

**BISON SCHOOL DISTRICT NO. 52-1
BISON, SOUTH DAKOTA
AUDIT REPORT
FOR THE YEAR THEN ENDED
JUNE 30, 2024**

BISON SCHOOL DISTRICT NO. 52-1
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' 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	1
Schedule of Prior and Current Audit Findings	2 - 4
Independent Auditors' Report	5 - 7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Governmental Funds	
Balance Sheet	10
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balance	12 - 14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	15
Proprietary Funds	
Statement of Net Position	16
Statement of Revenues, Expenses and Changes in Fund Net Position	17
Statement of Cash Flows	18
Fiduciary Funds	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Fund Net Position	20
Notes to the Financial Statements	21 - 43
Required Supplementary Information - Budgetary Comparison Schedules	
Budgetary Comparison Schedule - Budgetary Basis - General Fund	44 - 46
Budgetary Comparison Schedule - Budgetary Basis - Capital Outlay Fund	47 - 48
Budgetary Comparison Schedule - Budgetary Basis - Special Education Fund	49
Notes to Required Supplementary Information - Budgetary Comparison Schedules	50 - 51
Required Supplementary Information - Pension Schedules	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	52
Schedule of the School District Contributions	53
Notes to Required Supplementary Information - Pension Schedules	54



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**INDEPENDENT AUDITORS' 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***

School Board
Bison School District No. 52-1
Perkins County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bison School District No. 52-1, South Dakota (School District) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District'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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings, items 2024-001 and 2024-002 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bison School District No. 52-1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit. The School District's response to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Caull Bowen

Mobridge, South Dakota
October 15, 2024

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

STATUS OF PRIOR AUDIT FINDINGS

Finding Number 2023-001:

Internal control over financial reporting and compliance is not adequate.

Current Status

Condition still exists, see current audit finding number 2024-001.

Finding Number 2023-002:

The District's internal control structure does not provide for the preparation of financial statements in accordance with generally accepted accounting principles.

Current Status

Condition still exists, see current audit finding number 2024-002.

Finding Number 2023-003:

Internal controls did not identify a deficiency in setup of a payroll item leading to incorrect payroll calculations.

Current Status

This finding has been corrected.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Finding Number 2024-001:

Criteria

The internal control system of a School can help assist in achieving its performance targets and prevent the loss of resources. It helps to ensure reliable financial reporting and the compliance with laws and regulations.

Condition Found

The School District has a limited number of office personnel and, accordingly, does not have adequate internal controls in revenue, expenditures, and payroll functions because of a lack of segregation duties.

Identification of Repeat Finding

This is the seventeenth consecutive audit report in which this finding has appeared.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

Cause and Effect

The School District has one employee who prepares all the accounting records. This condition increases the risk that fraud or errors might occur in the financial reporting process.

Recommendation

We recommend a high level of awareness be maintained by management to assist in preventing, detecting, or correcting matters that may arise due to this internal control weakness. Compensating controls should be implemented as necessary.

Views of Responsible Officials and Planned Corrective Action

The School District is aware of this internal control weakness and intends to provide continuous monitoring in an effort to prevent, detect, or correct any matters that may result.

Finding Number 2024-002:

Criteria

An organization's internal control structure should provide for the preparation of financial statements in accordance with generally accepted accounting principles.

Condition Found

The School does not have an internal control system designed to provide for the preparation of the annual financial statements being audited, including required footnotes and disclosures, in accordance with generally accepted accounting principles. As auditors, we were requested to draft the financial statements.

Identification of Repeat Finding

This is the seventeenth consecutive audit report in which this finding has appeared.

Cause and Effect

The control deficiency could result in a misstatement of the financial statements. This condition may affect the School's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

Views of Responsible Officials and Planned Corrective Action

The School District has accepted the risk associated with this finding and will continue to have the audit firm prepare the financial statements.



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

School Board
Bison School District No. 52-1
Perkins County, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bison School District No. 52-1, as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bison School District No. 52-1 as of June 30, 2024, 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.

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

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District'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:

1. exercise professional judgment and maintain professional skepticism throughout the audit.
2. 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.
3. 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 School District's internal control. Accordingly, no such opinion is expressed.
4. 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.
5. conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the School District Contributions, and the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The School District has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2024 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is 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 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 School District's internal control over financial reporting and compliance.

Caill Daner

Mobridge, South Dakota
October 15, 2024

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 372,114	\$ 4,237	\$ 376,351
Investments	1,436,349	-	1,436,349
Taxes receivable	716,904	-	716,904
Inventories	-	7,355	7,355
Other assets	112,783	-	112,783
Net pension asset	4,769	165	4,934
Capital assets			
Land, improvements, and construction in progress	6,600	-	6,600
Other capital assets, net depreciation/amortization	6,148,862	41,302	6,190,164
TOTAL ASSETS	8,798,381	53,059	8,851,440
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	418,824	14,541	433,365
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 418,824	\$ 14,541	\$ 433,365

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

	Governmental Activities	Primary Government Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 55,939	\$ 486	\$ 56,425
Other current liabilities	217,906	12,295	230,201
Noncurrent liabilities			
Due within one year	144,424	-	144,424
Due in more than one year	1,940,336	202	1,940,538
TOTAL LIABILITIES	2,358,605	12,983	2,371,588
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for future period	700,371	-	700,371
Pension related deferred inflows	238,316	8,274	246,590
TOTAL DEFERRED INFLOWS OF RESOURCES	938,687	8,274	946,961
NET POSITION			
Net Investment in			
Capital Assets	4,111,784	41,302	4,153,086
Restricted for			
Capital Outlay	516,637	-	516,637
Special Education	327,285	-	327,285
SDRS Pension Purposes	185,277	6,432	191,709
Unrestricted	778,930	(1,391)	777,539
TOTAL NET POSITION	\$ 5,919,913	\$ 46,343	\$ 5,966,256

**BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues					Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
						Business-Type Activities	Total
Governmental activities							
Instruction	\$ 1,320,724	\$ 1,956	\$ 137,272	\$ -	\$ (1,181,496)	\$ -	\$ (1,181,496)
Support services	995,545	-	47,379	25,044	(948,166)	-	(948,166)
Cocurricular activities	155,906	12,759	-	-	(143,147)	-	(143,147)
* Interest on long term debt	78,089	-	-	-	(78,089)	-	(78,089)
Total governmental activities	2,550,264	14,715	184,651	25,044	(2,325,854)	-	(2,325,854)
Business-type activities							
Food services	107,718	50,609	41,729	-	-	(15,380)	(15,380)
Total business-type activities	107,718	50,609	41,729	-	-	(15,380)	(15,380)
Total primary government	\$ 2,657,982	\$ 65,324	\$ 226,380	\$ 25,044	\$ (2,325,854)	\$ (15,380)	\$ (2,341,234)
General Revenues							
Taxes							
Property taxes					1,566,467	-	1,566,467
Utility taxes					94,820	-	94,820
Revenue from state sources:							
State Aid					683,211	-	683,211
Revenue from federal sources					89,400	-	89,400
Unrestricted investments earnings					57,349	-	57,349
Other general revenues					31,282	-	31,282
Transfers					(15,000)	15,000	-
Total general revenues and transfers					2,507,529	15,000	2,522,529
Change in net position					181,675	(380)	181,295
Net position - beginning					5,747,667	46,723	5,794,390
Correction of an error (Note 16)					(9,429)	-	(9,429)
Net position - ending					\$ 5,919,913	\$ 46,343	\$ 5,966,256

* The District does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

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

**BISON SCHOOL DISTRICT NO. 52-1
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 190,587
Investments	729,925
Taxes-receivables	340,791
Taxes-delinquent	923
Accounts receivable	1,646
Due from state government	66,661
Due from federal government	44,476
TOTAL ASSETS	\$ 1,375,009
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 17,019
Contracts payable	146,993
Sales tax payable	130
Payroll deductions and withholdings payable and employer matching payable	20,790
Deposits payable	900
Total Liabilities	185,832
Deferred Inflows of Resources:	
Unavailable revenue - property taxes	923
Taxes levied for future period	332,004
Total Deferred Inflows of Resources	332,927
Fund Balances:	
Restricted	
Capital outlay	-
Special education	-
Unassigned	856,250
Total Fund Balance	856,250
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,375,009

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

Capital Outlay Fund		Special Education Fund		Total Governmental Funds
\$	127,572	\$	53,955	\$ 372,114
	398,785		307,639	1,436,349
	307,784		66,891	715,466
	370		145	1,438
	-		-	1,646
	-		-	66,661
	-		-	44,476
<u>\$</u>	<u>834,511</u>	<u>\$</u>	<u>428,630</u>	<u>\$ 2,638,150</u>
\$	15,272	\$	23,648	\$ 55,939
	-		10,003	156,996
	-		-	130
	-		1,929	22,719
	-		-	900
	<u>15,272</u>		<u>35,580</u>	<u>236,684</u>
	370		145	1,438
	302,602		65,765	700,371
	<u>302,972</u>		<u>65,910</u>	<u>701,809</u>
	516,267		-	516,267
	-		327,140	327,140
	-		-	856,250
	<u>516,267</u>		<u>327,140</u>	<u>1,699,657</u>
<u>\$</u>	<u>834,511</u>	<u>\$</u>	<u>428,630</u>	<u>\$ 2,638,150</u>

**BISON SCHOOL DISTRICT NO. 52-1
 RECONCILIATION OF GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2024**

Total Fund Balances - Governmental Funds \$ 1,699,657

Amounts reported for governmental activities in the statement of net position are different because:

Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds. 4,769

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. The capitalized cost of the capital assets is \$8,010,896 and the accumulated depreciation/amortization is (\$1,855,434) for a net amount of \$6,155,462. 6,155,462

Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds. 418,824

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of compensated absences of \$41,082, accrued interest of \$37,161, lease liability of \$34,255, and capital outlay certificates of \$2,009,423. (2,121,921)

Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are deferred in the funds. 1,438

Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds. (238,316)

Total Net Position - Governmental Funds \$ 5,919,913

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
REVENUES:	
Revenue from local sources:	
Taxes:	
Ad valorem taxes	\$ 786,452
Prior years' ad valorem taxes	2,446
Utility taxes	94,820
Penalties and interest on taxes	2,859
Earnings on investments and deposits	28,460
Cocurricular activities:	
Admissions	12,759
Other revenue from local sources:	
Contributions and donations	3,354
Charges for services	1,439
Other	17,260
Total revenue from local sources	949,849
Revenue from intermediate sources	
County sources:	
County appointment	13,882
Total revenue from intermediate sources	13,882
Revenue from state sources:	
Grants-in-aid:	
Unrestricted grants-in-aid	683,211
Restricted grants-in-aid	7,131
Other	400
Total revenue from state sources	690,742
Revenue from federal sources:	
Grants-in-aid:	
Unrestricted grants-in-aid	
Received directly from federal government	18,621
Unrestricted grants-in-aid	
Received from federal government through the state	10,822
Restricted grants-in-aid	
Received directly from federal government	1,771
Received from federal government through the state	135,265
Revenue in lieu of taxes	59,957
Total revenue from federal sources	226,436
Total revenues	\$ 1,880,909

(Continued on next page)

Capital Outlay Fund		Special Education Fund		Total Governmental Funds
\$	618,223	\$	154,807	\$ 1,559,482
	827		468	3,741
	-		-	94,820
	1,806		584	5,249
	13,044		15,845	57,349
	-		-	12,759
	13,665		-	17,019
	-		517	1,956
	206		-	17,466
	647,771		172,221	1,769,841
	-		-	13,882
	-		-	13,882
	-		-	683,211
	-		-	7,131
	-		-	400
	-		-	690,742
	-		-	18,621
	-		-	10,822
	1,272		-	3,043
	47,237		-	182,502
	-		-	59,957
	48,509		-	274,945
\$	696,280	\$	172,221	\$ 2,749,410

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
Expenditures:	
Instruction:	
Regular programs:	
Elementary	\$ 468,406
Middle/junior high	155,164
High school	307,723
Special programs:	
Programs for special education	-
Educationally deprived	79,831
Total instruction	<u>1,011,124</u>
Support services:	
Pupils:	
Guidance	66,620
Health	320
Speech pathology	-
Student therapy services	-
Instructional staff:	
Improvement of instruction	40,421
Educational media	59,906
General administration:	
Board of education	39,584
Executive administration	138,646
School administration:	
Office of the principal	58,964
Title I program administration	1,404
Other support services	126
Business:	
Fiscal services	59,867
Facilities acquisition & construction	-
Operation and maintenance of plant	236,832
Pupil transportation	65,192
Food services	4,969
Special education:	
Administrative costs	-
Total support services	<u>\$ 772,851</u>

