BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
OF HANSON COUNTY

AUDIT REPORT

FISCAL YEAR JULY 1, 2024, TO JUNE 30, 2025

Schoenfish & Co., Inc.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2025

BOARD MEMBERS:

James Hanssen – President
Jerry Hofer – Vice-President
Dale Becker
Chantel Dye
Kelsha Kressman
Carolyn Meyer
Lisa Schleich

SUPERINTENDENT:

Jason Bailey

BUSINESS MANAGER:

Lori Jansen

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

School Board
Bridgewater-Emery School District No. 30-3
Hanson 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Bridgewater-Emery School District No. 30-3, South Dakota (School District), as of June 30, 2025 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 September 25, 2026.

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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 as item 2025-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

Governmental 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 finding identified in our audit is described in the accompanying Schedule of Current Audit Findings. The School District's response was not subjected to the 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.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
September 25, 2026

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2024-001:
A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2025-001.

SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness:

Finding Number 2025-001:

Condition:
A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This has been a continuing audit comment since 2011.

Criteria:
Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets through the separation of key accounting and physical control functions.

The AICPA states that "Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable."

Cause of Condition:
A limited number of employees process all revenue transactions from beginning to end. They also receive money, issue receipts, record receipts, post receipts in the accounting records, prepare bank deposits, reconcile bank statements, and prepare financial statements.

Potential Effect of Condition:
As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation:
1. We recommend that the Bridgewater-Emery School District officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical.

Client's Response:

The Bridgewater-Emery School District Board President, James Hanssen, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Bridgewater-Emery School District, which precludes staffing at a level sufficient to provide an ideal environment for internal controls. We are aware of this problem and are developing policies and attempting to provide compensating controls.

CLOSING CONFERENCE

The audit was discussed with the officials during the course of the audit.

Schoenfish & Co., Inc.

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INDEPENDENT AUDITOR'S REPORT

School Board
Bridgewater-Emery School District No. 30-3
Hanson 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 Bridgewater-Emery School District No. 30-3, South Dakota (School District), as of June 30, 2025, 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 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 Bridgewater-Emery School District No. 30-3 as of June 30, 2025, 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* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Management's Discussion and Analysis (MD&A), the Budgetary Comparison Schedules, the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of the School District Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the

basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. As a result of such limited procedures, we believe that the Management's Discussion and Analysis is not in conformity with guidelines established by the Governmental Accounting Standards Board because the information presented is not confined to the topics discussed in Section 2200.109 of Codification of Governmental Accounting and Financial Reporting Standards. One of the more significant departures is the Budgetary Highlights section is not limited to the General Fund.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
September 25, 2026

BRIDGEWATER EMERY SCHOOL DISTRICT #30-3

Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

We are pleased to submit to you the accompanying financial statements for the Bridgewater Emery School District, as of and for the fiscal year ending June 30, 2025. The statements have been prepared in accordance with the standards established by the Government Accounting Standards Board.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB), in their statement No. 34 Basic Financial Statements and Managements' Discussion and Analysis, for State and Local Governments. This Management's Discussion & Analysis is an overview of the Bridgewater Emery School District's financial performance during the school district's fiscal year ended on June 30, 2025. The intent of this discussion and analysis is to review the school district's financial performance. Please review the notes to the financial statement and the financial statements to enhance your general understanding of the school district's financial performance.

FINANCIAL HIGHLIGHTS

For the fiscal year ended June 30, 2025, the Bridgewater Emery School District's Total Net Position was $11,559,864.44. Total Net Position includes two components: Total Net Position for Governmental Activities of $11,413,682.48 and Total Net Position from Business Activities of $146,181.96. The overall change in the school district's net position from Fiscal Year 2023-2024 to Fiscal Year 2024-2025 was an increase of $332,150.37 or 2.96%.

	FY 2023-2024	FY 2024-2025
Total Net Position-Government Activities	$11,121,011.27	$ 11,413,682.48
Total Net Position-Business Activities	$ 106,702.80	$ 146,181.96
Total Net Position-District Wide	**$11,227,714.07**	**$ 11,559,864.44**

In reviewing the Bridgewater Emery School District's Statement of Activities, the total cost of the Bridgewater Emery School District's Educational Program was $5,774,416.00 reflects an increase in overall expenditures of $644,740.00 or 12.57%.

The percentage breakdown of the district's educational program costs are:

Program Costs:	FY2023-2024	% Total	FY 2024-2025	% Total
Program of Instruction	$2,752,573.81	54%	$2,959,816.65	51%
Support Services	$1,703,718.21	34%	$2,034,388.26	35%
Interest LT Debt/NP Chg.	$ 45,078.74	1%	$ 54,329.07	1%
Co-Curricular Activities	$ 228,210.67	5%	$ 324,483.30	6%
Food Service (Business)	$ 326,816.68	6%	$ 320,460.94	6%
DrEd/Preschool/Fitness	$ 73,277.96	0%	$ 80,938.05	1%
Total Program Cost	**$ 5,129,676.07**	**100%**	**$5,774,416.27**	**100%**

Instructional salaries and employee benefits have increased, as school districts must now meet annual Teacher Accountability Requirements, set by the State of South Dakota. The school district continues to pay a larger percentage of the district's group health insurance plan, to meet the Affordability Requirements of the Affordable Care Act, since it is deemed to be, a large employer.

The Bridgewater Emery School District's Enrollment in 2024-2025 was 317 students. The school district's enrollment has grown from 300 students, since the formation of the new school district, on July 1, 2010.

Required Components of Bridgewater Emery School's District Financial Report

The Bridgewater Emery School District's Annual Report consists of three parts: The Management's Discussion and Analysis, the basic financial statements (government-wide and fund statements) and required supplementary information. The basic financial statements include two types of statements that present different views of the school district.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the school district's overall financial standing.

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

- The governmental fund statements tell how basic services, such as General and Special Education, were financed in the short term as well as what remains, for future spending.

- Proprietary fund statements offer short-term and long-term financial information about the activities that the school operates like a business, and the activities which provide services for its other programs and activities. The Bridgewater Emery School District has 3 Enterprise Funds: Food Service Fund, the Driver's Education/Preschool Fund, and the B-E Fitness Center Fund.

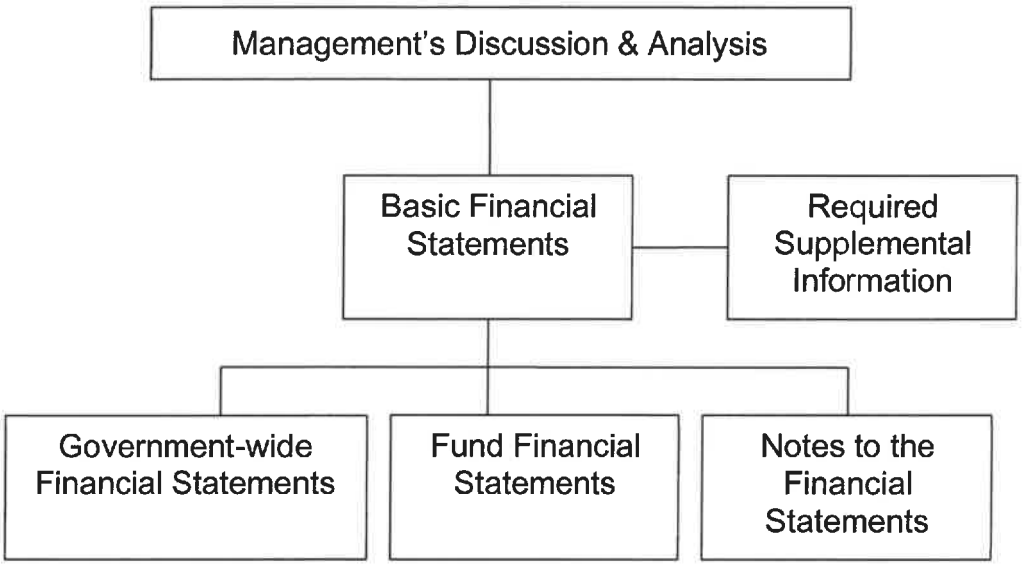
- Fiduciary Fund Statements provide information about the financial relationships in which the school district acts solely as a trustee or agent of resources that belong to others.

The financial statements also include notes that explain some of the information, detailed in the financial statements. The statements are followed by a section of required supplementary information, which further explains and supports the information, in the financial statements. The following illustration depicts how the required components of the annual report are arranged and relate to one another.

The Bridgewater Emery School District's Annual Report includes three parts, as depicted in Figure A-1:

1. The Managements' Discussion & Analysis
2. The Basic Financial Statements
3. Required Supplementary Information

Figure A-1



Bridgewater Emery School District's Financial Statement Required Components:
The basic financial statements include two types of statements that present different views of the school financial environment:

Government wide financial statements provide both long-term and short-term information about the school district's overall financial status.

Fund financial statements focus on individual parts of the school government, reporting the Bridgewater-Emery School District's financial operation in greater detail, than the government wide statements.

There are 3 types of fund financial statements:

1. *Governmental funds statements* tell how general government services were financed in the short-term, as well as what remains for future spending.

2. *Proprietary fund statements* offer short and long-term financial information about the activities that the school operates like a business.

3. *Fiduciary fund statements* provide information about the financial relationships-like student organizations, in which the school acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that provide further explanation, of some of the information in the financial statements and additional disclosures, which allow the statement users to be informed, of the school district's financial activities and position. Statements are followed by a section of required supplementary information that further explain and support the information contained in the financial statements.

Major Features of the Government Wide and Fund Financial Statements

The following table summarizes the major features of the school district's financial statements, including the portion of the school government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Bridgewater-Emery School District's Government-wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs.	Activities the District operates similar to private businesses, the food service operation, driver's ed/preschool and fitness center.	Instances in which the District is the trustee or agent for someone else's resources.
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position *Statement of Changes in Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report material financial information about the school district, as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the district's assets plus deferred outflows of resources minus liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Bridgewater- Emery School District's net position and how it has changed. The Statement of the Bridgewater-Emery School District's Net Position is one way to measure the school district's overall financial health.

- Increases or decreases in the school's net position are an indicator of whether the district's financial health is improving or deteriorating, respectively.

