

CITY OF PHILIP, SOUTH DAKOTA

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

DECEMBER 31, 2020

CITY OF PHILIP

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*Wahlenberg
Ritzman & Co., LLC*
certified public accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Philip, South Dakota (the City)**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

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CITY OF PHILIP

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity ID Number</u>		<u>Disbursements/ Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION:				
Passed through the State of South Dakota Department of Transportation:				
Airport Improvement Program	20.106			
3-46-0043-12-2019		716952	\$ 471,865	
CARES Act		717242	<u>20,000</u>	<u>\$ 491,865</u>
Total U.S. Department of Transportation				<u>491,865</u>
U.S. DEPARTMENT OF TREASURY:				
Passed through the SD Bureau of Finance and Management				
Coronavirus Relief Fund	21.019	CRF12054958		<u>166,130</u>
Total U.S. Department of Treasury				<u>166,130</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed through the SD Department of Public Safety-Office of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4463-PA-00042		<u>120,201</u>
Total U.S. Department of Homeland Security				<u>120,201</u>
Total Federal Funding				<u>\$ 778,196</u>

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City under programs of the general government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

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

CITY OF PHILIP

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2020**

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

There are no financial statement audit findings reported.

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

There are no major federal award program audit findings reported.