

**Elk Point-Jefferson School District No. 61-7**

**Independent Auditor's Report  
and Financial Statements**

**For the Year Ended  
June 30, 2024**

**Elk Point-Jefferson School District No. 61-7**

School District Officials

June 30, 2024

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Board Members

Travis Geary ----- Board President  
Sabrina Saylor-----Vice President  
Kyle Hanson ----- Member  
Tim Brewer ----- Member  
Noelle Jacobs----- Member

Philip Schonebaum -----Superintendent

Heather Watterson -----Business Manager

Elk Point-Jefferson School District No. 61-7

Table of Contents

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	Page
<b>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 <i>Government Auditing Standards</i></b> -----	1-2
<b>Schedule of Prior Audit Findings</b> -----	3
<b>Schedule of Current Audit Findings</b> -----	4
<b>Independent Auditor's Report</b> -----	5-7
<b>Management Discussion and Analysis (MD&amp;A)</b> -----	8-17
<b>Government-Wide Financial Statements</b>	
Statement of Net Position-----	18
Statement of Activities-----	19
<b>Fund Financial Statements</b>	
Governmental Funds:	
Balance Sheet-----	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position-----	21
Statement of Revenues, Expenditures and Changes in Fund Balances-----	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities-----	24
Proprietary Funds:	
Statement of Net Position-----	25
Statement of Revenues, Expenses and Changes in Net Position-----	26
Statement of Cash Flows-----	27
Fiduciary Funds:	
Statement of Net Position-----	28
<b>Notes to the Financial Statements</b> -----	29-53
<b>Required Supplementary Information</b> -----	54
Budgetary Comparison Schedule - General Fund - Budgetary Basis-----	55-56
Budgetary Comparison Schedule - Capital Outlay Fund - Budgetary Basis-----	57
Budgetary Comparison Schedule - Special Education Fund - Budgetary Basis-----	58
Notes to the Required Supplementary Information-----	59
Schedule of Changes in Total OPEB Liability-----	60
Schedule of the Proportionate Share of the Net Pension Liability (Asset)-----	61
Schedule of the School District Contributions-----	62
Notes to the Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions-----	63



**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  
Elk Point-Jefferson School District No. 61-7  
Union 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 Elk Point-Jefferson School District No. 61-7, South Dakota, as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements and have issued our report thereon dated November 15, 2024, which was qualified because the School District did not adopt Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Elk Point-Jefferson 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.

A handwritten signature in black ink that reads "CIO Prof LHC". The signature is written in a cursive, somewhat stylized font.

Elk Point, South Dakota  
November 15, 2024

**Elk Point-Jefferson School District No. 61-7**  
Schedule of Prior Audit Findings  
Year Ended June 30, 2024

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**Prior Audit Findings:**

The prior audit report contained no written audit comments.

**Elk Point-Jefferson School District No. 61-7**  
Schedule of Current Audit Findings  
Year Ended June 30, 2024

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**Current Audit Findings:**

The current audit report contains no written audit comments.



## Independent Auditor's Report

School Board  
Elk Point-Jefferson School District No. 61-7  
Union County, South Dakota

### Report on the Audit of the Financial Statements

#### Qualified and Unmodified 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 Elk Point-Jefferson School District No. 61-7, Union County, South Dakota, as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise Elk Point-Jefferson School District's basic financial statements as listed in the table of contents.

In our opinion, except for the matters described in the "Basis for Qualified and Unmodified Opinions" section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elk Point-Jefferson School District No. 61-7, South Dakota as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Qualified and Unmodified 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. 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 qualified audit opinions.

The School District did not adopt Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which is a departure from accounting principles generally accepted in the United States of America (USGAAP). The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses/expenditures of the governmental activities, the general governmental fund, and the aggregate remaining fund information is not reasonably determinable.



## **Responsibilities of Management for the Financial Statements**

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elk Point LLC". The signature is written in a cursive, slightly slanted style.

Elk Point, South Dakota  
November 15, 2024

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

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This section of Elk Point-Jefferson School District 61-7's annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year ended on June 30, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

**Financial Highlights**

- During the year, the School's net position increased by \$249,713.
- The General Fund reported a \$2,191 increase in fund balance.
- The Capital Outlay Fund reported an increase of \$112,946 due to an increase in Ad Valorem taxes and compensation for loss on general capital assets .

**Overview of the Financial Statements**

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School government, reporting the School's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities that the School operates like businesses. The proprietary funds operated by the School are the Food Service Operation and the Other Enterprise Fund.
  - Fiduciary fund statements provide information about the financial relationships – like scholarship plans for graduating students – 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 explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

Figure A-1 summarizes the major features of the School’s financial statements, including the portion of the School government covered and the types of information contained. The reminder of the overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of Elk Point-Jefferson School's Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School government (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as elementary and high school education programs.	Activities the School operates similar to private businesses, the food service operation.	Instances in which the School is the trustee or agent for someone else's resources.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances.</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Changes in Net Position</li> </ul>
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 School'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.

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

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**Government-Wide Statements**

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

The two government-wide statements report the School's net position and how they have changed. Net position is one way to measure the School's financial health or position.

- Increases or decreases in the School's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional nonfinancial factors such as changes in the School's property tax base and changes in the state school aid funding formula from the State of South Dakota.

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

- **Governmental Activities** – This category includes the School's basic instructional services, such as elementary, middle and high school educational programs, support services (guidance counselor, executive administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities (sports, debate, music, etc.) and capital equipment purchases. Property taxes, 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 of providing breakfast and lunch services to all students. The Food Service Fund and the Driver's Education Program are the only business-type activities of the School.

**Fund Financial Statements**

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

- State Law requires some of the funds.
- The School Board establishes other funds to control and manage money for particular purposes (like the Scholarship Trust).

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

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The School has three kinds of funds:

- **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 you 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, we provide additional information at the bottom of the governmental fund’s statements, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary Funds** – Services for which the School charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The Food Service Operation and the Other Enterprise Fund (used to account for the Drivers Education Program) are the proprietary funds maintained by the School.
- **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 net position and a statement of changes in 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.