- To assess the overall health of the school district, you need to consider additional nonfinancial factors such as changes in the district's property tax base and changes in the state aid funding formula, received from the State of South Dakota.

In the government-wide financial statements of the school district, the district's activities are reported in two categories:

- Governmental Activities-This category includes the school districts' basic instructional services, such as elementary and high school educational programs, support services such as the guidance counselor, executive administration, the board of education, fiscal services, debt service payments, extra-curricular activities such as sports, drama, and music, and capital equipment purchases. Property taxes, state aid, state grants, federal grants, and interest earnings finance most of these activities.

- Business Type Activities-The school charges a fee to students to help cover the costs or providing school lunch, to all students. The Food Service Fund, the Driver's Education/Preschool Fund, and the B-E Fitness Center Fund are the business type activities of the school district.

Fund Financial Statements

The fund financial statements provide more detailed information about the school district's most significant funds – not the school district, as a whole. For governmental funds, these statements tell how services were financed in the short term, as well as what is available for future purchases. Funds are accounting devices that the school uses to ensure compliance with finance related legal requirements.

- State Law requires some of the funds, such as the General Fund, Capital Outlay Fund, and the Special Education Fund, which the school district maintains.

- The Bridgewater-Emery Board of Education may establish other funds to control and manage money for particular intentions.

There are three generic fund types within the Bridgewater-Emery School District financial structure:

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

- *Proprietary Funds* – Services for which the school charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The school district uses an enterprise fund (one type of proprietary fund) to report the activities of its Food Service Program, Driver's Education/Preschool Program and B-E Fitness Center Program. School districts have historically operated as enterprise funds using the same basis of accounting as business type activities; therefore, these statements will essentially match the information provided in the statement for the district, as a whole.

- *Fiduciary Funds* – The school is the trustee, or fiduciary, for various external and internal parties. The school is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the school's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the school's government-wide financial statements because the school cannot use these assets to finance its operations.

The Statement of Net Position

The Statement of Net Position reports all financial and capital resources, as assets and liabilities in order of their relative liquidity. The report provides a district wide perspective, based on a full accrual basis of accounting and includes prior year analytical data to allow for comparison. The difference between the school district's assets and its liabilities is its net position.

The Net Position of the Bridgewater-Emery School District are divided into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

Net Investment in Capital Assets is the difference between the dollar amount shown for the capital assets and the debt incurred to finance those assets.

Restricted Net Position represents financial resources that are set aside for a particular purpose, by a higher-level government, a donor, or a law/regulation that is imposed on a government. Restricted Net Position can either be expendable or non-expendable.

Unrestricted Net Position includes all assets not included in other components, which can be utilized for another purpose.

Bridgewater Emery School District No. 30-3
Statement of Net Position Comparison Data

Table A-1
Bridgewater-Emery School District #30-3
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current & Other Assets	4,757,811	4,883,746	52,950	82,882	4,810,761	4,966,628
Land, Construction in Progress	36,026	36,026			36,026	36,026
Capital Assets, Net of Depr.	10,594,654	10,652,392	95,751	104,441	10,690,405	10,756,833
Total Assets	15,388,491	15,572,164	148,701	187,323	15,537,192	15,759,487
Pension Related Deferred Outflows	761,830	690,988			761,830	690,988
Total Deferred Outflows	761,830	690,988	0	0	761,830	690,988
Long-Term Debt Outstanding	2,782,375	2,552,676			2,782,375	2,552,676
Other Liabilities	442,882	442,270	41,998	41,141	484,880	483,411
Total Liabilities	3,225,257	2,994,946	41,998	41,141	3,267,255	3,036,087
Deferred Inflows - Property Taxes	1,367,133	1,397,014			1,367,133	1,397,014
Pension Related Deferred Inflows	436,919	457,510			436,919	457,510
Total Deferred Inflows	1,804,052	1,854,524	0	0	1,804,052	1,854,524
Net Investment in Capital Assets	7,569,971	8,195,865	95,751	104,441	7,665,722	8,300,306
Restricted	2,297,527	2,285,787			2,297,527	2,285,787
Unrestricted	1,253,513	932,030	10,952	41,741	1,264,465	973,771
Total Net Position	11,121,011	11,413,682	106,703	146,182	11,227,714	11,559,864
Beginning Net Position	9,754,379	11,121,011	119,455	106,703	9,873,834	11,227,714
Change in Net Position	1,366,632	292,671	(12,752)	39,479	1,353,880	332,150
Percentage Change in Net Position	14.01%	2.63%	-10.68%	37.00%	13.71%	2.96%

Changes In Net Position:

- Current and Other Governmental Assets increased by $183,673.72 or 1.2% from $15,388,490.65 in FY2023-2024 to $15,572,164.37, in FY2024-2025.

District Assets:	***2023-2024 Govt. Activities***	***2024-2025 Govt. Activities***	***Change***
Cash & Cash Equivalents	***$3,238,355.46***	***$3,342,116.06***	***$103,760.60***
Investments	***$ 0.00***	***$ 0.00***	***($0.00)***
Taxes Receivable	***$1,403,809.36***	***$ 1,428,816.49***	***$25,007.13***
Other Assets	***$106,902.83***	***$ 109,187.80***	***$2284.97***
Net Pension Asset	***$8,742.53***	***$3,625.81***	***($ 5,116.72)***
Capital Assets-Land & CWIP	***$36,026.28***	***$36,026.28***	***$0.00***
Capital Assets-Buildings/Equip.	***$ 10,594,654.19***	***$10,652,391.93***	***$57,737.74***
Totals	***$ 15,388,490.65***	***$15,572,164.37***	***$183,673.72***

District assets:	2023-2024 Gov't Activities	2024-2025 Gov't Activities	Change/Yr.
Cash and cash equivalents	$ 3,238,355.46	$ 3,342,116.06	$ 103,760.60
Taxes Receivable	$ 1,403,809.36	$ 1,428,816.49	$ 25,007.13
Other Assets	$ 106,902.83	$ 109,187.80	$ 2,284.97
Net Pension Asset	$ 8,742.53	$ 3,625.81	($ 5,116.72)
Capital Assets-buildings & equip.	$ 10,630,680.47	$ 10,688,418.21	$ 57,737.74
Total Assets	**$ 15,388,490.65**	**$ 15,572,164.37**	**$ 183,673.72**

District assets:	2023-2024 Business Act.	2024-2025 Business Act.	Change/Yr.
Cash and cash equivalents	$ 22,930.01	$ 60,116.80	$ 37,186.79)
Investments	$ 0.00	$ 0.00	$ 0.00
Inventory	$ 12,760.72	$ 11,243.44	($ 1,517.28)
Other Assets	$ 17,259.21	$ 11,521.70	($ 5,737.51)
Capital Assets-buildings & equip.	$ 95,750.94	$ 104,441.43	$ 8,690.49
Total Assets	**$ 148,700.88**	**$ 187,323.37**	**$ 38,622.49**

The school district incurred liabilities for Governmental Activities and Business Type Activities. The breakdown of the school district's liabilities include:

District liabilities:	2023-2024 Gov't Activities	2024-2025 Gov't Activities	Change/Yr.
Accounts Payable	$ 78,708.20	$ 82,910.91	$ 4,202.71
Other Current Liabilities	$ 364,173.13	$ 359,358.95	($ 4,814.18)
Noncurrent Liabilities	$ 2,782,375.20	$ 2,552,676.17	($ 229,699.03)
Total Liabilities	**$ 3,225,256.53**	**$ 2,994,946.03**	**($ 230,310.50)**
Deferred Inflow of Resources:			
Deferred Inflows-Property Taxes	$ 1,367,133.45	$ 1,397,013.98	$ 29,880.53
Pension Related Deferred Inflows	$ 436,919.06	$ 457,509.73	$ 20,590.67
Total Deferred Inflow- Resources	**$ 1,804,052.51**	**$ 1,854,523.71**	**$ 50,471.20**

In accordance with GASB 68, school districts must now include SD Retirement System Pension Related Deferred Inflows, within their school district annual financial reporting, as noted above.

District liabilities:	2023-2024 Business Type Act.	2024-2025 Business Type Act.	Change/Yr.
Accounts Payable	$ 3,694.33	$ 0.00	$ 3,694.33
Other Current Liabilities	$ 29,393.74	$ 38,275.25	($ 1,412.41)
Unearned Revenue	$ 8,910.01	$ 2,866.16	($ 6,043.85)
Total Liabilities	**$ 41,998.08**	**$ 41,141.41**	**($ 856.67)**

The difference between the school's assets plus deferred outflows minus liabilities and deferred inflows represents its net position. The district's Net Position on 6/30/2025 includes both the Governmental Net Position and the Business-Type Net Position.
The breakdown of the district's Change in Net Position for Governmental Activities is:

District Net Position-Gov't Act.	2023-2024 Gov't Activities	2024-2025 Gov't Activities	Overall Change
Net Investment in Capital Assets	$ 7,569,971.11	$8,195,864.87	$ 625,893.76
Restricted -Capital Outlay	$ 1,893,526.69	$1,941,804.99	$ 48,278.30
Restricted -Special Education	$ 70,347.33	$ 106,878.51	$ 36,531.18
Unrestricted	$ 1,253,513.01	$ 932,030.18	($ 321,482.83)
SD Retirement Pension Purposes	$ 333,653.13	$ 237,103.93	($ 96,549.20)
Total Net Position	**$11,121,011.27**	**$11,413,682.48**	**$ 292,671.21**

The breakdown of the district's Change in Net Position for Business Type Activities is:

District Net Position-Bus. Act.	2023-2024 Business Type Act.	2024-2025 Business Type Act.	Overall Change
Net Investment in Capital Assets	$ 95,750.94	$ 104,441.43	$ 8,690.49
Unrestricted Net Position	$ 10,951.86	$ 41,740.53	$ 30,788.67
Total Net Position	**$ 106,702.80**	**$ 146,181.96**	**$ 39,479.16**

Change In Governmental Capital Assets

Governmental Capital Assets, net of depreciation/amortization increased by $52,925.24 from $10,629,020.43 in FY2023-2024 to $10,681,945.67 in FY2024-2025, primarily due to new assets added, which was in excess of, the capital asset depreciation/amortization, throughout the fiscal year.

