit risk. Concentration risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's pooled cash investment policy limits the City pooled cash portfolio to hold no more than 20 percent of the total pool investments in the deposit of a single non-federal financial institution and the exposure to federal agency securities, secured directly or indirectly, to no more than 40 percent of the total portfolio. No institution exceeded these established limits as of December 31, 2023.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The below chart summarizes the City's deposits and investments using segmented time distribution. The City's pooled cash policy limits pooled cash investments to a maturity of five years or less to ensure adequate liquidity and minimize the impact of changes in interest rates. In matching investments to liabilities, the City does invest in longer-term treasury and agency securities outside of the pooled cash portfolio for specific obligations such as bond reserve funds.

Notes to Financial Statements

Deposit/Investment Type	Credit Rating	Fair Value	Less Than			5 or more
			1 Year	1-3 Years	3-5 Years	Years
(a) U.S. Treasury Notes & Bills	N/A	\$ 286,020,527	\$ 141,353,340	\$ 135,455,200	\$ 9,078,281	\$ 133,706
(c) Money Market Funds	AAA	61,094,359	61,094,359	-	-	-
(e) Certificates of Deposit	N/A	24,998,982	24,998,982	-	-	-
(f) Cash	N/A	4,815,854	4,815,854	-	-	-
Total		<u>\$ 376,929,722</u>	<u>\$ 232,262,535</u>	<u>\$ 135,455,200</u>	<u>\$ 9,078,281</u>	<u>\$ 133,706</u>

* All agency securities are either Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), or Federal Home Loan Bank System.

Component Units

The Housing and Redevelopment Commission falls under South Dakota statutes (SDCL) 11-7-31, with supplementary authority granted under SDCL 4-5-6, in regard to permitted deposits and investments. The Commission has no further investment policy as to interest, credit, or concentration risk.

As of September 30, 2023, the deposits of the authority were fully insured or collateralized as required by SDCL 4-6A. All deposits as of September 30, 2023, are in certificates of deposit.

The Metro Communication Agency’s deposits in excess of depository insurance must be 100 percent collateralized.

Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A. Collateral is required to be segregated by each depository as approved by the South Dakota Public Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve.

B. Property Tax

Real property tax levies are established on or before October 1 of each year. Taxes are recorded as receivable, levied, and attached as an enforceable lien on property as of January 1 of each year.

Taxes are payable in two installments on or before April 30 and October 31 of that year. The county bills and collects the City taxes and remits them to the City. The City accrues all delinquent property tax revenues received within 30 days after December 31. No accrual for the property tax levy becoming due in January of 2023 is included in the accompanying financial statements, since such taxes are collected to finance expenditures budgeted for the subsequent period.

The City is permitted by state statute to levy an increase of no more than the lesser of 3 percent, or the index factor, as defined in the statutes, over the amount of revenue receivable from real property taxes in the preceding year, excluding the amount levied pursuant to an affirmative two-thirds vote of the governing body. After applying the index factor, the City may increase the revenue from real property taxes above the limitations by the percentage increase of value resulting from any improvements or change in use of real property, annexation, minor boundary changes, and any adjustments in taxation of property separately classified and subject to statutory adjustments and reductions, only if assessed the same as property of equal value.

The combined tax rate to finance municipal services for year-ended December 31, 2023, was \$3.89 per \$1,000 of taxable valuation.

Notes to Financial Statements

C. Receivables

Receivables for the City's individual major funds and aggregate nonmajor, internal service, and fiduciary and component units in aggregate, including the applicable allowances for uncollectible accounts, are as follows at December 31, 2023:

Primary Government	Taxes	Accounts	Interest	Lease	Special Assessments	Notes Receivable	Loans Receivable	Unbilled	Arbitrage Refund	Allowance for Uncollectibles	Total
Governmental Activities											
General	\$ 1,534,696	\$ 5,119,561	\$ 610,352	\$ 165,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,208,783)	\$ 6,221,331
Entertainment Tax	-	-	135,565	-	-	-	-	-	-	-	135,565
Sales/Use Tax	-	32,049	623,878	72,014	487,911	-	-	-	-	-	1,215,852
Housing	-	-	27,521	-	-	60,509	21,995,659	-	-	(261,562)	21,822,127
Storm Drainage	-	-	98,142	-	-	-	-	-	-	-	98,142
Public Safety Facility	-	-	15,158	-	-	-	-	-	-	-	15,158
Nonmajor Funds	-	-	319	-	-	-	-	-	-	-	319
Internal Service Funds	-	240,954	237,908	-	-	-	-	-	-	(36,606)	442,256
Total Governmental Activities	1,534,696	5,392,564	1,748,843	237,519	487,911	60,509	21,995,659	-	-	(1,506,951)	29,950,750
Business-type Activities											
Power and Distribution	-	297,303	55,362	-	-	-	-	505,620	-	(167,406)	690,879
Public Parking Facilities	-	124,478	18,502	457,668	-	-	-	-	-	(7,850)	592,798
Sanitary Landfill	-	1,072,776	153,812	-	-	-	-	-	-	(21,135)	1,205,453
Water	-	1,643,402	136,932	901,328	205,883	-	-	1,992,471	17,089	(126,107)	4,770,998
Water Reclamation	-	1,263,991	143,097	-	-	-	-	2,834,101	-	(53,240)	4,187,949
Total Business-type Activities	-	4,401,950	507,705	1,358,996	205,883	-	-	5,332,192	17,089	(375,738)	11,448,077
Total Primary Government	\$ 1,534,696	\$ 9,794,514	\$ 2,256,548	\$ 1,596,515	\$ 693,794	\$ 60,509	\$ 21,995,659	\$ 5,332,192	\$ 17,089	\$ (1,882,689)	\$ 41,398,827
Non current portion	\$ -	\$ -	\$ -	\$ -	\$ 690,858	\$ 52,189	\$ 21,628,631	\$ -	\$ -	\$ -	\$ 22,371,678
Fiduciary Funds											
Employee's Retirement	\$ -	\$ 233,416	\$ 808,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,042,011
Firefighters' Pension	-	105,285	292,310	-	-	-	-	-	-	-	397,595
OPEB Trust	-	-	22,493	-	-	-	-	-	-	-	22,493
Total Fiduciary Funds	\$ -	\$ 338,701	\$ 1,123,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,462,099
Component Units											
Housing Commission	\$ -	\$ 61,369	\$ 4,555	\$ -	\$ -	\$ 227,372	\$ -	\$ -	\$ -	\$ -	\$ 293,296
Metro Communications Agency	\$ -	\$ 49,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,048

D. Interfund Receivables and Payables

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

An additional \$5,206,849 is included in the internal balances of the governmental funds and business-type funds on the Statement of Net Position. This represents the adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds as shown in the Statement of Net Position – Proprietary Funds.

The composition of individual interfund receivable and payable balances at December 31, 2023, was as follows:

Due to/from other funds:		
Receivable fund	Payable fund	Amount
General	T.I.F. District	\$ 50,000
General	Storm Drainage	224,251
Public Parking	Centralized Facilities	5,917
Public Parking	General	15,963
General	Landfill	6,395

Notes to Financial Statements

E. Due from other Governments

Amounts Due from Other Governments include the following at December 31, 2023:

	Due from			
	Federal	State	Local	Total
Primary Government:				
Governmental Activities				
General Fund	\$ 263,914	\$ 16,231,799	\$ 233,724	\$ 16,729,437
Entertainment Tax	-	1,575,385	-	1,575,385
Sales/Use Tax	-	17,082,941	280,888	17,363,829
Housing	199,173	-	17,979	217,152
Storm Drainage	-	4,341	72,809	77,150
Nonmajor Funds	2,930,148	75,647	-	3,005,795
Internal Service Funds	-	-	163,623	163,623
Total Governmental Activities	\$ 3,393,235	\$ 34,970,113	\$ 769,023	\$ 39,132,371
Component Units				
Housing Commission	\$ 268,778	\$ -	\$ -	\$ 268,778
Metro Communications Agency	\$ -	\$ 189,455	\$ 414,398	\$ 603,853
Business-type Activities				
Enterprise Funds				
Water	\$ -	\$ 3,857	\$ -	\$ 3,857
Water Reclamation	-	3,774	-	3,774
Total Enterprise Funds	-	7,631	-	7,631
Total Primary Government	\$ 3,393,235	\$ 34,977,744	\$ 769,023	\$ 39,140,002

F. Interfund Transfers

Transfers are used to move revenues from the fund with collection authorization to the fund with expenditure authorization and move unrestricted revenues collected in

the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The financial statements reflect interfund transfers and their related purposes as follows:

	Transfers in:							Total
	Sales and Use Tax	Housing	Nonmajor Governmental Funds	Power and Distribution	Fleet Revolving	Centralized Facilities	General Fixed Assets	
Transfers out:								
General Fund	\$ 600,000	\$ 5,725,000	\$ 6,876,599	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 14,201,599
Sales and Use Tax	-	-	850,000	-	250,000	1,600,000	-	2,700,000
General Government Construction	276,455	-	-	-	-	-	-	276,455
Power and Distribution	-	-	-	-	-	-	37,415	37,415
Water Reclamation	267,649	-	-	-	-	-	127,017	394,666
Technology Revolving	-	-	-	-	-	-	18,079	18,079
Centralized Facilities	-	-	-	-	-	-	3,152,432	3,152,432
General Fixed Assets	-	-	-	69,652	15,530	-	-	85,182
Total	\$ 1,144,104	\$ 5,725,000	\$ 7,726,599	\$ 69,652	\$ 265,530	\$ 2,600,000	\$ 3,334,943	\$ 20,865,828
Purpose of Transfer	Cost recovery of expenses for shared projects from the Water Reclamation and General Fund. Transfer from General Construction Fund to close out this project and fund.	Community investment in housing stock	To support the operations and sustainability of the City's public transportation systems	Transfer of fixed assets from shared projects	Replacement of aging fuel tanks	To support ongoing investments in City Facilities	Transfer of fixed assets from shared projects	

Notes to Financial Statements

G. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

Primary Government:	Beginning Balance (Restated)	Additions	Transfers & Retirements	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 190,289,197	\$ 7,828,280	\$ -	\$ 198,117,477
Intangibles (Rights)	5,542,337	25,000	-	5,567,337
Construction in Progress	50,638,487	105,133,612	(110,991,197)	44,780,902
Depreciable Assets:				
Buildings	385,804,400	43,716,153	(293,085)	429,227,468
Improvements other than Buildings	184,245,072	7,518,427	(123,507)	191,639,992
Equipment	151,265,590	26,316,131	(10,005,003)	167,576,718
Infrastructure	1,367,560,316	109,560,647	(8,201,744)	1,468,919,219
Totals at Historical Cost	<u>2,335,345,399</u>	<u>300,098,250</u>	<u>(129,614,536)</u>	<u>2,505,829,113</u>
Accumulated Depreciation:				
Buildings	(161,581,030)	(9,781,048)	170,742	(171,191,336)
Improvements other than Buildings	(127,253,003)	(5,756,917)	116,667	(132,893,253)
Equipment	(101,172,915)	(12,475,005)	8,409,855	(105,238,065)
Infrastructure	(548,548,893)	(42,409,494)	8,097,896	(582,860,491)
Total Accumulated Depreciation	<u>(938,555,841)</u>	<u>(70,422,464)</u>	<u>16,795,160</u>	<u>(992,183,145)</u>
Net Capital Assets	<u>1,396,789,558</u>	<u>229,675,786</u>	<u>(112,819,376)</u>	<u>1,513,645,968</u>
Right to Use Leased and Subscription Assets Being Amortized				
Right to Use Leased Buildings	1,933,190	-	-	1,933,190
Right to Use Leased Equipment	2,633,658	6,994,660	1,409,616	8,218,702
Subscription Assets	3,054,509	883,665	-	3,938,174
Totals at Historical Cost	7,621,357	7,878,325	1,409,616	14,090,066
Accumulated Amortization:				
Right to Use Leased Buildings	(472,039)	(472,039)	-	(944,078)
Right to Use Leased Equipment	(1,223,948)	(1,829,191)	1,402,028	(1,651,111)
Subscription Assets	-	(1,698,597)	-	(1,698,597)
Total Accumulated Amortization	<u>(1,695,987)</u>	<u>(3,999,827)</u>	<u>1,402,028</u>	<u>(4,293,786)</u>
Net Right to Use Leased and Subscription Assets	<u>5,925,370</u>	<u>3,878,498</u>	<u>2,811,644</u>	<u>9,796,280</u>
Governmental Activities Capital Assets, net	<u>\$ 1,402,714,928</u>	<u>\$ 233,554,284</u>	<u>\$ (110,007,732)</u>	<u>\$ 1,523,442,248</u>

Notes to Financial Statements

Primary Government:	Beginning Balance (Restated)	Additions	Transfers & Retirements	Ending Balance
Business-type Activities:				
Non-Depreciable Assets:				
Land	\$ 20,615,851	\$ 991,466	\$ -	\$ 21,607,317
Intangibles (Rights)	75,701,718	612,548	-	76,314,266
Construction in Progress	93,926,016	119,745,627	(39,575,860)	174,095,783
Depreciable Assets:				
Buildings	85,431,841	12,379,514	-	97,811,355
Improvements other than Buildings	72,433,744	5,898,063	-	78,331,807
Equipment	53,945,030	2,880,751	(295,450)	56,530,331
Infrastructure	820,372,139	43,788,691	(37,406)	864,123,424
Totals at Historical Cost	<u>1,222,426,339</u>	<u>186,296,660</u>	<u>(39,908,716)</u>	<u>1,368,814,283</u>
Accumulated Depreciation				
Buildings	(29,692,111)	(2,840,696)	-	(32,532,807)
Improvements other than Buildings	(49,649,465)	(2,943,387)	-	(52,592,852)
Equipment	(35,021,542)	(2,134,102)	295,449	(36,860,195)
Infrastructure	(359,925,677)	(23,702,869)	30,355	(383,598,191)
Total Accumulated Depreciation	<u>(474,288,795)</u>	<u>(31,621,054)</u>	<u>325,804</u>	<u>(505,584,045)</u>
Net Capital Assets	<u>748,137,544</u>	<u>154,675,606</u>	<u>(39,582,912)</u>	<u>863,230,238</u>
Right to Use Leased and Subscription Assets Being Amortized				
Right to Use Leased Equipment	75,948	1,594	-	77,542
Subscription Assets	36,152	-	-	36,152
Totals at Historical Cost	112,100	1,594	-	113,694
Accumulated Depreciation:				
Right to Use Leased Equipment	(18,988)	(19,220)	-	(38,208)
Subscription Assets	-	(9,038)	-	(9,038)
Total Accumulated Depreciation	<u>(18,988)</u>	<u>(28,258)</u>	<u>-</u>	<u>(47,246)</u>
Net Right to Use Leased and Subscription Assets	<u>93,112</u>	<u>(26,664)</u>	<u>-</u>	<u>66,448</u>
Business Activities Capital Assets, net	<u>748,230,656</u>	<u>154,648,942</u>	<u>(39,582,912)</u>	<u>863,296,686</u>
Total Primary Government Capital Assets, net	<u>\$ 2,150,945,584</u>	<u>\$ 388,203,226</u>	<u>\$ (149,590,644)</u>	<u>\$ 2,386,738,934</u>

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

Governmental Activities:	Amount
General Government	\$ 1,445,638
Public Safety	3,836,921
Highways & Streets	44,568,663
Health	336,284
Culture & Recreation	15,974,885
Urban & Economic Development	1,251,549
Capital Assets Held by the Government's Internal Service Funds	7,008,351
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$74,422,291</u>
Business-type Activities:	
Electric Light	\$ 1,765,307
Public Parking Facilities	1,240,925
Sanitary Landfill	2,477,631
Water	10,380,893
Water Reclamation	15,784,556
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$31,649,312</u>

Notes to Financial Statements

Component Units	Beginning Balance (Restated)	Additions	Retirements	Ending Balance
Housing Commission				
Non-Depreciable Assets:				
Land	\$ 776,184	\$ 10,000	\$ (10,000)	\$ 776,184
Depreciable Assets:				
Buildings	6,837,080	11,311	(79,292)	6,769,099
Improvements other than Buildings	445,040	-	-	445,040
Equipment	477,426	4,885	-	482,311
Totals at Historical Cost	<u>8,535,730</u>	<u>26,196</u>	<u>(89,292)</u>	<u>8,472,634</u>
Less Accumulated Depreciation:				
Buildings	(3,864,122)	(139,670)	78,389	(3,925,403)
Improvements other than Buildings	(245,298)	(28,103)	-	(273,401)
Equipment	(314,480)	(41,550)	-	(356,030)
Total Accumulated Depreciation	<u>(4,423,900)</u>	<u>(209,323)</u>	<u>78,389</u>	<u>(4,554,834)</u>
Total Housing Commission Capital Assets, Net	<u>\$ 4,111,830</u>	<u>\$ (183,127)</u>	<u>\$ (10,903)</u>	<u>\$ 3,917,800</u>
Metro Communications Agency				
Construction in Progress	\$ 663,161	\$ 1,612,672	\$ -	\$ 2,275,833
Depreciable Assets:				
Equipment	2,453,117	-	-	2,453,117
Totals at Historical Cost	<u>3,116,278</u>	<u>1,612,672</u>	<u>-</u>	<u>4,728,950</u>
Less Accumulated Depreciation:				
Equipment	(2,298,689)	(22,697)	-	(2,321,386)
Total Accumulated Depreciation	<u>(2,298,689)</u>	<u>(22,697)</u>	<u>-</u>	<u>(2,321,386)</u>
Net Capital Assets	<u>817,589</u>	<u>1,589,975</u>	<u>-</u>	<u>2,407,564</u>
Right to Use Leased Assets Being Amortized				
Right to Use Leased Equipment	17,031	-	(17,031)	-
Total at Historical Cost	<u>17,031</u>	<u>-</u>	<u>(17,031)</u>	<u>-</u>
Less Accumulated Amortization:				
Equipment	(6,852)	-	6,852	-
Total Accumulated Amortization	<u>(6,852)</u>	<u>-</u>	<u>6,852</u>	<u>-</u>
Net Right to Use Leased Assets	<u>10,179</u>	<u>-</u>	<u>(10,179)</u>	<u>-</u>
Total Metro Communications Capital Assets, Net	<u>\$ 827,768</u>	<u>\$ 1,589,975</u>	<u>\$ (10,179)</u>	<u>\$ 2,407,564</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Notes to Financial Statements

Projects included in construction in progress for the primary government along with construction improvement commitments to be financed from committed fund balances carried forward into future years are as follows:

Projects-in-Progress	Project Authorization	Expended to 12/31/2023	Committed	Carryovers	Carryforwards
Centralized Facilities Improvements	\$ 5,701,395	\$ 1,122,321	\$ 4,579,074	\$ 689,131	\$ 3,889,943
Law Enforcement Center Chiller	88,348	-	88,348	-	88,348
Centralized Facilities Land Acquisition	1,714,663	-	1,714,663	-	1,714,663
Engineering Infrastructure Projects	72,183,472	25,280,925	46,902,547	31,269,964	15,632,583
Salt Storage Facility	110,000	41,352	68,648	51,791	16,857
City Hall Audio Visual Equipment	76,546	76,546	-	-	-
Public Safety Training Center	1,304,775	-	1,304,775	750,893	553,882
Fire Rescue Pumper	83,280	83,280	-	-	-
Fire Brush Truck	65,981	65,981	-	-	-
Fire Ambulance	30,199	30,199	-	-	-
Police Patrol Vehicles	947,547	947,547	-	-	-
Sculpture Walk	35,000	-	35,000	-	35,000
Core Façade Revitalization	195,000	-	195,000	100,000	95,000
Street Lights	738,518	738,518	-	-	-
Light and Power Facility Improvements	950,795	158,932	791,863	31,271	760,592
Electric Light Projects	748,600	-	748,600	-	748,600
Circuit Improvements	4,889,520	2,019,632	2,869,888	2,631,202	238,686
Arrowhead Park Development	25,975	25,975	-	-	-
Arboretum Park Improvements	4,960	4,960	-	-	-
Bike Trail Construction/Reconstruction	2,674,530	349,157	2,325,373	94,950	2,230,423
Community/Regional Park Improvements	3,201,963	-	3,201,963	1,486,094	1,715,869
Cyclical Park Infrastructure Improvements	277,269	-	277,269	144,637	132,632
Elmwood Golf Course Clubhouse	4,500,000	269,338	4,230,662	117,259	4,113,403
Falls Park Improvements	18,126,976	184,120	17,942,856	16,679,867	1,262,989
Family Park Improvements	56,785	50,889	5,896	455	5,441
Harmodon Park Improvements	10,276	-	10,276	-	10,276
Jacobson Plaza Development	1,602,106	1,602,106	-	-	-
Neighborhood Park Improvements	45,329	-	45,329	28,269	17,060
Parks ADA Transition Plan Improvements	44,177	-	44,177	23,802	20,375
Aquatics Facilities Development	2,188,225	718,168	1,470,057	520,478	949,579
Park Land Acquisition	1,331,439	5,950	1,325,489	120,985	1,204,504
Park Roads and Parking Lots Improvements	50,040	50,040	-	-	-
River Greenway	14,146,637	2,841,348	11,305,289	9,851,047	1,454,242
Skate Park Improvements	695,515	695,515	-	-	-
Tuthill Park Development	85,152	85,152	-	-	-
Zoo Master Plan Improvements	8,301,082	5,176,518	3,124,564	2,905,917	218,647
Fleet Underground Storage Tanks	919,000	58,630	860,370	-	860,370
Fleet Maintenance Shop Improvements	43,260	35,915	7,345	7,345	-
Fleet Dump Trucks	79,680	79,680	-	-	-
Landfill Scalehouse	2,996,733	2,996,733	-	-	-
Landfill Expansion	221,902	-	221,902	55,801	166,101
Landfill Building Improvements	4,838,901	-	4,838,901	4,713,969	124,932
Landfill Leachate Recirculation Infrastructure	477,484	80,390	397,094	310,069	87,025
Landfill Maintenance Shop	140,655	140,655	-	-	-
Convention Center Building Improvements	1,056,345	444,309	612,036	425,539	186,497
Sioux Falls Stadium Improvements	304,272	17,135	287,137	6,265	280,872
Events Center Building Improvements	890,030	52,827	837,203	96,823	740,380
Washington Pavilion Building Improvements	7,654,536	3,072,996	4,581,540	4,272,930	308,610
Orpheum Building Improvements	656,020	89,950	566,070	417,238	148,832
Transit Administration Building	85,140	85,140	-	-	-
Transit Office Remodel	2,434,860	-	2,434,860	9,460	2,425,400
Storm Sewer Projects	9,699,295	398,417	9,300,878	1,197,317	8,103,561
Water Projects	20,837,199	11,296,972	9,540,227	3,317,549	6,222,678
Water Reclamation Projects	298,832,508	157,402,467	141,430,041	86,274,885	55,155,156
	\$ 499,399,895	\$ 218,876,685	\$ 280,523,210	\$ 168,603,202	\$ 111,920,008

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as

expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Notes to Financial Statements

Capital Outlay	\$ 129,814,676
Plus: assets contributed from outside sources	57,258,095
Plus: assets added by Internal Service Funds	26,989,492
Plus: construction in progress added as an asset in current year	<u>86,035,987</u>
Capital asset increase per footnote	300,098,250
Plus: loss on sale of assets	(464,428)
Plus: assets contributed to enterprise funds	3,334,943
Less: assets contributed from outside sources	(57,258,095)
Plus: assets added by Internal Service Funds	(26,989,492)
Plus: assets transferred from enterprise funds	(85,182)
Less: construction in progress added as an asset in current year	<u>(86,035,987)</u>
Depreciation expense	<u>(67,413,940)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 65,186,069</u>

H. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities, including the current portion, of the City of Sioux Falls for the year ended December 31, 2023.

	Balance Beginning (Restated)	Additions	Deletions	Balance Ending	Due Within One Year
Primary Government					
Governmental Activities:					
Bonds Payable:					
Revenue	\$ 139,295,000	\$ -	\$ 11,660,000	\$ 127,635,000	\$ 10,070,000
Notes Payable	<u>10,590,367</u>	<u>33,706</u>	<u>1,185,310</u>	<u>9,438,763</u>	<u>1,237,706</u>
Total Debt	<u>149,885,367</u>	<u>33,706</u>	<u>12,845,310</u>	<u>137,073,763</u>	<u>11,307,706</u>
Unamortized Bond Premium	16,998,821	-	839,636	16,159,185	939,000
Rebatable Arbitrage	22,024	-	-	22,024	n/a
Right To Use Leases					
Governmental Funds	1,660,829	6,994,660	1,984,153	6,671,336	2,366,380
Internal Service Funds	1,707,600	-	70,186	1,637,414	70,575
Subscription Liabilities					
Governmental Funds	384,309	145,109	188,559	340,859	171,886
Internal Service Funds	1,518,023	738,557	1,280,542	976,038	520,320
Accrued Compensated Absences					
Governmental Funds *	13,511,369	7,980,532	6,741,695	14,750,206	1,000,000
Internal Service Funds	<u>219,070</u>	<u>240,367</u>	<u>233,996</u>	<u>225,441</u>	<u>37,000</u>
Total Governmental Activities	<u>185,907,412</u>	<u>16,132,931</u>	<u>24,184,077</u>	<u>177,856,266</u>	<u>16,412,867</u>
Business-type Activities:					
Bonds Payable:					
Revenue	32,760,000	-	4,185,000	28,575,000	5,145,000
Revenue Notes Payable	<u>85,938,064</u>	<u>58,088,129</u>	<u>11,485,282</u>	<u>132,540,911</u>	<u>11,890,659</u>
Total Debt	<u>118,698,064</u>	<u>58,088,129</u>	<u>15,670,282</u>	<u>161,115,911</u>	<u>17,035,659</u>
Unamortized Bond Premium	4,175,572	-	590,643	3,584,929	833,292
Right To Use Leases	57,039	1,594	18,974	39,659	19,775
Subscription Liabilities	36,152	-	9,195	26,957	8,612
Closure & Postclosure Care Costs *	11,296,552	533,479	-	11,830,031	n/a
Accrued Compensated Absences	<u>1,920,115</u>	<u>1,405,421</u>	<u>1,159,802</u>	<u>2,165,734</u>	<u>170,000</u>
Total Business-type Activities	<u>136,183,494</u>	<u>60,028,623</u>	<u>17,448,896</u>	<u>178,763,221</u>	<u>18,067,338</u>
Total Primary Government	<u>\$ 322,090,906</u>	<u>\$ 76,161,554</u>	<u>\$ 41,632,973</u>	<u>\$ 356,619,487</u>	<u>\$ 34,480,205</u>
* See Note 6B for further information on Closure and Postclosure Care Costs					

Notes to Financial Statements

continued from previous page

Component Units

Housing Commission					
Revenue Notes Payable	\$ 179,128	\$ -	\$ 31,345	\$ 147,783	\$ 31,345
Line of Credit	484,685	2,506,903	882,000	2,109,588	2,109,588
Mortgages Payable	3,411,802	-	203,744	3,208,058	235,470
Accrued Compensated Absences	89,704	106,707	127,129	69,282	51,966
Total Housing Commission	\$ 4,165,319	\$ 2,613,610	\$ 1,244,218	\$ 5,534,711	\$ 2,428,369
Metro Communications Agency					
Right To Use Leases	\$ 10,428	\$ -	\$ 10,428	\$ -	\$ -
Accrued Compensated Absences	326,153	344,952	330,600	340,505	171,626
Total Metro Communications Agency	\$ 336,581	\$ 344,952	\$ 341,028	\$ 340,505	\$ 171,626

* Compensated absences in the Governmental Funds have typically been paid from the General and Community Development funds.

Individual Debt Issues and Other Long-Term Liabilities by Fund—The following is a summary of the individual debt issues, as of the year ended December 31, 2023.

PRIMARY GOVERNMENT	Purpose	Interest Rates***	Maturity Date	Authorized Not Issued Amount	Issue Amount	Amount Outstanding	Maximum Annual Debt Service
Governmental Activities							
Revenue Bonds & Notes							
Sales & Use Tax Fund							
Series 2012A Sales Tax	* Events Center	3.21%	2033	\$ -	\$ 108,440,000	\$ 68,970,000	\$ 8,205,378
Series 2016A Sales Tax	* City Center Office Building	3.09%	2036	-	20,260,000	16,965,000	1,805,500
Series 2018A Sales Tax	* Library & Parks (I) Refunding	2.14%	2025	-	10,635,000	3,405,000	1,835,250
Series 2020A Sales Tax	* Public Safety Facility	2.42%	2040	-	42,315,000	38,295,000	3,399,750
Total Sales & Use Tax				-	181,650,000	127,635,000	15,245,878
Community Development							
State Flex Funds	Rental Rehab Loans	0.00%	2026	-	600,000	600,000	600,000
Storm Drainage Fund							
State Revolving Note #39	System Construction	1.00%	2030	-	8,829,000	5,462,606	931,477
State Revolving Note #42	System Construction	1.00%	2032	5,767,331	3,690,069	3,376,157	389,726
Total Storm Drainage				5,767,331	-	8,838,763	1,321,203
Total Revenue Bonds & Notes				5,767,331	-	137,073,763	17,167,081
Other Long-Term Liabilities							
Right to Use Leases - Governmental	Right to Use Assets	.24%-3.14%	2028	-	6,671,336	6,671,336	2,517,936
Right to Use Leases - Internal Service	Right to Use Assets	.55%	2025	-	1,637,412	1,637,414	1,579,569
SBITA's - Governmental	Subscription Based IT Arrangements	2.66-3.10	2027	-	340,859	340,859	181,114
SBITA's - Internal Service	Subscription Based IT Arrangements	2.66-2.90	2026	-	976,038	976,038	546,754
Unamortized Bond Premium	Bond Issue	n/a	2040	-	-	16,159,185	n/a
				-	-	25,784,832	4,825,373
Total Debt				5,767,331	-	162,858,595	21,992,454
Vested Compensated Absences							
Governmental Funds	Compensated Absences	n/a	n/a	n/a	n/a	14,750,206	n/a
Internal Service Funds	Compensated Absences	n/a	n/a	n/a	n/a	225,441	n/a
Total Governmental Activities				\$ 5,767,331	-	\$ 177,834,242	\$ 21,992,454
Business-type Activities							
Revenue Bonds & Notes							
Water							
Series 2017A Sales Tax	* Lewis & Clark Refunding	1.80%	2026	\$ -	\$ 31,045,000	\$ 15,450,000	\$ 7,770,000
2023 State Revolving Note DW #12	*** System Improvements	1.88%	N/A	12,500,000	1,583,582	-	-
Total Water				12,500,000	-	15,450,000	7,770,000
Water Reclamation							
2005 State Revolving Note CW #21	System Improvements	2.25%	2027	-	34,813,977	7,594,830	2,262,608
2012 State Revolving Note CW #34	System Improvements	2.25%	2024	-	12,040,836	1,330,596	1,349,359
2015 State Revolving Note CW #35	System Improvements	1.25%	2027	1,189,232	10,790,225	4,487,296	1,151,855
2015 State Revolving Note CW #36	System Improvements	1.25%	2028	-	16,550,544	8,546,700	1,765,982
2016 State Revolving Note CW #37	System Improvements	1.25%	2029	-	7,350,585	3,840,795	788,992
2017 State Revolving Note CW #38	System Improvements	1.00%	2029	-	9,515,974	5,649,994	1,012,355
2019 State Revolving Note CW #40	System Improvements	1.50%	2041	694,566	26,114,234	23,747,681	1,526,587
2020 State Revolving Note CW #41	System Improvements	2.50%	2042	-	41,625,000	40,676,212	2,724,079
2021 State Revolving Note CW #43	System Improvements	2.00%	2044	-	18,500,000	18,500,000	1,124,581
2022 State Revolving Note CW #44	System Improvements	2.00%	2044	106,315,418	16,684,582	16,684,582	1,014,225
2023 State Revolving Note CW #45	System Improvements	1.25%	N/A	16,468,774	1,482,226	1,482,225	n/a
Total Water Reclamation				124,667,990	-	132,540,911	14,720,623
Public Parking							
Series 2018B Sales Tax	* Multi-Use Parking Ramp	3.51%	2032	-	18,540,000	13,125,000	1,877,774
Total Debt				137,167,990	-	161,115,911	24,368,397
Other Long-Term Liabilities							
Right to Use Leases - Business Type	Right to Use Assets	0.55%	2025	-	39,659	39,659	19,953
SBITA's - Business Type	Subscription Based IT Arrangements	2.68%	2026	-	26,957	26,957	9,615
Unamortized Bond Premium	Bond Issue	n/a	n/a	n/a	n/a	3,584,929	n/a
Total Debt						164,767,456	24,388,350
Vested Compensated Absences	Compensated Absences	n/a	n/a	n/a	n/a	2,165,734	n/a
Total Business-type Activities				\$ 137,167,990	-	\$ 166,933,190	\$ 24,388,350

* Secured by pledge of the second penny sales and use tax.
**For bonds secured by the second penny sales tax and TIF revenues, interest rates reflect the true interest cost (TIC) calculated at the time of bond issuance.
***Principal on the loan is 100% forgiven through the State Revolving Fund program

Notes to Financial Statements

Individual Debt Issues and Long-Term Liabilities by Component Unit—The following is a summary of the individual debt issues, as of the year ended December 31, 2023.