**Elk Point-Jefferson School District No. 61-7**  
**Management Discussion and Analysis (MD&A)**  
**June 30, 2024**

**Financial Analysis of the School as a Whole**

**Net Position**

The School's combined net position increased as follows:

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	2023-2024
Current and Other Assets	\$ 6,426,525	\$ 6,739,666	\$ 268,158	\$ 240,790	\$ 6,694,683	\$ 6,980,456	4.27%
Capital Assets (Net of Depreciation)	11,460,426	11,869,108	35,311	28,396	11,495,737	11,897,504	3.49%
Total Assets	17,886,951	18,608,774	303,469	269,186	18,190,420	18,877,960	3.78%
OPEB Related Deferred Outflows	--	146,099	--	--	--	146,099	100.00%
Pension Related Deferred Outflows	1,459,404	1,297,313	--	--	1,459,404	1,297,313	-11.11%
Total Deferred Outflows or Resources	1,459,404	1,443,412	--	--	1,459,404	1,443,412	-1.10%
Long-Term Liabilities Outstanding	104,798	249,027	--	--	104,798	249,027	137.63%
Other Liabilities	611,159	854,299	33,151	30,934	644,310	885,233	37.39%
Total Liabilities	715,957	1,103,326	33,151	30,934	749,108	1,134,260	51.41%
Taxes Levied for Future Period	1,709,045	1,852,995	--	--	1,709,045	1,852,995	8.42%
Pension Related Deferred Inflows	856,201	748,934	--	--	856,201	748,934	-12.53%
Total Deferred Inflows of Resources	2,565,246	2,601,929	--	--	2,565,246	2,601,929	1.43%
Net Investment in Capital Assets	11,396,417	11,822,261	35,311	28,396	11,431,728	11,850,657	3.66%
Restricted	3,560,040	3,424,102	--	--	3,560,040	3,424,102	-3.82%
Unrestricted	1,108,695	1,100,568	235,007	209,856	1,343,702	1,310,424	-2.48%
Total Net Position	16,065,152	16,346,931	270,318	238,252	16,335,470	16,585,183	1.53%
Beginning Net Position	15,567,986	16,065,152	221,096	270,318	15,789,082	16,335,470	3.46%
Increase (Decrease) in Net Position	\$ 497,166	\$ 281,779	\$ 49,222	\$ (32,066)	\$ 546,388	\$ 249,713	54.30%
Percentage of Increase (Decrease) in Net Position	3.19%	1.75%	22.26%	-11.86%	3.46%	1.53%	

The School's combined net position of approximately \$16.5 million is approximately \$249,713 or 5.88% larger than on June 30, 2023. The increase in the School's financial position was primarily in its governmental activities due in part to additional general revenues in taxes and federal sourced income.

The Statement of Net Position reports all financial and capital resources. The statement presents the assets, deferred outflows of resources, liabilities and deferred inflows of resources in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the School, consisting of direct borrowing notes, other post-employment benefits payable, and compensated absences have been reported in this manner on the Statement of Net Position. The difference between the School's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is its net position.

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

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**Changes in Net Position**

The Elk Point-Jefferson School District’s total revenues (excluding transfers) in FY24 were \$8,573,039. Approximately 51% of the School’s revenue comes from property and other taxes, with approximately 36% coming from state aid. (See Table A-2).

Table A-2  
Elk Point-Jefferson School District 61-7  
Sources of Revenues  
Fiscal Year 2023-2024

Taxes	\$ 4,405,486	51.39%
State Sources	3,104,452	36.21%
Operating Grants & Contributions	325,865	3.80%
Charges For Services	381,713	4.45%
Other General Revenues	85,420	1.00%
Intermediate sources	96,431	1.12%
Unrestricted Investment Earnings	<u>173,672</u>	<u>2.03%</u>
<b>Total Revenue</b>	<b><u><u>\$ 8,573,039</u></u></b>	<b><u><u>100.00%</u></u></b>

Total expenditures of all programs and services increased by approximately 5.47%. The Elk Point-Jefferson School District expenses totaled \$8,323,326 (See Table A-4). The School’s expenses cover a range of services, encompassing instruction, support services, interest on long term debt, co-curricular activities, food services, and driver’s education. (See Table A-3).

Table A-3  
Elk Point-Jefferson School District 61-7  
Statement of Expenditures  
Fiscal Year 2023-2024

Instruction	\$ 4,675,495	56.18%
Support Services	2,683,208	32.24%
Cocurricular Activities	458,838	5.51%
Food Service	490,576	5.89%
Drivers Education	<u>15,209</u>	<u>0.18%</u>
<b>Total Expenditures</b>	<b><u><u>\$ 8,323,326</u></u></b>	<b><u><u>100.00%</u></u></b>



**Elk Point-Jefferson School District No. 61-7**  
**Management Discussion and Analysis (MD&A)**  
**June 30, 2024**

**Governmental and Business-Type Activities**

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

Table A-4

	Government Activities		Business-type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	
<b>Revenues</b>							
<b>Program Revenues</b>							
Charge for Services	\$ 51,303	\$ 60,200	\$ 335,442	\$ 321,513	\$ 386,745	\$ 381,713	-1.30%
Operating Grants/ Contributions	192,431	176,006	197,113	149,859	389,544	325,865	-16.35%
<b>General Revenues</b>							
Taxes	4,201,606	4,405,486	--	--	4,201,606	4,405,486	4.85%
Revenue State Sources	2,892,625	3,103,464	1,094	988	2,893,719	3,104,452	7.28%
Revenue Intermediate Sources	67,088	96,431	--	--	67,088	96,431	43.74%
<b>Other</b>							
Other general revenues	383,530	85,420	--	--	383,530	85,420	-77.73%
Unrestricted Investment Earnings	114,915	172,313	1,168	1,359	116,083	173,672	49.61%
	<u>7,903,498</u>	<u>8,099,320</u>	<u>534,817</u>	<u>473,719</u>	<u>8,438,315</u>	<u>8,573,039</u>	<u>1.60%</u>
<b>Expenses</b>							
Instruction	4,163,782	4,675,495	--	--	4,163,782	4,675,495	12.29%
Support Services	2,630,093	2,683,208	--	--	2,630,093	2,683,208	2.02%
Interest on long-term debt	103,924	--	--	--	103,924	--	-100.00%
Co-curricular Activities	508,533	458,838	--	--	508,533	458,838	-9.77%
Food Service	--	--	473,757	490,576	473,757	490,576	3.55%
Other Enterprise	--	--	11,838	15,209	11,838	15,209	28.48%
	<u>7,406,332</u>	<u>7,817,541</u>	<u>485,595</u>	<u>505,785</u>	<u>7,891,927</u>	<u>8,323,326</u>	<u>5.47%</u>
<b>Increase (Decrease) in</b>							
Net Position	497,166	281,779	49,222	(32,066)	546,388	249,713	-54.30%
<b>Beginning</b>							
Net Position	<u>15,567,986</u>	<u>16,065,152</u>	<u>221,096</u>	<u>270,318</u>	<u>15,789,082</u>	<u>16,335,470</u>	<u>3.46%</u>
Ending Net Position	<u>\$16,065,152</u>	<u>\$16,346,931</u>	<u>\$ 270,318</u>	<u>\$ 238,252</u>	<u>\$16,335,470</u>	<u>\$16,585,183</u>	<u>1.53%</u>

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

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**Governmental Activities**

Revenues for the School's governmental activities increased approximately 2.48% while expenses for governmental activities increased by approximately 5.55%. One of the largest revenue increases occurred in revenues from state sources. Expenditures increased by approximately 5.55%, largely due to increases in non-programmed charges.