Fixed Asset Type	Fiscal Year 2023-2024	Fiscal Year 2024-2025
Land	$ 36,026.28	$ 36,026.28
CWIP	$ 0.00	$ 0.00
Buildings	$13,373,343.99	$13,502,512.02
Improvements	$ 118,070.93	$ 131,256.14
Equipment-Local	$ 1,002,059.60	$ 1,153,531.61
Less Accum. Dep.	($ 3,987,262.48)	($ 4,236,259.84)
Intang. Lease Asset	$ 88,442.15	$ 101,612.00
Totals	**$10,630,680.47**	**$10,688,678.21**

FY 2024-2025 Governmental Capital Asset Reconciliation:

Governmental Activities: Equipment:	
Pro Edge Server-Elem.	$ 6,499.00
Advanced Tabco Demo Table-CA	$ 5,400.96
M3 Series Refrigerator-CA	$ 8,702.28
Centerline Dishwasher-CA	$ 5,218.80
John Deere Lawnmower	$ 7,903.64
Trucking Simulator	$ 92,125.00
Ford Expedition-Silver Grey	$ 38,500.00
Library Books	$ 4,822.33
Total Equipment Assets Added	**$169,172.01**

Improvements:	
Concrete Tables & Benches	$13,185.21
Total Improvements	**$13,185.21**

Building:	
Culinary Arts Classroom Wiring	$ 26,931.58
Culinary Arts Classroom Const.	$ 12,002.66
Weight Room Project Const.	$ 85,590.92
Weight Room Project Electrical	$ 4,642.87
Total Building Updates	**129,168.03**

Governmental Depreciation/Amortization Expense (by category)	
Instruction	$ 217,151.34
Support Services	$ 92,815.04
Co-Curricular Activities	$ 23,342.06
Total Expense	**$ 333,308.44**

Business Type Assets:	
Beginning Balance	$ 95,750.94
Additions	$ 22,319.38
Disposal	$ 0.00
Depreciation Expense	$ (13,628.89)
Ending Balance	**$ 104,441.43**

Business Type Assets:	
Assets purchased this year:	
Hobart Dishwasher-Federal Grant	**$ 22,319.38**
Total Fixed Assets Additions	**$ 22,319.38**
Asset deleted this year: None	**$ 0.00**
Change In Business Type Assets	**$ 22,319.38**

Bridgewater Emery School District #30-3
Outstanding Debt and Obligations
Fiscal Year Ending June 30, 2025

Primary Government:	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Limited Tax GO Cert. 2016A	$2,610,000.00	$ 0.00	($295,000.00)	$ 2,315,000.00
Unamortized Bond Premium	$ 94,154.80	$ 0.00	($ 11,769.35)	$ 82,385.45
Right To Use Lease Payable	$ 35,795.80	$ 59,372.09	($ 0.00)	$ 95,167.89
Accrued Compensated Abs.	$ 42,424.60	$ 17,698.23	($ 0.00)	$ 60,122.83
Total Governmental Activities	**$ 2,782,375.20**	**$ 77,070.32**	**($ 306,769.35)**	$ 2,552,676.17
Total Primary Government	**$ 2,782,375.20**	**$ 77,070.32**	**($ 306,769.35)**	**$ 2,552,676.17**

History of Debt Obligations

- The Bridgewater Emery School District issued $4,520,000.00 in GO Capital Outlay Certificates on September 15, 2016, for the New Gym Project. The certificates sold at a premium of $176,540.25. The district received an AA+ rating from The Standard & Poor's Rating Agency.

- At June 30, 2025, the Bridgewater-Emery School District was liable for $60,122.83 in Accrued Compensated Absences. This amount is comprised of accrued sick leave balances up to 50 days times half of the substitute rate and accrued personal leave balances at $120.00 per day.

Bridgewater Emery School District #30-3

Table A-2 **Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2024	2025	2024	2025	2024	2025
Program Revenues:						
Charges for Services	$59,979	$57,258	$171,721	$173,427	$231,700	$230,685
Operating Grants	$173,208	$157,185	$134,313	$116,835	$307,521	$274,020
Capital Grants	$696,557	$140,930			$696,557	$140,930
General Revenues:						
Taxes	$3,057,847	$3,116,018			$3,057,847	$3,116,018
State Sources	$2,115,560	$2,246,619			$2,115,560	$2,246,619
Federal sources	$6,304	$8,619			$6,304	$8,619
Unrestricted Grants	$0	$4,218			$0	$4,218
Unrestricted Inv.	$23,536	$23,419			$23,536	$23,419
Other General	$44,530	$62,038			$44,530	$62,038
Total Revenue	**$6,177,521**	**$5,816,304**	**$306,034**	**$290,262**	**$6,483,555**	**$6,106,566**
Expenses:						
Instruction	$2,752,574	$2,959,817			$2,752,574	$2,959,817
Support Services	$1,703,718	$2,034,388			$1,703,718	$2,034,388
Nonprogrammed Charges		$14,141				$14,141
Interest Expense	$45,079	$40,188			$45,079	$40,188
Co-Curricular Act.	$228,211	$324,483			$228,211	$324,483
Food Service			$326,817	$320,461	$326,817	$320,461
Driver's Ed/Preschool/Fitness			$73,278	$80,938	$73,278	$80,938
Total Expenses	**$4,729,582**	**$5,373,017**	**$400,095**	**$401,399**	**$5,129,677**	**$5,774,416**
Changes/Net Position:						
Before Transfers	$1,447,939	$443,287	($94,061)	($111,137)	$1,353,878	$332,150
Transfers	($81,308)	($150,616)	$81,308	$150,616	$0	$0
Changes/Net Position	$1,366,631	$292,671	($12,753)	$39,479	$1,353,878	$332,150
Ending Net Position	**$11,121,011**	**$11,413,682**	**$106,701**	**$146,182**	**$11,227,712**	**$11,559,864**

Statement of Activities-Two Year Comparison Data 2023-2024 and FY2024-2025

The Statement of Activities depicts how the net position of the school district has changed throughout the fiscal year and how the school district finances its services. The Statement of Activities compares the expenses of a government's functions and programs with the resources those functions or programs, generate in revenue.

Statement of Activities: Government Activities-Revenue Sources:
Revenues from the district's governmental activities in Fiscal Year 2024-2025 were $5,816,304.00. Governmental activities include program revenue and general revenues. Program revenues include: Charges for services $57,258; Operating Grants/Contributions $157,185; and Capital Grants/Contributions of $140,930. General revenues include ad valorem taxes $3,116,018, state sources $2,246,619, federal sources $8619; unrestricted grants $4,218 , and unrestricted investment earnings $23,419; and other General Revenues $62,038.

Revenue Analysis:

The breakdown of the school district's **Total Revenue by Fund Source** includes:

Fund	2023/2024 Revenue/Fund	% Total	2024/2025 Revenue/Fund	%Total Rev.
General Fund	$ 3,211,353	50%	$ 3,242,722	53.2%
Capital Outlay	$ 1,936,353	30%	$ 1,422,461	23.3%
Special Ed Fund	$ 1,017,002	17%	$ 1,142,100	18.7%
Food Service Fund	$ 272,409	4%	$ 246,745	3.9%
Driver's Ed./Preschool Fund	$ 30,175	0%	$ 38,987	0%
Fitness Center Fund	$ 3,450	0%	$ 4,530	0%
Total Revenue	**$ 6,470,742**	**100%**	**$ 6,097,545**	**100%**

*Fund Transfers are not included above.

In examining the Bridgewater-Emery School District's Statement of Activities for Fiscal Year ended June 30, 2025, the school district's **Primary Program Revenue Sources** were:

	FY 2023-2024 District Wide Rev.	% Total	FY2024-2025 District Wide Rev.	% Total
Property Taxes	$2,985,245.17	46%	$ 3,057,188.75	50%
Utility Tax	$ 72,602.32	1%	$ 58,828.84	1%
State Sources	$2,115,559.85	33%	$ 2,246,619.08	37%
Federal Sources	$ 6,304.18	0%	$ 12,837.60	6%
Unrestricted Grants	$ 0.00	0%	$ 0.00	0%
Investment Earnings	$ 23,535.79	0%	$ 23,419.44	0%
Other General Revenues	$ 44,530.37	1%	$ 62,038.68	1%
Charges For Services	$ 231,699.99	1%	$ 230,685.18	4%
Operating Grants	$ 307,520.89	5%	$ 274,019.39	4%
Capital Grant/Contributions	$ 696,557.44	11%	$ 140,920.68	2%
Less transfers	-81,307.81		-150,616.38	
Total Revenue	**$6,402,248.19**	**100%**	**$ 5,955,941.26**	**100%**

The district's total revenues (excluding transfers) equaled $6,106,557.64, for the year ended June 30, 2025. Property taxes represent approximately 50% of the Total Revenue of the Bridgewater-Emery School District Wide Budget. Total District Wide Revenue decreased $446,306.93 or 7%, during the 2024-2025 Fiscal Year.

Expenses for Governmental Activities included:

$ 2,959,816.65 for instructional costs
$ 40,187.87 for interest expense
$ 2,034,388.26 for support services' costs
$ 14,141.20 for non-program charges
$ 324,483.30 for co-curricular activities' costs
$ 5,373,017.28

Expenses for Governmental Activities increased $643,435.85 or 13.60% from $4,729,581.43 in Fiscal Year 2023-2024 to $5,373,017.28 in Fiscal Year 2024-2025.

Statement of Activities: Business Activities-Revenue Sources:

Revenues from the district's Business Activities were $290,261.77 in Fiscal Year 2024-2025, a decrease of $15,772.34, down from $306,034.11 in Fiscal Year 2023-2024.
Program revenue from the operation of the school districts' Food Service Fund, Driver's Education Program, and the districts' Fitness Gym were included as Business Activities.

Expenses for Business Activities included:

$ 320,460.94 in Food Service costs
$ 66,503.71 in Preschool Program costs
$ 5,428.27 in Driver's Education costs
$ 9006.07 in Fitness Center Program costs
$ 401,398.99
$ 5,774,416.27 = Total District Wide Governmental and Business Activities Expenses

Expense Analysis:

Governmental & business-type program expenses increased from $5,129,676.07 in FY2023-2024 to $5,774,416.27 in FY2024-2025, a change of $644,740.20 or 12.50%. The CTE Building is now complete. The building was completed with a Workforce Grant, Federal ESSER #2 and #3 Grant Funds, and a district investment. The table below lists the total Government and Business Expenses for each fiscal year.