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Capital Outlay Fund		Special Education Fund		Total Governmental Funds	
\$	14,314	\$	-	\$	482,720
	10,577		-		165,741
	30,084		-		337,807
	-		134,676		134,676
	4,156		-		83,987
	59,131		134,676		1,204,931
	-		-		66,620
	-		-		320
	-		12,076		12,076
	-		13,627		13,627
	-		-		40,421
	-		-		59,906
	-		-		39,584
	1,514		-		140,160
	-		-		58,964
	-		-		1,404
	-		-		126
	-		-		59,867
	22,736		-		22,736
	19,221		-		256,053
	27,465		-		92,657
	917		-		5,886
	-		34,374		34,374
\$	71,853	\$	60,077	\$	904,781

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
Debt Services	\$ -
Cocurricular activities:	
Male activities	27,307
Female activities	30,902
Transportation	23,434
Combined activities	51,322
Total cocurricular activities	132,965
Capital outlay	-
Total expenditures/expenses	1,916,940
Other financing sources (uses)	
Transfers in	175,000
Transfers out	(15,000)
Total other financing sources (uses)	160,000
Net change in fund balances	123,969
Fund balance - beginning	732,281
Correction of an error (Note 16)	-
Fund balance - ending	\$ 856,250

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

Capital Outlay Fund	Special Education Fund	Total Governmental Funds
\$ 207,009	\$ -	\$ 207,009
3,116	-	30,423
3,374	-	34,276
-	-	23,434
2,498	-	53,820
8,988	-	141,953
71,888	-	71,888
418,869	194,753	2,530,562
-	-	175,000
(175,000)	-	(190,000)
(175,000)	-	(15,000)
102,411	(22,532)	203,848
413,856	359,101	1,505,238
-	(9,429)	(9,429)
\$ 516,267	\$ 327,140	\$ 1,699,657

**BISON SCHOOL DISTRICT NO. 52-1
 RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT
 OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 203,848

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/amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlay. (140,608)

In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized. (466)

In both the government-wide and fund financial statements, revenues from property tax levies are applied to finance the budget of a particular period. Accounting for revenues from property tax accruals in the funds' statements differs from the accounting in the government wide statements in that the fund financial statements require the amounts to be "available". This amount reflects the application of both the application period and "availability criteria". (2,005)

Governmental funds recognize expenditures for amounts of compensated absences and early retirement benefits actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits. (10,121)

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. These expenses consist of pension expense of (\$27,897) and increase in accrued interest of (\$8,488). (36,385)

Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position. 167,412

Change in Net Position of Governmental Activities \$ 181,675

**BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	<u>Enterprise Funds</u>
	<u>Food Service Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 4,237
Inventory of supplies	614
Inventory of store purchased for resale	2,489
Inventory of donated foods	4,252
Total Current Assets	<u>11,592</u>
Noncurrent assets	
Net pension asset	165
Capital assets	
Machinery and equipment	103,721
Accumulated depreciation	(62,419)
Total Noncurrent Assets	<u>41,467</u>
TOTAL ASSETS	<u>53,059</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	14,541
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>14,541</u>
LIABILITIES	
Current liabilities	
Accounts payable	486
Contracts payable	1,989
Benefits payable	505
Unearned revenue	9,801
Total Current Liabilities	<u>12,781</u>
Noncurrent liabilities:	
Accrued leave	202
Total Noncurrent Liabilities	<u>202</u>
TOTAL LIABILITIES	<u>12,983</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	8,274
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,274</u>
NET POSITION	
Net Investment in Capital Assets	41,302
SDRS Pension Purposes	6,432
Unrestricted	(1,391)
TOTAL NET POSITION	<u>\$ 46,343</u>

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

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Enterprise Funds</u>
	<u>Food Service Fund</u>
OPERATING REVENUES	
Sales	
To pupils	\$ 38,717
To adults	4,341
A la carte	1,365
Other charges for goods and services	6,186
Total operating revenues	<u>50,609</u>
OPERATING EXPENSES	
Salaries	47,218
Employee benefits	9,165
Purchased services	1,646
Supplies	3,646
Cost of sales - purchased food	36,708
Cost of sales - donated food	2,912
Miscellaneous	1,490
Depreciation - local fund	4,933
Total operating expenses	<u>107,718</u>
Operating loss	<u>(57,109)</u>
NONOPERATING REVENUES (EXPENSES)	
Local sources	
Donations	600
State sources	
Cash reimbursements	159
Federal sources	
Cash reimbursements	35,796
Donated food	5,174
Total nonoperating revenues	<u>41,729</u>
Loss before contributions, special items, extraordinary items and transfers	(15,380)
Transfers in	<u>15,000</u>
Change in net position	(380)
Total net position - July 1, 2023	<u>46,723</u>
Total net position - June 30, 2024	<u>\$ 46,343</u>

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

**BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Enterprise Funds</u> <u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 46,412
Payments to employees for services	(53,742)
Payments to suppliers of goods and services	(49,087)
Net cash used by operating activities	<u>(56,417)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	15,000
Donations	600
Operating grants	42,930
Net cash provided by noncapital financing activities	<u>58,530</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,113
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,124</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,237</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (57,109)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Depreciation expense	4,933
Value of donated commodities used	2,912
Change in assets and liabilities	
Unearned revenue	(4,197)
Inventories	1,127
Accounts payable	(6,724)
Other payroll liabilities	2,031
Change in pension asset/(liability)	<u>610</u>
Net cash used by operating activities	<u>\$ (56,417)</u>
Noncash investing, capital and financing activities: Value of commodities received	\$ 5,174

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

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 129	\$ 70,535
Investments	325,388	-
TOTAL ASSETS	<u>325,517</u>	<u>70,535</u>
NET POSITION		
Restricted for scholarships and memorials	325,517	-
Restricted for student activities	-	70,535
TOTAL NET POSITION	<u>\$ 325,517</u>	<u>\$ 70,535</u>

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

BISON SCHOOL DISTRICT NO. 52-1
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Other additions	\$ 16,331	\$ -
Collections for student activities	-	91,273
Total additions	16,331	91,273
DEDUCTIONS		
Other deductions	3,000	-
Payments for student activities	-	87,423
Total deductions	3,000	87,423
Change in net position	13,331	3,850
Total net position - July 1, 2023	312,186	66,685
Total net position - June 30, 2024	<u>\$ 325,517</u>	<u>\$ 70,535</u>

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

**BISON SCHOOL DISTRICT NO. 52-1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(See Independent Auditors' Report)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School District conform to generally accepted accounting principles applicable to government entities in the United States of America.

a. Financial Reporting Entity

The reporting entity of the Bison School District No. 52-1, consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; those organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The School District participates in a cooperative service unit with several other school districts. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit, but are discussed in these notes because of the nature of their relationship with the School District.

b. Basis of Presentation

Government-wide Financial Statements

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

The Statement of Net Position reports all financial and capital resources, in a net position form (assets minus liabilities, equal net position). Net Position is displayed in three components, as applicable, net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

NOTES TO FINANCIAL STATEMENTS - Page 2
(See Independent Auditors' Report)

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

Fund Financial Statements

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

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type, and;
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined, or;
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the School District financial reporting entity are described below within their respective fund types:

Governmental Funds

General Fund - A fund established by South Dakota Codified Laws (SDCL) 13-16-3 to meet all the general operational costs of the School District, excluding Capital Outlay Fund and Special Education Fund expenditures. The General Fund is always a major fund.