**Business-Type Activities**

Revenues for the School's business-type activities decreased by 11.42% while expenses for business-type activities increased by 4.16%. One of the largest revenue decreases occurred in operating grants and contributions.

**Financial Analysis of the School's Funds**

The General Fund increased in fund balance from FY23 to FY24 by \$2,191 due to revenues exceeding expenditures. Capital Outlay fund balance increased by \$112,946 in FY24. The Special Education Fund had a decrease in fund balance of \$198,129, which was caused by an increase in expenditures.

**Budgetary Highlights**

Over the course of the year, the School Board revised the School budget several times. These amendments fall into two categories:

- Supplemental appropriations and contingency transfers approved for unanticipated, yet necessary, expenditures to provide for items necessary for the educational programs of this School.
- Increases in appropriations to prevent budget overruns.

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

**Capital Asset Administration**

By the end of FY24, the School had invested \$11,897,504 (net of depreciation) in a broad range of capital assets, including, land, buildings, various machinery and equipment and library books. (See Table A-5.) This amount represents a net increase (including additions and deductions) of \$401,767.

Table A-5  
Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total % Change
	2023	2024	2023	2024		
Land	\$ 705,318	\$ 782,820	\$ --	\$ --	\$ 77,502	10.99%
Construction in progress	29,778	103,063	--	--	73,285	246.10%
Buildings & Improvements	9,909,870	10,112,771	--	--	202,901	2.05%
Machinery & Equipment	631,993	696,748	35,311	28,396	57,840	8.67%
Library Books	119,409	127,791	--	--	8,382	7.02%
Intangible Assets	64,058	45,915	--	--	(18,143)	-28.32%
<b>Total Capital Assets</b>	\$ 11,460,426	\$ 11,869,108	\$ 35,311	\$ 28,396	\$ 401,767	3.49%

Major capital outlay purchases in FY24 include construction on the Secure Entrance Project, additions to the middle school, a 2024 Equinox, a fire panel, 2 HVAC systems, an electric heater, a 2024 Kubota, a smart camera, a wrestling mat, 4 Meraki Switches, and land.

**Long-Term Debt**

At year-end, the School had \$249,027 in general long-term obligations. This balance includes other post-employment benefits payable, lease liabilities and compensated absences payable. See individual balances as shown on Table A-6 below:

Table A-6  
Outstanding Debt and Obligations

	Governmental Activities		Total Dollar Change	Total % Change
	2023	2024		
OPEB Liability	\$ 28,257	\$ 183,553	\$ 155,296	549.58%
Intangible Lease	64,009	46,847	(17,162)	-26.81%
Accrued Compensated Absences - Governmental Funds	12,532	18,627	6,095	48.64%
<b>Total Outstanding Debt</b>	\$ 104,798	\$ 249,027	\$ 144,229	137.63%

**Elk Point-Jefferson School District No. 61-7**  
Management Discussion and Analysis (MD&A)  
June 30, 2024

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The school is liable for accrued vacation leave payable to the superintendent, business manager and technology coordinator. The School also maintains an early retirement plan, which allows those meeting certain qualifications, to retire early and receive 50% of their last year's salary in one lump sum. The school has an agreement for the lease of copier machines for a term of three years.

**Economic Factors and Next Year's Budgets and Rates**

One of the primary sources of revenue to the School is based on the state funding formula using enrollment, targeted student to certified staff equivalents, targeted certified staff salary/benefits and overhead cost considerations. The state formula is funded by local property taxes and state aid. The School has stayed at the same enrollment.

**Contacting the School's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Elk Point-Jefferson School's Business Office, 402 South Douglas Street, PO Box 578, Elk Point, SD 57025.

**Elk Point-Jefferson School District No. 61-7**  
Statement of Net Position – Government-Wide  
June 30, 2024

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Assets:</b>			
Cash and cash equivalents	\$ 4,729,422	\$ 238,970	\$ 4,968,392
Accounts receivable	24,246	1,820	26,066
Taxes receivable	1,872,146	--	1,872,146
Other assets	93,502	--	93,502
Cash and cash equivalents	5,366	--	5,366
Net pension asset	14,984	--	14,984
Capital assets:			
Land and construction in progress	885,883	--	885,883
Other capital assets, net of depreciation	10,983,225	28,396	11,011,621
<b>Total Assets</b>	<b>18,608,774</b>	<b>269,186</b>	<b>18,877,960</b>
<b>Deferred Outflows of Resources:</b>			
OPEB-related deferred outflows	146,099	--	146,099
Pension-related deferred outflows	1,297,313	--	1,297,313
<b>Total Deferred Outflows of Resources</b>	<b>1,443,412</b>	<b>--</b>	<b>1,443,412</b>
<b>Liabilities:</b>			
Accounts Payable	151,214	444	151,658
Unearned revenue	600	30,490	31,090
Other current liabilities	702,485	--	702,485
Long-term liabilities:			
Due within one year	36,668	--	36,668
Due in more than one year	212,359	--	212,359
<b>Total Liabilities</b>	<b>1,103,326</b>	<b>30,934</b>	<b>1,134,260</b>
<b>Deferred Inflows of Resources:</b>			
Taxes levied for future periods	1,852,995	--	1,852,995
Pension related deferred inflows	748,934	--	748,934
<b>Total Deferred Inflows of Resources</b>	<b>2,601,929</b>	<b>--</b>	<b>2,601,929</b>
<b>Net Position:</b>			
Net investment in capital assets	11,822,261	28,396	11,850,657
Restricted for:			
Capital outlay	2,568,275	--	2,568,275
Special education	292,464	--	292,464
SDRS pension purposes	563,363	--	563,363
Unrestricted	1,100,568	209,856	1,310,424
<b>Total Net Position</b>	<b>\$ 16,346,931</b>	<b>\$ 238,252</b>	<b>\$ 16,585,183</b>