Fiscal Year	Gov't & Business Exp.
2013-2014	$3,394,753.90
2014-2015	$3,492,718.05
2015-2016	$3,863,332.56
2016-2017	$4,688,680.88
2017-2018	$4,161,861.00
2018-2019	$4,425,249.05
2019-2020	$4,612,589.60
2020-2021	$4,818,229.24
2021-2022	$4,517,505.26
2022-2023	$5,009,218.25
2023-2024	$5,129,676.07
2024-2025	$5,774,416.27

Function:	2023-2024 Expense/Yr.	% Total Exp. Per Year	2024-2025 Expense/Yr.	% Total Exp. Per Year
Instructional	$2,752,574	54.0%	$2,959,817	53.0%
Support Services	$1,703,718	33.2%	$2,034,389	33.0%
Interest & NP Charges	$ 45,079	0.9%	$ 54,329	2.0%
Co-Curricular Activities	$ 228,211	4.4%	$ 324,483	6.0%
Food Service Fund	$ 326,817	6.3%	$ 320.461	6.0%
Driver's Ed Fund	$ 5,055	0.0%	$ 5,428	0.0%
Preschool Fund	$ 64,608	1.2%	$ 66,504	0.0%
Fitness Center Fund	$ 3,614	0.0%	$ 9,006	0.0%
Total Expense	**$ 5,129,676**	**100.0%**	**$ 5,774,417**	**100.0%**

***BUSINESS*-TYPE ACTIVITIES**

Revenues of the school's business-type activities of significance included $129,910.47 in breakfast and lunches local revenue, $481.48 in State Commodity Freight Reimbursement, $91,684.72 in National School Breakfast & Lunch Program Reimbursements; and $24,668.56 from donated commodities.

Expenditures of the school business-type activities were $320,460.94 for the Food Service Fund; $5,428.27 for the Driver's Education Fund; $66,503.71 for the Preschool Program Fund; and $9,006.07 for the Fitness Gym. Please note that the Food Service Program does incur increased costs, due to the operation of a serving site, in each of the two school buildings. The school board and administration feel the benefits of hot meals, available at each site, definitely outweigh the additional program cost.

Salaries, increasing health insurance benefits, the rising cost of purchasing food and fuel stop charges for food service deliveries all add program costs. The school district food service staff is careful to utilize all government commodities and fresh fruit offered by the state government, to reduce overall food service costs.

School District Taxable Valuation:

The school district's taxable valuation increased by 4.70% within the 2024-2025 fiscal year.

Five Year History of District Valuation

Taxable Valuation 2020 $400,645,143
Taxable Valuation 2021 $397,095,214
Taxable Valuation 2022 $380,094,968
Taxable Valuation 2023 $403,426,839
Taxable Valuation 2024 $419,478,304
Taxable Valuation 2025 $438,924,714

The General Fund Tax Levies were adjusted due to the Cutler-Gabriel Bill, which is used to keep the state and the local portion of the ad valorem taxes in proportion. The school district requested $300,000 in Ad Valorem Property Tax Opt-Out Dollars during the 2024-2025 fiscal year. The school district received 54.6% of its General Fund Revenue as State Aid to

Education/State Sources. The breakdown of those funds included: $1,718,383.00 in state aid revenue, $35,516.74 in state apportionment, and $16,140.34 in bank franchise tax.

District Annual Student Enrollment:
The annual student fall enrollment for the Bridgewater-Emery School District for each of the years since the school district's consolidation is:

2010-2011 school year	299.00
2011-2012 school year	307.00
2012-2013 school year	321.00
2013-2014 school year	332.60
2014-2015 school year	329.60
2015-2016 school year	322.00
2016-2017 school year	322.10
2017-2018 school year	334.10
2018-2019 school year	340.00
2019-2020 school year	318.20
2020-2021 school year	335.00
2021-2022 school year	330.00
2022-2023 school year	327.00
2023-2024 school year	333.10
2024-2025 school year	317.20

Investment Earnings:
Investment earnings in this fiscal year were $23,419.44. The Board of Education now requires quotes from area banks prior to the investment of school district funds, into a Certificate of Deposit. The district has maintained its excess cash in the Money Market Account, to maintain liquidity.

Operating Transfers:
The Food Service Fund required an Operating Transfer In of $91,528.43 to subsidize the operation of the School Lunch Program in the 2023-2024 School Year. There was $22,319.38 in Contributed Capital from the Capital Outlay Fund, contributed, to the Food Service Fund, in Fiscal Year 2024-2025.

There was a transfer from the General Fund to the Driver's Education/Preschool for $36,768.57, to subsidize the operation of the preschool program in the 2024-2025 School Year.

The overall Net Position from Business-Type Activities was $146,181.96 on June 30, 2025.

School District Budgetary Highlights: The Bridgewater-Emery Board of Education adopted the following annual school district financial budgets for FY2023-2024 and FY2024-2025.

School District Approved Financial Budget:

Fund	Fiscal Year 2023-2024	Fiscal Year 2024-2025	Budget Change
General Fund	$ 3,596,095.79	$3,692,660.00	$ 96,564.21
Capital Outlay Fund	$ 2,800,055.19	$1,704,307.00	($ 1,095,748.19)
Special Ed Fund	$ 1,037,925.42	$1,131,501.00	$ 93,575.58
Food Service Fund	$ 278,945.00	$ 292,893.00	$ 13,948.00
Driver's Ed/Preschool Fund	$ 72,000.00	$ 75,600.00	$ 3,600.00
Total Budget	**$ 7,785,021.40**	**$ 6,896,961.00**	**($ 888,060.40)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS:

There are challenges ahead for all South Dakota School Districts, as they manage their districts within the constraints of the General Fund Balance Caps and Teacher Pay Accountability Requirements, which were imposed by the State of South Dakota.

We are very fortunate to be located, in two communities that are very supportive of our school districts' programs and actively get involved in our student activities. The Bridgewater Emery School District offers cutting-edge academic curriculum and competitive co-curricular programs. These programs provide our students with engaging opportunities to learn inside the classroom and to practice sportsmanship and leadership, on the playing field. The majority of the Bridgewater Emery School District's graduates further their education, through college or technical education. We understand that not only do our students learn from their academic experiences, but also from athletic contests which test their physical capabilities and build teamwork to reach athletic milestones, which prepares them, for the world of academia and work.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT:

This report is designed to provide our citizens, taxpayers, and investors with a higher level of transparency and accountability for the public funding of the Bridgewater-Emery School District receives. If you have questions about this report or need additional information, please contact Jason Bailey, Superintendent or Lori Jansen, School Business Manager for the Bridgewater-Emery School District at P. O. Box 265 Emery, SD. 57332.

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF NET POSITION
As of June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	3,342,116.06	60,116.80	3,402,232.86
Taxes Receivable	1,428,816.49		1,428,816.49
Inventories		11,243.44	11,243.44
Other Assets	109,187.80	11,521.70	120,709.50
Net Pension Asset	3,625.81		3,625.81
Capital Assets:			
Land	36,026.28		36,026.28
Other Capital Assets, Net of Depreciation/Amortization	10,652,391.93	104,441.43	10,756,833.36
TOTAL ASSETS	15,572,164.37	187,323.37	15,759,487.74
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	690,987.85		690,987.85
TOTAL DEFERRED OUTFLOWS OF RESOURCES	690,987.85	0.00	690,987.85
LIABILITIES :			
Accounts Payable	82,910.91		82,910.91
Other Current Liabilities	359,358.95	38,275.25	397,634.20
Unearned Revenue		2,866.16	2,866.16
Noncurrent Liabilities:			
Due Within One Year	350,517.70		350,517.70
Due in More than One Year	2,202,158.47		2,202,158.47
TOTAL LIABILITIES	2,994,946.03	41,141.41	3,036,087.44
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes Levied for Future Period	1,397,013.98		1,397,013.98
Pension Related Deferred Inflows	457,509.73		457,509.73
TOTAL DEFERRED INFLOWS OF RESOURCES	1,854,523.71	0.00	1,854,523.71
NET POSITION:			
Net Investment in Capital Assets	8,195,864.87	104,441.43	8,300,306.30
Restricted for:			
Capital Outlay Purposes	1,941,804.99		1,941,804.99
Special Education Purposes	106,878.51		106,878.51
SDRS Pension Purposes	237,103.93		237,103.93
Unrestricted (Deficit)	932,030.18	41,740.53	973,770.71
TOTAL NET POSITION	11,413,682.48	146,181.96	11,559,864.44

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
Instruction	2,959,816.65		80,632.17	122,011.14	(2,757,173.34)		(2,757,173.34)
Support Services	2,034,388.26	15,140.44	74,802.46	18,918.54	(1,925,526.82)		(1,925,526.82)
Nonprogrammed Charges	14,141.20				(14,141.20)		(14,141.20)
*Interest on Long-Term Liabilities	40,187.87				(40,187.87)		(40,187.87)
Cocurricular Activities	324,483.30	42,117.73	1,750.00		(280,615.57)		(280,615.57)
Total Governmental Activities	5,373,017.28	57,258.17	157,184.63	140,929.68	(5,017,644.80)		(5,017,644.80)
Business-type Activities:							
Food Service	320,460.94	129,910.47	116,834.76			(73,715.71)	(73,715.71)
Driver's Education	5,428.27	6,400.00				971.73	971.73
Preschool	66,503.71	32,586.54				(33,917.17)	(33,917.17)
Fitness Center	9,006.07	4,530.00				(4,476.07)	(4,476.07)
Total Business-type Activities	401,398.99	173,427.01	116,834.76	0.00		(111,137.22)	(111,137.22)
Total Primary Government	5,774,416.27	230,685.18	274,019.39	140,929.68	(5,017,644.80)	(111,137.22)	(5,128,782.02)
General Revenues:							
Taxes:							
Property Taxes					3,057,188.75		3,057,188.75
Utility Taxes					58,828.84		58,828.84
Revenue from State Sources:							
State Aid					2,194,962.00		2,194,962.00
Other					51,657.08		51,657.08
Revenue from Federal Sources					8,619.03		8,619.03
Grants and Contributions not Restricted to Specific Programs					4,218.57		4,218.57
Unrestricted Investment Earnings					23,419.44		23,419.44
Other General Revenues					62,038.68		62,038.68
Transfers					(150,616.38)	150,616.38	0.00
Total General Revenues and Transfers					5,310,316.01	150,616.38	5,460,932.39
Change in Net Position					292,671.21	39,479.16	332,150.37
Net Position - Beginning					11,121,011.27	106,702.80	11,227,714.07
NET POSITION - ENDING					11,413,682.48	146,181.96	11,559,864.44