Special Revenue Funds - *Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.*

Capital Outlay Fund - A fund established by SDCL 13-16-6 to meet expenditures which result in the lease of, acquisition of or additions to real property, plant or equipment, textbooks and instructional software. This fund is financed by property taxes. This is a major fund.

NOTES TO FINANCIAL STATEMENTS - Page 3
(See Independent Auditors' Report)

Special Education Fund - A fund established by SDCL 13-37-16 to pay the costs for the special education of all children in need of special assistance and prolonged assistance who reside within the School District. This fund is financed by grants and property taxes. This is a major fund.

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met.

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit - even if that government is not expected to make any payments - is not solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)
- b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt services), be recovered with fees and charges, rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Food Service Fund - A fund used to record financial transactions related to food service operations. This fund is financed by user charges and grants. This is a major fund.

Fiduciary Funds

Fiduciary funds consist of the following sub-categories and are never considered to be a major funds:

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The School District maintains only the following private-purpose trust funds: Scholarships.

Custodial Funds - Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The School District maintains custodial funds to hold assets as an agent in a trustee capacity for various classes, clubs, and so on.

c. Measurement Focus and Basis of Accounting

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

NOTES TO FINANCIAL STATEMENTS - Page 4
(See Independent Auditors' Report)

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Bison School District No. 52-1, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2024 are expected federal reimbursements, state reimbursements, utility taxes, and miscellaneous reimbursements.

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

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

NOTES TO FINANCIAL STATEMENTS - Page 5
(See Independent Auditors' Report)

All Proprietary Funds and Fiduciary Fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

d. Interfund Eliminations and Reclassifications

Government Wide Financial Statements

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

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

e. Deposits and Investments

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

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

f. Capital Assets

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

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

Government-Wide Financial Statements

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements, or betterments that are significant and which extend the useful life of a capital asset are also capitalized.

NOTES TO FINANCIAL STATEMENTS - Page 6
(See Independent Auditors' Report)

The total June 30, 2024 balance of capital assets for governmental activities and for business-type activities are all considered to be valued at actual original cost.

For governmental activities and business-type activities/proprietary fund's operations Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP.

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

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

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	\$ -	N/A	N/A
Improvements	10,000	Straight-line	10-100 years
Buildings	10,000	Straight-line	10 years
Machinery and equipment - governmental activities			
Machinery and automotive equipment	5,000	Straight-line	5-10 years
Furniture and equipment	2,500	Straight-line	5-20 years
Machinery and equipment - business-type activities	500	Straight-line	12 years
Intangible lease assets	5,000	Straight-line	5-10 years
Intangible subscription assets	5,000	Straight-line	3-20 years

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the appropriate governmental fund upon acquisition.

Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

g. Long-Term Liabilities

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

NOTES TO FINANCIAL STATEMENTS - Page 7
(See Independent Auditors' Report)

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consists of compensated absences, lease liability, and capital outlay certificates.

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

h. Leases

Lessee:

The School District is a lessee for a noncancellable lease of two copy machines and four buses. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the School District 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 School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses the treasury yield that corresponds to the length of the lease contract.

The School District 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.

i. Program Revenues

In the government-wide Statement of Activities, reported program revenues derive directly from the program itself or from parties other than the School District's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

NOTES TO FINANCIAL STATEMENTS - Page 8
(See Independent Auditors' Report)

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

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

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

j. Deferred Inflows and Deferred Outflows of Resources

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

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

k. Proprietary Funds Revenue and Expense Classifications

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

l. Cash and Cash Equivalents

The School District pools its cash resources for depositing and investing purposes. Accordingly, the enterprise funds have access to their cash resources on demand. Accordingly, all reported enterprise fund deposit and investment balances are considered to be cash equivalents for the purpose of the Statement of Cash Flows.

m. Equity Classifications

Government-wide Financial Statements

Equity is classified as Net Position and is displayed in three components:

NOTES TO FINANCIAL STATEMENTS - Page 9
(See Independent Auditors' Report)

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

2: Restricted Net Position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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

Fund Financial Statements

Governmental fund equity is classified as fund balance, and is distinguished between Nonspendable, Restricted, Committed, Assigned or Unassigned components. Proprietary fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity is reported as restricted net position.

n. Application of Net Position

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

o. Fund Balance Classification Policies and Procedures

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

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

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

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

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the School Board.

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

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

NOTES TO FINANCIAL STATEMENTS - Page 10
(See Independent Auditors' Report)

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

p. Pensions

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

NOTE 2 - DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

Deposits - The District's deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 13-16-15, 13-16-15.1 and 13-16-18.1. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments - In general, SDCL 4-5-6 permits school funds to be invested in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

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

Fair Value Measurement - The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTES TO FINANCIAL STATEMENTS - Page 11
(See Independent Auditors' Report)

Credit Risk - State law limits eligible investments for the School District, as discussed above. The School District has no investment policy that would further limit its investment choices.

As of June 30, 2024, the School District had the following investments. All investments are in an internal deposit and investment pool.

Investment	Credit	Maturities	Fair Value
Primary Government:			
US Treasury Bills	N/A	\$ 487,000	\$ 479,525
SD Fit	Unrated	956,824	956,824
Total Investments - Primary Government		\$ 1,443,824	\$ 1,436,349
Scholarship Fund:			
US Treasury Bills		\$ 324,000	\$ 322,210
SD FIT		3,178	3,178
Total Investments - Scholarship Fund		327,178	325,388

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment 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 of the SDFIT money market account (GCR) 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.

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

NOTE 3 - RECEIVABLES AND PAYABLES

Receivables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year.

NOTE 4 - INVENTORY

Inventory is valued at the lower of cost or market. The cost valuation method is first-in, first-out. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

In the government-wide financial statements, and in the enterprise fund financial statements, inventory items are initially recorded as assets and charged to expense in the various functions of government as they are consumed.