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

**Elk Point-Jefferson School District No. 61-7**  
Statement of Activities – Government-Wide  
June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:						
Instruction	\$ 4,675,495	\$ --	\$ 176,006	\$ (4,499,489)	\$ --	\$ (4,499,489)
Support services	2,683,208	21,361	--	(2,661,847)	--	(2,661,847)
Cocurricular activities	458,838	38,839	--	(419,999)	--	(419,999)
Total Governmental Activities	<u>7,817,541</u>	<u>60,200</u>	<u>176,006</u>	<u>(7,581,335)</u>	<u>--</u>	<u>(7,581,335)</u>
Business-Type Activities:						
Food service	490,576	313,013	149,859	--	(27,704)	(27,704)
Drivers education	15,209	8,500	--	--	(6,709)	(6,709)
Total Business Type Activities	<u>505,785</u>	<u>321,513</u>	<u>149,859</u>	<u>--</u>	<u>(34,413)</u>	<u>(34,413)</u>
Total Primary Government	<u>\$ 8,323,326</u>	<u>\$ 381,713</u>	<u>\$ 325,865</u>	<u>(7,581,335)</u>	<u>(34,413)</u>	<u>(7,615,748)</u>
General Revenues:						
Taxes:						
Property taxes				4,295,612	--	4,295,612
Gross receipts taxes				109,874	--	109,874
Revenue from State Sources:						
State aid				3,103,464	--	3,103,464
Other				--	988	988
Revenue from Intermediate Source						
Unrestricted investment earnings				96,431	--	96,431
Other general revenues				172,313	1,359	173,672
Other general revenues				85,420	--	85,420
Total General Revenues				<u>7,863,114</u>	<u>2,347</u>	<u>7,865,461</u>
Change in Net Position				281,779	(32,066)	249,713
<b>Net Position - Beginning of Year</b>				<u>16,065,152</u>	<u>270,318</u>	<u>16,335,470</u>
<b>Net Position - End of Year</b>				<u>\$ 16,346,931</u>	<u>\$ 238,252</u>	<u>\$ 16,585,183</u>

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

**Elk Point-Jefferson School District No. 61-7**

Balance Sheet – Governmental Funds

June 30, 2024

	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,658,545	\$ 2,623,935	\$ 446,942	\$ 4,729,422
Accounts receivable	3,542	20,704	--	24,246
Taxes receivable - current	731,042	687,951	434,002	1,852,995
Taxes receivable - delinquent	10,186	5,450	3,515	19,151
Due from other governments	93,502	--	--	93,502
Prepaid Expenses	--	5,366	--	5,366
<b>Total Assets</b>	<u><u>\$ 2,496,817</u></u>	<u><u>\$ 3,343,406</u></u>	<u><u>\$ 884,459</u></u>	<u><u>\$ 6,724,682</u></u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 46,484	\$ 87,180	\$ 17,550	\$ 151,214
Contracts payable	463,274	--	110,682	573,956
Payroll deductions and withholding and employer matching payable	98,768	--	29,761	128,529
Unearned revenue	600	--	--	600
<b>Total Liabilities</b>	<u><u>609,126</u></u>	<u><u>87,180</u></u>	<u><u>157,993</u></u>	<u><u>854,299</u></u>
<b>Deferred Inflows of Resources:</b>				
Taxes levied for future period	731,042	687,951	434,002	1,852,995
Delinquent taxes not available	10,186	5,450	3,515	19,151
<b>Total Deferred Inflows of Resources</b>	<u><u>741,228</u></u>	<u><u>693,401</u></u>	<u><u>437,517</u></u>	<u><u>1,872,146</u></u>
<b>Fund Balances:</b>				
Nonspendable - prepaid expense	--	5,366	--	5,366
Restricted:				
For capital outlay	--	2,557,459	--	2,557,459
For special education	--	--	288,949	288,949
Unassigned	1,146,463	--	--	1,146,463
<b>Total Fund Balances</b>	<u><u>1,146,463</u></u>	<u><u>2,562,825</u></u>	<u><u>288,949</u></u>	<u><u>3,998,237</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 2,496,817</u></u>	<u><u>\$ 3,343,406</u></u>	<u><u>\$ 884,459</u></u>	<u><u>\$ 6,724,682</u></u>

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

**Elk Point-Jefferson School District No. 61-7**  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2024

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Total Fund Balances - Governmental Funds		\$ 3,998,237
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		11,869,108
Pension and OPEB related deferred outflows are components of pension liability and therefore are not reported in the funds.		1,443,412
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Intangible Lease	(46,847)	
OPEB Liability	(183,553)	
Accrued Leave	(18,627)	(249,027)
<p>Assets that are not available to pay for current period expenditures are deferred in the governmental funds. Assets at year end consist of:</p>		
Delinquent Property Taxes Receivable		19,151
Proportionate Share of Net Pension Asset		14,984
Pension and OPEB related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.		(748,934)
Net Position - Governmental Activities		<u>\$ 16,346,931</u>

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



**Elk Point-Jefferson School District No. 61-7**  
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
June 30, 2024

	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 1,631,431	\$ 1,609,936	\$ 1,020,162	\$ 4,261,529
Prior years' ad valorem taxes	8,910	6,555	4,234	19,699
Utility taxes	109,874	--	--	109,874
Penalties and interest on taxes	3,235	1,482	894	5,611
Earnings on Investments and Deposits	172,313	--	--	172,313
Tuition and Fees:				
Regular day school transportation fees	21,361	--	--	21,361
Cocurricular Activities:				
Admissions	36,126	--	--	36,126
Other student activity income	2,713	--	--	2,713
Other Revenue from Local Sources:				
Rentals	10,534	14,000	--	24,534
Contributions and donations	7,571	3,448	50	11,069
Charges for services	1,810	--	5,033	6,843
Other	8,926	--	--	8,926
Revenue from Intermediate Sources:				
County Sources:				
County apportionment	96,431	--	--	96,431
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid	3,103,464	--	--	3,103,464
Restricted grants-in-aid	2,873	--	2,979	5,852
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted grants-in-aid received from federal government through the state	170,154	--	--	170,154
<b>Total Revenues</b>	<u>\$ 5,387,726</u>	<u>\$ 1,635,421</u>	<u>\$ 1,033,352</u>	<u>\$ 8,056,499</u>

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

**Elk Point-Jefferson School District No. 61-7**  
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
June 30, 2024 (Continued)