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

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

BRIDGEWATER-EMERY SCHOOL DISTRICT 30-3
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	1,199,979.78	1,939,082.81	203,053.47	3,342,116.06
Taxes Receivable--Current	538,171.25	564,716.81	294,125.92	1,397,013.98
Taxes Receivable--Delinquent	16,273.98	9,963.18	5,565.35	31,802.51
Accounts Receivable, Net		559.00		559.00
Due from Other Government	108,628.80			108,628.80
TOTAL ASSETS	1,863,053.81	2,514,321.80	502,744.74	4,880,120.35
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	23,495.15	7,800.00	51,615.76	82,910.91
Contracts Payable	247,766.96		36,076.29	283,843.25
Payroll Deductions and Withholdings and Employer Matching Payable	61,467.44		14,048.26	75,515.70
Total Liabilities	332,729.55	7,800.00	101,740.31	442,269.86
Deferred Inflows of Resources:				
Unavailable Revenue-Property Taxes	16,273.98	9,963.18	5,565.35	31,802.51
Property Taxes Levied for a Future Period	538,171.25	564,716.81	294,125.92	1,397,013.98
Total Deferred Inflows of Resources	554,445.23	574,679.99	299,691.27	1,428,816.49
Fund Balances:				
Restricted:				
Capital Outlay		1,931,841.81		1,931,841.81
Special Education			101,313.16	101,313.16
Unassigned	975,879.03			975,879.03
Total Fund Balances	975,879.03	1,931,841.81	101,313.16	3,009,034.00
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	1,863,053.81	2,514,321.80	502,744.74	4,880,120.35

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds	3,009,034.00
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.	3,625.81
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,688,418.21
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	690,987.85
Assets, such as taxes receivable that are not available to pay for current period expenditures, are deferred in the funds.	31,802.51
Long-term liabilities. such as Capital Outlay Certificates Payable, Right to Use Lease Payable, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(2,552,676.17)
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(457,509.73)
Net Position - Governmental Activities	11,413,682.48

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,151,220.38	1,215,507.07	649,741.62	3,016,469.07
Prior Years' Ad Valorem Taxes	14,782.22	14,033.61	7,997.59	36,813.42
Utility Taxes	58,828.84			58,828.84
Penalties and Interest on Taxes	4,531.73	2,641.92	1,606.01	8,779.66
Earnings on Investments and Deposits	11,259.11	12,155.11	5.22	23,419.44
Cocurricular Activities:				
Admissions	30,551.49			30,551.49
Rentals	3,600.00			3,600.00
Other Student Activity Income	7,966.24			7,966.24
Other Revenue from Local Sources:				
Rentals	2,176.87			2,176.87
Contributions and Donations	9,333.74	15,350.00		24,683.74
Charges for Services	9,157.79		5,982.65	15,140.44
Other	9,841.48	621.55	188.14	10,651.17
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	29,938.89			29,938.89
Revenue in Lieu of Taxes	5,376.75			5,376.75
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,770,040.08		476,579.00	2,246,619.08
Restricted Grants-in-Aid	3,909.50			3,909.50
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received from Federal Government Through an Intermediate Source	12,428.99			12,428.99
Restricted Grants-in-Aid Received Directly from the Federal Government	2,729.22	21,221.78		23,951.00
Restricted Grants-in-Aid Received from Federal Government Through the State	105,049.00	140,929.68		245,978.68
Total Revenue	3,242,722.32	1,422,460.72	1,142,100.23	5,807,283.27

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	677,288.51	41,902.69		719,191.20
Middle/Junior High	345,118.72	8,866.26		353,984.98
High School	729,507.21	74,900.01		804,407.22
Special Programs:				
Programs for Special Education			675,724.08	675,724.08
Educationally Deprived	100,803.66			100,803.66
Support Services:				
Students:				
Guidance	95.00			95.00
Health	1,422.73			1,422.73
Psychological			149.68	149.68
Speech Pathology			51,530.60	51,530.60
Student Therapy Services			38,975.94	38,975.94
Instructional Staff:				
Improvement of Instruction	17,040.05	30,121.78		47,161.83
Educational Media	56,494.22	5,096.14	194.44	61,784.80
General Administration:				
Board of Education	35,145.25		3,483.12	38,628.37
Executive Administration	118,057.46			118,057.46
School Administration:				
Office of the Principal	264,172.10	2,503.00		266,675.10
Other	565.08			565.08
Business:				
Fiscal Services	117,296.04	5,500.00	5,457.52	128,253.56
Facilities Acquisition and Construction		738.25		738.25
Operation and Maintenance of Plant	474,231.91	150,524.85		624,756.76
Student Transportation	160,279.13	25,377.97		185,657.10
Food Services		38,124.61		38,124.61
Internal Services		1,859.41		1,859.41

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Expenditures (continued):				
Support Services (continued):				
Special Education:				
Administrative Costs			18,978.71	18,978.71
Transportation Costs			145,027.91	145,027.91
Other Special Education Costs			150,606.04	150,606.04
Nonprogrammed Charges:				
Other Nonprogrammed Costs			14,141.20	14,141.20
Debt Services		389,197.28		389,197.28
Cocurricular Activities:				
Male Activities	57,445.09	66,031.38		123,476.47
Female Activities	61,293.88	7,789.56		69,083.44
Transportation	18,040.32	2,972.69		21,013.01
Combined Activities	73,990.39	10,897.26		84,887.65
Capital Outlay		412,877.25		412,877.25
Total Expenditures	3,308,286.75	1,275,280.39	1,104,269.24	5,687,836.38
Excess of Revenue Over (Under) Expenditures	(65,564.43)	147,180.33	37,830.99	119,446.89
Other Financing Sources (Uses):				
Transfers In	212,160.33			212,160.33
Transfers Out	(128,297.00)	(212,155.11)	(5.22)	(340,457.33)
Lease Proceeds		101,612.15		101,612.15
Sale of Surplus Property		2,555.00		2,555.00
Compensation for Loss of General Capital Assets		11,340.00		11,340.00
Total Other Financing Sources (Uses)	83,863.33	(96,647.96)	(5.22)	(12,789.85)
Net Change in Fund Balances	18,298.90	50,532.37	37,825.77	106,657.04
Fund Balance - Beginning	957,580.13	1,881,309.44	63,487.39	2,902,376.96
FUND BALANCE - ENDING	975,879.03	1,931,841.81	101,313.16	3,009,034.00

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	106,657.04
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 capital outlays exeeded depreciation/amortization in the current period.	79,568.81
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized.	(21,831.07)
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".	(4,873.40)
The issuance of long-term liabilities is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.	(101,612.15)
Payment of principal on long-term liabilities is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.	337,240.06
Governmental funds recognize expenditures for amounts of compensated absences 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 or elect to retire early.	(17,698.23)
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. (Pension Expense)	1,844.41
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	(98,393.61)
Unamortized premiums and discounts are recorded as expenditures or other financing sources in the governmental funds. However, these items are amortized over the life of the debt in the governmental activities.	11,769.35
Change in Net Position of Governmental Activities	292,671.21

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2025

	Enterprise Funds			
	Food Service Fund	Driver's Education/ Preschool Fund	B-E Fitness Center Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	40,973.65	16,005.12	3,138.03	60,116.80
Accounts Receivable, Net	11,521.70			11,521.70
Inventory of Supplies	714.72			714.72
Inventory of Stores Purchased for Resale	3,875.83			3,875.83
Inventory of Donated Food	6,652.89			6,652.89
Total Current Assets	63,738.79	16,005.12	3,138.03	82,881.94
Noncurrent Assets:				
Capital Assets:				
Machinery and Equipment--Local Funds	179,356.17			179,356.17
Machinery and Equipment--Federal Assistance	70,343.84			70,343.84
Less: Accumulated Depreciation (Credit)	(145,258.58)			(145,258.58)
Total Noncurrent Assets	104,441.43	0.00	0.00	104,441.43
TOTAL ASSETS	168,180.22	16,005.12	3,138.03	187,323.37
LIABILITIES:				
Current Liabilities:				
Contracts Payable	18,444.17	8,462.86		26,907.03
Payroll Deductions and Withholdings and Employer Matching Payable	8,928.00	2,440.22		11,368.22
Unearned Revenue - Charges for Services	2,866.16			2,866.16
Total Current Liabilities	30,238.33	10,903.08	0.00	41,141.41
TOTAL LIABILITIES	30,238.33	10,903.08	0.00	41,141.41
NET POSITION:				
Net Investment in Capital Assets	104,441.43			104,441.43
Unrestricted Net Position	33,500.46	5,102.04	3,138.03	41,740.53
TOTAL NET POSITION	137,941.89	5,102.04	3,138.03	146,181.96