COMPONENT UNITS	Purpose	Rate	Date	Amount	Amount	Outstanding	Debt Service
Housing Commission							
SDHDA Note	Affordable Housing	0.00%	2028	\$ -	\$ 695,690	\$ 147,783	\$ 31,345
Line of Credit	First Premier Bank	8.5-8.75%	2024	-	2,991,588	2,109,588	n/a
Mortgages							
SD Housing Development Authority	Affordable Housing	0.00%	2053	-	299,089	299,089	n/a
Sioux Falls Community Development	Affordable Housing	2.00%	2044	-	160,653	91,147	5,358
SD Housing Development Authority	Affordable Housing	0.00%	2046	-	100,000	100,000	n/a
SD Housing Development Authority	Affordable Housing	0.00%	2044	-	171,162	120,237	5,820
Sioux Falls Community Development	Affordable Housing	0.00%	2048	-	179,550	83,334	3,333
Sioux Falls Community Development	Affordable Housing	3.00%	2030	-	44,379	20,941	2,983
Sioux Falls Community Development	Affordable Housing	0.00%	2032	-	360,771	359,222	n/a
SD Housing Development Authority	Affordable Housing	0.00%	2035	-	161,880	134,497	90,000
SD Housing Development Authority	Affordable Housing	0.00%	2034	-	697,234	689,590	n/a
SD Housing Development Authority	Affordable Housing	2.00%	2024	-	124,027	62,014	62,014
SD Housing Development Authority	Affordable Housing	2.00%	2024	-	129,337	129,337	129,337
First Interstate Bank	Affordable Housing	4.95%	2027	-	40,000	21,952	3,132
Sioux Falls Community Development	Affordable Housing	0.00-3.00%	2027	-	60,000	25,181	6,952
Sioux Falls Community Development	Affordable Housing	0.00%	n/a	-	200,000	200,000	200,000
Sioux Falls Community Development	Affordable Housing	0.00%	n/a	-	371,000	346,000	11,760
Sioux Falls Community Development	Affordable Housing	0.00%	n/a	-	270,000	270,000	n/a
Grow South Dakota	Affordable Housing	4.75%	2032	-	130,000	83,517	12,172
SD Housing Development Authority	Affordable Housing	0.00%	2041	-	200,000	172,000	4,000
Total Mortgages				-		3,208,058	536,861
Vested Compensated Absences	Compensated Absences	n/a	n/a	n/a	n/a	69,282	44,186
Total Housing Commission				\$ -		\$ 5,534,711	\$ 612,392
Metro Communications Agency							
Vested Compensated Absences	Compensated Absences	n/a	n/a	n/a	n/a	340,505	159,903
Total Metro Communications Agency				\$ -		\$ 340,505	\$ 159,903

Pledged Revenue—The City has pledged future revenues, net of specified operating expenses, to repay various debt issues of the City. The debt and information relating to the pledged revenues at December 31, 2023, are as follows:

PRIMARY GOVERNMENT	Purpose	Pledged Revenue Source	Approximate Amount of Revenue Pledged	Final Maturity Date	Issue Amount	2023		Total Principal and Interest Remaining
						Principal and Interest Paid	Net Revenues	
Governmental Activities								
Revenue Bonds & Notes								
Sales & Use Tax Fund								
Sales Tax Revenue Bonds	Libraries, Parks, Flood Control, Water System & Events Center, Public Safety Facility	Sales and Use Taxes	25%	2040	\$ 231,235,000	\$ 22,871,089	\$ 91,478,955	\$ 199,710,380
Housing Fund								
State Flex Funds	Rental Rehab Loans	Housing Revenues	0%	2023	600,000	-	3,338,438	600,000
Storm Drainage Fund								
State Revolving Notes	System Construction	Storm Drainage Revenues	13%	2032	12,519,069	1,280,824	9,554,948	9,144,126
Business-type Activities								
Revenue Bonds & Notes								
Water Reclamation								
State Revolving Notes	System Construction	Water Reclamation Revenues	41%	2027	168,127,414	10,135,217	24,946,023	140,003,949

Revenue Bonds Payable

Bonds payable at December 31, 2023, consist of five issues backed and serviced solely by the second penny sales tax (Sales and Use Tax Fund), one issue backed by the second penny sales tax and serviced by the Water Fund as shown above, and one issue backed by the second penny sales tax and serviced by the Public Parking Fund as shown above.

Debt service requirements for the revenue bonds at December 31, 2023, are as follows:

Year	Sales and Use Tax		Total
	Principal	Interest	
2024	\$ 10,070,000	\$ 5,172,878	\$ 15,242,878
2025	10,490,000	4,738,578	15,228,578
2026	9,055,000	4,347,828	13,402,828
2027	9,380,000	4,022,378	13,402,378
2028	9,715,000	3,684,578	13,399,578
2029-2033	54,360,000	12,651,460	67,011,460
2034-2038	18,250,000	4,143,500	22,393,500
2039-2040	6,315,000	477,498	6,792,498
Totals	\$ 127,635,000	\$ 39,238,698	\$ 166,873,698

Year	Water		Total
	Principal	Interest	
2024	\$ 3,950,000	\$ 772,500	\$ 4,722,500
2025	4,100,000	575,000	4,675,000
2026	7,400,000	370,000	7,770,000
Totals	\$ 15,450,000	\$ 1,717,500	\$ 17,167,500

Notes to Financial Statements

Public Parking			
Year	Principal	Interest	Total
2024	\$ 1,195,000	\$ 457,465	\$ 1,652,465
2025	1,090,000	420,301	1,510,301
2026	1,255,000	385,312	1,640,312
2027	1,450,000	344,524	1,794,524
2028	1,440,000	295,949	1,735,949
2029-2032	6,695,000	640,631	7,335,631
Totals	<u>\$ 13,125,000</u>	<u>\$ 2,544,182</u>	<u>\$ 15,669,182</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Arbitrage provisions of the Internal Revenue Service require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. As of December 31, 2023, the City had a rebatable arbitrage liability of \$22,024, which was payable from the Capital Improvements Special Revenue Fund.

Tax Increment Financing (TIF) Districts

The City has 13 active TIF districts. For each of these 13 districts, the City has entered into an agreement with the developer of the TIF district. Under each agreement, tax increments received by the City are paid over to the project sponsor as a grant to cover initial eligible project expenses as allowed by South Dakota state statutes. The project sponsor bears the risk that increments collected over the life of the TIF district will be less than sufficient to cover all eligible project expenses; the City bears no responsibility to make up any shortfall. Increments totaling \$6,145,138 were received by the City and paid to project sponsors during 2023.

Notes Payable

The City has entered into several notes payable with the South Dakota Conservancy District, which have provided funds for construction and maintenance of the storm drainage, water, and water reclamation systems. These funds are drawn as construction progresses. Several notes have balances available that have not been drawn and are so noted on the individual debt table on page 70. A complete amortization schedule will be provided upon completion or partial completion of the draw term. Thus, future debt service cannot be accurately determined until all projects for each note are completed.

The Storm Drainage notes will be repaid with revenues from the Storm Drainage Fund. The estimated debt service is as follows:

Storm Drainage			
Year	Principal	Interest	Total
2024	\$ 1,237,706	\$ 83,498	\$ 1,321,204
2025	1,250,129	71,074	1,321,203
2026	1,262,677	58,526	1,321,203
2027	1,275,352	45,852	1,321,204
2028	1,288,153	33,050	1,321,203
2028-2032	2,498,914	39,197	2,538,111
Totals	<u>\$ 8,812,931</u>	<u>\$ 331,197</u>	<u>\$ 9,144,128</u>
Issues With No Estimate Available	25,832		
Total	<u>\$ 8,838,763</u>		

The Storm Drainage Fund currently has \$5,767,331 available and undrawn notes payable from the South Dakota Conservancy District.

The Water Reclamation notes will be repaid with revenues from the Water Reclamation Fund. The estimated debt service is as follows:

Water Reclamation			
Year	Principal	Interest	Total
2024	\$ 11,890,659	\$ 2,291,304	\$ 14,181,963
2025	11,111,926	2,259,337	13,371,263
2026	11,307,448	2,063,814	13,371,262
2027	10,372,247	1,867,712	12,239,959
2028	8,245,078	1,711,721	9,956,799
2029-2033	25,855,434	6,875,104	32,730,538
2034-2038	27,814,463	4,132,891	31,947,354
2039-2042	21,827,557	1,141,074	22,968,631
2043-2044	2,633,874	39,639	2,673,513
Totals	<u>\$ 131,058,686</u>	<u>\$ 22,382,596</u>	<u>\$ 153,441,282</u>
Issues With No Estimate Available	1,482,225		
Total	<u>\$ 132,540,911</u>		

The Water Reclamation Fund has \$124,667,990 available and undrawn notes payable from the South Dakota Conservancy District.

During 2023, the City had entered into an agreement with the South Dakota Conservancy District for a \$12,500,000 with the first \$7,900,000 of the principal balance being forgiven with federal funding. Below is a summary of the activity for the current year:

Beginning Balance	Additions	Debt Forgiven	Balance Ending
\$ -	\$ 1,583,582	\$ 1,583,582	\$ -

As of December 31, 2023, there was no balance due on this note.

Notes to Financial Statements

Right to Use Leases

Remaining principal and interest payments on right to use leases are as follows:

Governmental Funds (Includes Internal Service Funds)			
Year	Principal	Interest	Total
2024	\$ 3,997,487	\$ 100,018	\$ 4,097,505
2025	1,154,947	32,299	1,187,246
2026	572,128	11,939	584,067
2027	147,233	785	148,018
Totals	\$ 8,308,750	\$ 305,591	\$ 8,614,341
Enterprise Funds			
Year	Principal	Interest	Total
2024	\$ 19,775	\$ 178	\$ 19,953
2025	19,884	69	19,953
Totals	\$ 39,659	\$ 247	\$ 39,906

Further information on these leases can be found in Note 3I.

Subscription Leases

Remaining principal and interest payments on right to use leases are as follows:

Governmental Funds (Includes Internal Service Funds)			
Year	Principal	Interest	Total
2024	\$ 505,192	\$ 16,937	\$ 522,129
2025	110,843	3,250	114,093
2026	8,656	269	8,925
Totals	\$ 1,316,897	\$ 56,118	\$ 1,373,015
Enterprise Funds			
Year	Principal	Interest	Total
2024	\$ 8,612	\$ 721	\$ 9,333
2025	8,981	491	9,472
2026	9,364	251	9,615
Totals	\$ 26,957	\$ 1,463	\$ 28,420

Further information on these leases can be found in Note 3I.

State Flex Funds

The City has entered into an agreement with the state of South Dakota whereby the state has lent the City \$600,000 interest free for five years with the option to negotiate the refinancing for up to three additional five-year terms for a total of 20 years. The funds were used for rental rehabilitation projects.

Component Units

The Housing Commission notes will be repaid with revenues from property rentals. The estimated debt service on these issues is as follows:

Housing Commission			
Year	Principal	Interest	Total
2024	\$ 266,815	\$ 8,021	\$ 274,836
2025	77,189	7,170	84,359
2026	78,064	6,295	84,359
2027	90,137	5,174	95,311
2028	61,309	4,024	65,333
2029-2033	1,296,748	10,552	1,307,300
2034-2038	297,360	4,366	301,726
2039-2043	262,700	2,030	264,730
2044-2048	156,430	105	156,535
Thereafter	769,089	-	769,089
Totals	\$ 3,355,841	\$ 47,737	\$ 3,403,578

During 2023, the Housing Commission issued several lines of credit agreement with First Premier Bank with carrying interest rates between 8.5-8.75 percent and maturity dates ranging from October 25, 2023 to August 1, 2024. The outstanding balance as of September 30, 2023 is \$2,109,588.

Accrued Compensated Absences

City employees are paid for accumulated vacation and sick leave upon retirement. Certain employees are also paid for a portion of excess sick leave on an annual basis. Accumulated vested compensated absences in governmental funds are recorded as a liability in the government-wide statements. Since this liability generally matures upon retirement, future maturities are not calculated.

Notes to Financial Statements

Legal Debt Limit

The City is subject to Article XIII, Section 4, of the South Dakota Constitution which limits the amount of bonded debt to a percent of the assessed valuation of the taxable property therein for the year preceding that in which said indebtedness is incurred. The categories are as follows:

1. Not to exceed 5 percent for the year preceding the year in which said indebtedness is incurred.
2. An additional indebtedness not to exceed 10 percent for the year preceding the year in which

said indebtedness is incurred for the purpose of providing water and sewage, for irrigation, domestic uses, sewerage, and other purposes upon a majority vote in favor thereof of the electors.

3. An additional indebtedness not to exceed 8 percent for the year preceding the year in which said indebtedness is incurred for the purpose of constructing street railways, electric lights, or other electric plants upon a majority vote in favor thereof of the electors.

Accordingly, at December 31, 2023, the City has an available legal debt limit as follows:

2023 Assessed Actual Value Subject to Taxation:				<u>\$22,283,610,654</u>	
Category	Legal Debt Limit		Net Bonded Debt Outstanding	Available Legal Debt Margin	
	Percent	Amount			
General Purpose 1	5.0%	\$ 1,114,180,533	\$294,847,941	\$ 819,332,592	
Special Purpose 2	10.0%	2,228,361,065	-	2,228,361,065	
Special Purpose 3	8.0%	<u>1,782,688,852</u>	-	<u>1,782,688,852</u>	
		<u>\$5,125,230,450</u>	<u>\$294,847,941</u>	<u>\$ 4,830,382,509</u>	
Surcharge Debt Not Included in Legal Debt Limit			<u>29,397,675</u>		
Total Debt			<u>\$324,245,616</u>		

I. Leases and Subscription Agreements -

Leases - Lessee

On July 30, 2020, the City entered into a 60 month lease as Lessee for copier equipment for the dates of January 1, 2021 – December 31, 2025. A initial lease liability was recorded in the amount of \$531,051 across multiple funds within the City. As of December 31, 2023, the value of the lease liability was \$264,744. The City is required to make quarterly fixed payments of \$227,836. This lease has an interest rate of .5517 percent. The value of the right-to-use copier assets as of December 31, 2023 is \$523,176 which encompasses both governmental and business type funds, with accumulated amortization of \$260,458. These copiers are included with Equipment on the Lease Class activities table found in note 3G. Minimum future rentals do not include contingent rentals, which may be received during the lease period as stipulated in the various lease contracts.

On June 19, 2020, City entered into a 66 month lease as Lessee for the use of a property for the Report to Work Station. An initial lease liability was recorded in the amount of \$1,708,012. As of December 31, 2023, the value of the lease liability is \$1,600,171. The City is required to make annual fixed payments of \$60,833 The lease has an interest rate of 0.5517 percent. The building's estimated useful life was 40 years as of the contract commencement. The value of the right to use asset as of December 31, 2023 of

\$1,708,012 with accumulated amortization of \$854,006 is included with Building on the Lease Class activities table found in Note 3G. City of Sioux Falls, SD has the option to purchase the building for \$1.5 million. The City has one extension option, for 60 months.

On April 15, 2023, the City entered into a 36 month lease as Lessee for the use of motor graders. An initial lease liability was recorded in the amount of \$5,022,262. As of December 31, 2023, the value of the lease liability is \$3,869,565. The City is required to make monthly fixed payments of \$145,433. The lease has an interest rate of 2.7960 percent. The Vehicles estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$5,022,262.07 with accumulated amortization of \$1,173,083 is included with Equipment on the Lease Class activities table found in Note 3G.

On November 1, 2023, the City entered into a 53 month lease as Lessee for the use of motor graders. An initial lease liability was recorded in the amount of \$1,969,577. As of December 31, 2023, the value of the lease liability is \$1,896,544. The City is required to make monthly fixed payments of \$38,766. The lease has an interest rate of 2.7960 percent. The equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$1,969,577 with accumulated amortization of \$73,492 is included with

Notes to Financial Statements

Equipment on the Lease Class activities table found in Note 3G.

On November 1, 2022, the City entered into a 60 month lease as Lessee for the use of Front-End Loaders. An initial lease liability was recorded in the amount of \$781,229. As of December 31, 2023, the value of the lease liability is \$581,983. The City is required to make monthly fixed payments of \$27,956. The lease has an interest rate of 3.1440 percent. The equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$781,229 with accumulated amortization of \$182,287 is included with Equipment on the Lease Class activities table found in Note 3G. The 60 month period includes has four extension options, each for 12 months which are reasonably certain to be used.

On January 1, 2022, the City entered into a 60 month lease as Lessee for the use of the Vector Control Building. An initial lease liability was recorded in the amount of \$225,178. As of December 31, 2023, the value of the lease liability is \$135,402. The City is required to make monthly fixed payments of \$3,775. The lease has an interest rate of 0.2383 percent. The building's estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of December 31, 2023 of \$225,178 with accumulated amortization of \$90,071 is included with Buildings on the Lease Class activities table found in Note 3G. City of Sioux Falls, SD has 4 extension options, each for 12 months, which the City will exercise with reasonable certainty.

Leases - Lessor

On November 6, 2020, the City acquired a 168 month lease as Lessor for the use of 41st & Marion Lamar Sign. An initial lease receivable was recorded on January 1, 2022 in the amount of \$76,790 as of January 1, 2022. As of December 31, 2023, the value of the lease receivable is \$65,066. The lessee is required to make annual fixed payments of \$6,000.00. The lease has an interest rate of 0.2383 percent. The Infrastructure estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$64,620, and the City recognized lease revenue of \$6,085 during the fiscal year. The lessee has one extension option(s), each for 240 months, which the City believes it will not exercise with reasonable certainty.

On September 22, 2022, the City entered into a 63 month lease, of which 15 months are noncancelable, as Lessor for the use of 521 North Main Avenue. An initial lease receivable was recorded in the amount of \$204,011. As of December 31, 2023, the value of the lease receivable is \$159,727. The lessee is required to make monthly fixed payments of \$3,200. The lease has an interest rate of 1.7103 percent. The value of the deferred inflow of resources as of December 31, 2023 was \$154,465, and the City recognized lease revenue of \$38,859 during the fiscal year. The lessee has 4 extension option(s), each for 12 months, which the City believes it will exercise with reasonable certainty.

On July 19, 2019, the City acquired a 72 month lease as Lessor for the use of Arrowhead Pkwy - 19 Township 101N. An initial lease receivable was recorded on January 1, 2022 in the amount of \$3,954. As of December 31, 2023, the value of the lease receivable is \$1,984. The lessee is required to make annual fixed payments of \$1,000. The lease has an interest rate of 0.5517 percent. The infrastructure estimated useful life was 72 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$1,797, and the City recognized lease revenue of \$1,078 during the fiscal year. The lessee has one extension option, each for 240 months, which the City believes it will not exercise with reasonable certainty.

On March 17, 2017, the City entered into a 240 month lease, of which 60 months are noncancelable, as Lessor for the use of a water tower for communication equipment. An initial lease receivable was recorded on January 1, 2022, in the amount of \$435,950. As of December 31, 2023, the value of the lease receivable is \$383,945. The lessee is required to make annual fixed payments of \$27,720. The lease has an interest rate of 0.6857 percent. The infrastructure estimated useful life was 60 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$378,630, and the City recognized lease revenue of \$28,660 during the fiscal year. The lessee has two additional extension options, each for 60 months, which the City believes it will exercise with reasonable certainty.

On October 16, 2022, the City entered into a 240 month lease, of which 60 months are noncancelable, as Lessor for the use of a water tower for communication equipment. An initial lease receivable was recorded on January 1, 2022, in the amount of \$566,366. As of December 31, 2023, the value of the lease receivable is \$517,384. The lessee is required to make annual fixed payments of \$33,300, increasing 10 percent at the start of each renewal term. The lease has an interest rate of 3.3050 percent. The infrastructure estimated useful life was 60 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$532,148, and the City recognized lease revenue of \$28,318 during the fiscal year. The lessee has three extension options, each for 60 months, which the City believes it will exercise with reasonable certainty. The lessee had a termination period of four months as of the lease commencement, which the City believes it will exercise with reasonable certainty.

On August 1, 2020, the City entered into a 240 month lease, of which 120 months is noncancelable, as Lessor for the use of Parking Lot D2. An initial lease receivable was recorded on January 1, 2022 in the amount of \$464,760. As of December 31, 2023, the value of the lease receivable is \$427,353. The lessee is required to make monthly fixed payments of \$1,989, increasing 10 percent every 60 months. The lease has an interest rate of 1.1607 percent. The value of the deferred inflow of resources as of December 31, 2023 was \$414,740, and the City recognized lease revenue of \$25,009 during the fiscal year. The lessee has one extension option, for 120 months, which the City believes it will exercise with reasonable certainty. The

Notes to Financial Statements

lessee had a termination period of two months as of the lease commencement, which the City believes it will not exercise with reasonable certainty.

On July 19, 2019, the City acquired a 36 month lease as Lessor for the use of Rich Bros Lamar Sign. An initial lease receivable was recorded on January 1, 2022 in the amount of \$6,945. As of December 31, 2023, the value of the lease receivable is \$4,964. The lessee is required to make annual fixed payments of \$1,000. The lease has an interest rate of 0.2383 percent. The Infrastructure estimated useful life was 60 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$4,756, and the City recognized lease revenue of \$1,094 during the fiscal year. The lessee has 1 extension options, for 60 months, which the City believes it will exercise with reasonable certainty.

On April 12, 2010, the City entered into a 240 month lease as Lessor for the use of Kelly's Subdivision. An initial lease receivable was recorded on January 1, 2022 in the amount of \$7,671. As of December 31, 2023, the value of the lease receivable is \$5,779. The lessee is required to make annual fixed payments of \$1,000. The lease has an interest rate of 1.0840 percent. The Land Improvements estimated useful life was 60 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$29,883, and City of Sioux Falls, SD recognized lease revenue of \$22,413 during the fiscal year.

On March 17, 2005, the City entered into a 240 month lease, of which 180 months is noncancelable, as Lessor for the use of Phillips Ave Diner Lot. An initial lease receivable was recorded on January 1, 2022 in the amount of \$74,709. As of December 31 2023, the value of the lease receivable is \$30,316. The lessee is required to make monthly fixed payments of \$1,854, increasing 2.5 percent on the anniversary date of the commencement of the lease in each odd-numbered year. The lease has an interest rate of 0.4257 percent. The lot's estimated useful life was 60 months as of the contract commencement. The value of the deferred inflow of resources as of December 31, 2023 was \$29,883, and the City recognized lease revenue of \$22,413 during the fiscal year.

Remaining principal and interest payments to be received on leases is as follows:

Governmental Funds (Includes Internal Service Funds)			
Year	Principal	Interest	Total
2024	\$ 45,870	\$ 2,682	\$ 48,552
2025	47,737	2,001	49,738
2026	48,672	1,288	49,960
2027	50,672	548	51,220
2028	7,877	123	8,000
2029-2033	30,705	295	31,000
2034-2038	5,986	14	6,000
Totals	<u>\$ 237,519</u>	<u>\$ 6,951</u>	<u>\$ 244,470</u>
Enterprise Funds			
Year	Principal	Interest	Total
2024	\$ 83,017	\$ 24,676	\$ 107,693
2025	69,817	23,667	93,484
2026	64,588	22,687	87,275
2027	71,691	21,686	93,377
2028	72,844	20,533	93,377
2029-2033	405,218	84,061	489,279
2034-2038	417,366	47,051	464,417
2039-2042	174,456	8,811	183,267
Totals	<u>\$ 1,358,997</u>	<u>\$ 253,172</u>	<u>\$ 1,612,169</u>

Subscription Arrangements

As of January 1, 2023, the City had entered into six subscriptions in the general fund and entered into an additional three agreements in 2023 for the use of various software systems. The total initial subscription liability for these agreements was \$529,417. As of December 31, 2023, the value of this subscription liability was \$340,859. Total required annual fixed payments for these agreements is \$191,597. These subscriptions have interest rates ranging from 2.6560 percent to 3.1020 percent. The value of the right to use asset for these subscriptions is \$553,878 as of December 31, 2023 with accumulated amortization of \$172,546. These items are included with the Software on the Subscription Class activities table found in Note 3G.

As of January 1, 2023, the City had entered into five subscriptions in the Technology Revolving Fund and entered into an additional two agreements in 2023 for the use of various software systems. The total initial subscription liability for these agreements was \$2,222,182. As of December 31, 2023, the value of this subscription liability \$958,493. Total required annual fixed payments for these agreements is \$1,287,308. These subscriptions have interest rates ranging from 2.6560 percent to 2.9010 percent. The value of the right to use asset for these subscriptions is \$3,349,898 as of December 31, 2023 with accumulated amortization of \$1,506,822. These items are included with the Software on the Subscription Class activities table found in Note 3G.

As of January 1, 2023, the City had entered into a 21 month subscription for the use of a software system called Energy Manager in the Centralized Facilities fund. An initial subscription liability was recorded in the amount of \$318,909. As of December 31, 2023, the value of the subscription liability is \$213,312. The City is required to make annual fixed payments of \$110,963. The subscription has an interest rate of 2.68 percent. The value of the right to use assets for this subscription is \$34,398 as of December

Notes to Financial Statements

31, 2023 with accumulated amortization of \$19,229 and is included with Software on the Subscription Class activities table found in Note 3G. The City had a termination period of 2 months as of the subscription commencement.

As of January 1, 2023, the City had entered into a 48 month subscription for the use of a software system called Link Software in the Water Reclamation fund. An initial subscription liability was recorded in the amount of \$36,152.

As of December 31, 2023, the value of the subscription liability is \$26,957. The City is required to make annual fixed payments of \$9,195. The subscription has an interest rate of 2.6760 percent. The value of the right to use assets for this subscription is \$36,152 as of December 31, 2023 with accumulated amortization of \$9,038 and is included with Software on the Subscription Class activities table found in Note 3G. The City had a termination period of 2 months as of the subscription commencement.

J. Fund balances

The City-classified fund balances within the governmental funds are as follows at December 31, 2023:

	General	Entertainment Tax	Sales and Use Tax	Housing	Storm Drainage	General Government Construction	Public Safety Facility Construction	Other Governmental Funds	Total
Fund balances:									
Nonspendable:									
Inventory	\$ 4,863,435	\$ -	\$ 4,463,657	\$ 51,213	\$ -	\$ -	\$ -	\$ -	\$ 9,378,305
Permanent Fund Principal	-	-	-	-	-	-	-	26,767	26,767
Total Nonspendable	4,863,435	-	4,463,657	51,213	-	-	-	26,767	9,405,072
Restricted for:									
Debt Service	-	-	15,622,461	-	-	-	-	24,806	15,647,267
Park and Recreation	127,635	-	12,324,615	-	-	-	-	-	12,452,250
Police	5,169	-	91,210	-	-	-	-	-	96,379
Health	1,473,111	-	-	-	-	-	-	-	1,473,111
Library	31,721	-	-	-	-	-	-	20,926	52,647
Community Development	-	-	-	32,939,280	-	-	-	-	32,939,280
Heroic Awards	-	-	-	-	-	-	-	3,840	3,840
Public Safety Facility Building	-	-	-	-	-	-	1,750,518	-	1,750,518
Storm Drainage	-	-	-	-	9,808,717	-	-	-	9,808,717
Other Capital Projects	-	-	-	-	4,230,287	-	-	-	4,230,287
Total Restricted	1,637,636	-	28,038,286	32,939,280	14,039,004	-	1,750,518	49,572	78,454,296
Committed to:									
Operating Agreements	2,545,495	8,978,361	-	-	-	-	-	755,858	12,279,714
Entertainment Venues	-	20,909,731	-	-	-	-	-	-	20,909,731
Other Capital Projects	-	-	67,583,045	-	-	-	-	-	67,583,045
Total Committed	2,545,495	29,888,092	67,583,045	-	-	-	-	755,858	100,772,490
Assigned to:									
Transit System	-	-	-	-	-	-	-	9,968,923	9,968,923
2024 Budget	6,323,922	-	-	-	-	-	-	-	6,323,922
Total Assigned	6,323,922	-	-	-	-	-	-	9,968,923	16,292,845
Unassigned:	79,690,247	-	-	-	-	-	-	-	79,690,247
Total Fund Balances	\$ 95,060,735	\$ 29,888,092	\$ 100,084,988	\$ 32,990,493	\$ 14,039,004	\$ -	\$ 1,750,518	\$ 10,801,120	\$ 284,614,950

Note 4—Joint Ventures/Related Organizations

The City of Sioux Falls is a party to two joint ventures as described below:

1. The City of Sioux Falls and Minnehaha County jointly provide funding for the **Historical Museum Trust**. The Trust provides for operation of all City- and county-owned museums. Participation in the venture is funded equally. The City contribution to the venture for the year ended December 31, 2023, was \$856,464 and is reflected as an expenditure in the General Fund. These activities are also recorded within the General Fund of the county and, accordingly, individual financial statements

of the trust are not available. Complete financial statements for Minnehaha County can be obtained at their administrative offices located at 415 North Dakota Avenue in Sioux Falls, South Dakota. There is no debt specifically related to the trust. No future benefit or burden is anticipated other than the annual subsidy.

2. The City of Sioux Falls and Minnehaha County jointly provide funding for the **Siouxland Libraries**. The City received \$1,405,000 from the county for operations during 2023. All activities of the library system are recorded in the General Fund.

Notes to Financial Statements

The City is a party to the following related organizations as described below:

The City is responsible for all of the board appointments of the **Sioux Falls Regional Airport Authority**; however, the City is not financially accountable for the Authority because the City does not have the ability to impose its will on the Authority, nor does it have a financial relationship that results in either a burden or a benefit to the City.

The City is contractually obligated to provide financial support to the following entities: **Washington Pavilion Management Inc., Zoological Society, and Great Bear Recreation Park**; however, the City is not financially accountable for these organizations because the City does not have the ability to impose its will on these organizations, and these organizations are not fiscally dependent on the City. The City provided the Washington Pavilion Management Inc. and the Zoological society operational support in the amounts of \$2,510,380 and \$1,703,521, respectively.

Note 5—Jointly Governed Organizations

The City of Sioux Falls is a member of the Lewis & Clark Regional Water System, Inc. (the "System"). The System consists of 20 members, comprising 15 municipalities and five rural water systems within South Dakota, Iowa, and Minnesota, providing drinking water to consumers. As pipelines are completed, the System collects, treats, and distributes drinking water to its member communities. Sioux Falls began receiving water from the System in 2012, and it serves as a critical supplemental water supply for the City's continued growth. The System's Board of Directors is composed of 20 directors, each representing a member, with no member having an equity interest.

The City has made commitments for (1) its portion of the base system costs, and (2) costs associated with additional capacity modifications for the Lewis & Clark Regional Water System. The City capitalized an intangible asset to acknowledge its upfront payment to the System for the future option to purchase water. This asset is being amortized over the estimated lifespan of water purchases from the System.

Note 6—Commitments and Contingencies

A. Commitments

At December 31, 2023, the City has commitments on construction projects totaling \$280,523,210 as detailed in Note 3G.

Between 2005 and 2010, the City entered commitments to pay for (1) its portion of base system costs, and (2) costs associated with additional capacity modifications for the Lewis & Clark Regional Water System, securing 28.01 million gallons per day (MGD) to meet future supplemental water supply needs.