In the governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

NOTES TO FINANCIAL STATEMENTS - Page 12
(See Independent Auditors' Report)

NOTE 5 - PROPERTY TAXES

Property taxes are levied on or before each October 1, attach as an enforceable lien on property, and become due and payable as of the following January 1, and are payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the School District's taxes and remits them to the School District. School District property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Revenue related to current year property taxes receivable which is intended to be used to finance the current year's appropriations, but which will not be collected during the current fiscal year or within the "availability period" has been deferred in the fund financial statements. Property tax revenues intended to finance the current year's appropriations, and therefore susceptible to accrual, has been reported as revenue in the government-wide financial statements, even though collection will occur in future fiscal years.

NOTE 6 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for year ended June 30, 2024 is as follows:

	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2024
Primary Government				
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	\$ 6,600	\$ -	\$ -	\$ 6,600
Total capital assets, not being depreciated/amortized	6,600	-	-	6,600
Capital assets, being depreciated/amortized				
Buildings	6,993,379	-	-	6,993,379
Improvements other than buildings	118,066	-	-	118,066
Machinery and equipment	759,200	71,888	(88,237)	742,851
Intangible lease	150,000	-	-	150,000
Total capital assets, being depreciated/amortized	8,020,645	71,888	(88,237)	8,004,296
Less accumulated depreciation/amortization for				
Buildings	1,017,706	141,498	-	1,159,204
Improvements other than buildings	11,496	5,598	-	17,094
Machinery and equipment	614,673	35,400	(87,771)	562,302
Intangible lease	86,834	30,000	-	116,834
Total accumulated depreciation/amortization	1,730,709	212,496	(87,771)	1,855,434
Total capital assets, being depreciated/amortized, net	6,289,936	(140,608)	(466)	6,148,862
Governmental activity capital assets, net	\$ 6,296,536	\$ (140,608)	\$ (466)	\$ 6,155,462

NOTES TO FINANCIAL STATEMENTS - Page 13
(See Independent Auditors' Report)

Depreciation/amortization expense was charged to functions as follows:

	<u>06/30/2024</u>
Governmental activities	
Instructional	\$ 94,309
Support Services	104,962
Cocurricular	<u>13,225</u>
 Total depreciation expense - governmental activities	 <u>\$ 212,496</u>

	<u>Balance</u> <u>07/01/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/2024</u>
Business-type activities				
Capital assets, being depreciated				
Machinery and equipment	\$ 103,721	\$ -	\$ -	\$ 103,721
Total capital assets, being depreciated	<u>103,721</u>	<u>-</u>	<u>-</u>	<u>103,721</u>
Less accumulated depreciation for				
Machinery and equipment	57,486	4,933	-	62,419
Total accumulated depreciation	<u>57,486</u>	<u>4,933</u>	<u>-</u>	<u>62,419</u>
 Total business-type activities, capital assets, being depreciated, net	 46,235	 (4,933)	 -	 41,302
Business-type activities capital assets, net	<u>\$ 46,235</u>	<u>\$ (4,933)</u>	<u>\$ -</u>	<u>\$ 41,302</u>

Depreciation expense was charged to functions as follows:

	<u>06/30/2024</u>
Business-type activities	
Food Service	<u>\$ 4,933</u>

NOTE 7 - LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	<u>Beginning</u> <u>Balance</u> <u>07/01/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u> <u>06/30/2024</u>	<u>Due Within</u> <u>One Year</u>
Primary government					
Governmental activities					
Capital outlay certificates 2018	\$ 2,146,831	\$ -	\$ 137,408	\$ 2,009,423	\$ 116,048
Lease liability	64,259	-	30,004	34,255	28,376
Compensated absences	30,961	32,481	22,360	41,082	-
 Total governmental activities	 <u>\$ 2,242,051</u>	 <u>\$ 32,481</u>	 <u>\$ 189,772</u>	 <u>\$ 2,084,760</u>	 <u>\$ 144,424</u>

NOTES TO FINANCIAL STATEMENTS - Page 14
(See Independent Auditors' Report)

	Beginning Balance 07/01/2023	Additions	Deletions	Ending Balance 06/30/2024	Due Within One Year
Business-type activities					
Compensated absences	\$ 219	\$ 754	\$ 771	\$ 202	\$ -
Total business-type activities debt	<u>219</u>	<u>754</u>	<u>771</u>	<u>202</u>	<u>-</u>
Total primary government	<u>\$ 2,242,270</u>	<u>\$ 33,235</u>	<u>\$ 190,543</u>	<u>\$ 2,084,962</u>	<u>\$ 144,424</u>

Long-term liabilities at June 30, 2024, is comprised of the following:

Capital Outlay Certificates, Series 2018, maturing February 2037, 3.94% interest, annual interest and principal payments, made from the Capital Outlay Fund.	\$2,009,423
Lease liability, payments to be made from the Capital Outlay fund.	34,255
Compensated absences for governmental activities typically have been liquidated from the General Fund, Special Education Fund, and Food Service Fund.	<u>41,284</u>
Total long-term liabilities	<u>\$2,084,962</u>

Annual requirements to Maturity for Long-Term Liabilities as of June 30, 2024:

Year Ending June 30, 2023	Capital Outlay Certificates		Lease Liability	
	Principal	Interest	Principal	Interest
2025	116,048	90,606	28,376	1,097
2026	121,660	84,994	3,695	68
2027	127,274	79,380	2,184	12
2028	133,147	73,507	-	-
2029	139,098	67,556	-	-
2030-2034	794,869	264,585	-	-
2035-2037	577,327	88,136	-	-
	<u>\$2,009,423</u>	<u>\$ 748,764</u>	<u>\$ 34,255</u>	<u>\$ 1,177</u>

NOTES TO FINANCIAL STATEMENTS - Page 15
(See Independent Auditors' Report)

NOTE 8 - INDIVIDUAL FUND INTERFUND BALANCES AND INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024 were as follows:

	<u>Transfers</u>	<u>Transfers</u>	<u>Total</u>
General Fund	\$ 175,000	\$ (15,000)	\$ 160,000
Capital Outlay Fund	-	(175,000)	(175,000)
Food Service Fund	15,000	-	15,000
	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>\$ 190,000</u>	<u>\$ (190,000)</u>	<u>\$ -</u>

Transfers from the Capital Outlay Fund to the General Fund and General Fund to Food Service were made due to revenues being insufficient to support the expenditures of the funds. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

NOTE 9 - RESTRICTED NET POSITION

<u>Fund</u>	<u>Restricted By</u>	<u>06/30/2024</u>
Special Education	Law	\$ 327,285
Capital Outlay	Law	516,637
SDRS Pension Purposes	Law	191,709
Total Restricted Net Position		<u>\$1,035,631</u>

These balances are restricted due to statutory requirements.