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Funds			
	Food Service Fund	Driver's Education/ Preschool Fund	B-E Fitness Center Fund	Totals
Operating Revenue:				
Food Sales:				
Students	123,908.11			123,908.11
Adults	5,482.50			5,482.50
Ala Carte	519.86			519.86
Other Charges for Goods and Services:				
Driver's Education		6,400.00		6,400.00
Preschool		32,586.54		32,586.54
Fitness Center			4,530.00	4,530.00
Total Operating Revenue	129,910.47	38,986.54	4,530.00	173,427.01
Operating Expenses:				
Salaries	115,411.84			115,411.84
Employee Benefits	53,578.28			53,578.28
Purchased Services	7,143.69		818.07	7,961.76
Supplies	545.17		8,188.00	8,733.17
Cost of Sales - Purchased	103,590.21			103,590.21
Cost of Sales - Donated	25,689.91			25,689.91
Other	872.95			872.95
Depreciation	13,628.89			13,628.89
Driver's Education		5,428.27		5,428.27
Preschool		66,503.71		66,503.71
Total Operating Expenses	320,460.94	71,931.98	9,006.07	401,398.99
Operating Income (Loss)	(190,550.47)	(32,945.44)	(4,476.07)	(227,971.98)
Nonoperating Revenue:				
State Grants	481.48			481.48
Federal Grants	91,684.72			91,684.72
Donated Food	24,668.56			24,668.56
Total Nonoperating Revenue (Expense)	116,834.76	0.00	0.00	116,834.76
Income (Loss) Before Contributions and Transfers	(73,715.71)	(32,945.44)	(4,476.07)	(111,137.22)
Capital Contributions	22,319.38			22,319.38
Transfers In	91,528.43	36,768.57		128,297.00
Change in Net Position	40,132.10	3,823.13	(4,476.07)	39,479.16
Net Position - Beginning	97,809.79	1,278.91	7,614.10	106,702.80
NET POSITION - ENDING	137,941.89	5,102.04	3,138.03	146,181.96

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Funds			
	Food Service Fund	Driver's Education/ Preschool Fund	B-E Fitness Center Fund	Totals
Cash Flows from Operating Activities:				
Cash Receipts from Customers	136,746.83	38,986.54	4,530.00	180,263.37
Cash Payments to Employees for Services	(160,494.68)	(70,344.21)		(230,838.89)
Cash Payments to Suppliers for Goods or Services	(114,202.68)	(2,349.44)	(9,006.07)	(125,558.19)
Net Cash Provided (Used) by Operating Activities	(137,950.53)	(33,707.11)	(4,476.07)	(176,133.71)
Cash Flows from Noncapital Financing Activities:				
Transfers from General Fund	91,528.43	36,768.57		128,297.00
Operating Grants	85,023.50			85,023.50
Net Cash Provided (Used) from Noncapital Financing Activities	176,551.93	36,768.57	0.00	213,320.50
Net Increase (Decrease) in Cash and Cash Equivalents	38,601.40	3,061.46	(4,476.07)	37,186.79
Cash and Cash Equivalents at Beginning of Year	2,372.25	12,943.66	7,614.10	22,930.01
CASH AND CASH EQUIVALENTS AT END OF YEAR	40,973.65	16,005.12	3,138.03	60,116.80
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(190,550.47)	(32,945.44)	(4,476.07)	(227,971.98)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	13,628.89			13,628.89
Value of Donated Commodities Used	25,689.91			25,689.91
(Increase) decrease in Receivables	5,737.51			5,737.51
(Increase) decrease in Inventories	495.93			495.93
(Decrease) increase in Accounts and Other Payables	(2,546.59)	(1,147.74)		(3,694.33)
(Decrease) increase in Accrued Wages Payable	8,495.44	386.07		8,881.51
(Decrease) increase in Unearned Revenue	1,098.85			1,098.85
Net Cash Provided (Used) by Operating Activities	(137,950.53)	(33,707.11)	(4,476.07)	(176,133.71)
Noncash Investing, Capital and Financing Activities:				
Value of Commodities Received	24,668.56			24,668.56
Equipment Purchased by Capital Outlay Fund	22,319.38			22,319.38

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

BRIDGEWATER EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of June 30, 2025

	Custodial Funds
ASSETS:	
Cash and Cash Equivalents	52,942.86
TOTAL ASSETS	52,942.86
NET POSITION:	
Restricted for:	
Individuals	4,034.51
Organizations	48,908.35
TOTAL NET POSITION	52,942.86

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

BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
STATEMENT OF CHANGES IN FIDUCIARY NET POSITON
FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	Custodial Funds
ADDITIONS:	
Other Additions	138,913.78
Total Additions	138,913.78
DEDUCTIONS:	
Other Deductions	137,599.53
Total Deductions	137,599.53
Change in Net Position	1,314.25
Net Position - Beginning	51,628.61
NET POSITON - ENDING	52,942.86

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

NOTES TO THE FINANCIAL STATEMENTS

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 Bridgewater-Emery School District No. 30-3 (School District) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

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 are displayed in three components, as applicable, net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

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 are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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 payable solely from fees and charges of the activity.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

(Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)

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

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

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.

The Driver's Education/Preschool Fund is an enterprise fund maintained by the School District to record transactions of the Driver's Education/Preschool program. This fund is financed by user charges. This is a major fund.

The B-E Fitness Center Fund is an enterprise fund maintained by the School District to record transactions of the Bridgewater Emery School Fitness Center. This is a major fund.

Fiduciary Funds:

Fiduciary funds are never considered to be major funds.

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

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 funds, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary and fiduciary fund types.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 fund types 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 Bridgewater-Emery School District No. 30-3, the length of that cycle is 60 days. The revenues, which are accrued at June 30, 2025, are grants from state government, utility taxes and miscellaneous revenue.

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 liabilities which are recognized when due.

All proprietary fund 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, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances, if any.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 mature 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.

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.

The total June 30, 2025 balance of capital assets for governmental activities and business-type activities are all valued at original costs.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, 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	$ 0.00	N/A	N/A
Improvements	$ 5,000.00	Straight-Line	20 yrs.
Buildings	$ 5,000.00	Straight-Line	50-100 yrs.
Machinery & Equipment	$ 5,000.00	Straight-Line	5-20 yrs.
Food Service Machinery and Equipment	$ 500.00	Straight-Line	12 yrs.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Land is an inexhaustible capital asset and is not depreciated/amortized. Intangible leased assets do not have a capitalization threshold, but the District's policy is amortize over the life of the lease.

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. Leases:

Lessee:
The School District is a lessee for a noncancellable lease of copiers. 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 that are deemed material.

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 its estimated incremental borrowing rate as the discount rate for leases.

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

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 liabilities on the statement of net position.

h. Long-Term Liabilities:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 primarily consist of Limited Tax Capital Outlay Certificates Payable, right-to-use lease payable, and compensated absences.

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

i. 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.

j. 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:

1. Charges for services – These arise from charges to customers, applications, 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.

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, non-capital 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 fund 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

m. Equity Classifications:

Government-wide Financial Statements:

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

1. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization (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 (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and 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 Business Manager.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

- 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 School District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The School District does not have a formal minimum fund balance policy.

The purpose of each major special revenue fund and revenue source is listed below:

Major Special Revenue Fund:	Revenue Source:
Capital Outlay Fund	Property Tax Revenue and Grants
Special Education Fund	Property Tax Revenue and Grants

p. Pensions:

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

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 as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

As of June 30, 2025, the School District did not have any investments.

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.

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk.

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

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.

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 credit all income from deposits and investments to the General Fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. These interfund transfers are not violations of statutory restrictions on interfund transfers.

3. RECEIVABLES AND PAYABLES

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

4. INVENTORY

Inventory held for consumption is stated at cost.

Inventory for Resale is stated 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 purchased. Reported inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 the following April 30 and October 31. 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 with the "availability period" has been reported as unavailable revenue 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 a future fiscal year.

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025, is as follows:

Primary Government:

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Governmental Activities:				
Capital Assets, not being depreciated/amortized:				
Land	36,026.28			36,026.28
Total, not being depreciated/amortized	36,026.28	0.00	0.00	36,026.28
Capital Assets, being depreciated/amortized:				
Buildings	13,373,343.99	129,168.03		13,502,512.02
Improvements	118,070.93	13,185.21		131,256.14
Machinery & Equipment	1,002,059.60	169,172.01	(17,960.00)	1,153,271.61
Intangible Lease Asset	88,442.15	101,612.00	(88,442.15)	101,612.00
Total, being depreciated/amortized	14,581,916.67	413,137.25	(106,402.15)	14,888,651.77
Less Accumulated Depreciation/Amortization for:				
Buildings	(3,080,402.78)	(228,465.30)		(3,308,868.08)
Improvements	(60,540.55)	(7,888.70)		(68,429.25)
Machinery & Equipment	(790,460.95)	(77,767.40)	16,039.96	(852,188.39)
Intangible Lease Asset	(55,858.20)	(19,187.04)	68,271.12	(6,774.12)
Total Accumulated Depreciation/Amortization	(3,987,262.48)	(333,308.44)	84,311.08	(4,236,259.84)
Total Capital Assets, being depr./amort., net	10,594,654.19	79,568.81	(22,091.07)	10,652,391.93
Governmental Activity Capital Assets, Net	10,630,680.47	79,828.81	(22,091.07)	10,688,418.21

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities:	
Instruction	217,151.34
Support Services	92,815.04
Co-curricular Activities	23,342.06
Total Depreciation/Amortization Expense - Governmental Activities	333,308.44

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery & Equipment	227,380.63	22,319.38		249,700.01
Total, being depreciated	227,380.63	22,319.38	0.00	249,700.01
Less Accumulated Depreciation for:				
Machinery & Equipment	(131,629.69)	(13,628.89)		(145,258.58)
Total Accumulated Depreciation	(131,629.69)	(13,628.89)	0.00	(145,258.58)
Business-Type Activity Capital Assets, Net	95,750.94	8,690.49	0.00	104,441.43

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Food Services	13,628.89
Total Depreciation Expense - Business-Type Activities	13,628.89

7. LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Limited Tax GO Certificates 2016A	2,610,000.00		295,000.00	2,315,000.00	305,000.00
Unamortized Bond Premium	94,154.80		11,769.35	82,385.45	11,769.35
Right to Use Lease Payable - Copier Agreement	35,795.80	101,612.15	42,240.06	95,167.89	18,748.35
Total Debt	2,739,950.60	101,612.15	349,009.41	2,492,553.34	335,517.70
Accrued Compensated Absences	42,424.60	17,698.23		60,122.83	15,000.00
Total Governmental Activities	2,782,375.20	119,310.38	349,009.41	2,552,676.17	350,517.70
Total Primary Government	2,782,375.20	119,310.38	349,009.41	2,552,676.17	350,517.70

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Compensated absences for governmental activities typically have been liquidated from the General Fund and Special Education Fund.