In 2022, the City entered commitments to pay for its portion of a 15.81 MGD Expansion, securing an additional 6.4 MGD per day for a total of 34 MGD to supplement the City's water

supply needs. The City of Sioux Falls' portion is \$65.504M for the expansion project, which includes both the Lewis and Clark Expansion and the Lewis and Clark Raw Water Expansion. Completion of the expansion is expected by 2031.

The City's investment to date of \$76 million is recorded in the Water enterprise fund as an intangible asset. Of this investment, the City made prepayments totaling \$64.3 million for its share of the estimated project costs associated with base capacity and additional capacity. An interim true-up conducted between Lewis and Clark and the City shows that the City has fully utilized its Interim True-Up credit. Sioux Falls owes \$6,147,641.32 toward the Final True-Up on the base system, indexed for inflation on Oct. 1, 2024.

Construction of the base system is 95 percent complete, with the City having started to receive water from the System on July 30, 2012. The City is committed to purchasing a minimum of 2.75 million gallons of water per day.

The City pays a capacity charge of \$0.64 per 1000 gallons of available capacity and a volumetric charge of \$0.73 per 1000 gallons for water purchased. If the City uses 100 percent of its capacity, the effective rate is \$1.37 per 1000 gallons. Sioux Falls' effective rate varied from \$1.10 per 1000 gallons in September 2023 to \$1.46 per 1000 gallons in November 2023, with a yearly average of \$1.27 per 1000 gallons for 2023.

In 2023, the city received a daily average of 13.473 million gallons per day, with a peak day of 21.031 million gallons occurring on September 4, 2023. A total of 4,917,606,000 gallons of water was purchased for the year ending December 31, 2023.

The Power and Distribution Fund purchases power from the Western Area Power Association and has a supplemental commitment to meet all remaining power requirements from Heartland Consumers Power District until December 31, 2036.

B. Contingent Liabilities

Litigation

The City is a defendant in various lawsuits. The City's legal counsel estimates that there is a wide-range of potential claims against the City that may or may not be covered by insurance. The results from such litigation could possibly have a material effect upon some areas of the financial statements of the City. However, there is no indication at the time of publication that these claims will be incurred, and the potential losses cannot be reasonably estimated at this time. Although the City does carry adequate reserve balances within the funds to address unforeseen circumstances and events, no reserve has been recorded for any such liability arising out of the current pending litigation.

Notes to Financial Statements

Solid Waste Landfill Closure and Post-Closure Care Costs

The City owns and operates a landfill site located west of the city. State and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The City recognizes a portion of the closure and post-closure care costs in each operating period even though actual payments will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of December 31. The change in the liability for the year ended December 31, 2023, is as follows:

CHANGE IN LIABILITY		Amount
Balance at January 1		\$ 11,296,552
Change in liability due to usage and revision of estimates		<u>533,479</u>
Balance at December 31		<u>\$ 11,830,031</u>

As of December 31, 2023, the City estimate is as follows:

Site	Used to date	Recognized Liability	Remaining	
			Liability	Life (Years)
Sioux Falls Regional Sanitary Landfill	46.5%	<u>\$ 11,830,031</u>	<u>\$ 13,602,952</u>	50.0
Totals		<u>\$ 11,830,031</u>	<u>\$ 13,602,952</u>	

The future estimated liability for these costs will be recognized as the remaining capacity is used. The estimated costs of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By local ordinance as well as state and federal laws, the City is required to establish a restricted financial assurance cash fund to accumulate assets needed for the actual payment of closure and post-closure care costs. Currently, assets reported as restricted cash and cash equivalents on the combined balance sheet include \$11.8 million held for this purpose.

Note 7—Risk Management

The City's risk management activities are recorded in the City Health/Life Benefit, Insurance Liability, and Workers' Compensation Funds. The purpose of these funds is to administer employee life, health, property and liability, and workers' compensation programs of the City on a cost-reimbursement basis. These funds account for the risk financing activities of the City but do not constitute a transfer of risk from the City.

Significant losses are covered by commercial insurance for all major programs. For insured losses, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for this year or the prior two years.

The City joined the South Dakota Public Assurance Alliance (SDPAA), 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 guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays a Members' Annual Operating Contribution, to provide liability coverage, under an occurrence-based policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage

Effective October 5, 2021, the SDPAA adopted a new policy on member departures. Departing Members will no longer be eligible for any partial refund of the calculated portion of their contributions which was previously allowed. The prior policy provided the departing Member with such a partial refund because the departing Member took sole responsibility for all claims and claims expenses whether reported or unreported at the time of their departure from the SDPAA. With such partial refund being no longer available, the SDPAA will now assume responsibility for all reported claims of a departing Member pursuant to the revised IGC.

The City has reported approximate aggregate liabilities in the Health/Life Benefit Fund as follows:

	2022	2023
Balance January 1	\$ 2,000,000	\$ 2,000,000
Claims incurred during the year	17,604,254	21,659,829
Payments on claims during the year	<u>(17,604,254)</u>	<u>(20,859,829)</u>
Balance December 31	<u>\$ 2,000,000</u>	<u>\$ 2,800,000</u>

The Workers' Compensation Fund has total assets and total deferred outflows of resources of \$5,799,669 at December 31, 2023, which will be used to pay current expenses of the fund. The fund has total liabilities and deferred inflows of resources of \$2,948,422 which includes a loss reserve liability of \$2,919,729 for those claims incurred as of December 31, 2023, where it is probable that a liability has been incurred and for which the amount of loss could reasonably be estimated. The City purchases commercial insurance coverage for claims in excess of coverage provided by the Fund.

Component Units

The Housing Commission and Metro Communications Agency manage risk by purchasing insurance from commercial insurance carriers for liability, workers' compensation, and employee health insurance. Paying into the unemployment compensation fund established by state law, and managed by the state of South Dakota, covers unemployment benefits.

Notes to Financial Statements

Note 8—Conduit Debt Obligations

As authorized by South Dakota Codified Laws, Chapter 9-54, the City has issued health facility revenue bonds to acquire or construct facilities to promote the general economic welfare and health services, including housing for the elderly, of the state and City. The bonds are not general obligations nor payable by taxation, but are special, limited obligations, of the issuer, payable solely out of the revenues derived from the agreement and pledged and assigned for their payment in accordance with the indenture. Neither the City, nor the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2023, there were two series of Industrial Revenue/Economic Development Bonds outstanding with an aggregate principal amount payable of \$46.7 million.

Note 9—Fair Value

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in active markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Pooled Cash				
Money Market Mutual Funds	\$ 34,672,501	\$ -	\$ -	\$ 34,672,501
U.S. Treasury Securities	-	285,664,345	-	285,664,345
Total Debt Service Trust Investments	<u>\$ 34,672,501</u>	<u>\$ 285,664,345</u>	<u>\$ -</u>	<u>\$ 320,336,846</u>
Debt Service Trust				
Money Market Mutual Funds	\$ 26,421,847	\$ -	\$ -	\$ 26,421,847
U.S. Treasury Securities	-	356,187	-	356,187
Total Debt Service Trust Investments	<u>\$ 26,421,847</u>	<u>\$ 356,187</u>	<u>\$ -</u>	<u>\$ 26,778,034</u>

Notes to Financial Statements

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pension Investments				
Money Market Mutual Funds	\$ 3,389,704	\$ -	\$ -	\$ 3,389,704
Domestic Stocks	57,102,578	-	-	57,102,578
Foreign Stocks	3,596,069	-	-	3,596,069
U.S. Treasury Securities	-	68,912,130	-	68,912,130
Corporate Obligations	-	43,681,506	-	43,681,506
Foreign Obligations	-	19,310,229	-	19,310,229
Municipal Issues	-	1,808,136	-	1,808,136
Equity Funds	-	191,165,570	-	191,165,570
Partnership/Joint Ventures	-	-	61,326,158	61,326,158
Collective Investment Funds	-	-	341,936,505	341,936,505
	<u>\$ 64,088,351</u>	<u>\$ 324,877,571</u>	<u>\$ 403,262,663</u>	<u>\$ 792,228,585</u>
Investments measured at the net asset value (NAV)				
Pooled Cash Account				
South Dakota FIT	<u>\$ 9,777,350</u>			
Investments measured at NAV				
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled Cash Account				
South Dakota FIT	\$ 9,777,350	-	1 day	1 day

Money market mutual funds, domestic stocks, and foreign stocks classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for these securities. U.S. treasury securities, fixed income investments, corporate obligations, foreign obligations, municipal issues, and equity funds classified in Level 2 of the fair value hierarchy are valued using techniques such as quoted prices for similar investments in active and inactive markets as well as inputs other than quoted prices that are observable for these assets.

Partnerships and collective investment funds classified in level three are provided by the Fund holders and are updated based on valuations provided by the funds which are considered both unobservable and significant to the fair value measurement of these investments.

The South Dakota Public Investment Trust (SDFIT) is an external pool created for South Dakota local government investing purposes. It is regulated by a nine-member board with representation from municipalities, school districts, and counties.

The net asset value (NAV) of the SD FIT is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis. Since the City has ready access to the cash, it is reported as cash and cash equivalents.

Investments measured at NAV	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled Cash Account				
South Dakota FIT	\$ 9,777,350	-	1 day	1 day

Notes to Financial Statements

Note 10 – Tax Abatements

The City of Sioux Falls has created tax increment districts under the authority granted by South Dakota Codified Laws Section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the City through the promotion and advance of industrial, commercial, manufacturing, and agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the district. The tax increments are allocated until all costs of the tax increment district project has been repaid; however, it cannot exceed 20 years. The project sponsor bears the risk that the increments collected over the life of the TIF district will be less than sufficient to cover all eligible project expenses and the City bears no responsibility to make up any shortfall.

The City has 13 active tax increment districts in which taxes are passed directly to developers. Because the general property taxes on tax increment districts are allocated to the districts, these taxes are not available to the City during the life of the tax increment district. The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2023, that was not available to the City was \$6,169,922.

Note 11—Management Contracts

The City has entered into the following management contracts in which the City has a vested interest in the entities and related assets, and therefore, should be included with the financial statements of the City.

Event Complex and Orpheum Theater

On November 2, 2012, the City entered into a five-year agreement with ASM Global, to provide professional management of the City's event complex consisting of the T. Denny Sanford PREMIER Center, legacy arena, and convention center, and the Orpheum Theater. This contract was renewed for another five years starting with 2022 and ending in 2026 which now includes the City's baseball stadium. As compensation for managing the event complex, ASM Global receives a base fee with annual increases and may earn additional performance incentives.

The City holds an asset for this management contract in the amount of \$8,978,361.

Municipal Golf Courses

On January 1, 2018, the City entered into a five -year agreement with Landscapes Management Company under which Landscapes Unlimited provides professional golf services for the City's golf courses. This was extended in 2023 through 2027, and the Company will be compensated by a base fee with annual increases and may earn additional performance incentives.

The City holds an asset for this management agreement in the amount of \$2,545,495.

Transit

On January 1, 2017, the City entered into a five-year agreement with First Transit Inc., under which First Transit provides professional management services for the City's public transit and paratransit system. First Transit is compensated by a base fee with annual increases.

The City holds an asset for this management agreement in the amount of \$758,858. This contract ended as of January 1, 2024 and this asset will be transferred to the City in 2024.

The City did analyze these items for inclusion with GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The City concluded the nature of these contracts did not meet the criteria to be recorded within the guidelines of this particular standard.

Note 12—Defined Benefit Pension and Other Post-Employment Benefit Plans

A. Defined Benefit Pension Plans

Plan Description

The City administers two separate single-employer defined benefit pension plans established to provide retirement, disability, and survivor benefits for all of its eligible employees hired prior to July 1, 2013. The City Employee's Retirement System (CERS) and the City Firefighters' Pension Fund (CFPF) are considered to be part of the City of Sioux Falls' financial reporting entity and are included in the City's financial reports as Pension Trust funds; therefore, they do not issue stand-alone financial reports nor are they included in the report of another entity. Each plan's assets may be used only for the payment of benefits to the members of that plan or for payment of administrative expenses, in accordance with the terms of the plan as established or amended by City ordinance.

Management of the CERS and the CFPF is vested in the Board of Trustees. The Board of Trustees of the CERS consists of seven members including the Mayor or his designee, two members who may or may not be members of the Council appointed by the Mayor with advice and consent of the Council to represent the Council; three members selected by the membership, two of whom shall be general members elected by the general division members and one of whom shall be a police member elected by the police division members; one resident and legal voter of the city who is not an official or employee of the City and whose membership on the Board of Trustees creates no conflict of interest.

The Board of Trustees of the CFPF consists of five members including the Mayor or his designee, one member who may or may not be a member of the Council appointed by the Mayor with advice and consent of the Council to represent the Council; two members selected by the membership, one resident and legal voter of the city who is not an official or employee of the City and whose

Notes to Financial Statements

membership on the Board of Trustees creates no conflict of interest.

Plan Membership

The CERS membership includes all uniformed and non-uniformed officers and employees who have certified civil service status and are not members or retirees of the CFPF, all officers and employees who are appointed by the Mayor and/or Council, and the Mayor. The CERS has two divisions, general and police. The police division covers all uniformed non-civilian police officers and the general division includes all members not included in the police division. The CFPF membership includes all non-civilian full-time officers and firefighters of the City. Membership of the plans consisted of the following at December 31, 2023, the date of the last actuarial valuation:

	CERS	CFPF
Retirees and beneficiaries receiving benefits	770	190
Vested former members not yet receiving benefits	88	7
Active plan members	<u>455</u>	<u>109</u>
Total	<u>1,313</u>	<u>306</u>

CERS general member employees are vested upon five years of service. CERS police and CFPF member employees become vested upon 15 years of service. All members of the CERS and CFPF are eligible for an actuarially reduced benefit upon completion of 20 years of service.

Benefits Provided

The City provides a defined benefit based upon years of service and final average pay. In addition, a stipend is provided based upon years of service.

All CERS and CFPF members are eligible for a cost-of-living adjustment equal to the increase in the Consumer Price Index for All Urban Consumers, not to exceed 3 percent. Members become eligible on the first of the month following the thirty-sixth full month of retirement and each January 1 thereafter.

Contributions

During FY 2023, the CERS general division member employees contributed 5 percent of their gross earnings and police division member employees contributed 10 percent of their gross earnings. CFPF member employees contributed 10 percent of their gross earnings. The employee contribution rates are established by City ordinance. Employer contributions are made throughout the year in order to aggregate the total established by actuarial valuations determined necessary to cover: 1) all administrative costs; 2) the actuarially determined cost of future benefits accruing to members during the year; and 3) an amount sufficient to amortize any unfunded liability of the system through year 2039.

CERS			
	Computed Annual Required Contributions	Actual Contributions	Percentage Contributed
2015	\$ 11,397,261	\$ 11,417,873	100%
2016	11,417,873	11,417,873	100%
2017	11,610,968	11,623,730	100%
2018	10,623,760	11,166,523	105%
2019	10,011,563	10,213,721	102%
2020	10,045,628	10,045,628	100%
2021	10,712,257	10,712,257	100%
2022	9,997,846	10,313,219	103%
2023	9,350,722	9,350,722	100%

CFPF			
	Computed Annual Required Contributions	Actual Contributions	Percentage Contributed
2015	\$ 4,484,256	\$ 4,484,256	100%
2016	4,407,249	4,407,249	100%
2017	4,663,612	4,663,612	100%
2018	4,270,282	4,443,152	104%
2019	3,991,024	3,991,024	100%
2020	3,965,830	3,965,830	100%
2021	4,099,545	4,176,197	102%
2022	4,034,916	4,034,916	100%
2023	3,496,950	3,496,950	100%

Computed dollar contributions (actual contributions) are based on a UAL payment and normal cost contribution rate and actuarially projected valuation payroll information available on the valuation date.

Investments

The pension trust funds are governed by the prudent pension rule, that is, the Board of Trustees should use the same degree of skill, care, prudence, and diligence, under the circumstances then prevailing, of a prudent person, familiar with such matters and acting in a similar capacity as set forth by state law (SDCL 9-16-5.10) and City ordinance (Section 35). Under this standard, the Board of Trustees has an established investment policy which outlines the distinction of responsibilities, prohibitions, diversification, and performance measurement standards.

The policy prohibits the use of any securities whose effect would be to leverage the portfolio or whose expected returns are significantly unlike those expected from their appropriate asset classes. The following was a Board's adopted asset allocation policy as of December 31, 2023:

December 31, 2023	
Asset Class	Target Allocation
Domestic Equity	45%
International Equity	21%
Equity Real Estate	10%
Domestic Bonds	24%
Total	100%

Notes to Financial Statements

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.41 percent for the CERS and 13.44 percent for the CFPF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset)

The components of the net pension liability (asset) at December 31, 2023, were as follows:

	CERS	CFPF
Total Pension Liability	\$ 578,562,069	\$ 210,359,208
Plan Fiduciary Net Position	(582,798,734)	(210,873,530)
Net Pension Liability (Asset)	\$ (4,236,665)	\$ (514,322)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.73%	100.24%
Net Pension Liability (Asset) as a percentage of Covered Payroll	-10.92%	-4.70%

Changes in the Net Pension Liability (Asset) at December 31, 2023, are as follows:

Total Pension Liability (TPL)	CERS	CFPF
Service Cost	\$ 6,594	\$ 2,954
Interest on the Total Pension Liability (TPL)	38,246	14,103
Benefit Changes	-	-
Actual versus expected TPL #	5,853	(1,374)
Assumption Changes	-	-
Benefit Payments and Refunds	(30,397)	(10,624)
Net Change in Total Pension Liability	20,296	5,059
Total Pension Liability - Beginning	\$ 558,266	\$ 205,300
Total Pension Liability - Ending (a)	\$ 578,562	\$ 210,359
Plan Fiduciary Net Position		
Employer Contributions	\$ 9,351	\$ 3,497
Employee Contributions	2,578	1,107
Pension Plan Net Investment Income	69,802	25,229
Benefit Payments and Refunds	(30,397)	(10,624)
Pension Plan Administrative Expense	(211)	(133)
Other	-	-
Net Change in Plan Fiduciary Net Position	51,123	19,076
Plan Fiduciary Net Position - Beginning	531,676	191,797
Plan Fiduciary Net Position - Ending (b)	\$ 582,799	\$ 210,873
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (4,237)	\$ (514)

Experience gain made negative to facilitate addition
Dollar amounts above are in thousands

For the year ended December 31, 2023, the City recognized pension income of \$5.4 million, which included total pension expense of \$4.0 net of contributions totaling \$9.4 million for the CERS plan. The City recognized pension income of \$2.6 million, which included total pension expense of \$3.5 million net of contributions totaling \$0.9 million for the CFPF plan. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CERS		CFPF	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,210,246	\$ 5,753,500	\$ 490,266	\$ 1,418,073
Changes of Assumptions	4,519,791	-	-	243,126
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	31,194,097	-	11,329,066	-
Total	\$ 40,924,134	\$ 5,753,500	\$ 11,819,332	\$ 1,661,199

Amounts reported as deferred outflows of resources and deferred inflows of resources related to these pensions will be recognized in pension expense (reduction of pension expense) as follows:

Year Ended	CERS	CFPF
December 31:		
2024	\$ 9,137,046	\$ 1,712,934
2025	12,744,312	3,723,218
2026	19,936,924	7,125,717
2027	(6,647,648)	(2,403,736)
Thereafter	-	-
Total	\$ 35,170,634	\$ 10,158,133

The general fund is the primary governmental fund that is typically used to liquidate prior year pension liabilities.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50 percent
Salary increases	3.50 percent to 8.50 percent (CERS) 8.00 percent (CFPF) including inflation.
Investment rate of return	7.0 percent net of expenses
Post-Retirement Cost-of-Living Adjustments	Annual increase equal to 100 percent of the June CPI of each year with a cap of 3 percent applied to the member's current benefit. The first increase will be granted after 36 months of retirement.

The RP-2000 Combined Healthy Annuitant Mortality tables projected to 2020 using Projection Scale BB, with 100 percent of the table rates used for both men and women.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2023, these best estimates of geometric returns are summarized in the following table:

Notes to Financial Statements

Asset Class	Long-Term Expected Real Rate of Return*
Domestic Stocks	7.50%
International Stocks	8.50%
Real Estate Equity	4.50%
Domestic Bonds	2.50%
International Bonds	3.50%

* Real rate of return is net of administrative and investment expenses.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments.

The next table presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher.

	6.00%	7.00%	8.00%
CERS			
Total Pension Liability	\$ 650,746,013	\$ 578,562,069	\$ 518,240,855
Plan Fiduciary Net Position	(582,798,734)	(582,798,734)	(582,798,734)
Net Pension Liability (Asset)	\$ 67,947,279	\$ (4,236,665)	\$ (64,557,879)
CFPF			
Total Pension Liability	\$ 236,244,505	\$ 210,359,208	\$ 188,707,354
Plan Fiduciary Net Position	(210,873,530)	(210,873,530)	(210,873,530)
Net Pension Liability (Asset)	\$ 25,370,975	\$ (514,322)	\$ (22,166,176)

Plan Closure – Membership in the South Dakota Retirement System

Effective July 1, 2013, the CERS and CFPF were closed to new members. All full-time employees hired after this date will become members in the statewide South Dakota Retirement System (SDRS). All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer hybrid defined benefit plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provide retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

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

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

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

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

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

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

Notes to Financial Statements

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

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan: Class A Members, 6.0 percent of salary; Class B Judicial Members, 9.0 percent of salary; and Class B Public Safety Members, 8.0 percent of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. During the years ended December 31, 2023, 2022, and 2021, the cost to the City was \$3,695,166, \$3,137,645, and \$2,614,874, respectively.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to SDRS

At June 30, 2023, SDRS is 100.1 percent funded and accordingly has a net pension asset. The proportionate share of the components of the net pension liability of the South Dakota Retirement System for the City as of the measurement period ending June 30, 2023, and reported by the City as of December 31, 2023, are as follows:

Proportionate Share of Net Pension Liability	\$ 328,452,271
Less Proportionate Share of Net Pension Restricted for Pension Benefits	(328,673,506)
Proportionate Share of Net Pension Liability (Asset)	\$ (221,235)

On December 31, 2023, the City reported an asset of \$221,235 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, 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 pension plan relatively to contributions of all participating entities. On June 30, 2023, the City's proportion was 2.26664300 percent, which was an increase of 0.2611220 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City recognized pension expense of \$363,065. On December 31, 2023, 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	\$ 6,271,000	\$ -
Changes of Assumptions	7,563,699	11,056,444
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,472,903	-
Changes in proportion and difference between City contributions and proportionate share of contributions	1,695	794,777
City contributions subsequent to the measurement date	1,949,995	-
Total	\$ 17,259,292	\$ 11,851,221

There is \$1,949,995 reported as deferred outflow of resources related to pensions resulting from City contributions subsequent to the measurement date which will be recognized as a reduction to the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

Year Ended December 31:	
2024	\$ 2,724,009
2025	(3,619,434)
2026	4,090,163
2027	263,338
Total	\$ 3,458,076

The general fund is the primary governmental fund that is typically used to liquidate prior year pension liabilities.

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	Graded by years of service, from 7.66 percent at entry to 3.15 percent after 25 years of service.
Discount Rate	6.50 percent net of plan investment expense. This is composed of an average inflation rate of 2.50 percent and real returns of 4.00 percent
Future COLAs	1.91 percent

Mortality Rates

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

Notes to Financial Statements

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 percent of rates above age 65
- Other Class A Retirees: PubG-2010, 93 percent of rates through age 74, increasing by 2 percent per year until 111 percent of rates at 83 and above
- Public Safety Retirees: PubS-2010, 102 percent of rates at all ages

Beneficiaries:

- PubG-2010 contingent survivor mortality table

Disabled Members

- Public Safety: PubS-2010 disable member mortality table
- Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2023.

Investments

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

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	1.7%
High Yield Debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9%	0.8%
	100.0%	

Discount Rate

The discount rate used to measure the total pension asset was 6.50 percent. 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 equal rates equal to the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

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

	5.50%	6.50%	7.50%
The City's proportionate Share of the Net Pension Liability/(Asset)	\$45,345,303	\$ (221,234)	\$ (37,485,970)

Pension Plan Fiduciary Net Position

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

Aggregate Pension Disclosures

At December 31, 2023, the City reported the following aggregate totals for all pension plans:

Accumulated Totals for SDRS, CERS and CFPF Plans	
Total Net Pension Asset (Liability)	\$ 4,972,222
Total Deferred Outflows of Resources	70,002,758
Total Deferred Inflows of Resources	19,265,920
Total Pension Expense	5,200,457

Notes to Financial Statements

B. Post-Employment Health Care Benefits (OPEB)

Plan Description and Administration

On December 20, 2016, the City approved the establishment of an irrevocable retiree health care OPEB Trust as of January 1, 2017, and the concurrent termination of the City Employee’s Retirement System and the City Firefighters’ Pension Fund 401(h) retiree health trusts as of December 31, 2016. The OPEB Trust is established under and conforms to all applicable sections of the Internal Revenue Code and received a final favorable determination from the Internal Revenue Service on July 13, 2017. The benefit and eligibility structure did not change because of this action. This plan is a single-employer OPEB plan.

The City transferred 401(h) assets to the OPEB Trust in amount sufficient to cover 100 percent of the actuarially determined liability for the remaining retirees and beneficiaries eligible to receive benefits. As the retiree health provisions of the 401(h) Trust and subsequently the OPEB Trust were closed to new members as of December 31, 2013, the value of assets remaining in excess of those needed to fund 100 percent of the outstanding liability were transferred to the City’s internal service Health/Life Benefit Fund with a subsequent transfer of the excess assets to the City Employee’s Retirement System and City Firefighters’ Pension Fund.

The OPEB Trust and the investment of OPEB Trust assets are overseen by the City with the authority and guidance of City Council, with whom investments and benefit terms are established and can be amended.

Benefits Provided

The OPEB Trust provides for the payment of 50 percent of the premium for eligible retirees and their beneficiaries for their continued participation in the City’s self-insured Health/Life Benefit Fund. The retiree/beneficiary pays the remaining 50 percent. The benefit levels are the same as those afforded to active employees for both health and dental coverage. As the Fund is self-insured, premium rates are established to recover the cost of benefits being provided. Rates for retirees/beneficiaries are established separately from those of active employees. Thus, there is no implicit rate subsidies for the OPEB Trust. Participation in the City’s health benefit is terminated upon the eligible retiree/beneficiary reaching the age of 65.

The self-insured Health Life Benefit Fund is an internal service fund of the City and is included within the scope of this report; therefore, it does not issue a stand-alone financial report nor is it included in the report of another entity. The benefit levels and contribution rates of the Fund are governed by the City.

Plan Membership

Membership of the plans consisted of 32 inactive employees as of December 31, 2023, the date of the last actuarial valuation.

Change in Plan Design – OPEB

Effective January 1, 2014, access to the City’s health plan is no longer available to retiring employees. In its place, the City’s pension plan provides a flat dollar stipend to retirees to purchase their own health insurance. The stipend is a benefit to the employee/retiree only (no survivorship to spouse) and is given until the retiree reaches the Medicare eligible age (i.e., 65). In 2023 the amount of the stipend was \$52.19 per month per year of service, an inflationary adjustment of 3 percent is applied each year.

Funding Policy and Contributions

The City’s OPEB Trust is closed to new members and the liability is fully funded, requiring no further contributions.

Net OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2023.

The general fund is the primary governmental fund that is typically used to liquidate prior year OPEB liabilities.

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2023 valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified.

Healthcare cost trend rate	7.50 percent graded down to 3.50 percent in twelve years
Investment Rate of Return	2.25 percent, net of OPEB plan investment expense
Discount Rate	3.00 percent, 20-year municipal bond rate of December 31, 2023

The RP-2000 Combined Health Table projected using Projection Scale BB was used for both men and women.

OPEB Plan Investments

The OPEB Trust assets have a segregated interest within the City’s short-term pooled cash portfolio and are governed by the City’s Pooled Cash Investment Policy, with the latest amendments adopted on May 13, 2014. The investment policy conforms to all applicable laws of the state of South Dakota, which serves as the guide for proper diversification, maturity constraints, internal controls, and performance measurement. The objectives of the City’s investment program as set forth by the investment policy are in order of importance: safety of principal, sufficient liquidity, and attaining a competitive rate of return throughout budgetary and economic cycles. These objectives guide the City’s short-term investments with terms of five years or less, which, except under limited circumstances, are held to maturity.

Notes to Financial Statements

The City's Retiree Health OPEB trust allocation is as follows:

Asset Class	Target Allocation
U.S. Treasury Notes & Bills	74.00%
Money Market Funds	9.00%
Certificates of Deposit	12.00%
Cash	5.00%

Changes in the Net OPEB Liability (Asset)

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2022	\$ 945,525	\$ 3,639,066	\$ (2,693,541)
Changes for the Year			
Service Cost	\$ -	\$ -	\$ -
Interest on the Total Pension Liability (TPL)	19,661	-	19,661
Benefit Clarification	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	(325,449)	-	(325,449)
Contributions Employer	-	45	(45)
Assumption Changes	1,299	-	1,299
OPEB Plan Net Investment Income	-	156,472	(156,472)
Benefit Payments and Refunds	(143,444)	(143,444)	-
Net Change in Total OPEB Liability	(447,933)	13,073	(461,006)
Balance at December 31, 2023	\$ 497,592	\$ 3,652,139	\$ (3,154,547)

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

The following presents the net OPEB (asset) liability, calculated using the discount rate of 3.00 percent, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (2.00 percent) or one percentage point higher (4.00 percent) than the current rate:

	2.00%	3.00%	4.00%
Net OPEB liability (asset)	\$ (3,147,707)	\$ (3,154,547)	\$ (3,161,164)

Sensitivity of Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OEPB (asset) liability, calculated using the healthcare cost trend rate of 7.5 percent gradually decreasing to an ultimate trend rate of 3.5 percent in 12 years. In addition, the table shows the net OPEB (asset) liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	Current Healthcare Cost Trend Rate Assumption		
	1% Decrease		1% Increase
Net OPEB liability	\$ (3,163,316)	\$ (3,154,547)	\$ (3,145,652)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized a reduction in OPEB expense of \$335,759. At the December 31, 2023, the City reported deferred outflows of

resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	73,479	-
Total	\$ 73,479	\$ -

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

Year Ended December 31:		
2024	\$	41,959
2025		33,374
2026		13,388
2027		(15,242)
2028		-
Thereafter		-
Total	\$	73,479

Component Units

Housing Commission Retirement Plan

All eligible employees of the Housing Commission participate in the Housing Renewal and Local Agency Retirement Plan, a cost sharing, multiple-employer public employee retirement system to provide retirement benefits for employees of local or regional housing authorities and commissions, urban renewal agencies, and other organizations that are eligible to participate in this plan subject to the approval of the agreement. Eligible employees are defined as staff scheduled to work 20 or more hours per week after attaining age 18 and completing one year of continuous and uninterrupted employment. The right to receive retirement benefits is 20 percent vested after one year credited service up to 100 percent vested after five years credited service. Authority for establishing, administering, and amending plan provisions is found in Internal Revenue Code Section 401(a). The Automated Data Processing (ADP) Retirement Services issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ADP Retirement Services, 462 South 4th Avenue, Suite 900, Louisville, KY 40202, or by calling (502) 561-4550.

On June 24, 2002, the Housing Commission adopted Resolution No. 268-06-02 effective July 1, 2002, which implemented a mandatory after-tax employee contribution to the plan of 1 percent of basic compensation and a corresponding employer contribution of 4 percent of basic compensation addition. The resolution permitted employees to voluntarily contribute additional after-tax amounts in excess of the 1 percent mandatory amount, which would be treated as voluntary contributions, and for which the

Notes to Financial Statements

employer would contribute additional corresponding amounts up to a maximum of 7 percent. Beginning July 1, 2002, the full amount of the employer's contributions will be subject to the plan's vesting schedule of 20 percent for each year of the employee's participation in the plan. During the years ended September 30, 2023, 2022, and 2021, the cost to the Commission was \$58,766, \$58,938, and \$53,417, respectively.

Metro Communications Agency Retirement Plan

All full-time employees participate in the South Dakota Retirement System (SDRS). SDRS is a multiple-employer, cost sharing qualified defined benefit pension plan under Section 401(a) of the Internal Revenue Code and is administered by the South Dakota Retirement System Board of Trustees. It was established to provide retirement benefits for employees of the state of South Dakota and its political subdivisions.