	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>Total Governmental Funds</u>
<b>Expenditures</b>				
Instructional Services:				
Regular Programs:				
Elementary	\$ 1,396,015	\$ 143,576	\$ --	\$ 1,539,591
Middle/junior high	447,287	89,190	--	536,477
High school	1,051,110	94,895	--	1,146,005
Special Programs:				
Programs for special education	--	--	1,002,995	1,002,995
Educationally deprived	123,581	--	--	123,581
Support Services:				
Students:				
Guidance	153,768	--	--	153,768
Health	44,663	--	13,759	58,422
Psychological	--	--	34,866	34,866
Speech pathology	--	--	50,935	50,935
Student therapy services	--	--	63,288	63,288
Instructional Staff:				
Improvement of instruction	19,449	--	2,296	21,745
Educational media	172,977	299	--	173,276
General Administration:				
Board of education	143,936	--	--	143,936
Executive administration	227,899	--	--	227,899
School Administration:				
Office of the principal	336,621	128	--	336,749
Other	2,527	--	--	2,527
Business:				
Fiscal services	110,754	35,979	--	146,733
Facilities acquisition and construction	--	26,797	--	26,797
Operation and maintenance of plant	597,646	130,939	--	728,585
Student transportation	242,912	43,171	--	286,083
Special Education:				
Administrative costs	--	--	56,451	56,451
Transportation costs	--	--	5,718	5,718
Other special education costs	--	--	1,173	1,173
Debt Services:	--	9,987	--	9,987
Cocurricular Activities:				
Male activities	103,341	--	--	103,341
Female activities	93,385	--	--	93,385
Transportation	40,920	--	--	40,920
Combined activities	171,542	36,400	--	207,942
Capital Outlay	--	837,020	--	837,020
<b>Total Expenditures</b>	<u>5,480,333</u>	<u>1,448,381</u>	<u>1,231,481</u>	<u>8,160,195</u>
Excess of Revenue Over (Under) Expenditures	(92,607)	187,040	(198,129)	(103,696)
<b>Other Financing Sources (Uses):</b>				
Transfer in	94,798	--	--	94,798
Transfer out	--	(94,798)	--	(94,798)
Compensation for Loss of General Capital Assets	--	20,704	--	20,704
<b>Total Other Financing Sources (Uses)</b>	<u>94,798</u>	<u>(74,094)</u>	<u>--</u>	<u>20,704</u>
Net Change in Fund Balances	2,191	112,946	(198,129)	(82,992)
<b>Fund Balance, Beginning of Year</b>	<u>1,144,272</u>	<u>2,449,879</u>	<u>487,078</u>	<u>4,081,229</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,146,463</u>	<u>\$ 2,562,825</u>	<u>\$ 288,949</u>	<u>\$ 3,998,237</u>

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

**Elk Point-Jefferson School District No. 61-7**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
 to the Statement of Activities  
 June 30, 2024

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Net Change in Fund Balances - Total Governmental Funds		\$ (82,992)
Amounts reported for governmental activities in the statement of activities are different because:		
This amount represents capital assets purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.		837,020
The amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financials because it does not require the use of current financial resources.		(441,682)
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized.		13,344
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		
Intangible Lease	17,162	17,162
The recognition of revenues in the governmental funds differ from the recognition in the governmental activities in the fact that revenue accruals in the fund financial statements require the amounts to be "available."		8,773
Governmental funds do not reflect the change in compensated absences liabilities but the Statement of Activities reflects the change in these accruals through expenses.		(6,095)
Changes in the pension and OPEB related deferred outflows/inflows are direct components of liabilities (assets) and are not reflected in the governmental funds.		(63,751)
Change in net position of governmental activities		\$ 281,779

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

**Elk Point-Jefferson School District No. 61-7**  
Statement of Net Position – Proprietary Funds  
June 30, 2024

	<b>Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>Other Enterprise Fund</b>	<b>Totals</b>
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents	\$ 232,715	\$ 6,255	\$ 238,970
Accounts receivable, net	1,820	--	1,820
Total Current Assets	<u>234,535</u>	<u>6,255</u>	<u>240,790</u>
Noncurrent Assets:			
Machinery and equipment - local funds	228,480	--	228,480
Less accumulated depreciation	(200,084)	--	(200,084)
Total Noncurrent Assets	<u>28,396</u>	<u>--</u>	<u>28,396</u>
Total Assets	<u>\$ 262,931</u>	<u>\$ 6,255</u>	<u>\$ 269,186</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	\$ --	\$ 444	\$ 444
Unearned revenue	30,490	--	30,490
Total Current Liabilities	<u>30,490</u>	<u>444</u>	<u>30,934</u>
<b>Net Position:</b>			
Net investment in capital assets	28,396	--	28,396
Unrestricted net position	<u>204,045</u>	<u>5,811</u>	<u>209,856</u>
Total Net Position	<u>\$ 232,441</u>	<u>\$ 5,811</u>	<u>\$ 238,252</u>

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

**Elk Point-Jefferson School District No. 61-7**  
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds  
June 30, 2024

	<b>Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>Other Enterprise Fund</b>	<b>Totals</b>
<b>Operating Revenue:</b>			
Tuition and Fees:			
Driver's education fees	\$ --	\$ 8,500	\$ 8,500
Food Sales:			
Student	215,433	--	215,433
Adult	5,182	--	5,182
A la carte	92,398	--	92,398
Total Operating Revenue	<u>313,013</u>	<u>8,500</u>	<u>321,513</u>
<b>Operating Expenses:</b>			
Food Service:			
Salaries	--	12,175	12,175
Employee benefits	--	1,635	1,635
Purchased services	470,347	--	470,347
Supplies	1,189	--	1,189
Depreciation	6,915	--	6,915
Other	12,125	1,399	13,524
Total Operating Expenses	<u>490,576</u>	<u>15,209</u>	<u>505,785</u>
Operating Income(Loss)	(177,563)	(6,709)	(184,272)
<b>Nonoperating Revenues/Expenses:</b>			
Investment income	1,359	--	1,359
State grants	988	--	988
Federal grants	149,859	--	149,859
Total Nonoperating Revenue/ (Expenses)	<u>152,206</u>	<u>--</u>	<u>152,206</u>
Change in Net Position	(25,357)	(6,709)	(32,066)
<b>Net Position - Beginning of Year</b>	<u>257,798</u>	<u>12,520</u>	<u>270,318</u>
<b>Net Position - End of Year</b>	<u>\$ 232,441</u>	<u>\$ 5,811</u>	<u>\$ 238,252</u>