Liabilities Payable at June 30, 2025, is comprised of the following:

PRIMARY GOVERNMENT

Capital Outlay Certificates Payable:
Limited Tax General Obligation Certificates Series 2016A Payable: $ 2,315,000.00
Fixed Interest Rates: 0.85% to 3.0%
Maturity Date: August 1, 2031
Paid by Capital Outlay Fund

Right-to-Use Lease - Copier Agreement $ 95,167.89

The School District entered into an agreement for copiers and printers with A&B Business. The lease includes a clause in the event of default in addition to other remedies (including disabling or repossessing), immediately require one or more of the following: a) as liquidated damages for loss of bargain and not as a penalty, pay the sum of i) all amounts past due, plus interest rate of 1.5% per month; ii)the payments remaining in the term discounted to the date of the default; iii) the equipment's booked residual, and iv) taxes; and b) require return of equipment. The lease is paid out of the Capital Outlay Fund.

Compensated Absences; Vested Leave Payable:
Vested Leave Payable Balances of Eligible Employees
Paid by General Fund $ 53,914.50
Paid by Special Education Fund $ 6,208.33

The annual debt service requirements to maturity, except for compensated absences, for all liabilities outstanding as of June 30, 2025 are as follows:

Annual Requirements to Maturity for Long-Term Liabilities
June 30, 2025

Year Ending June 30,	Limited Tax General Obligation Certificates Series 2016A		Right to Use Lease-Copier Agreement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	305,000.00	58,325.00	18,748.35	3,899.01	323,748.35	62,224.01
2027	315,000.00	49,025.00	19,609.65	3,037.71	334,609.65	52,062.71
2028	325,000.00	41,050.00	20,510.51	2,136.85	345,510.51	43,186.85
2029	330,000.00	34,500.00	21,452.76	1,194.60	351,452.76	35,694.60
2030	335,000.00	26,175.00	14,846.61	251.63	349,846.61	26,426.63
2031-2035	705,000.00	21,375.00			705,000.00	21,375.00
Totals	2,315,000.00	230,450.00	95,167.88	10,519.80	2,410,167.88	240,969.80

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. RESTRICTED NET POSITION

Restricted net position for the fiscal year ended June 30, 2025, was as follows:

FUND	Restricted By:	6/30/2025 Amount
Special Education	Law	$ 106,878.51
Capital Outlay	Law	1,941,804.99
SDRS Pension	Governmental Accounting Standards	237,103.93
Total Restricted Net Position		$ 2,285,787.43

9. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025, were as follows:

	Transfers To:			
	Governmental Activities	Business-Type Activities		
Transfers From:	General Fund	Food Service Fund	Driver's Education/ Preschool Fund	Totals
General Fund		$ 91,528.43	$ 36,768.57	$ 128,297.00
Capital Outlay Fund	$ 212,155.11			212,155.11
Special Education Fund	5.22			5.22
Totals	$ 212,160.33	$ 91,528.43	$ 36,768.57	$ 340,457.33

The School District typically uses transfers to transfer earnings on deposits and investments from other funds to the General Fund. SDCL 4-5-9 and 13-16-18 give the school board the authority to designate whether all such earnings should be retained by any individual funds or credited to the General Fund. These interfund transfers are not violations of the statutory restrictions on interfund transfers. The School District also uses transfers to transfer from the General Fund to the Food Service Fund and Driver's Education/Preschool Fund and from the Capital Outlay Fund to the General Fund to supplement the operations of that fund.

10. PENSION PLAN

Plan Information:
All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://www.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 THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Contributions:
Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2025, 2024, and 2023, equal to the required contributions each year, were as follows:

Year	Amount
2025	$ 152,618.42
2024	$ 150,774.01
2023	$ 144,228.31

Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:
At June 30, 2024, SDRS is 100% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of the measurement period ending June 30, 2024 and reported by the School District as of June 30, 2025 are as follows:

Proportionate share of pension liability	$ 13,362,436.02
Less proportionate share of net pension restricted for pension benefits	$ 13,366,061.83
Proportionate share of net pension liability (asset)	$ (3,625.81)

At June 30, 2025, the School District reported a liability (asset) of $(3,625.81) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the School District's proportion was 0.08957100%, which is an increase (decrease) of (0.0036230%) from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense (reduction of pension expense) of $96,549.20. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience.	$ 335,752.55	
Changes in assumption.	$ 59,778.98	$ 455,669.08
Net Difference between projected and actual earnings on pension plan investments.	$ 136,574.92	
Changes in proportion and difference between School district contributions and proportionate share of contributions.	$ 6,262.98	$ 1,840.65
School District contributions subsequent to the measurement date.	$ 152,618.42	
TOTAL	$ 690,987.85	$ 457,509.73

$152,618.42 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, 2026. 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:	
2026	$ (125,595.00)
2027	175,840.75
2028	19,237.15
2029	11,376.80
TOTAL	$ 80,859.70

Actuarial Assumptions:
The total pension liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 *percent*
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.71%

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Mortality Rates

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected Generationally with improvement scale MP-2020
Active and Terminated Vested Members:
Teachers, Certified Regents, and Judicial PubT-2010
Other Class A Members: PubG-2010
Public Safety Members: PubS-2010
Retired Members:
Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above.
Public Safety Retirees: PubS-2010, 102% of rates at all ages.
Beneficiaries:
PubG-2010 contingent survivor mortality table
Disabled Members:
Public Safety: PubS-2010 disabled member mortality table
Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Sensitivity of liability (asset) to changes in the discount rate:
The following presents the School District's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50% as well as what the School 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:

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability (asset)	$1,842,441.29	$(3,625.81)	$(1,514,283.74)

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

11. JOINT VENTURES

The School District participates in the Cornbelt Educational Cooperative, a cooperative service unit (co-op) formed for the purpose of providing special education services to the member school districts.

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

Bridgewater-Emery School District No. 30-3	10.58%
Canistota School District No. 43-1	9.65%
Ethan School District No. 17-1	9.00%
Freeman School District No. 33-1	14.85%
Hanson School District No. 30-1	12.04%
Marion School District No. 60-3	6.57%
McCook School District No. 43-7	14.60%
Montrose School District No. 43-2	8.20%
Parker School District No. 60-4	14.51%

The co-op's governing board is composed of two representatives from each member school district, who are one school board member who serves on the Board of Directors and the superintendent who serves on the advisory board. The board is responsible for adopting the co-op's budget and setting service fees at a level adequate to fund the adopted budget.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The School District retains no equity in the net position of the co-op but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the Cornbelt Educational Cooperative.

At June 30, 2025, this joint venture had total assets and deferred outflows of $1,209,920.57 total liabilities and deferred inflows of $407,878.28, and net position of $802,042.29.

12. 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 period ended June 30, 2025, the School District managed its risks as follows:

Employee Health Insurance:
The School District joined the South Dakota District Health Benefits Fund. This is a public entity risk pool currently operating as a common risk management and insurance program from South Dakota local government entities. The school district pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage also includes a $2,000,000.00 lifetime maximum payment per person. The School District does not carry additional health insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:
The School District purchases liability insurance for risks related to torts; theft of or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:
The School District purchases liability insurance for workmen's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

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, 2025, no claims for unemployment benefits were filed. At June 30, 2025, no claims are anticipated in the next fiscal year.

13. SIGNIFICANT CONTINGENCIES – LITIGATION

At June 30, 2025, the School District was not involved in any significant litigation.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

14. RELATED PARTY TRANSACTIONS

The School District has a board member whose spouse is the owner of Hofer Physical Therapy, LLC for which the sum of $9,181.25 was paid for contracted physical therapy services. This contract falls within the provisions of SDCL 6-1-2.

The School District has a board member whose spouse is the owner of Meyer Motor, LLC for which the sum of $1,365.55 was paid for a vehicle, repairs, and maintenance. This contract falls within the provisions of SDCL 6-1-2.

The School District has a board member who is a co-owner of E and M Bus Line, Incorporated for which the sum of $204,246.93 was paid for contracted bus service. This contract falls within the provisions of SDCL 6-1-2.

15. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through September 25, 2026, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,117,227.00	1,117,227.00	1,151,220.38	33,993.38
Prior Years' Ad Valorem Taxes	17,599.00	17,599.00	14,782.22	(2,816.78)
Utility Taxes	73,750.00	73,750.00	58,828.84	(14,921.16)
Penalties and Interest on Taxes	4,000.00	4,000.00	4,531.73	531.73
Earnings on Investments and Deposits	22,500.00	22,500.00	11,259.11	(11,240.89)
Cocurricular Activities:				
Admissions	15,750.00	15,750.00	30,551.49	14,801.49
Rentals	0.00	0.00	3,600.00	3,600.00
Other Student Activity Income	6,250.00	6,250.00	7,966.24	1,716.24
Other Revenue from Local Sources:				
Rentals	500.00	500.00	2,176.87	1,676.87
Contributions and Donations	2,000.00	2,000.00	9,333.74	7,333.74
Charges for Services	12,500.00	12,500.00	9,157.79	(3,342.21)
Other	0.00	0.00	9,841.48	9,841.48
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	28,500.00	28,500.00	29,938.89	1,438.89
Revenue in Lieu of Taxes	0.00	0.00	5,376.75	5,376.75
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,888,991.00	1,888,991.00	1,770,040.08	(118,950.92)
Restricted Grants-in-Aid	0.00	0.00	3,909.50	3,909.50
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received from Federal Government Through an Intermediate Source	4,250.00	4,250.00	12,428.99	8,178.99
Restricted Grants-in-Aid Received Directly from Federal Government	10,500.00	10,500.00	2,729.22	(7,770.78)
Restricted Grants-in-Aid Received from Federal Government Through the State	100,033.00	100,033.00	105,049.00	5,016.00
Total Revenue	3,304,350.00	3,304,350.00	3,242,722.32	(61,627.68)
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	710,076.00	710,076.00	677,288.51	32,787.49
Middle/Junior High	419,178.00	419,178.00	345,118.72	74,059.28
High School	793,599.00	793,599.00	729,507.21	64,091.79
Special Programs:				
Educationally Deprived	110,533.00	110,533.00	100,803.66	9,729.34