The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering, and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.sdrs.sd.gov/publications/> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098, or by calling (605) 773-3731.

Benefits Provided

SDRS has four different classes of employees, 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 Regulations 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.

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an

unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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

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

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

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

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0 percent of salary; Class B Judicial Members, 9.0 percent of salary; and Class B Public Safety Members, 8.0 percent of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The Agency's share of contributions to the SDRS for the fiscal years ended December 31, 2023, 2022, and 2021 were \$223,055, \$216,542, and \$195,815, respectively, equal to the required contributions each year.

Notes to Financial Statements

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

At June 30, 2023, SDRS is 100.1 percent 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 Agency as of this measurement period and reported by the Agency as of December 31, 2023, are as follows:

Proportionate Share of Net Pension Liability	\$ 21,643,009
Less Proportionate Share of Net Pension Restricted for Pension Benefits	(21,657,587)
Proportionate Share of Net Pension Liability (Asset)	<u>\$ (14,578)</u>

At December 31, 2023, the Agency reported an asset of \$14,578 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension asset used to calculate the net pension asset was based on a projection of the Agency's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Agency's proportion was .1935800 percent, which is an increase of .0050350 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Agency recognized pension expense of \$66,361. At December 31, 2023, the Agency 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	\$ 413,221	\$ -
Changes of Assumptions	498,401	728,553
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	97,055	-
Changes in proportion and difference between Agency contributions and proportionate share of contributions	4	13,761
Agency contributions subsequent to the measurement date	109,343	-
Total	<u>\$ 1,118,024</u>	<u>\$ 742,314</u>

\$109,343 reported as deferred outflow of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	
2023	\$ 193,487
2024	(225,440)
2025	278,739
2026	19,581
Total	<u>\$ 266,367</u>

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

Inflation	2.50 percent
Salary increases	Graded by years of service, from 7.66 percent at entry to 3.15 percent after 25 years of service
Investment rate of return	6.50 percent net of plan investment expense This is composed of an average inflation rate of 2.50 percent and real returns of 4 percent
Future COLAs	1.91 percent

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 percent of rates above age 65
- Other Class A Retirees: PubG-2010, 93 percent of rates through age 74, increasing by 2 percent per year until 111 percent of rates at 83 and above
- Public Safety Retirees: PubS-2010, 102 percent of rates at all ages

Beneficiaries:

- PubG-2010 contingent survivor mortality table

Disabled Members

- Public Safety: PubS-2010 disable member mortality table
- Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2023.

Investments

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

Notes to Financial Statements

equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	1.7%
High Yield Debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9%	0.8%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension asset was 6.50 percent. 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 equal rates equal to the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

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

	5.50%	6.50%	7.50%
The City's proportionate Share of the Net Pension (Asset)/Liability	\$ 2,987,980	\$ (14,578)	\$ (2,470,098)

Pension Plan Fiduciary Net Position—Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

Note 13 —Adoption of New Standard

As of January 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement improves accounting and financial reporting for SBITAs; enhances the comparability of financial statements between governments;

and also enhances the understandability, reliability, relevance, and consistency of information about SBITAs. Beginning net position and fund balance was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Government-Wide Activities:		Centralized Facilities	
Net Position - December 31, 2022, as previously reported	\$ 1,586,757,383	Net Position - December 31, 2022, as previously reported	\$ 7,168,892
Add Subscription Assets as of January 1, 2023	3,054,508	Add Subscription Assets as of January 1, 2023	34,398
Add Subscription Liability as of January 1, 2023	(1,902,332)	Add Subscription Liability as of January 1, 2023	(34,398)
Net Position - January 1, 2023, as restated	<u>\$ 1,587,909,559</u>	Net Position - January 1, 2023, as restated	<u>\$ 7,168,892</u>
Business-Type Activities:		Technology Revolving	
Net Position - December 31, 2022, as previously reported	\$ 698,071,703	Net Position - December 31, 2022, as previously reported	\$ 4,803,680
Add Subscription Assets as of January 1, 2023	36,152	Add Subscription Assets as of January 1, 2023	2,611,341
Add Subscription Liability as of January 1, 2023	(36,152)	Add Subscription Liability as of January 1, 2023	(1,483,625)
Net Position - January 1, 2023, as restated	<u>\$ 698,071,703</u>	Net Position - January 1, 2023, as restated	<u>\$ 5,931,396</u>
Water Rec Fund			
Net Position - December 31, 2022, as previously reported	\$ 261,801,618		
Add Subscription Assets as of January 1, 2023	36,152		
Add Subscription Liability as of January 1, 2023	(36,152)		
Net Position - January 1, 2023, as restated	<u>\$ 261,801,618</u>		

Notes to Financial Statements - Fiduciary Funds Statement of Net Position

	<u>Employee's Retirement System</u>	<u>Firefighters' Pension Fund</u>	<u>City of Sioux Falls OPEB Trust</u>	<u>Total Pension and Health Care Trust Funds</u>	<u>Police Custodial Fund</u>
Assets					
Cash and Cash Equivalents	\$ 2,657,552	\$ 770,878	\$ 3,629,646	\$ 7,058,076	\$ 278,794
Receivables:					
Contribution	233,416	105,285	-	338,701	-
Interest	808,595	292,310	22,493	1,123,398	-
Total Receivables	<u>1,042,011</u>	<u>397,595</u>	<u>22,493</u>	<u>1,462,099</u>	<u>-</u>
Investments at Fair Value:					
US Government	50,667,081	18,245,049	-	68,912,130	-
Corporate Obligations	32,349,319	11,332,187	-	43,681,506	-
Foreign Obligations	14,106,219	5,204,010	-	19,310,229	-
State and Local Obligations	1,332,289	475,847	-	1,808,136	-
Domestic Stocks	41,779,580	15,322,998	-	57,102,578	-
Foreign Stocks	2,627,842	968,227	-	3,596,069	-
Index Funds:					
Equity	211,372,461	77,035,121	-	288,407,582	-
Government / Corporate Bonds	39,570,070	13,958,853	-	53,528,923	-
Mutual Funds:					
Foreign Equity	124,333,992	44,904,307	-	169,238,299	-
Domestic Equity	15,894,322	6,032,949	-	21,927,271	-
Real Estate	45,090,774	16,235,384	-	61,326,158	-
Total Investments	<u>579,123,949</u>	<u>209,714,932</u>	<u>-</u>	<u>788,838,881</u>	<u>-</u>
Total Assets	<u>582,823,512</u>	<u>210,883,405</u>	<u>3,652,139</u>	<u>797,359,056</u>	<u>278,794</u>
Liabilities					
Accounts Payable	21,422	7,756	-	29,178	-
Accrued Wages	3,356	2,119	-	5,475	-
Total Liabilities	<u>24,778</u>	<u>9,875</u>	<u>-</u>	<u>34,653</u>	<u>-</u>
Net Position					
Restricted for Pension	\$ 582,798,734	\$ 210,873,530	\$ -	\$ 793,672,264	\$ -
Restricted for Post Employment Health Care Benefits	-	-	3,652,139	3,652,139	-
Restricted for Police Evidence and Found Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,794</u>
Total Net Position	<u>\$ 582,798,734</u>	<u>\$ 210,873,530</u>	<u>\$ 3,652,139</u>	<u>\$ 797,324,403</u>	<u>\$ 278,794</u>

Notes to Financial Statements - Fiduciary Funds Changes in Net Position

	Employees' Retirement Pension	Firefighters' Pension	City of Sioux Falls OPEB Trust	Total Pension and Health Care Trust Funds	Police Custodial Fund
Additions					
Contributions					
Employer	\$ 9,350,722	\$ 3,496,950	\$ -	\$ 12,847,672	\$ -
Plan Members	2,578,076	1,107,477	-	3,685,553	-
Total Contributions	<u>11,928,798</u>	<u>4,604,427</u>	<u>-</u>	<u>16,533,225</u>	<u>-</u>
Investment Income (Loss)	70,774,101	25,624,533	156,472	96,555,106	-
Less Investment Expense	972,304	395,403	-	1,367,707	-
Net Investment Income (Loss)	<u>69,801,797</u>	<u>25,229,130</u>	<u>156,472</u>	<u>95,187,399</u>	<u>-</u>
Police Funds Received into Custody	-	-	-	-	170,764
Total Additions	<u>81,730,595</u>	<u>29,833,557</u>	<u>156,472</u>	<u>111,720,624</u>	<u>170,764</u>
Deductions					
Benefit Payments					
Pension	30,355,974	10,460,848	-	40,816,822	-
Health Premiums	-	-	143,399	143,399	-
Total Benefit Payments	<u>30,355,974</u>	<u>10,460,848</u>	<u>143,399</u>	<u>40,960,221</u>	<u>-</u>
Police Funds Released from Custody	-	-	-	-	342,724
Refunds	40,546	162,955	-	203,501	-
Administrative Expense	211,455	133,135	-	344,590	-
Total Deductions	<u>30,607,975</u>	<u>10,756,938</u>	<u>143,399</u>	<u>41,508,312</u>	<u>342,724</u>
Change in Net Position	51,122,620	19,076,619	13,073	70,212,312	(171,960)
Total Net Position, January 1	<u>531,676,114</u>	<u>191,796,911</u>	<u>3,639,066</u>	<u>727,112,091</u>	<u>450,754</u>
Total Net Position, December 31	<u>\$ 582,798,734</u>	<u>\$ 210,873,530</u>	<u>\$ 3,652,139</u>	<u>\$ 797,324,403</u>	<u>\$ 278,794</u>

**Required Supplementary Information - Budgetary Comparison
Schedule - Budgetary Basis - General Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property	\$ 78,572,716	\$ 78,572,716	\$ 79,096,811	\$ 524,095
Sales	89,548,565	89,548,565	91,478,955	1,930,390
Frontage	5,099,347	5,099,347	5,038,082	(61,265)
Lodging (Includes BID)	3,360,000	3,660,000	3,545,830	(114,170)
Amusement	13,500	13,500	-	(13,500)
Penalties and Interest	100,000	100,000	113,770	13,770
Total Taxes	176,694,128	176,994,128	179,273,448	2,279,320
Licenses and Permits	6,652,959	6,652,959	11,189,508	4,536,549
Intergovernmental Revenue				
Federal Shared Revenues:				
Federal Grants	9,227,042	9,227,042	9,219,690	(7,352)
State Shared Revenues:				
Motor Vehicle Licenses	1,100,000	1,100,000	1,015,866	(84,134)
Bank Franchise Tax	2,000,000	2,000,000	2,904,372	904,372
Liquor Tax Reversion	1,000,046	1,000,046	1,330,993	330,947
Health License Reversion	159,000	159,000	186,060	27,060
Fire Insurance Premium Reversion	780,000	780,000	1,001,186	221,186
Local Government Highway Bridge Fund	2,150,000	2,150,000	2,196,866	46,866
Port of Entry Fees	85,000	85,000	107,901	22,901
Total State Shared Revenues	7,274,046	7,274,046	8,743,244	1,469,198
State Grants	1,625,000	1,625,000	948,452	(676,548)
County Shared Revenues:				
Wheel Tax	201,759	201,759	209,624	7,865
Contributions	1,345,000	1,345,000	1,345,000	-
Total County Shared Revenues	1,546,759	1,546,759	1,554,624	7,865
Total Intergovernmental Revenues	19,672,847	19,672,847	20,466,010	793,163
Special Assessments	222,000	222,000	367,216	145,216
Charges for Goods and Services	8,313,452	8,313,452	8,731,601	418,149
Fines and Forfeitures	619,000	619,000	857,951	238,951
Investment Revenue	550,000	550,000	4,363,106	3,813,106
Rentals	56,300	56,300	56,461	161
Contributions	232,000	232,000	154,135	(77,865)
Miscellaneous Revenue	666,500	666,500	1,069,971	403,471
Total Revenues	213,679,186	213,979,186	226,529,407	12,550,221

**Budgetary Comparison Schedule -
Budgetary Basis - General Fund (cont)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
General Government:				
Mayor	\$ 876,903	\$ 901,903	\$ 858,836	\$ 43,067
City Council	1,662,638	1,687,638	1,388,131	299,507
Attorney	2,583,624	2,743,624	2,460,380	283,244
Human Resources	2,358,446	2,393,446	2,118,329	275,117
Finance	3,771,449	3,851,449	3,721,598	129,851
Facilities Management	2,653,635	2,653,635	1,999,992	653,643
Innovation & Technology	6,221,281	6,383,281	5,309,941	1,073,340
Communications	2,812,002	2,897,002	2,393,422	503,580
Total General Government	<u>22,939,978</u>	<u>23,511,978</u>	<u>20,250,629</u>	<u>3,261,349</u>
Public Safety:				
Fire	34,204,430	34,829,430	34,005,308	824,122
Police	49,722,315	50,617,315	48,103,883	2,513,432
Total Public Safety	<u>83,926,745</u>	<u>85,446,745</u>	<u>82,109,191</u>	<u>3,337,554</u>
Highways and Streets:				
Total Highways and Streets	<u>32,659,137</u>	<u>38,519,137</u>	<u>34,599,881</u>	<u>3,919,256</u>
Public Health:				
Total Health	<u>19,060,360</u>	<u>19,764,360</u>	<u>19,185,410</u>	<u>578,950</u>
Culture and Recreation:				
Parks and Recreation	24,653,729	25,332,729	24,263,616	1,069,113
Libraries	9,760,647	9,895,647	9,355,256	540,391
Total Culture and Recreation	<u>34,414,376</u>	<u>35,228,376</u>	<u>33,618,872</u>	<u>1,609,504</u>
Urban and Economic Development:				
Total Urban and Economic Development	<u>12,857,835</u>	<u>13,317,835</u>	<u>12,887,338</u>	<u>430,497</u>
Debt Service	-	-	2,281,162	(2,281,162)
Total Expenditures	<u>205,858,431</u>	<u>215,788,431</u>	<u>204,932,483</u>	<u>10,855,948</u>
Revenues Over (Under) Expenditures	<u>7,820,755</u>	<u>(1,809,245)</u>	<u>21,596,924</u>	<u>23,406,169</u>
Other Financing Sources (Uses)				
Sale of Surplus Property	26,000	26,000	37,365	11,365
Damage Recovery	105,000	105,000	150,780	45,780
Transfers Out	(9,583,599)	(14,201,599)	(14,201,599)	-
Total Other Financing Sources (Uses)	<u>(9,452,599)</u>	<u>(14,070,599)</u>	<u>(14,013,454)</u>	<u>57,145</u>
Net Change in Fund Balances	<u>(1,631,844)</u>	<u>(15,879,844)</u>	<u>7,583,470</u>	<u>23,463,314</u>
Fund Balance - Beginning	<u>87,477,265</u>	<u>87,477,265</u>	<u>87,477,265</u>	<u>-</u>
Fund Balance Ending	<u>\$ 85,845,421</u>	<u>\$ 71,597,421</u>	<u>\$ 95,060,735</u>	<u>\$ 23,463,314</u>

**Budgetary Comparison Schedule -
 Budget-to-GAAP Reconciliation - General Fund**

Actual amounts to Expenditures and Outflows Budgetary Comparison Schedule		\$ 219,134,082
Differences - Budget to GAAP		
Leases Issued	\$ 6,994,660	
Subscription-Based IT Arrangements Issued	145,108	
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Charges in Fund Balances - General Fund		\$ 226,273,850
Actual Amount of Revenue and Inflows on Budgetary to Comparison Schedule		\$ 226,717,552
Differences - Budget to GAAP		
Initial Capital Outlay on Leases Issued	\$ 6,994,660	
Initial Capital Outlay on Subscription-Based IT Arrangements Issued	145,108	
Total Revenues and Inflows as reported on the Statement of Revenues		\$ 233,857,320

Items shown in the Budget to GAAP reconciliation above represent required journal entries as a result of the implementation of GASB 87 and GASB 96. Items do not affect the usage of cash or net fund balance of the General Fund and are not considered necessary items to be appropriated as part of the annual budget.

**Budgetary Comparison Schedule -
Budgetary Basis - Entertainment Tax Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 10,717,191	\$ 10,717,191	\$ 11,260,215	\$ 543,024
Intergovernmental	-	-	2,200,000	2,200,000
Investment Revenue	50,000	50,000	919,056	869,056
Miscellaneous Revenue	-	-	2,889,215	2,889,215
Total Revenues	<u>10,767,191</u>	<u>10,767,191</u>	<u>17,268,486</u>	<u>6,501,295</u>
Expenditures				
Culture and Recreation:				
Entertainment Venues	<u>12,332,476</u>	<u>20,740,981</u>	<u>9,997,551</u>	<u>10,743,430</u>
Total Culture and Recreation	<u>12,332,476</u>	<u>20,740,981</u>	<u>9,997,551</u>	<u>10,743,430</u>
Total Expenditures	<u>12,332,476</u>	<u>20,740,981</u>	<u>9,997,551</u>	<u>10,743,430</u>
Revenues Over (Under) Expenditures	<u>(1,565,285)</u>	<u>(9,973,790)</u>	<u>7,270,935</u>	<u>17,244,725</u>
Other Financing Sources (Uses)				
Sale of Surplus Property	-	-	6,613	6,613
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,613</u>	<u>6,613</u>
Net Change in Fund Balances	<u>(1,565,285)</u>	<u>(9,973,790)</u>	<u>7,277,548</u>	<u>17,251,338</u>
Fund Balances, January 1	<u>22,610,544</u>	<u>22,610,544</u>	<u>22,610,544</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 21,045,259</u>	<u>\$ 12,636,754</u>	<u>\$ 29,888,092</u>	<u>\$ 17,251,338</u>

**Budgetary Comparison Schedule -
Budgetary Basis - Sales and Use Tax Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 89,548,565	\$ 89,548,565	\$ 91,478,955	\$ 1,930,390
Special Assessments	3,120,000	3,120,000	3,116,292	(3,708)
Licenses and Permits	150,000	150,000	148,937	(1,063)
Intergovernmental	1,859,000	5,166,617	2,489,744	(2,676,873)
Charges for Goods and Services	-	692,984	-	(692,984)
Investment Revenue	250,000	250,000	5,058,760	4,808,760
Rentals	-	-	24,403	24,403
Contributions	10,680,000	36,994,570	20,384,448	(16,610,122)
Miscellaneous Revenue	-	-	77	77
Total Revenues	<u>105,607,565</u>	<u>135,922,736</u>	<u>122,701,616</u>	<u>(13,221,120)</u>
Expenditures				
General Government:				
Facilities Management	325,000	2,609,751	887,245	1,722,506
Communications	402,500	425,809	101,307	324,502
Total General Government	<u>727,500</u>	<u>3,035,560</u>	<u>988,552</u>	<u>2,047,008</u>
Public Safety:				
Fire	2,489,000	7,677,718	4,601,308	3,076,410
Police	2,289,600	3,745,754	2,713,152	1,032,602
Total Public Safety	<u>4,778,600</u>	<u>11,423,472</u>	<u>7,314,460</u>	<u>4,109,012</u>
Highways and Streets:				
Total Highways and Streets	<u>67,573,159</u>	<u>114,071,178</u>	<u>59,198,295</u>	<u>54,872,883</u>
Public Health:				
Total Health	<u>141,400</u>	<u>417,167</u>	<u>216,167</u>	<u>201,000</u>
Culture and Recreation:				
Parks and Recreation	12,546,000	63,753,745	17,152,549	46,601,196
Library	985,400	1,881,194	1,564,742	316,452
Total Culture and Recreation	<u>13,531,400</u>	<u>65,634,939</u>	<u>18,717,291</u>	<u>46,917,648</u>
Urban and Economic Development:				
Total Urban and Economic Development	<u>135,000</u>	<u>255,000</u>	<u>25,000</u>	<u>230,000</u>
Debt Service	<u>17,391,828</u>	<u>17,391,828</u>	<u>17,333,794</u>	<u>58,034</u>
Total Expenditures	<u>104,278,887</u>	<u>212,229,144</u>	<u>103,793,559</u>	<u>108,435,585</u>
Revenues Over (Under) Expenditures	<u>1,328,678</u>	<u>(76,306,408)</u>	<u>18,908,057</u>	<u>95,214,465</u>
Other Financing Sources (Uses)				
Sale of Surplus Property	-	-	5,000	5,000
Transfers In	-	1,190,506	1,144,103	(46,403)
Transfers Out	(2,700,000)	(2,700,000)	(2,700,000)	-
Total Other Financing Sources (Uses)	<u>(2,700,000)</u>	<u>(1,509,494)</u>	<u>(1,550,897)</u>	<u>(41,403)</u>
Net Change in Fund Balances	<u>(1,371,322)</u>	<u>(77,815,902)</u>	<u>17,357,160</u>	<u>95,173,062</u>
Fund Balances, January 1	<u>82,727,828</u>	<u>82,727,828</u>	<u>82,727,828</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 81,356,506</u>	<u>\$ 4,911,926</u>	<u>\$ 100,084,988</u>	<u>\$ 95,173,062</u>

**Budgetary Comparison Schedule -
Budgetary Basis - Housing Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,988,452	\$ 3,988,452	\$ 2,949,937	\$ (1,038,515)
Charges	-	-	17,979	17,979
Investment Revenue	45,471	45,471	230,571	185,100
Contributions	50,000	50,000	-	(50,000)
Miscellaneous Revenue	1,200,466	1,200,466	139,951	(1,060,515)
Total Revenues	5,284,389	5,284,389	3,338,438	(1,945,951)
Expenditures				
Urban and Economic Development:				
Affordable Housing	10,429,652	13,771,456	4,134,364	9,637,092
Debt Service	-	-	166	(166)
Total Expenditures	10,429,652	13,771,456	4,134,530	9,637,092
Revenues Over (Under) Expenditures	(5,145,263)	(8,487,067)	(796,092)	7,691,141
Other Financing Sources (Uses)				
Transfers In	1,710,000	5,725,000	5,725,000	-
Total Other Financing Sources (Uses)	1,710,000	5,725,000	5,725,000	-
Net Change in Fund Balances	(3,435,263)	(2,762,067)	4,928,908	7,691,141
Fund Balances, January 1	28,061,585	28,061,585	28,061,585	-
Fund Balances, December 31	\$ 24,626,322	\$ 25,299,518	\$ 32,990,493	\$ 7,691,141

**Budgetary Comparison Schedule -
Budgetary Basis - Storm Drainage Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 12,060,124	\$ 12,060,124	\$ 12,830,852	\$ 770,728
Special Assessments	1,774,820	1,774,820	1,779,912	5,092
Licenses and Permits	100	100	-	(100)
Investment Revenue	40,000	40,000	609,672	569,672
Total Revenues	<u>13,875,044</u>	<u>13,875,044</u>	<u>15,220,436</u>	<u>1,345,392</u>
Expenditures				
Highways and Streets:				
Total Highways and Streets	<u>15,978,997</u>	<u>25,003,856</u>	<u>11,215,805</u>	<u>13,788,051</u>
Debt Service	<u>1,219,593</u>	<u>1,219,593</u>	<u>1,280,824</u>	<u>(61,231)</u>
Total Expenditures	<u>17,198,590</u>	<u>26,223,449</u>	<u>12,496,629</u>	<u>13,726,820</u>
Revenues Over (Under) Expenditures	<u>(3,323,546)</u>	<u>(12,348,405)</u>	<u>2,723,807</u>	<u>15,072,212</u>
Other Financing Sources (Uses)				
Issuance of Debt	-	4,641,988	33,706	(4,608,282)
Transfers In	-	-	-	-
Total Other Funding Sources (Uses)	<u>-</u>	<u>4,641,988</u>	<u>33,706</u>	<u>(4,608,282)</u>
Net Change in Fund Balances	<u>(3,323,546)</u>	<u>(7,706,417)</u>	<u>2,757,513</u>	<u>10,463,930</u>
Fund Balances, January 1	<u>11,281,491</u>	<u>11,281,491</u>	<u>11,281,491</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 7,957,945</u>	<u>\$ 3,575,074</u>	<u>\$ 14,039,004</u>	<u>\$ 10,463,930</u>

Required Supplementary Information

Notes to Required Supplementary Information—Budgetary Reporting

The Schedule

The Budgetary Comparison Schedules present comparisons of the original and legally amended budget with actual amounts on a departmental level for the General Fund, Entertainment Tax Fund, Sales and Use Tax Fund, Housing Fund, and Storm Drainage Fund. These five funds presented have a legally adopted annual budget and are reported as major funds in the financial statements.

Each budget is adopted on a basis consistent with generally accepted accounting principles except for bad debt expense, compensated absences, and the reporting of capital outlay and debt service expenditures. The City budgets for compensated absences only to the extent they are expected to be paid rather than on the modified accrual method. The City budgets for debt service and capital outlay within the individual functions whereas they are reported separately within the financial statements.

The City may apply a portion of the prior years' fund balance, reported as net change in fund balance in the budget column, to the current year's budget as an offset to revenue. The original budget is the budget as originally adopted by the City Council. The final budget is the original budget adjusted by capital encumbrances and carry-forwards, allocation transfers within organizational units, and supplemental appropriations.

Summary of Significant Budget Policies

City Charter requires the Mayor to submit a budget to the City Council on or before the first day of August of each year. Upon publication and public hearing, the City Council must annually adopt the budget on or before the 30th day of September. If the City Council fails to adopt the budget by this date, the budget proposed by the Mayor shall go into effect.

The budget is adopted and appropriated by fund on a service function (i.e. general government, public safety, etc.) and departmental basis for all governmental funds, the legal level of control. Proprietary (enterprise and internal service), trust, and agency funds are not appropriated unless they are supported or subsidized by revenue derived

from the annual appropriated tax levy. Although non-appropriated, an annual budget for these funds must be published no later than the last day of December.

For each fund, the total of proposed expenditures shall not exceed the total of estimated income plus the fund balance carried forward, exclusive of reserves. If, during the year, the Mayor certifies that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may, by ordinance, approve supplemental appropriations for the year up to the amount of the excess.

The City Council approved supplemental appropriations of \$35.0 million during 2023. A majority of the supplemental appropriations were funded the General Fund and Sales and Use Tax Fund unassigned balances carried forward from 2023.

Within the \$35.0 million supplemented, \$12.0 million was for street related projects with another \$11.2 million being supplemented for parks and recreation projects. The City also had a department-wide supplement of \$3.4 million supplement for employee wages due to inflationary pressures. Most of this increase impacted the General Fund which used \$3.3 million of available fund balance for this supplement.

Further breakdown and details of these supplements and the related projects can be found in the Notes to the Financial Statements.

Every appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended. Capital appropriations continue in force until expended, revised, or repealed; the purpose of any such appropriation is deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

Budget Compliance

There were no material violations of the annual appropriated budget for the fiscal year ending December 31, 2023.

**City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023**

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedules of Changes in the Net Pension Liability and Related Ratios (\$Thousand)										
City Employee's Retirement System (CERS)										
Fiscal Year Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (TPL)										
Service Cost	\$ 6,594	\$ 6,689	\$ 7,976	\$ 7,898	\$ 8,222	\$ 8,060	\$ 8,142	\$ 8,510	\$ 8,300	\$ 8,593
Interest on the total Pension Liability	38,246	38,159	37,264	35,602	34,343	33,560	33,140	31,878	30,431	28,266
Actual versus expected TPL#	5,853	-	2,156	5,823	-	(2,569)	(7,243)	(2,996)	(192)	6,785
Assumption Changes	-	(13,769)	16,127	-	-	(5,000)	5,546	-	7,740	2,210
Benefit Payments and Refunds	(30,397)	(29,192)	(27,250)	(25,923)	(24,402)	(22,423)	(20,923)	(19,834)	(18,441)	(16,384)
Net Change in Total Pension Liability	20,296	1,887	36,273	23,400	18,163	11,628	18,662	17,558	27,838	29,470
Total Pension Liability - Beginning	558,266	556,379	520,106	496,706	478,543	466,915	448,253	430,695	402,857	373,387
Total Pension Liability - Ending (a)	\$ 578,562	\$ 558,266	\$ 556,379	\$ 520,106	\$ 496,706	\$ 478,543	\$ 466,915	\$ 448,253	\$ 430,695	\$ 402,857
Plan Fiduciary Net Position										
Employer Contributions	\$ 9,351	\$ 10,313	\$ 10,712	\$ 10,046	\$ 10,214	\$ 11,166	\$ 11,624	\$ 11,418	\$ 11,418	\$ 10,670
Employee Contributions	2,578	2,656	2,724	2,923	2,943	3,026	3,113	3,237	3,331	2,966
Pension Plan Net Investment Income	69,802	(87,826)	80,216	65,402	87,784	(19,794)	68,398	30,218	60	24,406
Benefit Payments and Refunds	(30,397)	(29,193)	(27,250)	(25,923)	(24,402)	(22,423)	(20,923)	(19,834)	(18,441)	(16,384)
Pension Plan Administrative Expense	(211)	(205)	(227)	(191)	(214)	(203)	(232)	(228)	(182)	(164)
Other	-	-	-	-	-	-	21,965	-	-	-
Net Change in Plan Fiduciary Net Position	51,123	(104,255)	66,175	52,257	76,325	(28,228)	83,945	24,811	(3,814)	21,949
Plan Fiduciary Net Position - Beginning	531,676	635,931	569,756	517,499	441,174	469,402	385,457	360,646	364,460	342,966
Plan Fiduciary Net Position - Ending (b)	\$ 582,799	\$ 531,676	\$ 635,931	\$ 569,756	\$ 517,499	\$ 441,174	\$ 469,402	\$ 385,457	\$ 360,646	\$ 364,460
Net Pension Liability - Ending (a) - (b)	\$ (4,237)	\$ 26,590	\$ (79,552)	\$ (49,650)	\$ (20,793)	\$ 37,369	\$ (2,487)	\$ 62,796	\$ 70,049	\$ 38,397
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.73%	95.24%	114.30%	109.55%	104.19%	92.19%	100.53%	85.99%	83.74%	90.47%
Covered Payroll *	\$ 38,800	\$ 39,219	\$ 44,182	\$ 43,712	\$ 45,329	\$ 44,454	\$ 46,306	\$ 48,755	\$ 49,318	\$ 51,347
Net Pension Liability as a Percentage of Covered Payroll	-10.92%	67.80%	-180.06%	-113.58%	-45.87%	84.06%	-5.37%	128.80%	142.04%	74.78%
City Firefighters' Pension Fund (CFPF)										
Fiscal Year Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (TPL)										
Service Cost	\$ 2,954	\$ 3,065	\$ 3,506	\$ 3,418	\$ 3,445	\$ 3,375	\$ 3,205	\$ 3,223	\$ 3,051	\$ 2,891
Interest on the total Pension Liability	14,103	13,743	13,702	13,119	12,553	12,160	12,083	11,662	11,177	10,499
Actual versus expected TPL#	(1,374)	(1,280)	2,498	229	-	(2,365)	(2,091)	(1,965)	(723)	(73)
Assumption Changes	-	-	(1,262)	-	-	-	-	-	2,814	2,188
Benefit Payments and Refunds	(10,624)	(10,043)	(9,141)	(8,510)	(7,951)	(7,695)	(7,460)	(7,123)	(6,914)	(6,542)
Net Change in Total Pension Liability	5,059	5,485	9,303	8,256	8,047	5,475	5,500	5,797	9,405	8,963
Total Pension Liability - Beginning	205,300	199,815	190,512	182,256	174,209	168,734	163,234	157,437	148,032	139,069
Total Pension Liability - Ending (a)	\$ 210,359	\$ 205,300	\$ 199,815	\$ 190,512	\$ 182,256	\$ 174,209	\$ 168,734	\$ 163,234	\$ 157,437	\$ 148,032
Plan Fiduciary Net Position										
Employer Contributions	\$ 3,497	\$ 4,035	\$ 4,176	\$ 3,966	\$ 3,991	\$ 4,443	\$ 4,664	\$ 4,407	\$ 4,425	\$ 4,089
Employee Contributions	1,107	1,146	1,222	1,271	1,203	1,182	1,188	1,169	1,150	1,057
Pension Plan Net Investment Income	25,229	(31,820)	28,909	23,132	30,551	(6,743)	23,857	10,749	31	8,701
Benefit Payments and Refunds	(10,624)	(10,042)	(9,141)	(8,510)	(7,951)	(7,695)	(7,460)	(7,123)	(6,914)	(6,541)
Pension Plan Administrative Expense	(133)	(131)	(144)	(124)	(137)	(117)	(143)	(160)	(110)	(99)
Other	-	-	-	250	-	-	4,947	-	-	-
Net Change in Plan Fiduciary Net Position	19,076	(36,812)	25,022	19,985	27,657	(8,930)	27,053	9,042	(1,418)	7,207
Plan Fiduciary Net Position - Beginning	191,797	228,609	203,587	183,602	155,945	164,875	137,822	128,780	130,198	122,991
Plan Fiduciary Net Position - Ending (b)	\$ 210,873	\$ 191,797	\$ 228,609	\$ 203,587	\$ 183,602	\$ 155,945	\$ 164,875	\$ 137,822	\$ 128,780	\$ 130,198
Net Pension Liability - Ending (a) - (b)	\$ (514)	\$ 13,503	\$ (28,794)	\$ (13,075)	\$ (1,346)	\$ 18,264	\$ 3,859	\$ 25,412	\$ 28,657	\$ 17,834
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.24%	93.42%	114.41%	106.86%	100.74%	89.52%	97.71%	84.43%	81.80%	87.95%
Covered Payroll *	\$ 10,949	\$ 11,362	\$ 12,212	\$ 11,831	\$ 11,948	\$ 11,710	\$ 11,407	\$ 11,479	\$ 11,230	\$ 10,910
Net Pension Liability as a Percentage of Covered Payroll	-4.70%	118.84%	-235.79%	-110.52%	-11.27%	155.97%	33.83%	221.38%	255.18%	163.46%
<small>* Payroll is pay provided in connection with the valuation as of December 31, of the applicable year. # Experience gain made negative to facilitate addition. These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.</small>										

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedules of Employer's Net Pension Liability (\$Thousands)						
Year Ended December 31	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as a % of Total Pension Liability (Asset)	Covered Payroll *	Net Pension Liability (Asset) as a % of Covered Payroll
City Employee's Retirement System (CERS)						
2014	\$ 402,857	\$ 364,460	\$ 38,397	90.47%	\$ 51,347	74.78%
2015	430,695	360,647	70,048	83.74%	49,318	142.03%
2016	448,253	385,457	62,796	85.99%	48,755	128.80%
2017	466,915	469,402	(2,487)	100.53%	46,306	-5.37%
2018	478,543	441,174	37,369	92.19%	44,454	84.06%
2019	496,706	517,499	(20,793)	104.19%	45,329	-45.87%
2020	520,106	569,756	(49,650)	109.55%	43,712	-113.58%
2021	556,380	635,932	(79,552)	114.30%	44,182	-180.06%
2022	558,266	531,676	26,590	95.24%	39,219	67.80%
2023	578,562	582,799	(4,237)	100.73%	38,800	-10.92%
City Firefighters' Pension Fund (CFPF)						
2014	\$ 148,032	\$ 130,198	\$ 17,834	87.95%	\$ 10,910	163.46%
2015	157,437	128,780	28,657	81.80%	11,230	255.18%
2016	163,235	137,823	25,412	84.43%	11,479	221.38%
2017	168,734	164,875	3,859	97.71%	11,407	33.83%
2018	174,209	155,945	18,264	89.52%	11,710	155.97%
2019	182,256	183,602	(1,346)	100.74%	11,948	-11.27%
2020	190,512	203,587	(13,075)	106.86%	11,831	-110.52%
2021	199,814	228,608	(28,794)	114.41%	12,212	-235.79%
2022	205,300	191,797	13,503	93.42%	11,362	118.84%
2023	210,359	210,873	(514)	100.24%	10,949	-4.70%
<p><small>* Payroll is pay provided in connection with the valuation as of December 31, of the applicable year. These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.</small></p>						
Notes to Schedule						
Methods and Assumptions Used to Determine Total Pension Liability (Asset) for the Fiscal Year Ending December 31, 2022						
Inflation	3.50%					
Salary Increases	3.50% to 8.50% (CERS) 8.00% (CFPF) including inflation.					
Investment Rate of Return	7.0% net of expenses					
Post-Retirement Cost of Living Adjustments	Annual increases equal to 100% of the June CPI of each year with a cap of 3% applied to the member's current benefit. The first increase will be granted after 36 months of retirement.					