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

**Elk Point-Jefferson School District No. 61-7**  
Statement of Cash Flows – Proprietary Funds  
June 30, 2024

	<b>Food Service Fund</b>	<b>Other Enterprise Fund</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers	\$ 310,712	\$ 8,500	\$ 319,212
Cash payments to suppliers	(483,661)	(1,315)	(484,976)
Cash payments to employees	--	(13,810)	(13,810)
Net Cash (Used) by Operating Activities	<u>(172,949)</u>	<u>(6,625)</u>	<u>(179,574)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Cash reimbursements - state	988	--	988
Cash reimbursements - federal	149,859	--	149,859
Net Cash Provided by Noncapital Financing Activities	<u>150,847</u>	<u>--</u>	<u>150,847</u>
<b>Cash Flows from Investing Activities:</b>			
Interest Earnings	1,359	--	1,359
Net Cash Provided by Investing Activities	<u>1,359</u>	<u>--</u>	<u>1,359</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (20,743)</u>	<u>\$ (6,625)</u>	<u>\$ (27,368)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	\$ 253,458	\$ 12,880	\$ 266,338
<b>Cash and Cash Equivalents, End of Year</b>	<u>232,715</u>	<u>6,255</u>	<u>238,970</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (20,743)</u>	<u>\$ (6,625)</u>	<u>\$ (27,368)</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>			
Operating (Loss)	\$ (177,563)	\$ (6,709)	\$ (184,272)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation expense	6,915	--	6,915
Change in Assets and Liabilities:			
Deferred revenue	(2,301)	--	(2,301)
Accounts payable	--	84	84
Net cash (used) by operating activities:	<u>\$ (172,949)</u>	<u>\$ (6,625)</u>	<u>\$ (179,574)</u>

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

**Elk Point-Jefferson School District No. 61-7**  
Statement of Net Position – Fiduciary Funds  
June 30, 2024

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	<u>Custodial Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 110,546
Accounts receivable	<u>171</u>
Total Assets	<u><u>\$ 110,717</u></u>
<b>Liabilities:</b>	
Amounts held for others	<u>\$ 110,717</u>
Total Liabilities	<u><u>\$ 110,717</u></u>

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

## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 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. Reporting Entity:

The reporting entity of Elk Point-Jefferson School District No. 61-7, 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 Information" 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. Government-Wide and Fund Financial Statements:

Government-Wide Financial Statements:

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

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

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.



## Elk Point-Jefferson School District No. 61-7

Notes to the Financial Statements

June 30, 2024

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### 1. Summary of Significant Accounting Policies: (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 the 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 District. This fund is financed by grants and property taxes. This is a major fund.

## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 1. Summary of Significant Accounting Policies: (Continued)

##### **Proprietary Funds:**

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

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable “solely” from the revenues of the activity.)
2. 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.
3. 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.

Other Enterprise Fund – A fund used to record financial transactions related to fees charged for school functions. This fund is used to record financial transactions related to drivers’ education for students. The fund is finance by user charges. This is a major fund.

##### **Fiduciary Funds:**

Fiduciary Funds consist of the following sub-categories and 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 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.

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Financial Statements  
June 30, 2024

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**1. Summary of Significant Accounting Policies: (Continued)**

**Measurement Focus:**

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

**Basis of Accounting:**

Government-Wide Financial Statements:

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

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Elk Point-Jefferson School District 61-7, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2024 are due from federal governments.

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

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

All proprietary and fiduciary funds 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.

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Financial Statements  
June 30, 2024

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**1. Summary of Significant Accounting Policies: (Continued)**

d. Interfund Eliminations and Reclassifications:

Government-Wide Financial Statements:

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

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

e. Deposits and Investments:

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

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 the 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.

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

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**1. Summary of Significant Accounting Policies: (Continued)**

The total June 30, 2024 balance of capital assets for governmental activities includes approximately less than one percent for which the costs were determined by estimates of the original costs. These estimated original costs were established by appraisals of deflated current replacement cost. The total June 30, 2024 balance of capital assets for business-type activities are all valued at original cost. These estimated original costs were established by prior records at cost or historical costs.

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

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the 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:

	<b>Capitalization Threshold</b>	<b>Depreciation/ Amortization Method</b>	<b>Estimated Useful Life</b>
Land*	All	NA	NA
Buildings	\$ 25,000	Straight-line	50-75 years
Improvements	\$ 10,000	Straight-line	20 years
Equipment (governmental activities)	\$ 5,000	Straight-line	5-20 years
Equipment (proprietary funds)	\$ 1,000	Straight-line	10 years
Intangible Assets	\$ 45,000	Straight-line	3-10 years

\*Land is an inexhaustible capital asset and is not depreciated.

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

**g. Long-Term Liabilities:**

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

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of other post-employment benefits payable, lease liabilities and compensated absences.

## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 1. Summary of Significant Accounting Policies: (Continued)

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

##### h. Leases:

The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$45,000 or more.

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

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

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses 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 debt on the statement of net position.

##### i. Subscription-Based Information Technology Arrangements:

The School District does not have any subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. If the School District had any, it would recognize a subscription liability and an intangible right-to-use asset (subscription asset) in the government-wide financial statements. The School District recognizes subscription liabilities with an initial, individual value of \$45,000 or more.

## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 1. Summary of Significant Accounting Policies: (Continued)

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

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

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

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

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

#### j. Program Revenues:

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, applicants, or others who purchase, use or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary nonexchange 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 nonexchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 1. Summary of Significant Accounting Policies: (Continued)

##### k. Deferred Outflows/Inflows of Resources:

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

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

##### l. Proprietary Funds Revenue and Expense Classifications:

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

##### m. Cash and Cash Equivalents:

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

##### n. 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 (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.”



## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 1. Summary of Significant Accounting Policies: (Continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish 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 net position held in trust for other purposes.

o. 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.

p. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the 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 nor committed. Fund Balance may be assigned by the School Board.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

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

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

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**1. Summary of Significant Accounting Policies: (Continued)**

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

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Capital Outlay Fund	Taxes
Special Education Fund	Taxes

q. Pensions:

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

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

## Elk Point-Jefferson School District No. 61-7

Notes to the Financial Statements

June 30, 2024

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

**Credit Risk** – State law limits eligible investments for the School District, as discussed above. The School District has no investment policy that would further limit its investment choices. As of June 30, 2024, the School District’s investment in the SD FIT pool was unrated.

As of June 30, 2024, the School District had the following investments:

<u>External Investment Pool:</u>	<u>Credit Rating</u>	<u>Fair Value</u>
South Dakota Public Funds Investment - Trust	Unrated	\$ 4,471,519

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing purposes. It is regulated by a nine-member board with representations from municipalities, school districts, and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to the accounts on a monthly basis.

**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 District’s policy is to credit all income from deposits and investment to the General Fund, except for the private purpose trust funds which retains its investments income. 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 the 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. No allowance has been made for estimated uncollectible amounts.

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Financial Statements  
June 30, 2024

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**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 method. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

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

In the governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No material inventories were on hand at June 30, 2024.