REQUIRED SUPPLEMENTARY INFORMATION
BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures (continued):				
Support Services:				
Students:				
Guidance	0.00	0.00	95.00	(95.00)
Health	1,545.00	1,545.00	1,422.73	122.27
Instructional Staff:				
Improvement of Instruction	1,803.00	1,803.00	17,040.05	(15,237.05)
Educational Media	69,138.00	69,440.00	56,494.22	12,945.78
General Administration:				
Board of Education	32,412.00	37,070.00	35,145.25	1,924.75
Executive Administration	121,620.00	121,620.00	118,057.46	3,562.54
School Administration:				
Office of the Principal	285,931.00	287,496.00	264,172.10	23,323.90
Other	1,288.00	1,288.00	565.08	722.92
Business:				
Fiscal Services	123,171.00	123,171.00	117,296.04	5,874.96
Operation and Maintenance of Plant	490,930.00	574,079.00	474,231.91	99,847.09
Student Transportation Services	190,550.00	190,550.00	160,279.13	30,270.87
Cocurricular Activities:				
Male Activities	62,388.00	62,388.00	57,445.09	4,942.91
Female Activities	58,061.00	58,061.00	61,293.88	(3,232.88)
Transportation	50,000.00	50,000.00	18,040.32	31,959.68
Combined Activities	70,546.00	80,763.00	73,990.39	6,772.61
Contingencies	25,000.00	25,000.00		
Amount Transferred		(25,000.00)		0.00
Total Expenditures	3,617,769.00	3,692,660.00	3,308,286.75	384,373.25
Excess of Revenue Over (Under) Expenditures	(313,419.00)	(388,310.00)	(65,564.43)	322,745.57
Other Financing Sources (Uses):				
Transfers In	0.00	315,000.00	212,160.33	(102,839.67)
Transfers Out	(67,993.00)	(135,400.00)	(128,297.00)	7,103.00
Total Other Financing Sources (Uses)	(67,993.00)	179,600.00	83,863.33	(95,736.67)
Net Change in Fund Balances	(381,412.00)	(208,710.00)	18,298.90	227,008.90
Fund Balance - Beginning	957,580.13	957,580.13	957,580.13	0.00
FUND BALANCE - ENDING	576,168.13	748,870.13	975,879.03	227,008.90

REQUIRED SUPPLEMENTARY INFORMATION
BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,252,456.00	1,252,456.00	1,215,507.07	(36,948.93)
Prior Years' Ad Valorem Taxes	12,218.00	12,218.00	14,033.61	1,815.61
Penalties and Interest on Taxes	1,750.00	1,750.00	2,641.92	891.92
Earnings on Investments and Deposits	0.00	0.00	12,155.11	12,155.11
Other Revenue from Local Sources:				
Contributions and Donations	0.00	0.00	15,350.00	15,350.00
Other	0.00	0.00	621.55	621.55
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received Directly from the Federal Government	0.00	0.00	21,221.78	21,221.78
Restricted Grants-in-Aid Received from Federal Government Through the State	142,110.00	142,110.00	140,929.68	(1,180.32)
Total Revenue	1,408,534.00	1,408,534.00	1,422,460.72	13,926.72
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	22,500.00	22,500.00	92,708.69	(70,208.69)
Middle/Junior High	25,750.00	25,750.00	8,866.26	16,883.74
High School	244,862.00	392,149.00	270,323.63	121,825.37
Support Services:				
Instructional Staff:				
Improvement of Instruction	26,830.00	37,052.00	30,121.78	6,930.22
Educational Media	7,500.00	7,500.00	9,918.47	(2,418.47)
School Administration:				
Office of the Principal	0.00	0.00	2,503.00	(2,503.00)
Business:				
Fiscal Services	7,350.00	7,350.00	5,500.00	1,850.00
Facilities Acquisition and Construction	354,644.00	354,644.00	102,974.70	251,669.30
Operation and Maintenance of Plant	361,530.00	361,530.00	171,613.70	189,916.30
Student Transportation Services	0.00	25,378.00	63,877.97	(38,499.97)
Food Services	0.00	0.00	38,124.61	(38,124.61)
Internal Services	0.00	0.00	1,859.41	(1,859.41)
Debt Service	388,695.00	388,695.00	389,197.28	(502.28)
Cocurricular Activities:				
Male Activities	65,724.00	65,724.00	66,031.38	(307.38)
Female Activities	6,915.00	6,915.00	7,789.56	(874.56)
Transportation	0.00	2,973.00	2,972.69	0.31
Combined Activities	6,147.00	6,147.00	10,897.26	(4,750.26)
Total Expenditures	1,518,447.00	1,704,307.00	1,275,280.39	429,026.61

REQUIRED SUPPLEMENTARY INFORMATION
BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Excess of Revenue Over (Under) Expenditures	(109,913.00)	(295,773.00)	147,180.33	442,953.33
Other Financing Sources (Uses):				
Transfers Out	0.00	(315,000.00)	(212,155.11)	102,844.89
Lease Proceeds	0.00	0.00	101,612.15	101,612.15
Sale of Surplus Property	0.00	0.00	2,555.00	2,555.00
Compensation for Loss of General Capital Assets	0.00	0.00	11,340.00	11,340.00
Total Other Financing Sources (Uses)	0.00	(315,000.00)	(96,647.96)	218,352.04
Net Change in Fund Balances	(109,913.00)	(610,773.00)	50,532.37	661,305.37
Fund Balance - Beginning	1,881,309.44	1,881,309.44	1,881,309.44	0.00
FUND BALANCE - ENDING	1,771,396.44	1,270,536.44	1,931,841.81	661,305.37

REQUIRED SUPPLEMENTARY INFORMATION
BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	557,520.00	557,520.00	649,741.62	92,221.62
Prior Years' Ad Valorem Taxes	6,860.00	6,860.00	7,997.59	1,137.59
Penalties and Interest on Taxes	1,000.00	1,000.00	1,606.01	606.01
Earnings on Investments and Deposits	0.00	0.00	5.22	5.22
Other Revenue from Local Sources:				
Charges for Services	14,750.00	14,750.00	5,982.65	(8,767.35)
Other	0.00	0.00	188.14	188.14
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	550,477.00	550,477.00	476,579.00	(73,898.00)
Total Revenue	1,130,607.00	1,130,607.00	1,142,100.23	11,493.23
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	781,501.35	781,501.35	675,724.08	105,777.27
Support Services:				
Students:				
Psychological	149.67	149.67	149.68	(0.01)
Speech Pathology	51,530.61	51,530.61	51,530.60	0.01
Student Therapy Services	72,000.00	72,000.00	38,975.94	33,024.06
Instructional Staff:				
Educational Media	194.44	194.44	194.44	0.00
General Administration:				
Board of Education	3,483.14	3,483.14	3,483.12	0.02
Business:				
Fiscal Services	5,457.51	5,457.51	5,457.52	(0.01)
Special Education:				
Administrative Costs	58,476.28	58,476.28	18,978.71	39,497.57
Transportation Costs	97,814.00	97,814.00	145,027.91	(47,213.91)
Other Special Education Costs	60,000.00	60,000.00	150,606.04	(90,606.04)
Nonprogrammed Charges:				
Other Nonprogrammed Costs	0.00	894.00	14,141.20	(13,247.20)
Total Expenditures	1,130,607.00	1,131,501.00	1,104,269.24	27,231.76
Excess of Revenue Over (Under) Expenditures	0.00	(894.00)	37,830.99	38,724.99

REQUIRED SUPPLEMENTARY INFORMATION
BRIDGEWATER-EMERY SCHOOL DISTRICT NO. 30-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	0.00	0.00	(5.22)	(5.22)
Total Other Financing Sources (Uses)	0.00	0.00	(5.22)	(5.22)
Net Change in Fund Balances	0.00	(894.00)	37,825.77	38,719.77
Fund Balance - Beginning	63,487.39	63,487.39	63,487.39	0.00
FUND BALANCE - ENDING	63,487.39	62,593.39	101,313.16	38,719.77

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

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 fiduciary 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 by number 8.

7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other bud get 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 each major special revenue fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2. GAAP/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.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

Last 10 Years*

Fiscal Year	District's Proportion of the Net Pension Liability/Asset	District's Proportionate Share of Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2025	0.089571%	$ (3,625.81)	$ 2,515,941.28	0.14%	100.00%
2024	0.093194%	$ (9,096.15)	$ 2,403,794.15	0.36%	100.10%
2023	0.091771%	$ (8,672.93)	$ 2,191,350.22	0.40%	100.10%
2022	0.093045%	$ (712,565.46)	$ 2,111,489.83	33.75%	105.52%
2021	0.093182%	$ (4,046.88)	$ 2,045,066.15	0.20%	100.04%
2020	0.097784%	$ (10,362.37)	$ 2,079,069.25	0.50%	100.09%
2019	0.098568%	$ (2,298.83)	$ 2,049,124.04	0.11%	100.02%
2018	0.100104%	$ (9,084.50)	$ 2,033,892.27	0.45%	100.10%
2017	0.097177%	$ 328,254.70	$ 1,847,820.92	17.76%	96.89%
2016	0.099029%	$ (420,009.01)	$ 1,807,996.39	23.23%	104.10%

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS

South Dakota Retirement System

Last 10 Years

Fiscal Year	Contractually Required Contribution	Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 152,618.42	$ 152,618.42	$ -	$ 2,543,626.92	6.00%
2024	$ 150,774.01	$ 150,774.01	$ -	$ 2,515,941.00	5.99%
2023	$ 144,228.31	$ 144,228.31	$ -	$ 2,403,794.00	6.00%
2022	$ 131,487.09	$ 131,487.09	$ -	$ 2,191,350.00	6.00%
2021	$ 126,690.25	$ 126,690.25	$ -	$ 2,111,490.00	6.00%
2020	$ 122,807.35	$ 122,807.35	$ -	$ 2,045,066.00	6.01%
2019	$ 124,743.94	$ 124,743.94	$ -	$ 2,079,069.00	6.00%
2018	$ 122,947.72	$ 122,947.72	$ -	$ 2,049,124.00	6.00%
2017	$ 122,034.37	$ 122,034.37	$ -	$ 2,033,892.00	6.00%
2016	$ 110,869.46	$ 110,869.46	$ -	$ 1,847,821.00	6.00%

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 Pension Contributions.

Changes from Prior Valuation

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change in actuarial assumptions from the June 30, 2023 Actuarial Valuation.

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

Benefit Provision Changes

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

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

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

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