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedules of Employer Contributions (\$Thousands)

Year Ended December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a % of Covered Payroll
City Employee's Retirement System (CERS)					
2014	\$ 11,563	\$ 11,563	\$ -	\$ 51,347	22.52%
2015	11,397	11,418	(21)	49,318	23.15%
2016	11,417	11,417	-	48,754	23.42%
2017	11,610	11,624	(14)	46,306	25.10%
2018	10,624	11,166	(542)	44,454	25.12%
2019	10,012	10,214	(202)	45,329	22.53%
2020	10,046	10,046	-	43,712	22.98%
2021	10,712	10,712	-	44,182	24.25%
2022	9,998	10,313	(315)	39,219	26.30%
2023	9,351	9,351	-	38,800	24.10%
City Firefighters' Pension Fund (CFPF)					
2014	\$ 4,484	\$ 4,484	\$ -	\$ 10,910	41.10%
2015	4,425	4,425	-	11,230	39.40%
2016	4,407	4,407	-	11,479	38.39%
2017	4,664	4,664	-	11,407	40.89%
2018	4,270	4,443	(173)	11,710	37.94%
2019	3,991	3,991	-	11,948	33.40%
2020	3,966	3,966	-	11,831	33.52%
2021	4,100	4,176	(76)	12,212	34.20%
2022	4,035	4,035	-	11,362	35.51%
2023	3,497	3,497	-	10,949	31.94%

* Includes contributions transferred from the Unallocated Income Reserve

** Payroll is pay provided in connection with the valuation as of December 31, of the applicable year.

These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.

Schedule of Investment Returns

	CERS	CFPF
2014	6.90%	6.88%
2015	-0.20%	-0.12%
2016	8.42%	8.43%
2017	16.68%	16.80%
2018	-4.30%	-4.19%
2019	20.11%	19.68%
2020	12.76%	12.64%
2021	14.21%	14.26%
2022	-14.10%	-14.17%
2023	13.41%	13.44%

Notes to Schedule

Valuation Date Actuarially determined contribution amounts are calculated as of December 31 of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contributions for the Fiscal Year Ending December 31, 2023*

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	16 Years
Asset Valuation Method	5-Year smoothed market
Inflation	3.50%
Salary Increases	3.50% to 8.50% (CERS) 8.00% (CFPF) including inflation.
Investment Rate of Return	7.00% net of expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2007-2011.
Mortality	A version of Pub-2010 tables with future mortality improvements projected to 2030 using scale MP-2020

* Based on valuation assumptions used in the December 31, 2021 funding valuation

**City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023**

Required Supplementary Information - Fiduciary Funds (Pension Trust)

Schedule of City's Proportionate Share of the Net Pension Liability/(Asset)									
	As of June 30								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Dakota Retirement System									
City's Proportion of the Net Pension Liability/(Asset)	2,266,643.0%	2,005,521.0%	1,734,536.0%	1,547,580.4%	1,341,115.1%	1,116,178.4%	0,942,317.4%	0,755,405.5%	0,440,770.3%
City's Proportionate share of the Net Pension Liability/(Asset)	\$ (214,212)	\$ (189,534)	\$ (13,283,577)	\$ (67,211)	\$ (142,121)	\$ (26,031)	\$ (65,516)	\$ 2,551,686	\$ (1,869,433)
City's Covered Payroll	1,007,967	991,200	34,998,103	30,436,218	25,405,447	20,566,446	16,977,713	12,701,513	7,176,243
City's Proportionate share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	-21.25%	-19.12%	-37.96%	-0.22%	-0.56%	-0.13%	-0.50%	20.09%	-26.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.1%	100.1%	105.5%	100.0%	100.1%	100.0%	100.1%	96.9%	104.1%
Schedule of City Contributions									
	As of December 31								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Dakota Retirement System									
Contractually Required Contribution	3,695,166	3,137,645	2,614,874	2,232,547	1,889,387	\$ 1,558,009	\$ 1,275,856	\$ 1,038,645	\$ 686,864
Contributions in Relation to the Contractually Required Contribution	(3,695,166)	(3,137,645)	(2,614,874)	(2,232,547)	(1,889,387)	(1,558,009)	(1,275,856)	(1,038,645)	(686,864)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 54,251,041	\$ 45,858,665	\$ 38,439,816	\$ 34,180,820	\$ 27,954,227	\$ 22,714,519	\$ 18,676,953	\$ 15,153,220	\$ 9,953,235
Contributions as a Percentage of Covered Payroll	6.81%	6.84%	6.80%	6.53%	6.76%	6.86%	6.83%	6.85%	6.90%
Notes to Schedules									
Changes from Prior Valuation	The June 30, 2023 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2022 Actuarial Valuation.								
Benefit Provision Changes	During the 2023 Legislative Session no significant SDRS benefit changes were made and emergency medical services personnel prospectively became Class B Public Safety members.								
Actuarial Method Changes	No changes in actuarial methods were made since the prior valuation.								
Actuarial Assumption Changes	The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.								
	As of June 30, 2022, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2023 SDRS COLA was limited to a restricted maximum of 2.10%. For the June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 2.10%.								
	As of June 30, 2023, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91%. The July 2024 SDRS COLA will equal inflation, between 0% and 1.91%. For this June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.91%.								
	Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.								

These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Required Supplementary Information - Fiduciary Funds (OPEB Trust)

Schedules of Changes in the Employer's Net OPEB Liabilities (Assets)							
Fiscal Year Ending December 31,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total OPEB Liability	19,661	31,485	35,375	59,174	125,926	148,241	123,986
Benefit Changes	-	-	-	-	-	2,565	-
Actual versus expected experience	(325,449)	(365,085)	55,333	(304,644)	(1,027,562)	(639,812)	(364,194)
Assumption Changes	1,299	-	13,963	16,555	103,378	(34,571)	(135,976)
Benefit Payments	(143,444)	(240,437)	(314,655)	(386,671)	(501,667)	(619,906)	(1,055,768)
Net Change in Total OPEB Liability	(447,933)	(574,037)	(209,984)	(615,586)	(1,299,925)	(1,143,483)	(1,431,952)
Total OPEB Liability - Beginning	945,525	1,519,562	1,729,546	2,345,132	3,645,057	4,788,540	6,220,492
Total OPEB Liability - Ending (a)	\$ 497,592	\$ 945,525	\$ 1,519,562	\$ 1,729,546	\$ 2,345,132	\$ 3,645,057	\$ 4,788,540
Plan Fiduciary Net Position							
Employer Contributions	\$ 45	\$ 80	\$ 110	\$ 227	\$ 339	\$ -	\$ 301,178
Employee Contributions	-	-	-	-	-	-	-
OPEB Plan Net Investment Income	156,472	(57,277)	(7,631)	77,362	138,246	71,934	13,111
Employer Paid Benefit Payments	(143,444)	(240,437)	(314,655)	(386,671)	(501,668)	(619,906)	(1,055,768)
Other	-	-	-	-	-	-	6,220,492
Net Change in Plan Fiduciary Net Position	13,073	(297,634)	(322,176)	(309,082)	(363,083)	(547,972)	5,479,013
Plan Fiduciary Net Position - Beginning	3,639,066	3,936,700	4,258,876	4,567,958	4,931,041	5,479,013	-
Plan Fiduciary Net Position - Ending (b)	\$ 3,652,139	\$ 3,639,066	\$ 3,936,700	\$ 4,258,876	\$ 4,567,958	\$ 4,931,041	\$ 5,479,013
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (3,154,547)	\$ (2,693,541)	\$ (2,417,138)	\$ (2,529,330)	\$ (2,222,826)	\$ (1,285,984)	\$ (690,473)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)	733.96%	384.87%	259.07%	246.24%	194.78%	135.28%	114.42%
Covered Payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* GASB Statement No. 74/75 was implemented for the fiscal year ended December 31, 2017 and does not require retroactive implementation. These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.

Required Supplementary Information - Fiduciary Funds (OPEB Trust)

Schedules of Employer OPEB Contributions

<u>Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
City's OPEB Plan					
2023	\$ -	\$ -	\$ -	N/A	N/A
2022	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2017	-	301,178	(301,178)	N/A	N/A

* Includes contributions and paid outside of the trust

These schedules are intended to show information for ten years, additional information will be displayed as it becomes available.

Notes to Schedule

Valuation Date Actuarially determined contribution amounts are calculated as of December 31 of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. As the plan is fully funded, no actuarial contributions are required. The amortization method shown below is illustrative if contributions are required.

Methods and Assumptions Used to Determine Contributions for the Fiscal Year Ending December 31, 2023

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar
Asset Valuation Method	Market Value of Assets
Salary Increases	N/A - No active employees
Investment Rate of Return	2.25% net of OPEB plan investment expense
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Mortality table projected 2020 using Projection Scale BB was used for both men and women
Health Care Trend Rates	Initial trend of 7.50% gradually decrease to an ultimate trend of 3.50% in 12 years.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

The assumptions used to determine the contribution requirements for the 2023 fiscal year are based on the December 31, 2020 actuarial valuation fo the Retiree Health Care Plan

**Supplementary Information - Budgetary Comparison Schedule -
Budgetary Basis - General Government Construction Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ -	\$ -	\$ 1,104	\$ 1,104
Total Revenues	-	-	1,104	1,104
Expenditures				
General Government:				
Facilities Management	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	1,104	1,104
Other Financing Sources (Uses)				
Transfers Out	-	(276,455)	(276,455)	-
Total Other Funding Sources (Uses)	-	(276,455)	(276,455)	-
Net Change in Fund Balances	-	(276,455)	(275,351)	1,104
Fund Balances, January 1	275,351	275,351	275,351	-
Fund Balances, December 31	\$ 275,351	\$ (1,104)	\$ -	\$ 1,104

**Supplementary Information - Budgetary Comparison Schedule -
Budgetary Basis - Public Safety Facility Construction Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ -	\$ -	\$ 600,759	\$ 600,759
Total Revenues	-	-	600,759	600,759
Expenditures				
Public Safety:				
Fire	-	19,112,180	18,433,507	678,673
Total Expenditures	-	19,112,180	18,433,507	678,673
Revenues Over (Under) Expenditures	-	(19,112,180)	(17,832,748)	1,279,432
Net Change in Fund Balances	-	(19,112,180)	(17,832,748)	1,279,432
Fund Balances, January 1	19,583,266	19,583,266	19,583,266	-
Fund Balances, December 31	\$ 19,583,266	\$ 471,086	\$ 1,750,518	\$ 1,279,432

This page intentionally left blank.

Combining Statements

A. Nonmajor Special Revenue Funds

Transit Fund—to account for the provision of mass transportation services to the residents of the city. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and billing and collection.

B. Nonmajor Debt Service Funds

T.I.F. District Fund—to account for the activities of the Tax Increment Financing Districts in the City of Sioux Falls.

C. Nonmajor Permanent Funds

Cottam Memorial Fund—to account for a bequest from the Cottam Estate, the interest from which is to be used to purchase medals or other awards as a reward for extraordinary meritorious or heroic service performed by any resident of the city of Sioux Falls.

Library Memorial Fund—to account for contributions provided through endowments to the Library.

D. Internal Service Funds

Fleet Revolving Fund—to account for the cost of supplying automobiles and fuel to City departments. Charges are billed to departments on a cost-plus basis to defray administrative, equipment maintenance, and depreciation costs.

City Health/Life Benefit Fund—to account for both the employees' and the City's contributions toward self-insurance of City employees' health/life benefits. Reserves were established and proportioned to fund regular as well as casualty-type benefits.

Workers' Compensation Fund—to account for monies provided by various City funds to be used for the payment of workers' compensation claims.

Technology Revolving Fund—to account for the cost of technology equipment used by City departments. Charges are billed to departments on a cost-plus basis to defray equipment maintenance and depreciation costs.

Property Liability and Risk Fund—to account for all insurance transactions for City departments. This involves purchasing insurance protection, paying claims, and maintaining a reserve. Departments reimburse the fund based on allocated premiums and loss history.

Centralized Facilities Fund—to account for the cost of facilities maintained and used by City departments. Charges are billed to departments on a cost-plus basis to defray facility maintenance and depreciation costs.

**Combining Balance Sheet
Nonmajor Governmental Funds**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 10,056,417	\$ 74,806	\$ 51,214	\$ 10,182,437
Assets Held for Management Agreements	755,858	-	-	755,858
Receivables:				
Interest and Penalty	-	-	319	319
Due from Other Governments	3,005,795	-	-	3,005,795
Total Assets	<u>\$ 13,818,070</u>	<u>\$ 74,806</u>	<u>\$ 51,533</u>	<u>\$ 13,944,409</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 163,141	\$ -	\$ -	\$ 163,141
Due to Other Funds	-	50,000	-	50,000
Unearned Revenue	2,930,148	-	-	2,930,148
Total Liabilities	<u>3,093,289</u>	<u>50,000</u>	<u>-</u>	<u>3,143,289</u>
Fund Balances				
Nonspendable	-	-	26,767	26,767
Restricted	-	24,806	24,766	49,572
Committed	755,858	-	-	755,858
Assigned	9,968,923	-	-	9,968,923
Total Fund Balances	<u>10,724,781</u>	<u>24,806</u>	<u>51,533</u>	<u>10,801,120</u>
Total Liabilities and Fund Balances	<u>\$ 13,818,070</u>	<u>\$ 74,806</u>	<u>\$ 51,533</u>	<u>\$ 13,944,409</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds**

	Special Revenue	Debt Service	Permanent	Total
Revenues				
Taxes	\$ -	\$ 6,169,922	\$ -	\$ 6,169,922
Intergovernmental	6,699,306	-	-	6,699,306
Investment Revenue	-	-	2,152	2,152
Contributions	-	-	2,500	2,500
Miscellaneous Revenue	397,014	-	-	397,014
Total Revenues	<u>7,096,320</u>	<u>6,169,922</u>	<u>4,652</u>	<u>13,270,894</u>
Expenditures				
Current:				
Urban and Economic Development	10,973,653	6,145,138	-	17,118,791
Capital Outlay:				
Urban and Economic Development	<u>5,440,522</u>	<u>-</u>	<u>-</u>	<u>5,440,522</u>
Total Expenditures	<u>16,414,175</u>	<u>6,145,138</u>	<u>-</u>	<u>22,559,313</u>
Revenues Over (Under) Expenditures	<u>(9,317,855)</u>	<u>24,784</u>	<u>4,652</u>	<u>(9,288,419)</u>
Other Financing Sources (Uses)				
Sale of Surplus Property	38,540	-	-	38,540
Transfers In	<u>7,726,599</u>	<u>-</u>	<u>-</u>	<u>7,726,599</u>
Total Other Financing Sources (Uses)	<u>7,765,139</u>	<u>-</u>	<u>-</u>	<u>7,765,139</u>
Net Change in Fund Balances	(1,552,716)	24,784	4,652	(1,523,280)
Fund Balances, January 1	<u>12,277,497</u>	<u>22</u>	<u>46,881</u>	<u>12,324,400</u>
Fund Balances, December 31	<u>\$ 10,724,781</u>	<u>\$ 24,806</u>	<u>\$ 51,533</u>	<u>\$ 10,801,120</u>

**Combining Balance Sheet
 Nonmajor Special Revenue Funds**

	<u>Transit</u>	<u>Total</u>
Assets		
Cash and Cash Equivalents	\$ 10,056,417	\$ 10,056,417
Assets Held for Management Agreements	755,858	755,858
Due from Other Governments	3,005,795	3,005,795
Total Assets	<u>\$ 13,818,070</u>	<u>\$ 13,818,070</u>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ 163,141	\$ 163,141
Unearned Revenue	2,930,148	2,930,148
Total Liabilities	<u>3,093,289</u>	<u>3,093,289</u>
Fund Balances		
Committed	755,858	755,858
Assigned	9,968,923	9,968,923
Total Fund Balances	<u>10,724,781</u>	<u>10,724,781</u>
Total Liabilities and Fund Balances	<u>\$ 13,818,070</u>	<u>\$ 13,818,070</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds**

	<u>Transit</u>	<u>Total</u>
Revenues		
Intergovernmental	\$ 6,699,306	\$ 6,699,306
Miscellaneous Revenue	397,014	397,014
Total Revenues	<u>7,096,320</u>	<u>7,096,320</u>
Expenditures		
Current:		
Urban and Economic Development	10,973,653	10,973,653
Capital Outlay:		
Urban and Economic Development	5,440,522	5,440,522
Total Expenditures	<u>16,414,175</u>	<u>16,414,175</u>
Revenues Over (Under) Expenditures	<u>(9,317,855)</u>	<u>(9,317,855)</u>
Other Financing Sources (Uses)		
Sale of Surplus Property	38,540	38,540
Transfers In	7,726,599	7,726,599
Total Other Financing Sources (Uses)	<u>7,765,139</u>	<u>7,765,139</u>
Net Change in Fund Balances	(1,552,716)	(1,552,716)
Fund Balances, January 1	<u>12,277,497</u>	<u>12,277,497</u>
Fund Balances, December 31	<u>\$ 10,724,781</u>	<u>\$ 10,724,781</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transit Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 14,594,508	\$ 14,594,508	\$ 6,699,306	\$ (7,895,202)
Miscellaneous Revenue	-	-	397,014	397,014
Total Revenues	<u>14,594,508</u>	<u>14,594,508</u>	<u>7,096,320</u>	<u>(7,498,188)</u>
Expenditures				
Urban and Economic Development Transit	<u>13,105,550</u>	<u>24,111,997</u>	<u>16,414,175</u>	<u>7,697,822</u>
Total Expenditures	<u>13,105,550</u>	<u>24,111,997</u>	<u>16,414,175</u>	<u>7,697,822</u>
Revenues Over (Under) Expenditures	<u>1,488,958</u>	<u>(9,517,489)</u>	<u>(9,317,855)</u>	<u>199,634</u>
Other Financing Sources (Uses)				
Sale of Surplus Property	-	-	38,540	38,540
Transfers In	<u>7,723,599</u>	<u>7,726,599</u>	<u>7,726,599</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>7,723,599</u>	<u>7,726,599</u>	<u>7,765,139</u>	<u>38,540</u>
Net Change in Fund Balances	<u>9,212,557</u>	<u>(1,790,890)</u>	<u>(1,552,716)</u>	<u>238,174</u>
Fund Balances, January 1	<u>12,277,497</u>	<u>12,277,497</u>	<u>12,277,497</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 21,490,054</u>	<u>\$ 10,486,607</u>	<u>\$ 10,724,781</u>	<u>\$ 238,174</u>

This page intentionally left blank.

**Combining Balance Sheet
 Nonmajor Debt Service Funds**

	<u>T.I.F. District</u>	<u>Total</u>
Assets		
Cash and Cash Equivalents	\$ 74,806	\$ 74,806
Total Assets	<u>\$ 74,806</u>	<u>\$ 74,806</u>
Liabilities and Fund Balances		
Liabilities		
Due to Other Funds	\$ 50,000	\$ 50,000
Total Liabilities	<u>50,000</u>	<u>50,000</u>
Fund Balances		
Restricted	<u>24,806</u>	<u>24,806</u>
Total Fund Balances	<u>24,806</u>	<u>24,806</u>
Total Liabilities and Fund Balances	<u>\$ 74,806</u>	<u>\$ 74,806</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds**

	<u>T.I.F. District</u>	<u>Total</u>
Revenues		
Taxes	<u>\$ 6,169,922</u>	<u>\$ 6,169,922</u>
Total Revenues	<u>6,169,922</u>	<u>6,169,922</u>
Expenditures		
Current:		
Urban and Economic Development	<u>6,145,138</u>	<u>6,145,138</u>
Total Expenditures	<u>6,145,138</u>	<u>6,145,138</u>
Revenues Over (Under) Expenditures	<u>24,784</u>	<u>24,784</u>
Net Change in Fund Balances	24,784	24,784
Fund Balances, January 1	<u>22</u>	<u>22</u>
Fund Balances, December 31	<u>\$ 24,806</u>	<u>\$ 24,806</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - T.I.F. District Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,735,000	\$ 7,735,000	\$ 6,169,922	\$ (1,565,078)
Total Revenues	7,735,000	7,735,000	6,169,922	(1,565,078)
Expenditures				
Urban and Economic Development T.I.F. District	7,735,000	7,735,000	6,145,138	1,589,862
Total Expenditures	7,735,000	7,735,000	6,145,138	1,589,862
Revenues Over (Under) Expenditures	-	-	24,784	24,784
Net Change in Fund Balances	-	-	24,784	24,784
Fund Balances, January 1	22	22	22	-
Fund Balances, December 31	\$ 22	\$ 22	\$ 24,806	\$ 24,784

This page intentionally left blank.

**Combining Balance Sheet
 Nonmajor Permanent Funds**

	<u>Cottam Memorial</u>	<u>Library Memorial</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 5,804	\$ 45,410	\$ 51,214
Receivables:			
Interest	36	283	319
Total Assets	<u>\$ 5,840</u>	<u>\$ 45,693</u>	<u>\$ 51,533</u>
Fund Balances			
Nonspendable	\$ 2,000	\$ 24,767	\$ 26,767
Restricted	3,840	20,926	24,766
Total Fund Balances	<u>\$ 5,840</u>	<u>\$ 45,693</u>	<u>\$ 51,533</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Permanent Funds**

	<u>Cottam Memorial</u>	<u>Library Memorial</u>	<u>Total</u>
Revenues			
Investment Revenue	\$ 248	\$ 1,904	\$ 2,152
Contributions	-	2,500	2,500
Total Revenues	<u>248</u>	<u>4,404</u>	<u>4,652</u>
Expenditures			
Public Safety:			
Cottam Memorial	-	-	-
Culture and Recreation:			
Library Memorial	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	248	4,404	4,652
Fund Balances, January 1	<u>5,592</u>	<u>41,289</u>	<u>46,881</u>
Fund Balances, December 31	<u>\$ 5,840</u>	<u>\$ 45,693</u>	<u>\$ 51,533</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cottam Memorial Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ 50	\$ 50	\$ 248	\$ 198
Total Revenues	50	50	248	198
Expenditures				
Public Safety:				
Cottam Memorial	2,000	2,000	-	2,000
Total Expenditures	2,000	2,000	-	2,000
Revenues Over (Under) Expenditures	(1,950)	(1,950)	248	2,198
Net Change in Fund Balance	(1,950)	(1,950)	248	2,198
Fund Balances, January 1	5,592	5,592	5,592	-
Fund Balances, December 31	\$ 3,642	\$ 3,642	\$ 5,840	\$ 2,198

**Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Library Memorial Fund**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Revenue	\$ 300	\$ 300	\$ 1,904	\$ 1,604
Contributions	-	-	2,500	2,500
Total Revenues	300	300	4,404	4,104
Expenditures				
Culture and Recreation:				
Library Memorial	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Revenues Over (Under) Expenditures	(4,700)	(4,700)	4,404	9,104
Net Change in Fund Balance	(4,700)	(4,700)	4,404	9,104
Fund Balances, January 1	41,289	41,289	41,289	-
Fund Balances, December 31	\$ 36,589	\$ 36,589	\$ 45,693	\$ 9,104

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Combining Statement of Net Position
Internal Service Funds

	Fleet Revolving	City Health/Life Benefit	Workers' Compensation
Assets			
Current:			
Cash and Cash Equivalents	\$ 7,966,231	\$ 17,819,494	\$ 5,346,438
Receivables, net:			
Accounts	98,453	105,895	-
Interest	44,390	108,836	34,149
Prepaid Expense	-	310,900	354,250
Due from Other Governments	21,788	-	-
Inventory of Supplies	1,582,787	-	-
Total Current Assets	<u>9,713,649</u>	<u>18,345,125</u>	<u>5,734,837</u>
Noncurrent:			
Net Pension Asset	102,660	9,549	4,947
Buildings	2,705,385	-	-
Improvements Other Than Buildings	769,515	-	-
Machinery and Equipment	55,839,845	-	-
Construction in Progress	174,225	-	-
Less Accumulated Depreciation	(36,645,969)	-	-
Right to Use Leased Assets	8,213	-	-
Less: Accumulated Amortization	(4,107)	-	-
Subscription Assets	-	-	-
Less: Accumulated Amortization	-	-	-
Total Noncurrent Assets	<u>22,949,767</u>	<u>9,549</u>	<u>4,947</u>
Total Assets	<u>32,663,416</u>	<u>18,354,674</u>	<u>5,739,784</u>
Deferred Outflow of Resources			
City Employee's Retirement System	954,410	90,877	46,461
South Dakota Retirement System	300,903	10,910	13,424
Total Deferred Outflow of Resources	<u>1,255,313</u>	<u>101,787</u>	<u>59,885</u>
Liabilities			
Current:			
Accounts Payable	136,042	43,854	10,430
Accrued Wages	63,562	3,660	4,370
Due to Other Funds	-	-	-
Loss Reserve on Workers' Comp Claims	-	-	700,000
Accrued Compensated Absences	15,000	-	-
Incurred But Not Reported Claims	-	2,800,000	-
Lease Liabilities	2,057	-	-
Subscription Liabilities	-	-	-
Lease and Subscription Interest Payable	14	-	-
Total Current Liabilities	<u>216,675</u>	<u>2,847,514</u>	<u>714,800</u>
Noncurrent:			
Loss Reserve on Workers' Comp Claims	-	-	2,219,729
Net Pension Liability	-	-	-
Accrued Compensated Absences	210,441	-	-
Lease Liabilities	2,067	-	-
Subscription Liabilities	-	-	-
Total Noncurrent Liabilities	<u>212,508</u>	<u>-</u>	<u>2,219,729</u>
Total Liabilities	<u>429,183</u>	<u>2,847,514</u>	<u>2,934,529</u>
Deferred Inflow of Resources			
City Employee's Retirement System	134,180	12,777	6,532
South Dakota Retirement System	206,498	7,570	7,361
Total Deferred Inflow of Resources	<u>340,678</u>	<u>20,347</u>	<u>13,893</u>
Net Position			
Net Investment in Capital Assets	22,842,983	-	-
Restricted for Pension	102,660	9,549	4,947
Unrestricted	10,203,225	15,579,051	2,846,300
Total Net Position	<u>\$ 33,148,868</u>	<u>\$ 15,588,600</u>	<u>\$ 2,851,247</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Combining Statement of Net Position
Internal Service Funds (cont)

Technology Revolving	Property Liability and Risk	Centralized Facilities	Total
\$ 2,606,259	\$ 3,632,649	\$ 6,617,585	\$ 43,988,656
-	-	-	204,348
11,212	16,650	22,671	237,908
-	25,000	-	690,150
98,413	-	43,422	163,623
-	-	-	1,582,787
<u>2,715,884</u>	<u>3,674,299</u>	<u>6,683,678</u>	<u>46,867,472</u>
-	395	67,804	185,355
-	-	-	2,705,385
250,295	-	-	1,019,810
4,408,406	-	-	60,248,251
-	-	-	174,225
(2,993,342)	-	-	(39,639,311)
59,083	-	1,714,893	1,782,189
(29,542)	-	(857,446)	(891,095)
3,349,898	-	34,398	3,384,296
<u>(1,506,822)</u>	<u>-</u>	<u>(19,229)</u>	<u>(1,526,051)</u>
<u>3,537,976</u>	<u>395</u>	<u>940,420</u>	<u>27,443,054</u>
<u>6,253,860</u>	<u>3,674,694</u>	<u>7,624,098</u>	<u>74,310,526</u>
-	-	627,757	1,719,505
-	30,755	221,460	577,452
-	30,755	849,217	2,296,957
1,036,749	36,199	426,347	1,689,621
-	3,297	-	74,889
-	-	5,917	5,917
-	-	-	700,000
-	-	-	15,000
-	-	-	2,800,000
14,791	-	53,728	70,576
502,775	-	17,545	520,320
<u>18,565</u>	<u>-</u>	<u>9,122</u>	<u>27,701</u>
<u>1,572,880</u>	<u>39,496</u>	<u>512,659</u>	<u>5,904,024</u>
-	-	-	2,219,729
-	-	-	-
-	-	-	210,441
14,874	-	1,549,897	1,566,838
<u>455,718</u>	<u>-</u>	<u>-</u>	<u>455,718</u>
<u>470,592</u>	<u>-</u>	<u>1,549,897</u>	<u>4,452,726</u>
<u>2,043,472</u>	<u>39,496</u>	<u>2,062,556</u>	<u>10,356,750</u>
-	-	88,256	241,745
-	21,151	150,861	393,441
-	21,151	239,117	635,186
2,250,378	-	(1,049,445)	24,043,916
-	395	67,804	185,355
<u>1,960,010</u>	<u>3,644,407</u>	<u>7,153,283</u>	<u>41,386,276</u>
<u>\$ 4,210,388</u>	<u>\$ 3,644,802</u>	<u>\$ 6,171,642</u>	<u>\$ 65,615,547</u>