**5. Property Tax:**

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 not intended to be used to finance the current year's appropriations and therefore are not susceptible to accrual has been reported as deferred revenue in both the fund financial statements and the government-wide financial statements. Additionally, in the fund financial statements, revenue from property taxes may be limited by any amount not collected during the current fiscal period or within the "availability period."

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

**6. Changes in Capital Assets:**

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

	<u>6/30/2023</u>			<u>6/30/2024</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 705,318	\$ 77,502	\$ --	\$ 782,820
Construction in progress	29,778	506,395	433,110	103,063
Total capital assets not being depreciated	<u>735,096</u>	<u>583,897</u>	<u>433,110</u>	<u>885,883</u>
Capital assets being depreciated:				
Buildings & Improvements	14,105,659	486,010	--	14,591,669
Machinery & Equipment	1,201,319	190,476	100,881	1,290,914
Library Books	126,849	9,747	136	136,460
Intangible Assets	72,576	--	--	72,576
Total capital assets being depreciated	<u>15,506,403</u>	<u>686,233</u>	<u>101,017</u>	<u>16,091,619</u>
Less accumulated depreciation for:				
Buildings & Improvements	4,195,789	283,109	--	4,478,898
Machinery & Equipment	569,326	139,065	114,225	594,166
Library Books	7,440	1,365	136	8,669
Intangible Assets	8,518	18,143	--	26,661
Total accumulated depreciation	<u>4,781,073</u>	<u>441,682</u>	<u>114,361</u>	<u>5,108,394</u>
Total capital assets being depreciated, net	<u>10,725,330</u>	<u>244,551</u>	<u>(13,344)</u>	<u>10,983,225</u>
Net Capital Assets	<u>\$ 11,460,426</u>	<u>\$ 828,448</u>	<u>\$ 419,766</u>	<u>\$ 11,869,108</u>

Depreciation expense was charged to functions as follows:

Instruction	\$ 326,845
Support services	101,587
Co-curricular activities	13,250
Total Depreciation Expense	<u>\$ 441,682</u>

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Financial Statements  
June 30, 2024

**6. Changes in Capital Assets: (Continued)**

	<b>6/30/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>6/30/2024</b>
	<b>Balance</b>			<b>Balance</b>
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Equipment	\$ 228,480	\$ --	\$ --	\$ 228,480
Less accumulated depreciation for:				
Less: Accumulated Depreciation	193,169	6,915	--	200,084
Total capital assets being depreciated, net	\$ 35,311	\$ (6,915)	\$ --	\$ 28,396

Depreciation expense was charged to functions as follows:

Business-type activities:	
Food service	\$ 6,915

Construction in Progress as of June 30, 2024 is composed of the following:

<b>Project Name</b>	<b>Project Authorization</b>	<b>Through 6/30/2024</b>	<b>Committed</b>	<b>Required Future Financing</b>
Middle School Addition/Kitchen & Cafeteria	\$ 550,000	\$ 103,063	\$ 446,937	\$ --

**7. Long-Term Liabilities:**

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

	<b>6/30/2023</b>	<b>Increase</b>	<b>Decrease</b>	<b>6/30/2024</b>	<b>Due Within One Year</b>
<b>Other Liabilities:</b>					
Compensated Absences	\$ 12,532	\$ 18,531	\$ 12,436	\$ 18,627	\$ 18,627
OPEB Liability	28,257	168,970	13,674	183,553	--
Intangible Lease	64,009	--	17,162	46,847	18,041
Total Long-Term Liabilities	\$ 104,798	\$ 187,501	\$ 43,272	\$ 249,027	\$ 36,668

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

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**7. Long-Term Liabilities: (Continued)**

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

Compensated Absences –  
 Payable from the fund to which payroll expenditures are charged     \$     18,627

Other post-employment benefits -  
 Payable from the fund to which payroll expenditures are charged     \$    183,553

The annual requirements to amortize all debt outstanding, except compensated absences and other postemployment benefits, at June 30, 2024, are as follows:

Year Ending June 30,	Intangible Lease	
	Principal	Interest
2025	\$ 18,041	\$ 1,933
2026	17,347	962
2027	11,459	192
Totals	<u>\$ 46,847</u>	<u>\$ 3,087</u>

**8. Restricted Net Position:**

Restricted Net Position for the year ended June 30, 2024 was as follows:

Purpose	Restricted By	Amount
Major Purposes:		
Capital Outlay	Law	\$ 2,568,275
Special Education	Law	292,464
SDRS Pension Purposes	Law	563,363
Total		<u>\$ 3,424,102</u>

**9. Pension Plan:**

Plan Information:

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

## Elk Point-Jefferson School District No. 61-7

Notes to the Financial Statements

June 30, 2024

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### 9. Pension Plan: (Continued)

#### Benefits Provided:

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

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

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 earning based on investment returns.

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

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
  - The increase in the 3<sup>rd</sup> 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 3<sup>rd</sup> 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.



## Elk Point-Jefferson School District No. 61-7

### Notes to the Financial Statements

June 30, 2024

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#### 9. Pension Plan: (Continued)

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

##### Contributions:

Per SDCL 3-12, contribution requirements of the active employees and 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. State statute also requires the employer to make an additional contribution in the amount of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The School District's share of contributions to the SDRS for the years ended June 30, 2024, 2023, and 2022, equal to required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 251,888
2023	237,589
2022	223,054

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

At June 30, 2023, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of this measurement period ending June 30, 2023 and reported by the School District as of June 30, 2024 are as follows:

Proportionate share of pension liability	\$ 22,245,966
Less proportionate share of net pension restricted for pension benefits	<u>22,260,950</u>
Proportionate share of net pension (asset)	<u>\$ (14,984)</u>

At June 30, 2024, the School District reported an asset of (\$14,984) for its proportionate share of the net pension (asset). The net pension (asset) was measured as of June 30, 2023 and the total pension (asset) used to calculate the net pension (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the School District's proportion was 0.15351900%, which is a decrease of 0.0021680% from its proportion measured as of June 30, 2022.