NOTE 10 - SIGNIFICANT CONTINGENCIES - LITIGATION

At June 30, 2024, the School District was not involved in any litigation.

NOTE 11 - PENSION PLAN

Plan Information:

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

NOTES TO FINANCIAL STATEMENTS - Page 16
(See Independent Auditors' Report)

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 retirements that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

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

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

Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.

If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.

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

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

NOTES TO FINANCIAL STATEMENTS - Page 17
(See Independent Auditors' Report)

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% of salary; Class B Judiciary Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The School District's share of contributions to the SDRS for the years ended June 30, 2024, 2023, and 2022 was \$77,595, \$78,234, and \$76,441, respectively, equal to the required contributions each year.

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

At June 30, 2023, SDRS is 100.1% 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 School District as of June 30, 2023 and reported by the School District as of June 30, 2024 are as follows:

Proportionate share of pension liability	\$7,325,190
Less proportionate share of net position restricted for pension benefits	<u>7,330,124</u>
Proportionate share of net pension asset	<u>\$ (4,934)</u>

At June 30, 2024, the School District reported an asset of \$4,934 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023 and the total pension liability used to calculate the net pension asset was based on a projection of the School's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the School District's proportion was .0505510% which is a decrease of .0027370% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$28,514. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS - Page 18
(See Independent Auditors' Report)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 139,857	\$ -
Changes in assumption	168,687	246,583
Net difference between projected and actual earnings on pension plan investments	32,849	-
Changes in proportion and difference between District contributions and proportionate share of contributions	14,377	7
District contributions subsequent to the measurement date	77,595	-
Total	<u>\$ 433,365</u>	<u>\$ 246,590</u>

\$77,595 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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 June 30:	
2025	\$ 72,754
2026	(69,509)
2027	98,494
2028	7,441
TOTAL	<u>\$ 109,180</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%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service

NOTES TO FINANCIAL STATEMENTS - Page 19
(See Independent Auditors' Report)

Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.91%

Mortality Rates:

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2022.

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:

NOTES TO FINANCIAL STATEMENTS - Page 20
(See Independent Auditors' Report)

Asset Class	Target Allocation	Long-Term Expected 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%
Total	100.0%	

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of asset to changes in the discount rate:

The following presents the District's proportionate share of net pension liability (asset) calculated using the discount rate of 6.5%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
School District's Proportionate share of the net pension liability (asset)	\$ 1,011,297	\$ (4,934)	\$ (836,018)

Pension Plan Fiduciary Net Position:

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

NOTE 12 - POST EMPLOYMENT HEALTHCARE PLAN

The School District is a member of the Associated School Boards Protective Trust. The ASB Protective Trust has set up, for its members, a retiree pool, to house the health plans of the District's retiree participants. This method excludes retirees experience from being included in the rating process for the current employees. Rating in this manner, creates no impact on the insurance rates of the current employees. There is no future liability as the District is not paying higher rates with regards to it's participating retirees.

NOTE 13 - JOINT VENTURES

The School District participates in the joint venture known as Northwest Area Schools Education Cooperative formed for the purpose of providing education services in the area of special education to the member school districts.

The members of the co-op and their relative percentage participation in the co-op are as follows:

Bison School District No. 52-1	16.67%
Harding County School District No. 31-1	16.67%
Faith School District No. 46-2	16.67%
Dupree School District No. 64-2	16.67%
Timber Lake School District No. 20-3	16.67%
McIntosh School District No. 15-1	16.67%

Northwest Area Schools Educational Cooperative's governing board is composed of one representative from each member school district, who is a school board member. The board is responsible for adopting the joint venture's budget and setting service fees at a level adequate to fund the adopted budget.

The School District retains equity in the net assets and has a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from Northwest Area Schools Educational Cooperative.

At June 30, 2024, this joint venture had total assets of \$531,712, total liabilities of \$91,468, and net position of \$440,244.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

NOTE 15 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the School District managed its risks as follows:

Unemployment Benefits

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

During the year ended June 30, 2024, was filed for unemployment benefits. This claim resulted in the payment of benefits in the amount of \$552. At June 30, 2024, no claims had been filed and were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next fiscal year.

NOTES TO FINANCIAL STATEMENTS - Page 22
(See Independent Auditors' Report)

Employee Health Insurance

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

Liability Insurance

The School District joined the Associated School Boards of South Dakota Property Liability Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota school districts. The School District pays an annual premium to the pool to provide coverage for property, vehicles, liability, boiler and machinery, school leaders professional and umbrella coverage.

The agreement with the Associated School Boards of South Dakota Property Liability Fund provides that the above coverage's will be provided to a \$1,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$50,000 to the upper limit. The School District carries a \$5,000 legal services deductible and a \$10,000 liability deductible for liability situations in which the School District would be deemed to be at fault for the School Board legal coverage and \$1,000 deductible for the boiler and machinery coverage and \$2,000,000 per occurrence/\$250,000,000 aggregate for school leaders' Professional Liability with a \$10,000 deductible.

Workmans Compensation

The School District participates, with several other educational units and related organizations in South Dakota, in the Associated School Boards of South Dakota Workers' Compensation Fund Pool which provided workers' compensation insurance coverage for participating members of the pool. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The School District's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The School District pays an annual premium, to provide worker's compensation coverage for its employees, under a retrospectively rated policy and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. The School District may also be responsible for additional assessments in the event the pool is determined by its board of trustees to have inadequate reserves to satisfy current obligations or judgments. Additional assessments, if any, are to be determined on a prorated basis based upon each participant's percentage of contribution in relation to the total contributions to the pool of all participants for the year in which the shortfall occurs. The pool provides loss coverage to all participants through pool retained risk retention and through insurance coverage purchased by the pool in excess of the retained risk. The pool pays the first \$500,000 of any claim per individual. The pool has reinsurance which covers up to \$1,000,000 per individual per incident.

The School District does not carry additional insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have not exceeded the liability coverage over the last three years.