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

**Combining Statement of Revenues, Expenses and Changes
in Net Position - Internal Service Funds**

	Fleet Revolving	City Health/Life Benefit	Workers' Compensation
Operating Revenues:			
Charges for Goods and Services - Internal	\$ 16,519,882	\$ 11,976,175	\$ 1,563,365
Charges for Goods and Services - Other	409,836	12,148,440	-
Total Operating Revenues	<u>16,929,718</u>	<u>24,124,615</u>	<u>1,563,365</u>
Operating Expenses:			
Personnel Services	2,866,654	159,784	188,237
Casualty Loss	-	23,326,671	1,861,524
Insurance	189,239	181,727	247,295
Professional Services	33,326	1,738,993	112,904
Rent	176,275	-	6
Repairs and Maintenance	1,947,557	-	-
Supplies and Materials	5,736,895	-	94,152
Utilities and Bulk Energy	40,606	-	-
Depreciation	4,160,969	-	-
Amortization - Lease	2,053	-	-
Amortization - Subscription	-	-	-
Other Current Expenses	13,058	10,380	3,084
Total Operating Expenses	<u>15,166,632</u>	<u>25,417,555</u>	<u>2,507,202</u>
Operating Income (Loss)	<u>1,763,086</u>	<u>(1,292,940)</u>	<u>(943,837)</u>
Nonoperating Revenues (Expenses):			
Investment Revenue	288,066	750,624	245,941
Gain (Loss) on Capital Assets	84,370	-	-
Operating Grant	11,416	-	-
Miscellaneous	98,648	-	(4,790)
Lease Interest Expense	(35)	-	-
Subscription Interest Expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>482,465</u>	<u>750,624</u>	<u>241,151</u>
Income (Loss) Before Transfers	2,245,551	(542,316)	(702,686)
Transfers In	265,530	-	-
Transfers Out	-	-	-
Change in Net Position	<u>2,511,081</u>	<u>(542,316)</u>	<u>(702,686)</u>
Net Position - Beginning	30,637,787	16,130,916	3,553,933
Restatement (Note 13)	-	-	-
Net Position - Beginning, as Restated	30,637,787	16,130,916	3,553,933
Net Position - Ending	<u>\$ 33,148,868</u>	<u>\$ 15,588,600</u>	<u>\$ 2,851,247</u>

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

**Combining Statement of Revenues, Expenses and Changes
in Net Position - Internal Service Funds (cont)**

Technology Revolving	Property Liability and Risk	Centralized Facilities	Total
\$ 5,989,624	\$ 2,962,483	\$ 6,628,100	\$ 45,639,629
177,901	-	-	12,736,177
<u>6,167,525</u>	<u>2,962,483</u>	<u>6,628,100</u>	<u>58,375,806</u>
-	168,943	1,960,787	5,344,405
-	271,053	-	25,459,248
-	1,943,385	-	2,561,646
1,199,326	101,637	180,525	3,366,711
27,731	-	260,812	464,824
188	686,165	2,827,457	5,461,367
4,220,518	16,500	378,972	10,447,037
165,253	1,354	1,300,706	1,507,919
875,784	-	-	5,036,753
14,771	-	428,723	445,547
1,506,822	-	19,229	1,526,051
7,020	4,163	3,147	40,852
<u>8,017,413</u>	<u>3,193,200</u>	<u>7,360,358</u>	<u>61,662,360</u>
<u>(1,849,888)</u>	<u>(230,717)</u>	<u>(732,258)</u>	<u>(3,286,554)</u>
99,804	114,142	221,220	1,719,797
-	-	-	84,370
89,561	172,758	80,503	354,238
(69)	180,971	70	274,830
(255)	-	(13,556)	(13,846)
<u>(42,082)</u>	<u>-</u>	<u>(797)</u>	<u>(42,879)</u>
<u>146,959</u>	<u>467,871</u>	<u>287,440</u>	<u>2,376,510</u>
<u>(1,702,929)</u>	<u>237,154</u>	<u>(444,818)</u>	<u>(910,044)</u>
-	-	2,600,000	2,865,530
<u>(18,079)</u>	<u>-</u>	<u>(3,152,432)</u>	<u>(3,170,511)</u>
<u>(1,721,008)</u>	<u>237,154</u>	<u>(997,250)</u>	<u>(1,215,025)</u>
4,803,680	3,407,648	7,168,892	65,702,856
1,127,716	-	-	1,127,716
5,931,396	3,407,648	7,168,892	66,830,572
<u>\$ 4,210,388</u>	<u>\$ 3,644,802</u>	<u>\$ 6,171,642</u>	<u>\$ 65,615,547</u>

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

Combining Statement of Cash Flows
Internal Service Funds

	Fleet Revolving	City Health/Life Benefit	Workers' Compensation
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 426,650	\$ 12,491,084	\$ -
Cash Receipts from Interfund Services Provided	16,521,729	11,976,175	1,563,365
Payments to Suppliers	(8,701,004)	(1,941,729)	(488,500)
Payment for Interfund Services Used	(10,080)	-	-
Payments to Employees	(3,072,940)	(182,749)	(173,738)
Claims Paid	-	(22,526,671)	(1,244,089)
Other Receipts/Payments	110,067	-	(4,790)
Net Cash Provided (Used) by Operating Activities	5,274,422	(183,890)	(347,752)
Cash Flows Provided (Used) By Noncapital Financing Activities:			
Transfers In	250,000	-	-
Net Cash Flows Provided (Used) By Noncapital Financing Activities	250,000	-	-
Cash Flows from Capital and Related Financing Activities:			
Sale of Capital Assets	1,271,510	-	-
Purchase of Capital Assets	(6,302,637)	-	-
Purchase of Subscription Assets	-	-	-
Proceeds from Lease and Subscription Liabilities	-	-	-
Principal Payments - Lease Liabilities and Subscription Assets	(2,044)	-	-
Interest Payments - Lease and Subscription Liabilities	(30)	-	-
Net Cash Flows Used by Capital and Related Financing Activities	(5,033,201)	-	-
Cash Flows from Investing Activities:			
Investment Revenue Received	256,556	680,686	224,529
Net Increase (Decrease) in Cash and Cash Equivalents During the Year	747,777	496,796	(123,223)
Cash and Cash Equivalents, January 1	7,218,454	17,322,698	5,469,661
Cash and Cash Equivalents, December 31	\$ 7,966,231	\$ 17,819,494	\$ 5,346,438
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,763,086	\$ (1,292,940)	\$ (943,837)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	4,160,969	-	-
Amortization	2,053	-	-
(Increase) Decrease in - Receivables	1,847	342,644	-
- Inventory	(417,085)	-	-
- Prepaid Expense	-	-	(31,955)
- Due From Other Governments	16,814	-	-
- Net Pension Asset	(99,565)	(9,414)	(4,594)
- Pension Related Deferred Outflows	527,120	41,901	88,512
Increase (Decrease) in - Accounts Payable	(157,043)	(10,629)	896
- Accrued Wages	(10,891)	826	577
- Due to Other Funds	-	-	-
- Compensated Absences	6,371	-	-
- Net Pension Liability	(562,279)	(49,278)	(44,825)
- Pension Related Deferred Inflows	(67,042)	(7,000)	(25,171)
- Loss Reserve on Workers' Comp Claims	-	-	617,435
- Incurred But Not Reported Claims	-	800,000	-
Other Revenue Sources (Uses)	110,067	-	(4,790)
Net Cash Provided (Used) by Operating Activities	\$ 5,274,422	\$ (183,890)	\$ (347,752)
Noncash Investing, Capital and Financing Activities:			
Capital Asset Purchases in Accounts Payable	\$ -	\$ -	\$ -
Net Interfund Transfers of Capital Assets	15,530	-	-

City of Sioux Falls
Annual Comprehensive Financial Report
Year Ended December 31, 2023

Combining Statement of Cash Flows
Internal Service Funds (cont)

Technology Revolving	Property Liability and Risk	Centralized Facilities	Total
\$ 79,488	\$ -	\$ -	\$ 12,997,222
5,989,624	2,985,889	6,628,100	45,664,882
(5,715,521)	(2,724,862)	(5,139,841)	(24,711,457)
-	-	-	(10,080)
-	(190,352)	(2,082,480)	(5,702,259)
-	(271,053)	-	(24,041,813)
89,492	353,729	80,571	629,069
443,083	153,351	(513,650)	4,825,564
-	-	2,600,000	2,850,000
-	-	2,600,000	2,850,000
-	-	-	1,271,510
(157,810)	-	(2,851,541)	(9,311,988)
(738,557)	-	-	(738,557)
738,556	-	-	738,556
(1,278,397)	-	(70,286)	(1,350,727)
(23,833)	-	(9,795)	(33,658)
(1,460,041)	-	(2,931,622)	(9,424,864)
96,971	103,965	212,581	1,575,288
(919,987)	257,316	(632,691)	(174,012)
3,526,246	3,375,333	7,250,276	44,162,668
<u>\$ 2,606,259</u>	<u>\$ 3,632,649</u>	<u>\$ 6,617,585</u>	<u>\$ 43,988,656</u>
\$ (1,849,888)	\$ (230,717)	\$ (732,258)	\$ (3,286,554)
875,784	-	-	5,036,753
1,521,593	-	447,952	1,971,598
-	-	-	344,491
-	-	11,518	(405,567)
-	-	-	(31,955)
(98,413)	23,406	54,633	(3,560)
-	(24,969)	(65,297)	(203,839)
-	8,010	262,172	927,715
(95,485)	28,342	(205,657)	(439,576)
-	526	-	(8,962)
-	-	5,917	5,917
-	-	-	6,371
-	-	(330,452)	(986,834)
-	(4,976)	(42,749)	(146,938)
-	-	-	617,435
-	-	-	800,000
89,492	353,729	80,571	629,069
<u>\$ 443,083</u>	<u>\$ 153,351</u>	<u>\$ (513,650)</u>	<u>\$ 4,825,564</u>
\$ 299,440	\$ -	\$ 300,891	\$ 600,331
(18,079)	-	(3,152,432)	(3,154,981)

This page intentionally left blank.

Statistical Section

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

Contents	Page
Financial Trends	133
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	143
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources, the sales and use tax, and property tax.</i>	
Debt Capacity	146
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	150
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	152
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table I
Net Position by Component (accrual basis of accounting)
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 874,352,925	\$ 918,392,160	\$ 949,588,727	\$ 994,726,890
Restricted	27,054,480	45,769,849	66,444,710	62,906,294
Unrestricted	<u>98,987,086</u>	<u>47,230,423</u>	<u>10,622,500</u>	<u>70,158,874</u>
Total Governmental Activities Net Position	<u>1,000,394,491</u>	<u>1,011,392,432</u>	<u>1,026,655,937</u>	<u>1,127,792,058</u>
Business-type Activities				
Net Investment in Capital Assets	355,182,015	373,898,313	398,711,113	441,954,230
Restricted	7,221,556	7,420,528	6,990,751	3,442,244
Unrestricted	<u>62,902,134</u>	<u>60,840,349</u>	<u>63,253,372</u>	<u>55,829,094</u>
Total Business-type Activities Net Position	<u>425,305,705</u>	<u>442,159,190</u>	<u>468,955,236</u>	<u>501,225,568</u>
Primary Government				
Net Investment in Capital Assets	1,229,534,940	1,292,290,473	1,348,299,840	1,436,681,120
Restricted	34,276,036	53,190,377	73,435,461	66,348,538
Unrestricted	<u>161,889,220</u>	<u>108,070,772</u>	<u>73,875,872</u>	<u>125,987,968</u>
Total Primary Government Net Position	<u>\$ 1,425,700,196</u>	<u>\$ 1,453,551,622</u>	<u>\$ 1,495,611,173</u>	<u>\$ 1,629,017,626</u>

Table II
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental Activities:				
General Government	\$ 16,348,473	\$ 16,186,279	\$ 16,556,020	\$ 13,766,907
Fire Protection	23,480,779	28,909,163	31,223,012	20,119,516
Police Protection	30,078,133	34,995,848	37,065,313	25,225,870
Highways and Streets	50,977,392	56,489,047	58,516,026	52,617,614
Public Health	10,437,257	11,506,819	12,326,094	10,426,180
Culture and Recreation:				
Libraries	7,418,069	8,202,420	9,220,828	6,273,321
Museum	546,495	539,345	574,510	587,155
Parks and Recreation	22,364,841	23,198,516	25,301,964	24,930,414
Entertainment Venues	8,023,559	7,434,826	9,763,936	8,467,290
Urban and Economic Development:				
Convention Center/CVB	7,347,986	-	-	-
Affordable Housing	3,547,380	2,759,033	5,759,679	1,599,111
Economic Development	4,169,374	6,539,607	6,209,883	6,346,062
Transit	-	-	-	-
TIF	731,370	6,971,201	7,155,112	7,767,376
Planning and Development Services	5,965,110	6,086,958	6,617,020	4,881,994
Interest on Long-Term Debt	<u>6,790,233</u>	<u>6,626,453</u>	<u>6,684,824</u>	<u>6,693,992</u>
Total Governmental Activities Expenses	<u>198,226,451</u>	<u>216,445,515</u>	<u>232,974,221</u>	<u>189,702,802</u>
Business-type Activities:				
Power and Distribution	8,481,793	8,808,582	9,066,599	8,803,782
Public Parking	2,117,596	2,418,497	2,239,595	1,897,465
Sanitary Landfill	10,866,177	8,664,217	11,499,421	10,686,231
Water	25,121,815	26,828,879	27,523,869	26,305,766
Water Reclamation	<u>21,064,041</u>	<u>22,186,415</u>	<u>22,462,997</u>	<u>21,218,037</u>
Total Business-type Activities Expenses	<u>67,651,422</u>	<u>68,906,590</u>	<u>72,792,481</u>	<u>68,911,281</u>
Total Primary Government Expenses	<u>\$ 265,877,873</u>	<u>\$ 285,352,105</u>	<u>\$ 305,766,702</u>	<u>\$ 258,614,083</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table I (continued)
Net Position by Component (accrual basis of accounting)
Last Ten Fiscal Years

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,021,045,334	\$ 1,049,886,149	\$ 1,127,131,127	\$ 1,185,537,873	\$ 1,243,066,720	\$ 1,355,703,795
59,535,309	57,891,297	57,034,868	96,723,009	101,702,482	84,333,528
89,007,611	116,803,795	169,820,005	217,791,071	241,988,181	300,932,718
<u>1,169,588,254</u>	<u>1,224,581,241</u>	<u>1,353,986,000</u>	<u>1,500,051,953</u>	<u>1,586,757,383</u>	<u>1,740,970,041</u>
460,700,572	483,654,265	507,724,678	534,322,603	617,383,847	691,436,401
5,201,229	5,420,269	4,929,108	5,254,070	9,718,628	5,782,434
66,130,912	76,246,911	83,329,821	101,620,413	70,969,228	84,744,052
<u>532,032,713</u>	<u>565,321,445</u>	<u>595,983,607</u>	<u>641,197,086</u>	<u>698,071,703</u>	<u>781,962,887</u>
1,481,745,906	1,533,540,414	1,634,855,805	1,719,860,476	1,860,450,567	2,047,140,196
64,736,538	63,311,566	61,963,976	101,977,079	111,421,110	90,115,962
155,138,523	193,050,706	253,149,826	319,411,484	312,957,409	385,676,770
<u>\$ 1,701,620,967</u>	<u>\$ 1,789,902,686</u>	<u>\$ 1,949,969,607</u>	<u>\$ 2,141,249,039</u>	<u>\$ 2,284,829,086</u>	<u>\$ 2,522,932,928</u>

Table II (continued)
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 17,310,632	\$ 15,753,554	\$ 16,368,596	\$ 16,056,067	\$ 19,876,258	\$ 21,710,991
27,829,382	26,925,310	22,163,779	21,325,245	34,337,771	35,579,245
36,740,314	35,383,827	30,595,771	31,514,689	45,234,825	48,827,933
68,023,930	64,083,924	63,559,050	67,513,954	79,768,892	82,385,649
12,032,129	12,727,539	11,767,581	12,711,057	16,235,562	19,476,603
8,139,253	8,454,201	8,032,897	8,379,016	10,157,559	11,282,478
601,386	633,560	688,099	3,361	3,361	3,361
25,799,818	27,720,537	25,691,770	27,056,634	31,692,510	33,052,495
9,176,901	11,083,954	12,026,835	9,842,274	10,073,504	10,320,735
-	-	-	-	-	-
1,758,721	2,346,464	3,539,815	3,123,059	3,703,196	4,085,672
6,379,016	-	-	-	-	-
-	-	8,562,349	9,198,977	9,983,812	10,974,190
7,903,235	8,528,728	2,854,070	3,111,217	3,346,430	6,145,138
7,077,539	13,964,699	10,887,445	10,767,083	27,396,437	14,104,665
6,343,156	5,911,897	5,846,714	5,963,138	5,379,052	5,056,113
<u>235,115,412</u>	<u>233,518,194</u>	<u>222,584,771</u>	<u>226,565,771</u>	<u>297,189,168</u>	<u>303,005,268</u>
9,562,823	9,273,379	9,170,719	10,011,887	9,417,813	9,079,572
2,741,375	2,601,031	3,191,297	2,945,638	3,379,597	3,196,534
10,216,724	9,690,174	8,960,066	10,051,934	11,614,441	11,397,303
27,002,192	25,573,099	26,617,691	26,505,185	29,564,158	31,073,556
25,132,533	25,401,970	25,725,220	26,185,994	29,733,235	31,418,178
74,655,647	72,539,653	73,664,993	75,700,638	83,709,244	86,165,143
<u>\$ 309,771,059</u>	<u>\$ 306,057,847</u>	<u>\$ 296,249,764</u>	<u>\$ 302,266,409</u>	<u>\$ 380,898,412</u>	<u>\$ 389,170,411</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table II (cont)
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 1,637,130	\$ 1,990,147	\$ 2,301,159	\$ 2,322,206
Public Health	5,504,651	5,186,248	4,763,133	4,604,936
Urban and Economic Development	3,681,729	5,700,195	6,075,495	4,478,990
Other Activities	3,212,995	2,701,709	3,255,196	3,880,707
Operating Grants and Contributions	11,485,092	12,499,343	16,792,102	16,081,817
Capital Grants and Contributions	37,557,562	19,365,839	28,342,191	18,666,162
Total Governmental Activities Program Revenues	<u>63,079,159</u>	<u>47,443,481</u>	<u>61,529,276</u>	<u>50,034,818</u>
Business-type Activities:				
Charges for Services				
Water	31,959,833	32,610,302	35,061,789	35,680,449
Water Reclamation	23,654,728	25,474,334	28,488,007	29,233,798
Other Activities	20,858,949	21,513,114	21,575,174	22,368,836
Operating Grants and Contributions	52,779	69,765	95,253	181,301
Capital Grants and Contributions	10,856,245	8,983,113	11,488,226	11,623,136
Total Business-Type Activities Program Revenues	<u>87,382,534</u>	<u>88,650,628</u>	<u>96,708,449</u>	<u>99,087,520</u>
Total Primary Government Program Revenues	<u>150,461,693</u>	<u>136,094,109</u>	<u>158,237,725</u>	<u>149,122,338</u>
Net (Expense)/Revenue				
Governmental Activities	63,079,159	(169,002,034)	(171,444,945)	(139,667,984)
Business-type Activities	87,382,534	19,744,038	23,915,968	30,176,239
Total Primary Government Net Expense	<u>150,461,693</u>	<u>(149,257,996)</u>	<u>(147,528,977)</u>	<u>(109,491,745)</u>
General Revenue and Transfers				
Governmental Activities:				
Taxes				
Property Tax	52,100,987	55,360,779	57,526,833	60,115,348
Sales Tax	119,621,476	126,603,392	129,901,666	132,448,059
Frontage Tax	10,615,052	11,064,584	11,977,806	12,852,386
Amusement Tax	13,092	10,164	10,248	10,800
Unrestricted State and County Shared Revenues	4,978,793	33,104,745	5,313,720	5,886,719
Unrestricted Investment Earnings	1,367,872	736,628	1,119,262	1,580,596
Miscellaneous Revenue, Net	424,909	1,601,309	965,526	2,276,359
Market Value Adjustment to Land Held for Resale	-	-	(20,523,616)	-
Change in Accounting Estimates	-	-	-	-
Transfers	336,380	373,312	417,005	2,001,008
Total Governmental Activities General Revenues	<u>189,458,561</u>	<u>228,854,913</u>	<u>186,708,450</u>	<u>217,171,275</u>
Business-type Activities:				
Unrestricted Investment Earnings	57,232	702,138	622,327	736,462
Miscellaneous Revenue, Net	1,793,293	2,422,923	2,674,756	3,358,639
Transfers	(336,380)	(373,312)	(417,005)	(2,001,008)
Total Business-type Activities General Revenues	<u>1,514,145</u>	<u>2,751,749</u>	<u>2,880,078</u>	<u>2,094,093</u>
Total Primary Government General Revenues	<u>190,972,706</u>	<u>231,606,662</u>	<u>189,588,528</u>	<u>219,265,368</u>
Change in Net Position				
Governmental Activities	252,537,720	59,852,879	15,263,505	77,503,291
Business-type Activities	88,896,679	22,495,787	26,796,046	32,270,332
Total Primary Government	<u>\$ 341,434,399</u>	<u>\$ 82,348,666</u>	<u>\$ 42,059,551</u>	<u>\$ 109,773,623</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table II (cont)
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	2,685,163	\$ 2,921,525	\$ 1,992,317	\$ 2,133,231	\$ 6,829,319	\$ 4,001,503
	4,446,066	3,922,843	4,232,830	3,150,472	4,230,973	5,567,825
	4,344,827	4,591,793	5,121,323	5,693,465	10,075,793	6,673,209
	3,558,292	3,163,729	2,752,919	4,060,966	4,738,595	4,736,264
	14,222,835	13,353,539	60,862,777	19,566,692	18,147,797	40,967,648
	21,112,481	14,584,653	30,964,335	65,006,346	39,378,506	62,388,264
	<u>50,369,664</u>	<u>42,538,082</u>	<u>105,926,501</u>	<u>99,611,172</u>	<u>83,400,983</u>	<u>124,334,713</u>
	34,480,725	33,393,265	39,680,667	40,588,378	41,029,032	44,822,440
	31,282,531	33,339,627	35,166,721	36,374,385	38,501,561	40,420,824
	23,704,610	23,832,273	23,245,937	24,660,955	26,208,545	26,523,170
	75,559	145,976	356,932	40,408	260,000	30,450
	11,766,244	10,300,249	13,572,824	12,100,727	33,418,736	50,236,294
	<u>101,309,669</u>	<u>101,011,390</u>	<u>112,023,081</u>	<u>113,764,853</u>	<u>139,417,874</u>	<u>162,033,178</u>
	<u>151,679,333</u>	<u>143,549,472</u>	<u>217,949,582</u>	<u>213,376,025</u>	<u>222,818,857</u>	<u>286,367,891</u>
	(184,745,748)	(190,980,112)	(116,658,270)	(126,954,599)	(213,788,185)	(178,670,555)
	26,654,022	28,471,737	38,358,088	38,064,215	55,708,630	75,868,035
	<u>(158,091,726)</u>	<u>(162,508,375)</u>	<u>(78,300,182)</u>	<u>(88,890,384)</u>	<u>(158,079,555)</u>	<u>(102,802,520)</u>
	62,653,215	66,606,043	70,347,223	74,268,771	77,477,025	85,422,885
	137,004,842	150,230,509	145,208,619	174,351,412	191,842,140	196,204,090
	13,907,487	14,738,508	15,362,566	16,327,123	16,946,752	17,868,934
	9,768	9,948	10,332	228	-	-
	6,070,876	6,657,602	12,010,898	7,385,678	10,958,647	13,324,870
	2,845,228	4,784,546	2,798,038	2,041	(1,717,960)	13,616,803
	3,856,605	2,688,629	1,707,136	3,655,711	3,769,050	4,931,027
	-	-	-	-	-	-
	-	-	-	(2,086,979)	-	-
	193,923	257,314	781,450	(883,433)	1,217,961	362,428
	<u>226,541,944</u>	<u>245,973,099</u>	<u>248,226,262</u>	<u>273,020,552</u>	<u>300,493,615</u>	<u>331,731,037</u>
	1,679,659	2,744,970	1,675,369	(11,953)	(1,181,158)	3,631,600
	2,667,387	2,329,339	9,307,233	6,277,784	3,565,106	4,753,977
	(193,923)	(257,314)	(781,450)	883,433	(1,217,961)	(362,428)
	<u>4,153,123</u>	<u>4,816,995</u>	<u>10,201,152</u>	<u>7,149,264</u>	<u>1,165,987</u>	<u>8,023,149</u>
	<u>230,695,067</u>	<u>250,790,094</u>	<u>258,427,414</u>	<u>280,169,816</u>	<u>301,659,602</u>	<u>339,754,186</u>
	41,796,196	54,992,987	131,567,992	146,065,953	86,705,430	153,060,482
	30,807,145	33,288,732	48,559,240	45,213,479	56,874,617	83,891,184
\$	<u>72,603,341</u>	<u>88,281,719</u>	<u>180,127,232</u>	<u>191,279,432</u>	<u>143,580,047</u>	<u>236,951,666</u>

Statistics (Unaudited)

Table III
Fund Balances of Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 1,457,649	\$ 1,500,337	\$ 1,900,996	\$ 1,874,905
Restricted	679,076	482,427	244,518	133,904
Committed	-	-	-	459,992
Assigned	5,348,104	5,414,824	2,156,362	3,922,353
Unassigned	40,739,706	38,129,793	40,025,896	42,771,535
Total General Fund	<u>\$ 48,224,535</u>	<u>\$ 45,527,381</u>	<u>\$ 44,327,772</u>	<u>\$ 49,162,689</u>
Sales/Use Tax Fund				
Nonspendable	\$ 144,993	\$ -	\$ 6,725,070	\$ 6,725,070
Restricted	23,301,917	22,333,307	25,758,873	24,458,155
Committed	32,569,698	27,198,260	14,208,698	18,466,766
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Sales/Use Tax Fund	<u>\$ 56,016,608</u>	<u>\$ 49,531,567</u>	<u>\$ 46,692,641</u>	<u>\$ 49,649,991</u>
All Other Governmental Funds				
Nonspendable	\$ 362,475	\$ 27,624,149	\$ 449,872	\$ 26,767
Restricted	21,676,958	20,758,622	38,027,058	46,100,244
Committed	4,155,859	6,503,267	7,209,231	10,600,236
Assigned	1,472,322	2,596,844	6,870,924	5,142,548
Unassigned	(55,192)	(2,379)	-	-
Total All Other Governmental Funds	<u>\$ 27,612,422</u>	<u>\$ 57,480,503</u>	<u>\$ 52,557,085</u>	<u>\$ 61,869,795</u>

Statistics (Unaudited)

Table III (cont)
Fund Balances, Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

2018	2019	2020	2021	2022	2023
\$ 1,412,454	\$ 1,624,447	\$ 2,059,101	\$ 2,874,421	\$ 2,373,125	\$ 4,863,435
124,675	185,877	445,312	350,899	269,406	1,637,636
587,967	689,246	990,427	1,585,708	2,017,777	2,545,495
3,748,292	3,273,637	5,415,925	4,793,169	1,631,843	6,323,922
48,307,674	52,430,111	79,692,536	72,880,386	81,185,114	79,690,247
\$ 54,181,062	\$ 58,203,318	\$ 88,603,301	\$ 82,484,583	\$ 87,477,265	\$ 95,060,735
\$ 6,725,070	\$ 6,725,070	\$ 5,960,780	\$ 4,808,186	\$ 4,494,610	\$ 4,463,657
21,591,279	21,482,589	17,043,609	16,437,284	16,699,320	28,038,286
25,600,285	32,728,604	21,868,150	53,608,572	61,533,898	67,583,045
-	-	-	-	-	-
-	-	-	-	-	-
\$ 53,916,634	\$ 60,936,263	\$ 44,872,539	\$ 74,854,042	\$ 82,727,828	\$ 100,084,988
\$ 57,332	\$ 57,332	\$ 127,261	\$ 127,261	\$ 127,261	\$ 77,980
32,947,590	30,600,887	78,429,095	79,026,437	59,121,335	48,778,374
13,283,731	14,330,127	11,986,573	15,692,992	22,969,388	30,643,950
3,894,960	4,865,199	5,973,504	8,405,938	11,918,653	9,968,923
-	-	-	-	-	-
\$ 50,183,613	\$ 49,853,545	\$ 96,516,433	\$ 103,252,628	\$ 94,136,637	\$ 89,469,227

Statistics (Unaudited)

Table IV
Changes in Fund Balances of Governmental Funds (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues				
Taxes	\$ 181,681,808	\$ 192,686,024	\$ 199,433,538	\$ 205,299,070
Licenses and Permits	5,201,772	5,984,144	6,454,811	6,341,922
Intergovernmental	16,304,696	44,640,901	17,931,385	18,604,384
Charges for Goods and Services	7,208,017	7,057,084	7,593,729	8,197,334
Fines and Forfeitures	572,024	653,200	603,324	675,779
Investment Revenue	1,158,275	482,795	891,242	1,352,449
Miscellaneous Revenue	3,011,667	4,612,269	9,885,564	8,657,161
Total Revenues	<u>215,138,259</u>	<u>256,116,417</u>	<u>242,793,593</u>	<u>249,128,099</u>
Expenditures				
General Government	14,452,567	15,217,034	14,671,542	15,116,233
Public Safety	52,592,613	57,246,696	58,992,557	60,009,602
Highways and Streets	25,975,498	26,526,746	26,378,226	24,941,562
Public Health	10,146,920	10,662,930	11,444,358	11,991,217
Culture and Recreation	25,903,109	25,226,642	28,675,260	28,296,000
Urban and Economic Development	20,663,276	21,336,137	24,463,096	21,543,950
Capital Outlay	83,016,103	62,055,526	71,276,140	75,557,810
Debt Service:				
Principal-Bonds	11,682,203	10,683,225	12,552,939	11,548,174
Principal-Right to Use Leases	-	-	-	-
Principal-Subscription-Based IT Arrangements	-	-	-	-
Interest and Fiscal Charges	7,262,401	6,947,931	6,673,616	7,203,378
Total Expenditures	<u>251,694,690</u>	<u>235,902,867</u>	<u>255,127,734</u>	<u>256,207,926</u>
Revenues Over (Under) Expenditures	(36,556,431)	20,213,550	(12,334,141)	(7,079,827)
Other Financing Sources (Uses)				
Sale of Surplus Property	66,963	91,122	544,874	929,322
Impairment of Land Held for Resale	-	-	-	-
Loss on Sale of Land Held for Resale	-	-	(20,523,616)	-
Damage Recovery	311,798	807,902	62,013	65,648
Revenue Note Proceeds	339,000	-	-	-
Revenue Bonds Issued	-	-	20,260,000	-
Revenue Bond Premiums	-	-	3,734,423	-
Issuance of Debt	-	-	-	-
Leases Issued	-	-	-	-
Subscription Arrangements Issued	-	-	-	-
Cost of Issuance	-	-	(110,000)	-
Underwriter Discount	-	-	(145,699)	-
Transfers In	8,042,446	7,049,671	18,425,374	7,782,375
Transfers Out	(8,524,515)	(7,476,359)	(18,875,181)	(8,225,371)
Total Other Financing Sources (Uses)	<u>235,692</u>	<u>472,336</u>	<u>3,372,188</u>	<u>551,974</u>
Net Change in Fund Balances	<u>\$ (36,320,739)</u>	<u>\$ 20,685,886</u>	<u>\$ (8,961,953)</u>	<u>\$ (6,527,853)</u>
Debt service as a percentage of noncapital expenditures	<u>11.23%</u>	<u>10.14%</u>	<u>10.46%</u>	<u>10.38%</u>

Statistics (Unaudited)