NOTES TO FINANCIAL STATEMENTS - Page 23
(See Independent Auditors' Report)

NOTE 16 - CORRECTION OF AN ERROR

The School District did not record an account payable for the year ending June 30, 2023 in the Special Education Fund in order to meet its annual maintenance of effort. The School District restated the net position and fund balance to appropriately reflect the July 1, 2023 balance as follows:

Net Position at June 30, 2023, as previously stated	\$5,747,667
Prior period adjustment	<u>(9,429)</u>
Net Position at July 1, 2023, as restated	<u>\$5,738,238</u>
Special Education Fund Balance at June 30, 2023, as previously stated	\$ 359,101
Prior period adjustment	<u>(9,429)</u>
Special Education Fund Balance at July 1, 2023, as restated	<u>\$ 349,672</u>

NOTE 17 - COST SHARING CONSORTIUM

The School District participates in a cost-sharing arrangement for vocational education funds. The School Districts included in this arrangement are Bison, Lemmon, and Mobridge-Pollock. The grant application includes the amounts each school is requesting for the Carl Perkins Vocational Funds. The funds are sent directly to each school: therefore, the Bison School District records only their share of the revenue and expenditures in the General Fund. The Mobridge-Pollock School District is listed as the fiscal agent on the application but provides no accounting to the schools. Any pooled expenditures are billed to and reimbursed by the schools involved.

REQUIRED SUPPLEMENTARY INFORMATION

**BISON SCHOOL DISTRICT NO. 52-1
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2024**

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 735,000	\$ 735,000	\$ 786,452	\$ 51,452
1120	Prior Years' Ad Valorem Taxes	-	-	2,446	2,446
1140	Utility Taxes	90,000	90,000	94,820	4,820
1190	Penalties and Interest on Taxes	2,000	2,000	2,859	859
1510	Interest	15,000	15,000	28,460	13,460
1700	Cocurricular Activities:				
1710	Admissions	8,000	8,000	12,759	4,759
1900	Other Revenue from Local Sources:				
1920	Contributions and Donations	2,000	2,000	3,354	1,354
1970	Charges for Services	2,000	2,000	1,439	(561)
1990	Other	12,260	12,260	17,260	5,000
2000	Revenue from Intermediate Sources:				
2100	County Sources:				
2110	County Apportionment	10,000	10,000	13,882	3,882
3000	Revenue from State Sources:				
3110	Unrestricted Grants-in-Aid	677,000	677,000	683,211	6,211
3120	Restricted Grants-in-Aid	-	5,000	7,131	2,131
3900	Other State Revenues	-	-	400	400
4000	Revenue from Federal Sources:				
4100	Grants-in-Aid				
4120	Unrestricted grants-in-aid received from federal government through state	11,000	11,000	10,822	(178)
4140	Restricted grants-in-aid Received directly from federal government	-	-	1,771	1,771
4150	Restricted grants-in-aid received from federal government through state	125,261	135,784	135,265	(519)
4200	Revenue in lieu of taxes	60,000	60,000	59,957	(43)
	Total Revenue	\$ 1,749,521	\$ 1,765,044	\$ 1,862,288	\$ 97,244

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
EXPENDITURES:					
1000	Instruction:				
1100	Regular Programs:				
1111	Elementary	\$ 498,925	\$ 502,502	\$ 468,406	\$ 34,096
1120	Middle/Junior High	172,200	173,623	155,164	18,459
1130	High School	362,490	362,490	307,723	54,767
1200	Special Programs:				
1270	Educationally Deprived	76,789	76,789	79,831	(3,042)
2000	Support Services:				
2100	Pupils:				
2120	Guidance	68,750	68,750	66,620	2,130
2130	Health Services	600	600	320	280
2200	Support Services-Instructional Staff:				
2210	Improvement of Instruction	27,297	39,658	40,421	(763)
2220	Educational Media	65,750	65,750	59,906	5,844
2300	Support Services-General Administration:				
2310	Board of Education	81,600	81,600	39,584	42,016
2321	Executive Administration	146,970	146,970	138,646	8,324
2400	Support Services - School Administration:				
2410	Office of the Principal	62,150	62,150	58,964	3,186
2440	Title I Program Administration	1,800	1,800	1,404	396
2490	Other	300	300	126	174
2500	Support Services-Business				
2520	Fiscal Services	60,650	60,650	59,867	783
2540	Operation & Maintenance of Plant	256,985	256,985	236,832	20,153
2550	Pupil Transportation	72,300	72,300	65,192	7,108
2560	Food Service	5,000	5,000	4,969	31
6000	Cocurricular Activities				
6100	Male Activities	28,200	30,548	27,307	3,241
6200	Female Activities	33,800	34,570	30,902	3,668
6500	Transportation	28,800	28,800	23,434	5,366
6900	Combined Activities	65,400	66,497	51,322	15,175
7000	Contingencies	20,000	7,947	-	7,947
	Total Expenditures	2,136,756	2,146,279	1,916,940	229,339
	Excess Revenue Over/Under Expenditures	\$ (387,235)	\$ (381,235)	\$ (54,652)	\$ 326,583

(Continued on next page)

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Other Financing Sources				
5110 Transfer In	175,000	175,000	175,000	-
8110 Transfer Out	(9,000)	(15,000)	(15,000)	-
Total Other Financing Sources	166,000	160,000	160,000	-
Net Change in Fund Balances	(221,235)	(221,235)	105,348	326,583
Fund Balance - Beginning	444,393	444,393	444,393	-
Fund Balance - Ending	<u>\$ 223,158</u>	<u>\$ 223,158</u>	<u>\$ 549,741</u>	<u>\$ 326,583</u>

**BISON SCHOOL DISTRICT NO. 52-1
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 CAPITAL OUTLAY FUND
 FOR THE YEAR ENDED JUNE 30, 2024**

Data	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 590,000	\$ 590,000	\$ 618,223	\$ 28,223
1120	Prior Years' Ad Valorem Taxes	-	-	827	827
1190	Penalties and Interest on Taxes	-	-	1,806	1,806
1510	Interest	10,000	10,000	13,044	3,044
1900	Other Revenue from Local Sources:				
1920	Contributions and Donations	-	7,500	13,665	6,165
1990	Other	-	-	206	206
4000	Revenue from Federal Sources:				
4100	Grants-in-Aid				
4140	Restricted grants-in-aid received directly from the federal government	-	-	1,272	1,272
4150	Restricted grants-in-aid received from federal government through state	96,683	96,683	47,237	(49,446)
Total Revenue		\$ 696,683	\$ 704,183	\$ 696,280	\$ (7,903)

BISON SCHOOL DISTRICT NO. 52-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
1000	Instruction:			
1100	Regular Programs:			
1111	\$ 13,650	\$ 13,650	\$ 14,314	\$ (664)
1120	16,459	16,459	10,577	5,882
1130	36,558	36,558	30,084	6,474
1190				-
1200	Special Programs:			
1270	4,200	4,200	4,156	44
2000	Support Services:			
2200	Support Services-Instructional Staff:			
2220	1,000	1,000	991	9
2300	Support Services-General Administration:			
2321	1,300	1,300	1,514	(214)
2500	Support Services-Business			
2530	22,000	22,000	37,136	(15,136)
2540	98,000	98,000	65,767	32,233
2550	79,394	81,634	27,465	54,169
2560	1,000	1,000	917	83
5000	208,000	208,000	207,009	991
6000	Cocurricular Activities			
6100	3,200	3,200	3,116	84
6200	5,000	5,000	3,374	1,626
6900	5,000	12,500	12,449	51
	<u>494,761</u>	<u>504,501</u>	<u>418,869</u>	<u>85,632</u>
	Excess Revenue Over/Under Expenditures			
	<u>201,922</u>	<u>199,682</u>	<u>277,411</u>	<u>77,729</u>
	Other Financing Sources			
8110	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
	26,922	24,682	102,411	77,729
	413,856	413,856	413,856	-
	<u>\$ 440,778</u>	<u>\$ 438,538</u>	<u>\$ 516,267</u>	<u>\$ 77,729</u>

**BISON SCHOOL DISTRICT NO. 52-1
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 SPECIAL EDUCATION FUND
 FOR THE YEAR ENDED JUNE 30, 2024**

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 150,000	\$ 150,000	\$ 154,807	\$ 4,807
1120	Prior Years' Ad Valorem Taxes	-	-	468	468
1190	Penalties and Interest on Taxes	-	-	584	584
1510	Interest	12,000	12,000	15,845	3,845
1900	Other Revenue from Local Sources:				
1970	Charges for Services	-	-	517	517
	Total Revenue	\$ 162,000	\$ 162,000	\$ 172,221	\$ 10,221
EXPENDITURES:					
1000	Instruction:				
1200	Special Programs:				
1220	Programs for Special Education	\$ 167,500	\$ 167,500	\$ 134,676	\$ 32,824
2000	Support Services:				
2100	Pupils:				
2140	Psychological Services	6,000	6,000	-	6,000
2150	Speech	5,000	5,000	12,076	(7,076)
2170	Student Therapy Services	19,000	19,000	13,627	5,373
2700	Special Education:				
2710	Administrative Costs	30,350	30,350	34,374	(4,024)
	Total Expenditures	227,850	227,850	194,753	33,097
	Excess Revenue Over/Under Expenditures	(65,850)	(65,850)	(22,532)	43,318
	Net Change in Fund Balances	(65,850)	(65,850)	(22,532)	43,318
	Fund Balance - Beginning	359,101	359,101	359,101	-
	Correction of an error (Note 16)	(9,429)	(9,429)	(9,429)	
	Fund Balance - Ending	\$ 283,822	\$ 283,822	\$ 327,140	\$ 43,318

**BISON SCHOOL DISTRICT NO. 52-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Schedules of Budgetary Comparisons for the General Fund and for each major Special Revenue Fund with a legally required budget.

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The School District followed these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
2. The proposed budget is considered by the School Board at the first regular meeting held in the month of May of each year.
3. The proposed budget is published for public review no later than July 15 each year.
4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
5. Before October 1 of each year, the School Board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.
6. After adoption by the School Board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent of the total School District budget and may be transferred by resolution of the School Board to any other budget category, except for capital outlay, that is deemed insufficient during the year. No amount of expenditures may be charged directly to the contingency line item in the budget.
8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.
9. Unexpended appropriations lapse at year-end unless encumbered by resolution of the School Board.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
11. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

BISON SCHOOL DISTRICT NO. 52-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Page 2
FOR THE YEAR ENDED JUNE 30, 2024

12. The following reconciles the U.S. GAAP Basis fund balance to the budgetary basis fund balance for the General Fund as of June 30, 2024:

U.S GAAP Basis Fund Balance	\$	856,250
Less: portion comprise of unspent Impact Aid revenue		<u>(306,509)</u>
Budgetary basis fund balance	\$	<u>549,741</u>

NOTE 2 - USGAAP/BUDGETARY ACCOUNTING BASIS DIFFERENCES

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new school bus would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a school bus would be reported as an expenditure of the Support Services-Business/Pupil Transportation function of government, along with all other current Pupil Transportation related expenditures.

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM**

Pension Plan	Fiscal Year Ending	Employer's Percentage of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
SDRS	06/30/2024	0.0506%	\$ (4,934)	\$ 1,303,905	-0.38%	100.10%
SDRS	06/30/2023	0.0533%	(5,036)	1,274,014	-0.40%	100.10%
SDRS	06/30/2022	0.0618%	(473,642)	1,555,174	-33.75%	105.52%
SDRS	06/30/2021	0.0627%	(2,721)	1,382,805	-0.20%	100.04%
SDRS	06/30/2020	0.0643%	(6,811)	1,366,552	-0.50%	100.09%
SDRS	06/30/2019	0.0644%	(1,502)	1,338,787	-0.11%	100.02%
SDRS	06/30/2018	0.0658%	(5,971)	1,336,903	-0.45%	100.10%
SDRS	06/30/2017	0.0626%	211,421	1,190,138	17.76%	96.89%
SDRS	06/30/2016	0.0549%	(233,051)	1,003,203	-23.23%	104.10%
SDRS	06/30/2015	0.0538%	(387,835)	941,367	-41.20%	107.30%

**BISON SCHOOL DISTRICT NO. 52-1
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM**

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
SDRS	06/30/2024	\$ 77,595	\$ 77,595	\$ -	\$ 1,293,256	6.00%
SDRS	06/30/2023	78,234	78,234	-	1,303,905	6.00%
SDRS	06/30/2022	76,441	76,441	-	1,274,014	6.00%
SDRS	06/30/2021	93,310	93,310	-	1,555,174	6.00%
SDRS	06/30/2020	82,968	82,968	-	1,382,805	6.00%
SDRS	06/30/2019	81,993	81,993	-	1,366,552	6.00%
SDRS	06/30/2018	80,327	80,327	-	1,338,787	6.00%
SDRS	06/30/2017	80,214	80,214	-	1,336,903	6.00%
SDRS	06/30/2016	71,408	71,408	-	1,190,138	6.00%
SDRS	06/30/2015	60,192	60,192	-	1,003,203	6.00%

**BISON SCHOOL DISTRICT NO. 52-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) AND SCHEDULE OF CONTRIBUTIONS**

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.

The details of the changes since the last valuation are as follows:

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.