Table IV (cont)
Changes in Fund Balances, Governmental Funds (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

2018	2019	2020	2021	2022	2023
\$ 213,646,562	\$ 227,694,022	\$ 229,392,793	\$ 262,506,977	\$ 287,231,157	\$ 301,013,392
6,686,566	7,222,519	6,675,773	7,350,385	16,290,052	11,338,445
20,653,942	18,544,630	71,585,043	24,363,428	29,188,681	34,804,997
7,625,412	6,707,246	6,745,535	6,813,302	8,755,386	8,749,580
643,186	608,262	624,945	617,266	698,003	857,951
2,438,863	4,098,656	2,250,791	(74,731)	(1,224,280)	11,785,180
7,673,483	7,149,296	8,017,038	16,988,142	12,875,601	30,381,595
<u>259,368,014</u>	<u>272,024,631</u>	<u>325,291,918</u>	<u>318,564,769</u>	<u>353,814,600</u>	<u>398,931,140</u>
17,118,939	16,051,289	17,157,976	18,013,384	19,111,341	20,250,629
62,576,455	65,210,253	68,324,683	73,811,670	78,071,143	82,755,839
27,869,307	30,077,674	27,624,064	29,727,408	36,072,125	38,485,457
11,777,284	12,722,437	12,798,311	14,441,751	16,001,401	19,185,410
27,827,396	32,626,555	32,615,794	33,082,743	36,247,293	37,958,890
21,656,795	23,617,920	25,550,223	26,726,280	43,201,877	34,140,493
80,333,818	65,406,226	88,007,834	74,552,688	103,199,746	129,814,676
24,606,227	10,163,450	39,962,243	10,369,505	10,917,738	12,845,311
-	-	-	-	1,123,828	1,978,510
-	-	-	-	-	188,559
6,845,551	6,531,959	6,388,421	6,768,427	6,160,531	5,883,566
<u>280,611,772</u>	<u>262,407,763</u>	<u>318,429,549</u>	<u>287,493,856</u>	<u>350,107,023</u>	<u>383,487,340</u>
(21,243,758)	9,616,868	6,862,369	31,070,913	3,707,577	15,443,800
328,304	50,768	25,515	150,771	219,970	87,518
-	-	-	-	(774,698)	-
-	-	(178,609)	-	-	-
239,198	75,735	77,653	98,377	71,681	150,780
-	-	-	-	-	-
17,523,868	1,511,132	42,315,000	-	-	-
1,388,307	-	11,613,131	-	-	-
-	-	302,638	2,474,636	1,408,089	33,706
-	-	-	-	781,229	6,994,660
-	-	-	-	-	145,108
-	-	-	-	-	-
-	-	-	-	-	-
9,090,213	7,569,232	34,346,677	24,816,683	9,654,625	14,595,702
(9,727,298)	(8,111,918)	(34,365,227)	(28,012,400)	(11,317,996)	(17,178,054)
<u>18,842,592</u>	<u>1,094,949</u>	<u>54,136,778</u>	<u>(471,933)</u>	<u>42,900</u>	<u>4,829,420</u>
<u>\$ (2,401,166)</u>	<u>\$ 10,711,817</u>	<u>\$ 60,999,147</u>	<u>\$ 30,598,980</u>	<u>\$ 3,750,477</u>	<u>\$ 20,273,220</u>
<u>15.70%</u>	<u>8.47%</u>	<u>20.12%</u>	<u>8.05%</u>	<u>7.37%</u>	<u>8.24%</u>

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table V
Changes in Fund Balance of General Fund (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

	2014	2015	2016	2017
Revenues				
Taxes				
Property	\$ 51,025,183	\$ 53,344,081	\$ 55,003,521	\$ 57,591,924
Sales	54,863,132	58,087,990	59,752,884	60,858,378
Other	7,453,511	7,611,387	7,819,721	7,840,216
Total Taxes	<u>113,341,826</u>	<u>119,043,458</u>	<u>122,576,126</u>	<u>126,290,518</u>
Licenses and Permits	5,113,607	5,891,551	6,358,512	6,244,892
Intergovernmental (Federal/State/County)	11,257,014	11,861,325	12,520,695	12,861,715
Charges for Goods and Services	7,208,017	6,820,346	7,352,332	7,901,982
Fines and Forfeitures	572,024	653,200	603,246	675,779
Investment Revenue	287,741	416,004	506,557	624,818
Miscellaneous Revenue	(41,859)	(751,315)	966,278	998,820
Total Revenues	<u>137,738,370</u>	<u>143,934,569</u>	<u>150,883,746</u>	<u>155,598,524</u>
Expenditures				
General Government				
Mayor	486,805	529,895	491,501	380,368
City Council	1,432,756	1,248,982	1,564,985	1,336,895
Attorney	1,514,218	1,611,802	1,652,169	1,721,801
Human Resources	1,400,287	1,462,764	1,368,656	1,341,094
Finance	2,300,092	2,600,444	2,685,762	3,056,468
Facilities Management	2,629,310	2,732,090	1,645,147	1,773,706
Innovation and Technology	2,945,098	3,263,792	3,464,036	3,636,253
Communications	1,680,651	1,740,244	1,797,448	1,865,398
Total General Government	<u>14,389,217</u>	<u>15,190,013</u>	<u>14,669,704</u>	<u>15,111,983</u>
Public Safety				
Fire	22,524,449	25,558,281	26,075,093	26,208,602
Police	30,031,803	31,572,267	32,917,464	33,784,986
Total Public Safety	<u>52,556,252</u>	<u>57,130,548</u>	<u>58,992,557</u>	<u>59,993,588</u>
Highways and Streets	23,420,694	24,407,469	23,686,638	21,776,451
Total Highways and Streets	<u>23,420,694</u>	<u>24,407,469</u>	<u>23,686,638</u>	<u>21,776,451</u>
Health				
Health	10,146,920	10,662,930	11,444,358	11,991,217
Total Health	<u>10,146,920</u>	<u>10,662,930</u>	<u>11,444,358</u>	<u>11,991,217</u>
Culture and Recreation				
Parks and Recreation	14,857,493	15,635,862	16,966,026	17,969,194
Libraries	6,301,074	6,611,144	7,439,872	6,818,309
Museum	524,813	518,610	552,936	575,582
Total Culture and Recreation	<u>21,683,380</u>	<u>22,765,616</u>	<u>24,958,834</u>	<u>25,363,085</u>
Urban and Economic Development				
Planning and Development Services	4,914,879	5,070,746	5,427,327	5,443,391
Economic Development	4,135,110	4,806,417	4,632,115	4,760,818
Total Urban and Economic Development	<u>9,049,989</u>	<u>9,877,163</u>	<u>10,059,442</u>	<u>10,204,209</u>
Debt Service				
Debt Service	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>131,246,452</u>	<u>140,033,739</u>	<u>143,811,533</u>	<u>144,440,533</u>
Revenues Over (Under) Expenditures	6,491,918	3,900,830	7,072,213	11,157,991
Other Financing Sources (Uses)				
Sale of Surplus Property	52,052	54,524	84,443	36,952
Damage Recovery	184,248	73,851	62,013	60,577
Leases Issued	-	-	-	-
Subscription Arrangements Issued	-	-	-	-
Transfers Out	(6,625,447)	(6,726,359)	(8,418,278)	(7,160,607)
Total Other Financing Sources (Uses)	<u>(6,389,147)</u>	<u>(6,597,984)</u>	<u>(8,271,822)</u>	<u>(7,063,078)</u>
Net Change in Fund Balances	<u>\$ 102,771</u>	<u>\$ (2,697,154)</u>	<u>\$ (1,199,609)</u>	<u>\$ 4,094,913</u>

2014 - Engineering, Public Works Administration, and Streets combined into Highways and Streets.

2019 - Economic Development combined into Planning and Development Services

2021 - Museum combined into Libraries

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table V (cont)
Changes in Fund Balance of General Fund (modified accrual and budget basis of accounting)
Last Ten Fiscal Years

2018	2019	2020	2021	2022	2023
\$ 60,238,488	\$ 63,876,772	\$ 67,680,168	\$ 71,238,553	\$ 74,004,197	\$ 79,096,811
63,129,282	67,476,813	67,135,048	79,605,916	89,379,982	91,478,955
7,623,778	7,951,750	7,190,129	8,200,710	8,485,204	8,697,682
<u>130,991,548</u>	<u>139,305,335</u>	<u>142,005,345</u>	<u>159,045,179</u>	<u>171,869,383</u>	<u>179,273,448</u>
6,592,722	7,134,410	6,502,389	7,186,778	16,135,111	11,189,508
13,156,642	13,883,537	65,040,580	16,381,687	18,356,117	20,466,010
7,505,118	6,611,258	6,468,305	6,509,776	8,572,791	8,731,601
643,186	608,262	624,945	617,246	698,003	857,951
1,525,462	1,805,304	1,115,743	(13,202)	(881,581)	4,363,106
1,074,787	1,073,872	1,433,859	1,729,022	1,429,173	1,647,783
<u>161,489,465</u>	<u>170,421,978</u>	<u>223,191,166</u>	<u>191,456,486</u>	<u>216,178,997</u>	<u>226,529,407</u>
438,090	694,804	787,202	780,093	771,446	858,836
1,541,964	1,252,717	1,559,494	1,453,236	1,624,898	1,432,759
1,695,939	1,844,077	1,848,104	1,974,899	2,292,788	2,460,380
1,445,483	1,534,973	1,518,889	1,767,622	1,956,376	2,137,816
3,081,463	3,053,437	3,203,946	3,203,263	3,557,383	3,721,598
1,782,463	1,710,712	1,850,791	1,978,474	1,946,395	1,999,992
3,949,079	4,110,842	4,278,188	4,702,385	4,845,044	5,309,941
1,923,443	1,843,762	1,733,322	2,153,412	2,117,011	2,393,422
<u>15,857,924</u>	<u>16,045,324</u>	<u>16,779,936</u>	<u>18,013,384</u>	<u>19,111,341</u>	<u>20,314,744</u>
27,037,032	28,372,246	29,533,311	31,720,669	33,047,888	34,005,308
35,539,023	36,838,007	38,748,970	41,896,117	45,023,255	48,104,330
<u>62,576,055</u>	<u>65,210,253</u>	<u>68,282,281</u>	<u>73,616,786</u>	<u>78,071,143</u>	<u>82,109,638</u>
24,677,397	27,019,132	24,485,075	25,433,789	30,048,116	41,591,720
<u>24,677,397</u>	<u>27,019,132</u>	<u>24,485,075</u>	<u>25,433,789</u>	<u>30,048,116</u>	<u>41,591,720</u>
11,777,284	12,722,437	12,798,311	14,441,751	16,001,401	19,187,784
<u>11,777,284</u>	<u>12,722,437</u>	<u>12,798,311</u>	<u>14,441,751</u>	<u>16,001,401</u>	<u>19,187,784</u>
17,197,750	19,666,616	18,172,878	20,596,649	23,131,394	24,263,616
6,869,696	7,366,182	7,611,264	8,714,279	8,978,074	9,436,249
582,848	630,199	684,738	-	-	-
<u>24,650,294</u>	<u>27,662,997</u>	<u>26,468,880</u>	<u>29,310,928</u>	<u>32,109,468</u>	<u>33,699,865</u>
5,572,369	10,481,748	10,463,726	11,166,783	26,141,612	12,887,338
4,373,239	-	-	-	-	-
<u>9,945,608</u>	<u>10,481,748</u>	<u>10,463,726</u>	<u>11,166,783</u>	<u>26,141,612</u>	<u>12,887,338</u>
-	-	-	-	1,129,640	2,281,162
-	-	-	-	<u>1,129,640</u>	<u>2,281,162</u>
149,484,562	159,141,891	159,278,209	171,983,421	202,612,721	212,072,251
12,004,903	11,280,087	63,912,957	19,473,065	13,566,276	14,457,156
39,857	32,052	24,600	12,240	39,543	37,365
72,220	72,035	77,653	98,377	71,681	150,780
-	-	-	-	781,229	6,994,660
-	-	-	-	-	145,108
<u>(7,098,607)</u>	<u>(7,361,918)</u>	<u>(33,615,227)</u>	<u>(25,702,400)</u>	<u>(9,466,047)</u>	<u>(14,201,599)</u>
<u>(6,986,530)</u>	<u>(7,257,831)</u>	<u>(33,512,974)</u>	<u>(25,591,783)</u>	<u>(8,573,594)</u>	<u>(6,873,686)</u>
<u>\$ 5,018,373</u>	<u>\$ 4,022,256</u>	<u>\$ 30,399,983</u>	<u>\$ (6,118,718)</u>	<u>\$ 4,992,682</u>	<u>\$ 7,583,470</u>

Statistics (Unaudited)

Table VI
General Governmental Tax Revenues by Source (modified accrual basis of accounting) ¹
Last Ten Fiscal Years

Fiscal Year	General Property Tax	General Sales Tax	Capital Improvement Sales Tax	Entertainment Tax	Lodging Tax	Hotel BID Tax	Frontage Taxes	Other Taxes	Total Taxes
		1st Penny	2nd Penny						
2014	\$ 52,100,987	\$ 54,863,132	\$ 54,860,726	\$ 6,417,220	\$ 847,049	\$ 1,851,167	\$ 10,615,052	\$ 126,475	\$ 181,681,808
2015	55,407,666	58,087,990	58,087,425	7,027,300	955,585	1,955,180	11,064,584	100,294	192,686,024
2016	57,411,400	59,752,884	59,752,704	7,374,191	1,023,271	2,043,914	11,977,806	97,368	199,433,538
2017	60,129,933	60,858,378	60,857,879	7,463,517	1,125,751	1,909,540	12,852,386	101,686	205,299,070
2018	62,523,959	63,129,282	63,129,280	8,048,978	788,997	2,032,009	13,907,487	86,570	213,646,562
2019	66,576,460	67,476,813	67,476,813	8,294,905	956,580	2,059,028	14,738,508	114,915	227,694,022
2020	70,288,580	67,135,048	67,135,016	7,170,446	681,346	1,492,011	15,362,566	127,780	229,392,793
2021	74,349,770	79,605,916	79,605,916	9,368,174	1,100,744	2,018,919	16,327,123	130,415	262,506,977
2022	77,350,627	89,379,982	89,379,981	10,584,396	1,319,748	2,170,107	16,946,752	99,564	287,231,157
2023	85,266,733	91,478,955	91,478,955	11,260,215	1,364,047	2,181,783	17,868,934	113,770	301,013,392

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds

Table VII
Direct and Overlapping Property Tax Rates (\$ / \$ thousand of taxable value)
Last Ten Fiscal Years

Fiscal Year	City Direct Operating Rate ²	Overlapping Rates ¹				Total Rate
		COUNTYS		SCHOOL DISTRICTS		
		Minnehaha	Lincoln	Sioux Falls	Others	
2014	5.04	3.54	2.44	8.94	10.62-13.03	16.42-21.64
2015	4.96	3.42	2.31	8.88	10.6-13.11	16.15-21.49
2016	4.88	3.47	2.31	8.97	9.50-12.60	16.16-20.95
2017	4.71	3.34	2.25	8.44	8.84-11.10	15.40-19.07
2018	4.65	3.33	2.15	8.28	8.89-11.23	15.08-19.21
2019	4.46	3.38	2.20	8.44	8.55-10.90	15.10-18.74
2020	4.40	3.32	2.13	8.39	8.90-11.00	14.92-18.72
2021	4.29	3.25	2.04	8.28	8.36-10.46	14.61-18.00
2022	4.23	3.07	1.86	8.15	8.29-10.66	14.24-17.96
2023	3.89	3.04	1.95	7.66	7.65-10.15	13.49-17.08

Source: Minnehaha and Lincoln Counties

¹ Overlapping rates are those of school and county governments that apply to property owners within the City of Sioux Falls.

² The City has no other components to the direct rate other than the operating component.

Statistics (Unaudited)

**Table VIII
Assessed Value and Estimated Actual Value of Taxable Property¹
Last Ten Fiscal Years**

Fiscal Year Payable	Real Property		Public Utilities		Total		Ratio Taxable to Actual Assessed Value	Total Direct Tax Rate	Estimated Market Value
	Assessed Taxable Value	Assessed Actual Value	Assessed Taxable Value	Assessed Actual Value	Assessed Taxable Value	Assessed Actual Value			
2014	\$ 9,924,745,622	\$ 13,499,646,427	\$ 119,935,862	\$ 146,673,900	\$ 10,044,681,484	\$ 13,646,320,327	73.6%	5.04	\$ 11,817,272,334
2015	10,543,239,769	11,647,031,391	131,847,637	153,676,531	10,675,087,406	11,800,707,922	90.5%	4.96	12,558,926,360
2016	11,228,332,224	12,348,858,266	139,175,098	139,175,556	11,367,507,322	12,488,033,822	91.0%	4.88	13,373,538,026
2017	12,067,961,831	13,209,559,260	146,080,552	146,080,552	12,214,042,383	13,355,639,812	91.5%	4.71	14,369,461,627
2018	12,808,865,205	13,875,226,960	160,606,935	160,606,935	12,969,472,140	14,035,833,895	92.4%	4.92	15,258,202,518
2019	14,135,506,224	15,593,580,381	168,056,198	168,056,198	14,303,562,422	15,761,636,579	90.7%	4.46	16,827,720,496
2020	15,168,793,753	16,166,530,005	166,353,280	166,353,280	15,335,147,033	16,332,883,285	93.9%	4.40	18,041,349,451
2021	16,569,903,868	17,836,523,788	293,883,376	293,883,376	16,863,787,244	18,130,407,164	93.0%	4.29	19,839,749,699
2022	17,355,742,391	18,564,497,948	165,472,027	165,472,027	17,521,214,418	18,729,969,975	93.5%	4.23	20,613,193,433
2023	20,307,671,848	22,108,343,264	175,267,390	175,267,390	20,482,939,238	22,283,610,654	91.9%	3.89	24,097,575,574

Source: Minnehaha and Lincoln Counties

¹ Beginning in 1997, the taxable value is set by the state based on sales ratios and cannot be less than 85% of the assessed value.

**Table IX
Property Tax Levies and Collections¹
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	Total Direct Rate Applied ²
2014	\$ 50,690,690	\$ 49,972,765	98.58%	\$ 593,436	\$ 50,566,201	99.75%	5.04
2015	53,102,806	52,500,037	98.86%	515,165	53,015,202	99.84%	4.96
2016	55,490,728	54,945,198	99.02%	529,710	55,474,908	99.97%	4.88
2017	57,561,503	57,058,986	99.13%	544,126	57,603,112	100.07%	4.71
2018	60,256,166	59,628,143	98.96%	422,408	60,050,551	99.66%	4.92
2019	63,851,103	63,277,470	99.10%	522,076	63,799,546	99.92%	4.46
2020	67,657,791	66,993,824	99.02%	618,847	67,612,671	99.93%	4.40
2021	71,108,045	70,800,001	99.57%	631,876	71,431,877	100.46%	4.29
2022	74,200,403	73,567,743	99.15%	512,303	74,080,046	99.84%	4.23
2023	79,390,763	78,496,975	98.87%	559,608	79,056,583	99.58%	3.89

¹ Tax collections do not include mobile home taxes, payments-in-lieu of taxes, tax increment financing, refunds, additions and abatements.

² Total Tax Levy divided by Total Assessed Taxable Value

**City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023**

Statistics (Unaudited)

**Table X
Principal Property Taxpayers
Current Year and Ten Years Ago**

2023 TOTAL ASSESSED TAXABLE VALUATION		\$ 20,482,939,238			2014		% of Total City Taxable Assessed Value	
Taxpayer	Type of Business	2023		% of Total City Taxable Assessed Value	2014		% of Total City Taxable Assessed Value	
		Assessed Taxable Value	Rank		Assessed Taxable Value	Rank		
Sanford Health (Sioux Valley Hospital)	Medical	\$ 332,389,400	1	1.62%	\$ 113,032,702	2	1.00%	
Lloyd Property Management	Real Estate	303,567,300	2	1.48%	136,484,800	1	1.21%	
USRE Stampede LLC	Warehouse/Shopping	163,561,100	3	0.80%	-	-	n/a	
Tzadik Sioux Falls LLC	Property Mgmt	116,169,300	4	0.57%	-	-	n/a	
Avera Health (Presentation Sisters)	Medical	94,335,200	5	0.46%	54,245,347	4	0.48%	
Lineage Logistics, LLC	Food Storage	73,259,300	6	0.36%	-	-	n/a	
SM Empire Mall LLC	Shopping Malls	71,604,100	7	0.35%	109,078,139	3	0.97%	
Ronning Enterprises	Real Estate	53,481,600	8	0.26%	37,810,240	6	0.34%	
Dealer Properties, LLC	Property Mgmt	51,569,000	9	0.25%	-	-	n/a	
Six Mile Partnership LLP	Real Estate	49,075,900	10	0.24%	-	-	n/a	
Billion Family	Auto Dealer	-	-	n/a	38,601,279	5	0.34%	
Wal-Mart (Wal-Mart & Sams)	Real Estate	-	-	n/a	37,164,882	7	0.33%	
123 Sioux Falls LLC (Citibank)	Financial	-	-	n/a	35,191,340	8	0.31%	
Heart Hospital of South Dakota	Medical	-	-	n/a	28,693,430	9	0.25%	
Wells Fargo Bank	Financial	-	-	n/a	27,511,438	10	0.24%	
Totals		\$ 1,309,012,200		6.39%	\$ 617,813,597		5.48%	

Source: Minnehaha County, Assessors Office
Note: Taxpayer name is the current taxpayer name of record.

**Table XI
Taxable Sales by Category (in thousands)
Last Ten Fiscal Years**

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture, Forestry, & Fishing	\$ 40,346	\$ 52,794	\$ 58,605	\$ 63,483	\$ 72,087	\$ 80,676	\$ 79,753	\$ 90,563	\$ 103,776	\$ 122,172
Mining & Construction	115,797	113,977	122,760	130,855	130,587	133,185	121,444	142,582	225,058	221,815
Manufacturing	189,881	189,362	208,465	208,963	206,269	234,957	237,203	317,832	410,220	408,866
Transportation & Public Utilities	603,805	609,153	617,413	634,813	650,263	689,143	625,617	620,313	696,517	676,627
Wholesale Trade	355,854	371,604	390,562	378,277	422,672	482,900	465,150	580,612	750,398	758,764
Retail Trade	2,980,629	3,155,507	3,199,944	3,231,286	3,339,745	3,537,812	3,688,235	4,424,382	4,867,661	5,003,243
Finance, Insurance, & Real Estate	148,218	171,440	196,085	202,994	225,700	227,432	222,615	265,061	276,312	139,099
Services	1,095,413	1,188,977	1,234,127	1,278,421	1,334,234	1,426,328	1,324,875	1,596,408	1,696,067	1,883,979
Public Administration	399	390	953	445	414	319	417	541	239	265
Other	-	92	1	-	33	24	37	210	162	72
Total	\$ 5,530,342	\$ 5,853,296	\$ 6,028,915	\$ 6,129,537	\$ 6,382,004	\$ 6,812,776	\$ 6,765,346	\$ 8,038,504	\$ 9,026,410	\$ 9,214,902

Source: State of South Dakota, Department of Revenue
* Beginning in 2010 taxable sales was reported by municipality general sales not portion of State taxable sale

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XII
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percent of Personal Income ¹	Per Capita ¹
	Sales Tax Revenue Bonds	Tax Increment Financing District Bonds	State Revolving Fund Notes	State Flex Notes	Right to Use Liabilities	Revenue Bonds	State Revolving Fund Notes	Right to Use Liabilities			
2014	\$ 184,695,392	\$ 2,165,000	\$ 11,933,506	\$ 500,000	\$ -	\$ 66,430,000	\$ 100,706,937	\$ -	\$ 366,430,835	2.71%	\$ 2,114
2015	177,986,405	2,060,000	7,785,280	500,000	-	64,545,000	-	-	341,341,262	2.45%	1,912
2016	194,050,721	1,335,000	3,577,342	500,000	-	62,585,000	-	-	350,274,095	2.42%	1,912
2017	185,410,013	810,000	729,168	500,000	-	36,602,380	-	-	316,549,911	2.00%	1,691
2018	173,032,612	425,000	7,331,809	500,000	-	52,230,717	-	-	323,957,834	1.95%	1,698
2019	162,880,690	170,000	8,549,491	500,000	-	49,302,803	80,230,517	-	301,633,501	1.64%	1,540
2020	177,386,774	-	7,799,885	600,000	-	45,300,105	81,223,600	-	312,310,364	1.55%	1,542
2021	167,095,440	-	9,445,016	600,000	-	41,236,268	87,705,329	-	306,082,053	1.41%	1,465
2022	156,293,821	-	9,990,367	600,000	3,368,429	36,935,572	85,938,064	57,039	293,183,292	n/a	1,371
2023	143,794,185	-	8,838,763	600,000	9,625,647	32,159,929	132,540,911	66,616	327,626,051	n/a	1,532

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See table XX for personal income and population data.

Table XIII
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Total Net Debt		Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
	Debt Limit	Applicable to the Limit		
2014	\$ 563,851,959	\$ 366,046,341	\$ 197,805,618	64.92%
2015	719,709,875	340,420,898	379,288,977	47.30%
2016	624,401,691	329,399,883	295,001,808	52.75%
2017	667,781,991	276,105,831	391,676,160	41.35%
2018	701,791,695	284,178,868	417,612,827	40.49%
2019	788,081,829	265,101,846	522,979,983	33.64%
2020	816,644,164	287,849,999	528,794,165	35.25%
2021	906,520,385	282,973,690	623,546,695	31.22%
2022	936,498,499	256,241,381	680,257,118	27.36%
2023	1,114,180,533	294,847,941	819,332,592	26.46%

Note: Details regarding the City's legal debt limit can be found in the notes to the financial statements

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XIV
Computation of Direct and Overlapping Debt

Government	Debt Outstanding	City's Share of Debt	
		Percentage ¹	Total
City of Sioux Falls	\$ 162,858,595	100.00%	\$ 162,858,595
Total Direct Debt			162,858,595
Sioux Falls School District	266,870,000	98.94%	264,041,178
Tri-Valley School District	59,740,000	43.00%	25,688,200
Brandon Valley School District	29,495,000	30.56%	9,013,672
Harrisburg School District	226,005,156	73.87%	166,950,009
Tea Area School District	86,211,550	90.18%	77,745,576
West Central	16,295,000	2.29%	373,156
Lennox School District	27,760,000	13.58%	3,769,808
Minnehaha County	102,815,000	76.11%	78,252,497
Lincoln County	7,121,997	66.36%	4,726,157
Total Overlapping Debt			630,560,253
Total Direct and Overlapping Debt			\$ 793,418,848

Source: The individual entity specified.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Sioux Falls. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city's boundaries and dividing it by the entity's total taxable assessed value

Table XV
Revenue Bond/Note Coverage-Sales and Use Tax
Last Ten Fiscal Years

Fiscal Year	Total Sales Tax Revenues ¹	Pledged ²			Repayment ³				
		Principal ⁴	Interest	Total Debt Service	Ratio of Sales Tax Revenues to Debt Service	Principal	Interest	Total Debt Service	Ratio of Sales Tax Revenues to Debt Service
2014	\$ 54,860,726	\$ 10,187,385	\$ 9,956,727	\$ 20,144,112	2.72	\$ 9,043,727	\$ 6,994,127	\$ 16,037,854	3.42
2015	58,087,425	9,434,952	9,644,950	19,079,902	3.04	10,261,589	6,770,714	17,032,303	3.41
2016	59,752,704	10,728,214	9,342,255	20,070,469	2.98	11,520,756	6,500,648	18,021,404	3.32
2017	60,857,879	11,387,190	10,161,146	21,548,336	2.82	10,743,992	7,097,700	17,841,692	3.41
2018	63,129,280	12,510,000	8,699,717	21,209,717	2.98	9,680,000	6,766,142	16,446,142	3.84
2019	67,476,813	12,370,000	8,424,797	20,794,797	3.24	9,615,000	6,404,629	16,019,629	4.21
2020	67,135,016	13,660,000	7,977,984	21,637,984	3.10	9,940,000	6,087,729	16,027,729	4.19
2021	79,605,916	13,225,000	8,176,645	21,401,645	3.72	9,540,000	6,446,261	15,986,261	4.98
2022	89,379,981	13,890,000	7,607,624	21,497,624	4.16	10,055,000	6,040,948	16,095,948	5.55
2023	91,478,955	15,845,000	7,026,089	22,871,089	4.00	11,660,000	5,631,828	17,291,828	5.29

¹ The sales and use tax revenues are the revenues of the City's second penny sales and use tax only (prior to 2009 the rate of the second penny was .92)

² The pledge of the second penny includes all issues that are secured on a parity basis by the City's second penny sales and use tax.

³ The repayment of the second penny shows actual debt service paid by the City's second penny sales and use tax (Sales and Use Tax Fund). This differs from the pledged as the second penny is pledged as security on issues that are being repaid by other sources.

⁴ Amounts calculated using required annual bond payments and do not include prepayments for bond refundings.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XVI
Revenue Note Coverage-Storm Drainage
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
						Principal	Interest	Total	
2014	\$ 6,731,634	\$ 34,731	\$ 6,766,365	\$ 2,275,140	\$ 4,491,225	\$ 368,616	\$ 46,858	\$ 415,474	10.81
2015	7,400,595	35,325	7,435,920	2,118,527	5,317,393	316,636	37,702	354,338	15.01
2016	8,536,236	54,774	8,591,010	2,683,830	5,907,180	307,183	29,871	337,054	17.53
2017	9,510,704	66,886	9,577,590	3,165,111	6,412,479	279,182	22,605	301,787	21.25
2018	10,280,808	120,280	10,401,088	3,191,910	7,209,178	286,227	15,560	301,787	23.89
2019	11,122,896	218,229	11,341,125	3,058,542	8,282,583	293,450	89,408	382,858	21.63
2020	12,214,239	92,666	12,306,905	3,138,989	9,167,916	952,243	82,666	1,034,909	8.86
2021	11,376,491	(12,467)	11,364,024	3,092,839	8,271,185	829,505	76,462	905,968	9.13
2022	12,050,967	(155,666)	11,895,301	3,774,454	8,120,847	862,738	92,570	955,308	8.50
2023	12,830,852	609,672	13,440,524	3,885,576	9,554,948	1,185,311	95,513	1,280,824	7.46

Note: Pursuant to statutory changes, qualifying revenues were changed in 2005 to include investment revenue and cost recoveries.

Table XVII
Revenue Note Coverage-Water
Last Ten Fiscal Years

Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				Coverage
						Principal		Interest	Total	
						Revenue Bonds	State Revolving Fund			
2014	\$ 31,959,833	\$ 475,930	\$ 32,435,763	\$ 14,644,709	\$ 17,791,054	\$ 1,815,000	\$ 4,285,188	\$ 3,517,751	\$ 9,617,939	1.85
2015	32,745,819	1,104,389	33,850,208	15,827,688	18,022,520	1,885,000	3,890,932	3,356,111	9,132,043	1.97
2016	35,061,789	1,032,509	36,094,298	16,000,976	20,093,322	1,960,000	3,655,509	3,189,064	8,804,573	2.28
2017	35,680,449	1,378,125	37,058,574	16,659,216	20,399,358	2,085,000	2,765,783	3,139,036	7,989,818	2.55
2018	34,480,725	1,242,717	35,723,442	17,229,226	18,494,216	2,095,000	2,832,576	1,696,593	6,624,169	2.79
2019	33,393,265	1,435,605	34,828,870	15,953,676	18,875,194	2,300,000	3,537,352	1,506,627	7,343,979	2.57
2020	39,680,667	1,732,224	41,412,891	18,216,121	23,196,770	2,600,000	1,143,541	1,352,555	5,096,096	4.55
2021	40,588,378	2,399,767	42,988,145	18,469,305	24,518,840	2,700,000	979,799	1,190,987	4,870,786	5.03
2022	41,029,032	1,567,132	42,596,164	19,716,607	22,879,557	2,800,000	-	1,050,000	3,850,000	5.94
2023	44,822,440	2,089,067	46,911,507	20,220,346	26,691,161	3,100,000	-	908,125	4,008,125	6.66

Statistics (Unaudited)

**Table XVIII
Revenue Note Coverage-Water Reclamation
Last Ten Fiscal Years**

Fiscal Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
						Principal	Interest	Total	Coverage
2014	\$ 23,654,728	\$ 1,455,887	\$ 25,110,615	\$ 8,699,908	\$ 16,410,707	\$ 8,235,758	\$ 1,563,189	\$ 9,798,947	1.67
2015	25,474,334	1,892,830	27,367,164	9,320,423	18,046,741	9,202,746	1,458,251	10,660,997	1.69
2016	23,926,310	1,887,529	25,813,839	9,249,831	16,564,008	9,351,715	1,267,455	10,619,170	1.56
2017	24,559,960	2,054,034	26,613,994	9,721,395	16,892,599	9,252,159	1,265,966	10,518,125	1.61
2018	26,607,934	2,173,639	28,781,573	10,500,011	18,281,562	9,137,643	1,023,389	10,161,032	1.80
2019	28,590,693	2,678,939	31,269,632	11,056,234	20,213,398	10,806,527	906,073	11,712,600	1.73
2020	30,453,984	8,008,185	38,462,169	11,594,661	26,867,508	8,501,779	931,626	9,433,405	2.85
2021	31,673,156	4,301,302	35,974,458	11,786,413	24,188,045	8,930,900	1,021,871	9,952,771	2.43
2022	33,722,856	2,291,566	36,014,422	13,070,452	22,943,970	10,023,408	1,291,611	11,315,018	2.03
2023	35,499,565	3,505,231	39,004,796	14,058,773	24,946,023	8,751,759	1,383,457	10,135,217	2.46

Note: Pursuant to statutory changes, qualifying revenues were changed in 2005 to include investment revenue and cost recoveries.

**Table XIX
Revenue Note Coverage-Public Parking
Last Ten Fiscal Years**

Fiscal Year	Operating Revenue	Other Qualifying Revenue	Total Qualifying Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
						Principal	Interest	Total	Coverage
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	3,043,277	310,716	3,353,993	1,874,046	1,479,947	735,000	397,653	1,132,653	1.31
2019	3,171,168	281,409	3,452,577	1,660,202	1,792,375	455,000	587,043	1,042,043	1.72
2020	2,585,491	86,409	2,671,900	1,377,086	1,294,814	1,120,000	574,005	1,694,005	0.76
2021	2,692,493	(2,555)	2,689,938	1,358,593	1,331,345	985,000	544,759	1,529,759	0.87
2022	2,805,290	28,724	2,834,014	1,596,573	1,237,441	1,035,000	516,676	1,551,676	0.80
2023	3,044,194	189,015	3,233,209	1,434,221	1,798,988	1,085,000	486,136	1,571,136	1.15

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XX
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population ¹	MSA Population ²	Personal Income (in thousands) ³	Per Capita Personal Income ³	Annual Pay for Workers Covered by Unemployment ⁴	Annual Average Labor Force ⁴	Annual Average Employment ⁴	Annual Average Unemployment Rate ⁴	School Enrollment ⁵
2014	169,800	240,202	\$ 12,067,800	\$ 48,592	\$ 43,139	141,677	137,641	2.9%	23,954
2015	173,300	247,800	13,541,813	53,769	44,885	145,453	141,742	2.6%	23,281
2016	178,500	256,250	13,925,347	54,454	46,035	147,694	143,992	2.5%	23,679
2017	183,200	259,094	14,495,500	55,947	47,313	150,227	146,317	2.6%	24,866
2018	187,200	267,293	15,811,766	59,250	48,736	152,136	148,418	2.5%	24,987
2019	190,750	272,500	16,631,099	62,003	50,378	155,553	151,574	2.5%	25,167
2020	195,850	276,730	18,360,818	67,117	55,066	156,271	149,984	4.3%	24,856
2021	202,600	284,800	20,179,679	71,570	57,300	158,800	154,428	2.8%	24,949
2022	208,900	291,300	21,639,890	74,725	60,563	163,101	159,830	2.0%	25,124
2023	213,891	297,247	n/a	n/a	n/a	165,869	162,978	1.8%	25,228

¹ Source: City Planning Department end of year estimates

² Source: South Dakota Department of Labor and U.S. Census Bureau mid-year population estimates (as of July 1st each year)

³ Source: South Dakota Department of Labor and U.S. Bureau of Economic Analysis (for the Sioux Falls Metropolitan Statistical Area)

⁴ Source: South Dakota Department of Labor (for the Sioux Falls Metropolitan Statistical Area)

⁵ Source: South Dakota Department of Education fall enrollment (for Sioux Falls Public Schools)

Note: n/a denotes that more recent data is not available as of the publication date of this report.

Table XXI
Major Employers
Current Year and Ten Years Ago

Employer	Type of Business	2023			2014		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Sanford Health (Sioux Valley Hospital)	Health Care	9,885	1	6.1%	8,571	1	6.2%
Avera Health	Health Care	7,221	2	4.4%	6,259	2	4.5%
Sioux Falls School District	Education	3,699	3	2.3%	3,000	4	2.2%
Smithfield Foods (John Morrell)	Meat Processing	3,262	4	2.0%	3,350	3	2.4%
Hy-Vee Food Stores	Retail Grocery	2,613	5	1.6%	2,813	6	2.0%
Wells Fargo	Financial	1,855	6	1.1%	2,884	5	2.1%
City of Sioux Falls	Government	1,721	7	1.1%	1,159	9	0.8%
Walmart/Sam's Club	Retail	1,628	8	1.0%	-	-	0.0%
Citigroup	Financial	1,300	9	0.8%	2,300	7	1.7%
Dept of Veterans Affairs Medical & Regional Office	Health Care	1,292	10	0.8%	-	-	0.0%
LifeScape	Health Care	-	-	-	1,151	10	0.8%
Evangelical Lutheran Good Samaritan Society	Medical	-	-	-	1,363	8	1.0%
Totals		34,476		21.2%	32,850		23.9%

Source: Sioux Falls Development Foundation

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XXII
Nonfarm Wage and Salaried Workers
Sioux Falls MSA Annual Averages
Last Ten Fiscal Years

Industry	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Natural Resources, Mining & Construction	7,500	7,900	8,200	8,500	8,700	9,300	9,400	10,200	10,600	11,200
Manufacturing	13,600	13,600	13,500	13,900	14,500	14,400	14,000	14,400	14,600	15,000
Wholesale Trade	8,000	8,200	8,300	8,200	8,300	8,500	8,500	8,700	9,000	9,400
Retail Trade	18,100	18,400	18,900	18,400	17,800	18,500	17,800	18,500	19,000	20,100
Transportation, Warehousing & Utilities	5,400	5,600	5,500	5,500	5,600	5,800	5,600	5,700	6,100	6,100
Information	2,700	2,700	2,600	2,600	2,500	2,600	2,500	2,600	2,600	2,600
Financial Activities	16,100	16,200	15,800	15,700	15,800	15,800	15,400	15,200	15,200	14,900
Professional & Business Services	14,000	14,200	14,700	14,900	15,700	15,700	15,300	15,900	17,200	16,700
Private Education & Health Services	29,600	30,400	31,100	32,000	32,400	33,200	33,800	34,400	35,300	37,200
Leisure & Hospitality	14,200	14,600	15,100	15,400	15,600	15,600	13,300	15,000	16,300	16,900
Other Services	4,800	4,900	5,100	5,900	6,100	5,900	5,800	6,000	6,500	6,600
Total Government	13,300	13,500	13,800	14,400	14,700	14,600	14,400	14,900	15,100	15,500
Total	147,300	150,200	152,600	155,400	157,700	159,900	155,800	161,500	167,500	172,200

Source: South Dakota Department of Labor, Labor Market Information Center, produced in cooperation with the U.S. Bureau of Labor Statistics
Note: Totals may not sum due to rounding.

Table XXIII
Building Permit and Construction Values
Last Ten Fiscal Years

Fiscal Year	New Non-Residential		New Residential		Existing		Total			City Square Miles
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	New Residential Units	Value	
2014	53	\$ 81,452,946	897	\$ 254,463,649	13,995	\$ 283,585,645	14,945	2,056	\$ 619,502,240	75.58
2015	156	250,760,624	933	171,611,176	11,002	253,920,491	12,091	1,738	676,292,291	76.04
2016	121	303,066,532	1,060	198,625,903	6,208	200,159,054	7,389	2,647	701,851,489	77.80
2017	173	268,943,178	1,191	231,818,332	5,391	238,563,308	6,755	2,410	739,324,818	78.21
2018	128	302,273,068	1,077	221,750,033	5,668	262,576,554	6,873	2,202	786,599,655	78.94
2019	96	317,691,673	1,000	215,865,900	6,259	237,926,025	7,355	1,642	771,483,598	79.81
2020	137	488,361,738	1,146	248,917,623	5,939	182,322,751	7,222	2,717	919,602,112	80.12
2021	390	536,856,433	1,311	300,325,906	6,238	303,070,052	7,939	3,132	1,140,252,391	81.38
2022	480	1,215,430,436	1,079	234,006,901	11,171	480,566,470	12,730	4,384	1,930,003,807	83.34
2023	313	618,767,879	773	183,516,693	6,238	313,386,834	7,324	2,682	1,115,671,406	84.28

Source: Sioux Falls Planning and Building Services Department as measured by issued permits excluding state/federal projects

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XXIV
City Government Employees by Function/Program
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Mayor	4	7	7	3	5	4	5	5	4	5
Finance	24	25	26	32	28	28	28	28	29	31
Attorney	13	14	15	15	15	15	15	15	16	17
Human Resources	13	13	13	13	14	14	16	16	16	17
City Council	16	16	16	16	16	16	16	16	16	14
Facilities Management	18	19	20	21	21	26	26	27	27	28
Innovation and Technology	26	26	26	32	34	36	37	38	40	44
Communications	14	14	15	15	15	19	20	19	21	21
Total General Government	<u>128</u>	<u>134</u>	<u>138</u>	<u>147</u>	<u>148</u>	<u>158</u>	<u>163</u>	<u>164</u>	<u>169</u>	<u>177</u>
Public Safety										
Fire	195	210	210	208	208	208	211	226	226	228
Police	269	282	289	296	300	306	311	316	321	325
Total Public Safety	<u>464</u>	<u>492</u>	<u>499</u>	<u>504</u>	<u>508</u>	<u>514</u>	<u>522</u>	<u>542</u>	<u>547</u>	<u>553</u>
Highways and Streets										
Public Works										
Administration	6	4	4	4	5	5	5	5	8	8
Engineering	67	70	70	63	52	52	53	53	52	52
Street Maintenance	50	50	50	50	50	50	50	47	49	51
Street Lights and Traffic	0	0	0	0	10	10	10	10	10	10
Storm Drainage	0	0	0	8	8	8	9	13	15	15
Total Highways and Streets	<u>123</u>	<u>124</u>	<u>124</u>	<u>125</u>	<u>125</u>	<u>125</u>	<u>127</u>	<u>128</u>	<u>134</u>	<u>136</u>
Public Health	71	73	78	78	80	82	83	84	84	86
Culture and Recreation										
Libraries	63	63	63	63	63	63	62	62	62	63
Parks and Recreation	70	72	76	74	75	75	78	78	78	80
Total Culture and Recreation	<u>133</u>	<u>135</u>	<u>139</u>	<u>137</u>	<u>138</u>	<u>138</u>	<u>140</u>	<u>140</u>	<u>140</u>	<u>143</u>
Urban and Economic Development										
Planning and Development Services	42	43	45	46	50	49	50	51	53	55
Economic Development	5	6	6	6	0	0	0	0	0	0
Affordable Housing	11	13	13	6	6	6	6	6	6	6
Total Urban and Economic Development	<u>58</u>	<u>62</u>	<u>64</u>	<u>58</u>	<u>56</u>	<u>55</u>	<u>56</u>	<u>57</u>	<u>59</u>	<u>61</u>
Enterprise										
Fleet	20	22	24	27	27	27	25	26	26	26
Power and Distribution	12	12	12	12	12	12	12	12	14	14
Public Parking	12	11	11	11	11	11	11	10	9	9
Sanitary Landfill	28	28	28	28	28	28	27	25	26	28
Water	63	63	63	63	63	63	63	64	67	68
Water Reclamation	52	51	54	47	47	47	51	54	55	56
Total Enterprise	<u>187</u>	<u>187</u>	<u>192</u>	<u>188</u>	<u>188</u>	<u>188</u>	<u>189</u>	<u>191</u>	<u>197</u>	<u>201</u>
Total	<u><u>1164</u></u>	<u><u>1207</u></u>	<u><u>1234</u></u>	<u><u>1237</u></u>	<u><u>1243</u></u>	<u><u>1260</u></u>	<u><u>1280</u></u>	<u><u>1306</u></u>	<u><u>1330</u></u>	<u><u>1357</u></u>

Source: City Human Resources Department

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XXV
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Number of Employees (Uniformed)	184	195	195	195	195	195	195	209	209	210
Number of Employees (Non-Uniform)	15	15	15	13	13	13	14	17	17	18
Total Responses	11,635	12,608	12,924	12,830	12,854	13,606	14,345	14,509	15,554	15,478
Structure Fires	136	134	139	166	149	162	209	176	194	155
Vehicle Fires	82	16	67	88	88	50	76	59	59	65
EMS Calls	6,227	6,793	6,821	6,760	6,487	6,487	7,276	7,487	8,045	8,328
Water Hydrants	7,986	8,209	8,343	8,513	8,734	8,865	9,089	9,349	9,636	9,874
Fire Insurance Rating	3	1	1	1	1	1	1	1	1	1
Police										
Number of Sworn Officers	244	247	247	256	263	269	274	280	284	288
Number of Civilian Employees	33	35	37	37	37	37	37	36	37	37
Aggravated Assaults	507	584	621	562	600	722	1017	961	1031	1047
Arsons	27	28	48	47	41	31	47	40	43	35
Auto Thefts	346	472	697	544	638	759	1,121	1,337	1,361	1,602
Burglaries	846	973	896	667	682	718	775	819	858	825
Drunk Driving Arrests	1,106	1,128	1,152	1,220	1,009	904	862	870	769	739
Homicides	6	3	6	10	8	8	13	5	7	2
Larcenies	4,242	4,885	4,822	4,545	5,049	5,321	5,333	5,427	5,847	6,079
Rapes	148	138	160	122	128	121	116	119	90	66
Robberies	98	110	132	103	119	98	136	113	169	144
Traffic Citations Issued	28,613	27,386	29,491	32,283	24,607	24,322	25,282	25,741	23,015	21,920
Highways and Streets										
Snow Events	5	6	3	5	7	7	2	3	2	4
Pothole Patching (Tons)	479	645	906	704	749	1,587	1,095	956	597	1,112
Street Sweeping (Curb Miles)	9,922	5,572	9,098	9,660	9,500	7,900	10,354	9,135	10,845	9,235
Library										
Number of Items Borrowed	2,150,983	2,140,127	2,345,779	2,366,356	2,225,400	2,114,823	1,381,668	1,725,946	1,797,523	1,979,881
Number of Active Library Cardholders	101,452	94,997	94,515	93,356	97,122	103,840	96,842	89,354	87,386	84,935
Power and Distribution										
Private Accounts	2,308	2,242	2,308	2,316	2,319	2,407	2,506	2,504	2,522	2,513
Governmental Accounts	332	429	420	403	396	512	464	412	409	406
Kilowatt Hours Sold	84,929,000	85,075,089	83,566,165	84,529,684	84,859,014	83,669,155	82,285,608	83,870,145	83,566,619	89,825,006
Capacity (KVA)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	25,000	25,000

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XXV (cont)
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Parks and Recreation										
Rounds of Golf Played (all courses)	93,252	91,412	85,719	92,081	75,850	84,401	97,351	105,400	105,998	118,009
Special Events	379,110	450,074	402,223	306,840	276,845	294,686	58,549	155,729	189,245	178,865
Pool Attendance (indoor pool added in 2016)	226,445	265,733	299,344	394,348	409,195	386,848	93,006	350,497	418,355	420,712
Public Parking										
Parking Ramps-Parking Spaces	1,621	1,621	1,621	1,611	1,608	1,796	2,326	2,326	2,326	2,326
Surface Parking Lots-Parking Spaces	900	900	804	726	580	604	643	641	591	591
Total Spaces Available for Lease	2,381	2,381	2,327	2,337	2,188	2,400	2,969	2,967	2,917	2,917
On Street Parking Meters	899	899	899	855	866	866	967	960	866	866
On Street Handicapped Spaces	37	37	37	37	37	37	37	37	37	37
Total Number of Parking Spaces	3,487	3,487	3,391	3,391	3,091	3,303	3,973	3,994	3,944	3,944
Lease Rate	83%	90%	100%	98%	98%	94%	66%	65%	71%	70%
Transit										
Ridership-Transit	955,357	885,143	802,575	796,663	782,129	769,437	445,205	400,692	385,565	506,020
Ridership-Paratransit	132,387	121,398	113,377	101,046	91,407	82,636	38,288	50,022	54,388	53,354
Regular Routes	12	12	12	12	12	12	12	12	12	12
Seasonal Routes	4	4	-	-	-	-	-	-	-	-
Miles Driven-Transit	758,385	776,323	763,809	759,595	747,922	746,493	660,906	667,702	536,316	573,973
Miles Driven-Paratransit	634,745	603,599	559,209	533,605	497,412	470,058	277,513	331,757	372,310	357,092
Sanitary Landfill										
MSW Landfill Closure Year	2076	2082	2076	2075	2076	2075	2075	2075	2075	2,072
MSW Tons Received	172,388	161,116	174,109	181,795	184,996	205,957	198,496	211,669	211,251	214,302
C&D Landfill Closure Year	2044	2058	2058	2058	2059	2061	2027	2027	2026	2,025
C&D Tons Received	69,953	66,003	66,138	59,992	60,807	68,255	68,349	77,500	118,290	101,796
Cubic Feed of Landfill Gas Sold	978,306,173	919,412,596	867,693,000	809,219,262	720,781,000	602,435,000	358,552,817	524,208,000	536,991,000	454,177,000
Water										
Customers	51,380	52,622	53,145	54,095	56,500	57,359	58,563	59,763	61,910	63,190
Daily Plant Capacity (thousands of gallons)	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Average Daily Consumption (thousands of gallon)	19,994	19,406	20,850	21,167	19,769	18,826	21,891	22,259	22,421	24,339
Wastewater										
Customers	50,496	51,813	52,606	53,750	54,979	56,365	57,198	58,409	59,681	61,022
Daily Plant Capacity (thousands of gallons)	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Average Daily Flow-Domestic (thousands)	11,235	11,137	12,639	12,460	12,476	12,679	12,612	12,578	12,789	13,167
Average Daily Flow-Industrial (thousands)	659	754	678	694	766	768	626	682	605	706
Average Daily Flow-Extraneous (thousands)	3,182	1,534	4,836	3,241	7,672	9,789	4,608	3,320	3,256	3,297

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XXVI

Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Fire Stations	10	11	11	11	11	11	11	12	12	12
Fire Training Center	1	1	1	1	1	1	1	1	1	1
Fire Trucks	19	20	20	20	20	20	20	22	22	22
Emergency Management										
Emergency Warning Sirens	75	75	77	77	78	79	79	80	80	81
Police										
Patrol Units (marked)	72	68	68	68	72	72	72	80	82	84
Highways and Streets										
Streets paved (centerline miles)	921	928	946	959	977	995	1,010	1,028	1,060	1,115
Street Lights	18,450	19,006	19,447	20,121	19,652	20,642	21,550	21,871	22,480	22,839
Traffic Signals	258	266	267	270	272	278	280	290	296	299
Library										
Books	250,879	245,372	230,312	231,442	228,571	222,982	223,734	221,377	225,579	229,294
eMaterials	23,646	23,406	19,771	23,518	28,915	32,509	31,078	35,623	38,682	41,751
Audio/Visual Items	50,426	52,337	51,555	49,352	50,141	48,597	47,674	45,340	46,016	46,021
Decrease due to removal of old, outdated, and unused books and audio/visual items.										
Power and Distribution										
Primary three-phase distribution lines (miles)	92	93	96	96	95	95	83	82	81	80
Underground distribution lines (miles)	60	60	60	65	65	63	65	68	69	73
Parks and Recreation										
Acreage	3,161	3,178	3,178	3,178	3,349	3,346	3,367	3,392	3,393	3,452
Parks	78	80	80	80	80	80	80	81	81	81
Swimming Pools	6	5	6	6	6	6	6	6	6	6
Wading Pools	3	3	3	3	3	3	3	3	3	3
Spray Parks	1	1	1	2	2	2	2	2	3	3
Soccer Fields	60	60	60	60	60	60	60	61	61	61
Tennis Courts	41	41	40	40	40	40	40	40	48	46
Golf Courses	3	3	3	3	3	3	3	3	3	3
Football Fields	13	13	13	13	13	14	14	14	14	14

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Statistics (Unaudited)

Table XXVI (cont)
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Parks and Recreation (cont)										
Baseball Fields	34	34	34	33	33	33	33	35	35	35
Softball Fields	74	74	73	73	73	73	73	70	70	70
Zoo	1	1	1	1	1	1	1	1	1	1
Park Bandshells	2	2	2	2	2	2	2	2	2	3
Moveable Bandshell	1	1	1	1	1	1	1	1	1	1
Greenway Recreation Trail (Miles)	27.95	27.95	28.95	28.95	30.20	36.87	36.87	36.87	36.87	36.87
Winter Recreation/Ski Area	1	1	1	1	1	1	1	1	1	1
Skate Park	2	2	2	2	2	2	2	2	2	2
Outdoor Ice Rinks (Seasonal)	6	6	6	6	6	6	6	6	6	6
Volleyball Courts (Sand)	18	18	17	16	16	18	18	18	15	15
Community Centers (School Owned)	5	5	5	5	5	5	5	5	5	5
Public Parking										
Parking Ramps	4	4	4	4	4	5	6	6	6	6
Surface Parking Lots	14	14	14	13	11	11	11	11	10	10
Sanitary Landfill										
Landfill area (acres)	706	706	706	783	783	783	783	783	783	783
Transit										
Fixed Route Buses	31	31	29	25	26	26	26	26	26	26
Paratransit Buses	23	23	23	27	25	25	25	23	21	21
Water										
Water Mains (miles)	1,000	1,020	1,036	1,055	1,077	1,091	1,100	1,146	1,172	1,196
Wellfield (miles)	57	57	57	57	57	61	61	61	62	61
Wastewater										
Storm Sewer (miles)	419	428	449	459	470	485	596	614	626	638
Sanitary Sewer (miles)	860	870	886	899	917	927	941	954	971	990



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 Honorable Mayor and Members of the City Council
City of Sioux Falls
Sioux Falls, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sioux Falls, as of and for the year then ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Sioux Falls’ basic financial statements and have issued our report thereon dated March 29, 2024. Our report includes a reference to other auditors who audited the financial statements of the Housing and Redevelopment Commission, a discretely presented component unit, as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
March 29, 2024



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Sioux Falls’ compliance with the types of compliance requirements identified as subject to audit in the 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, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City’s basic financial statements include the operations of the Housing and Redevelopment Commission (discretely presented component unit), which expended \$15,666,746 in federal awards which is not included in the City’s schedule of expenditures of federal awards during the year ended December 31, 2023. Our compliance audit, described in the “Opinion on Each Major Federal Program” does not include the operations of the Housing and Redevelopment Commission because the component unit has a separately issued audit in accordance with 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).

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the 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 the 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 in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sioux Falls as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 29, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Sioux Falls, South Dakota
March 29, 2024

**City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023**

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Sub- recipients
Department of Housing and Urban Development				
<i>Direct Federal Funding:</i>				
<i>Community Development Block Grants/Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218		\$ 1,263,506	\$ 221,314
COVID-19-Community Development Block Grants/Entitlement Grants	14.218		636,918	634,892
			1,900,424	
Home Investment Partnerships Program	14.239		521,585	342,262
Total Department of Housing and Urban Development				2,422,009 1,198,468
Department of Interior				
<i>Indirect Federal Funding passed through:</i>				
<i>State Historical Preservation Office</i>				
Historic Preservation Fund Grants-In-Aid	15.904	SD-22-10028		16,367 -
Department of Justice				
<i>Direct Federal Funding:</i>				
<i>Edward Byrne Memorial Justice Assistance Grant</i>				
Edward Byrne Memorial Justice Assistance Grant Program - 2022	16.738		\$ 156,384	54,734
Edward Byrne Memorial Justice Assistance Grant Program - 2023	16.738		10,667	10,667
Total 16.738			167,051	65,401
<i>Public Safety Partnership & Community Policing Grant</i>				
Cops Hiring Program (CHP)	16.710		32,588	-
Cops Hiring Program (CHP)	16.710		100,013	-
Law Enforcement Mental Health and Wellness	16.710		37,722	-
Total 16.710			170,323	-
Equitable Sharing Program	16.922		29,724	-
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Division of Criminal Investigations</i>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0003	46,439	-
Total Department of Justice				413,537 65,401
Department of Transportation				
<i>Direct Federal Funding:</i>				
<i>Federal Transit Formula Grants</i>				
Federal Transit Formula Grants	20.507		\$ 4,592,407	-
COVID-19 - CARES Act - Federal Transit Formula Grants	20.507		3,986,376	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526		975,024	-
Total Federal Transit cluster			9,553,807	-
<i>Indirect Federal Funding passed through:</i>				
<i>South Eastern Council of Governments</i>				
Highway Planning and Construction	20.205	311603	889,870	-
<i>National Highway Traffic Safety Administration</i>				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	2024-00-58	370,988	-
			370,988	-
<i>State of South Dakota</i>				
HAZMAT Public Sector Training and Planning Grant	20.703	693JK322NF0011HMPEP	19,230	-
Total Department of Transportation				10,833,895 -
Department of Treasury				
<i>Direct Federal Funding:</i>				
<i>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		5,820,274	1,346,596
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Agriculture and Natural Resources</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	*	29,621,935	-
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Health</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	*	146,000	-
Total Department of Treasury				35,588,209 1,346,596

* No Pass-Through Identification Number Given
See Notes to Schedule of Expenditures of Federal Awards.

**City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023**

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Sub- recipients
Equal Employment Opportunity Commission				
<i>Direct Federal Funding:</i>				
Clearinghouse Services, Civil Rights Discrimination Complaints	29.001		14,830	-
Environmental Protection Agency				
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Agriculture and Natural Resources</i>				
<i>Clean Water State Revolving Fund Cluster</i>				
Clean Water State Revolving Fund	66.458	*	62,431,053	-
<i>Drinking Water State Revolving Fund Cluster</i>				
Drinking Water State Revolving Fund Cluster	66.468	*	1,760,473	-
Department of Health and Human Services				
<i>Direct Federal Funding:</i>				
US Dept of Health & Human Services				
<i>Health Center Cluster</i>				
Health Center Program-CHC23	93.224		\$ 1,377,909	-
COVID-19-Health Center Program-ARP21	93.224		1,430,793	-
Total 93.224			<u>2,808,702</u>	-
Grants for New and Expanded Services under HCP-CHC23	93.527		1,670,295	-
COVID-19-Health Center Infrastructure Support-ARC21	93.527		566,357	-
Total 93.527			<u>2,236,652</u>	-
Total Health Center Cluster			5,045,354	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		98,524	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		263,235	-
Total 93.918			361,759	-
<i>Indirect Federal Funding passed through:</i>				
<i>National Environmental Health Association</i>				
<i>Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health</i>				
	93.421	*	1,000	-
<i>Community HealthCare Association of the Dakotas</i>				
<i>Cooperative Agreements for Diabetes Control Programs-23AZA</i>				
	93.988	*	5,993	-
<i>South Dakota Office of Child and Family Services</i>				
<i>Family Planning Services</i>				
	93.217	*	13,072	-
<i>South Dakota Office of Public Health Preparedness and Response</i>				
<i>Public Health Emergency Preparedness-22PHP/CRI</i>				
Public Health Emergency Preparedness-23PHP/CRI	93.069	*	96,114	-
Public Health Emergency Preparedness-23PHP/CRI	93.069	*	68,929	-
Total 93.069			<u>165,043</u>	-
COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	*	324,354	-
<i>South Dakota Office of Chronic Disease Prevention and Health Promotion</i>				
<i>Activities to Support State, Tribal, Local and Territorial (STLT) Health Dept. Response to Public Health or Healthcare Crises</i>				
COVID-19-Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	*	56,473	-
COVID-19-Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	*	86,613	-
Total 93.391			<u>143,086</u>	-
Prevention and Management of Diabetes, Heart Disease, and Stroke	93.426	*	1,489	-
HIV Prevention Activities-Health Department Based	93.940	*	7,364	-
HIV Prevention Activities-Health Department Based	93.940	*	49,843	-
Total 93.940			<u>57,207</u>	-
Organized Approaches to Increase Colorectal Cancer Screening	93.800	*	14,907	-
Organized Approaches to Increase Colorectal Cancer Screening	93.800	*	26,317	-
Organized Approaches to Increase Colorectal Cancer Screening Follow-up After Positive CRC Test	93.800	*	7,002	-
Total 93.800			<u>48,226</u>	-
Total Department of Health and Human Services			6,166,583	-

* No Pass-Through Identification Number Given
See Notes to Schedule of Expenditures of Federal Awards.

City of Sioux Falls
Annual Comprehensive Financial Report
December 31, 2023

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Sub- recipients
<u>Department of Homeland Security</u>				
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Department of Public Safety</i>				
Homeland Security Grant Program-SHSP Local Regional Response	97.067	GY21-9438	\$ 161,732	-
Homeland Security Grant Program	97.067	2022-SS-00008-S01	12,100	-
Homeland Security Grant Program	97.067	2022-SS-00008-S01	45,995	-
Homeland Security Grant Program	97.067	2022-SS-00008-S01	31,466	-
Total 97.067			251,293	
Disaster Grants-Public Assistance (Presidentially Declared Disaster)	97.036	DR-4440-SD	99,162	-
Disaster Grants-Public Assistance (Presidentially Declared Disaster)	97.036	DR-4469-SD	42,692	-
Disaster Grants-Public Assistance (Presidentially Declared Disaster)	97.036	DR-4656-SD	437,499	-
Total 97.036			579,353	-
Total Department of Homeland Security				830,646
<u>Executive Office of the President - Office of National Drug Control Policy</u>				
<i>Indirect Federal Funding passed through:</i>				
<i>South Dakota Division of Criminal Investigations</i>				
High Intensity Drug Trafficking Areas Program	95.001	G21MW0004A	184,945	-
Total Federal Financial Assistance			\$ 120,662,547	\$ 2,610,465

* No Pass-Through Identification Number Given
See Notes to Schedule of Expenditures of Federal Awards.

Notes Schedule of Expenditures of Federal Awards

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Sioux Falls, under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of the 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 of Sioux Falls, it is not intended to and does not present the financial position, changes in net assets, net position or fund balance, or cash flows of the City.

Note B – Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, 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.

Note C – Indirect Cost Rate

The City has not elected to use the 10% de minimus cost rate.

Note D – Notes Payable

Expenditures reported in this schedule consist of a portion of the beginning of year outstanding State Revolving Fund loan balances plus advances made on the loans during the year. The outstanding balances of these loans at December 31, 2023 was \$132,540,911.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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 Uniform Guidance 2 CFR 200.516(a):	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Clean Water State Revolving Fund (CWSRF) Cluster	66.458
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

This page intentionally left blank.

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings
December 31, 2023

Prepared by Management of
City of Sioux Falls, South Dakota

Financial Statement Finding**Finding 2022-001 Reporting***Initial Fiscal Year Finding Occurred: 2022*

Finding Summary: It was noted during the 2022 audit that the City had a construction in progress at December 31, 2022 and the retainage payable portion of the contract was not recorded as a liability at year-end.

The City has implemented additional monitoring procedures over the reporting of year-end liabilities including reviewing all year-end construction projects and submissions for payments for possible retainage payable liabilities by members of the finance staff.

Status: Corrected

Federal Award Finding**Finding 2022-002 Procurement Suspension, Debarment**

Federal Agency Name: Department of Treasury

Pass-Through Entity: South Dakota Department of Agriculture and Natural Resources

Assistance Listing Number: 21.027

Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: The City did not include all required Uniform Guidance contract provisions in a Construction Manager at Risk contract.

The City has included a secondary review by some outside the contract writers to insure that these provisions are included in any future contracts. The missing provisions have also been amended and added in the contract that was tested as part of this finding as well.

Status: Corrected