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

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**9. Pension Plan: (Continued)**

For the year ended June 30, 2024, the School District recognized pension expense of \$54,554. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 424,733	\$ --
Changes in assumption	512,287	748,849
Net difference between projected and actual earnings on pension plan investments	99,760	--
Changes in proportion and difference between district contributions and proportionate share of contributions	8,645	85
District contributions subsequent to the measurement date	<u>251,888</u>	<u>--</u>
 Total	 <u>\$ 1,297,313</u>	 <u>\$ 748,934</u>

\$251,888 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<b>Year Ended June 30,</b>	
2025	\$ 207,134
2026	(224,083)
2027	291,967
2028	<u>21,473</u>
Total	<u>\$ 296,491</u>

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Financial Statements  
June 30, 2024

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**9. Pension Plan: (Continued)**

Actuarial Assumptions:

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

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

Mortality Rates:

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010  
Other Class A Members: PubG-2010  
Public Safety Members: PubS-2010

Retired Members:

Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65  
Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above  
Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

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

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

## Elk Point-Jefferson School District No. 61-7

Notes to the Financial Statements

June 30, 2024

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### 9. Pension Plan: (Continued)

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, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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

#### Discount Rate:

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

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

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**9. Pension Plan: (Continued)**

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

The following presents the School District’s proportionate share of net pension (asset) calculated using the discount rate of 6.50%, as well as what the School’s proportionate share of the net pension (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension (asset)	<u>\$ 3,071,223</u>	<u>\$ (14,984)</u>	<u>\$ (2,538,913)</u>

Pension Plan Fiduciary Net Position:

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

Payables to the Pension Plan:

No payables were reported to the defined benefit plan at end of year.

**10. Postemployment Healthcare Plan:**

*Plan Description:* Elk Point-Jefferson School District Health Plan is a single-employer defined benefit medical plan administered by the School District. This plan provides medical insurance benefits to eligible current employees, as well as retirees meeting eligibility requirements. After eligibility for retiree benefits is established, retirees must pay premiums until they are eligible for Medicare. SDCL 6-1-16 specifically allows any School District to provide health insurance for retiring employees and their immediate families. The liability exists because of an implicit subsidy of costs of the benefits to retirees of the district. Benefit provisions were established and may be amended during the negotiated agreement process between certified staff and the governing board. The health plan does not issue separately stated stand-alone financial statements.

*Funding Policy:* The district funds the postemployment benefits on a pay-as-you-go basis. Because the district does not use a trust fund to administer the financing of other postemployment benefits, no separate financial statements are required.

*Employees covered by benefit terms:* At June 30, 2024, the following employees were covered by the benefit terms:

Retirees currently receiving benefit payments	2
Active employees	<u>88</u>
	<u>90</u>

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

**10. Postemployment Healthcare Plan: (Continued)**

*Actuarial Methods and Assumptions:* Where consistent with the terms of the plan, actuarial assumptions have utilized the assumptions for the South Dakota Retirement System (SDRS as provided in the June 30, 2023 Actuarial Valuation Report. See Note 9 – Pension Note).

**Changes in the Total OPEB Liability:**

Beginning of Year Balances	\$	28,257
Interest		7,800
Effect on assumptions, changes or inputs		161,170
Benefit payments		<u>(13,674)</u>
End of Year Balances	\$	<u><u>183,553</u></u>

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

The following presents the total OPEB liability of the District calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate of 2.16%

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 202,802	\$ 183,553	\$ 166,816

For the year ended June 30, 2024, the School District recognized OPEB expense of \$9,197. At June 30, 2024, the School District reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

**11. Joint Ventures:**

The School District participates in the Southeast Area Cooperative, a cooperative service unit (co-op) formed for the purpose of providing pupil support services and purchasing services to the member school districts. The members of the co-op and their relative percentage participation in the co-op are as follows:

Alcester-Hudson	10.23%
Beresford	20.82%
Canton	27.27%
Elk Point-Jefferson	21.38%
Irene-Wakonda	8.46%
Viborg-Hurley	11.84%

The Southeast Area Cooperative’s governing board is composed of one school board member representative from each member school district. The board is responsible for adopting the co-op’s budget and setting service fees at a level adequate to fund the adopted budget.

**Elk Point-Jefferson School District No. 61-7**

Notes to the Financial Statements

June 30, 2024

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**11. Joint Ventures: (Continued)**

The School District retains no equity in the Net Position of the joint venture, but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the Southeast Area Cooperative.

At June 30, 2024, this joint venture had the following:

Assets and deferred outflows of resources	\$ 1,800,312
Liabilities and deferred inflows of resources	\$ 513,032
Net Position	\$ 1,287,280

**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, 2024, the School District managed its risks as follows:

Employee Health Insurance:

The School District joined the Northern Plains Insurance Pool. This is a public entity risk pool currently operating as a common risk management and insurance program for 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 from either Wellmark Plan or DakotaCare Administrative Services with the premiums it received from the members.

The coverage includes the option of different plans with a deductible from \$750 to \$3,200.

The School District does not carry additional health insurance coverage to pay claims in excess of the upper limit. Settle 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 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.

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Financial Statements  
June 30, 2024

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**12. Risk Management: (Continued)**

Workers' Compensation:

The School District purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during 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, 2024, no claims for unemployment benefits were paid. At June 30, 2024, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

**13. Interfund Transfers:**

Transfers to/from other funds at June 30, 2024, consist of the following:

Transfer from the Capital Outlay Fund to the General Fund Under the allowable percentage permitted by SDCL 13-16-6 to supplement the General Fund Balance with unused Capital Outlay funds.	\$ 94,798
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**14. Subsequent Events:**

Subsequent events have been evaluated through the date of the independent auditor's report which is the date the financial statements were available to be issued.



## Required Supplementary Information

**Elk Point-Jefferson School District No. 61-7**

Required Supplementary Information – Budgetary Comparison Schedule – General Fund – Budgetary Basis  
June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 1,584,300	\$ 1,584,300	\$ 1,631,431	\$ 47,131
Prior years' ad valorem taxes	10,000	10,000	8,910	(1,090)
Utility taxes	114,000	114,000	109,874	(4,126)
Penalties and interest on taxes	4,000	4,000	3,235	(765)
Tuition and Fees:				
Regular Day School Transportation Fees	13,000	13,000	21,361	8,361
Earnings on Investments and Deposits	25,000	25,000	172,313	147,313
Cocurricular Activities:				
Admissions	25,000	25,000	36,126	11,126
Other student activity income	1,000	1,000	2,713	1,713
Other Revenue from Local Sources:				
Rentals	5,000	5,000	10,534	5,534
Contributions and donations	5,000	5,000	7,571	2,571
Charges for services	2,500	2,500	1,810	(690)
Other	5,000	5,000	8,926	3,926
Revenue from Intermediate Sources:				
County Sources:				
County apportionment	100,800	100,800	96,431	(4,369)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid	3,128,500	3,128,500	3,103,464	(25,036)
Restricted grants-in-aid	--	--	2,873	2,873
Restricted grants-in-aid received from federal government through the state	170,154	170,154	170,154	--
<b>Total Revenues</b>	<b>\$ 5,193,254</b>	<b>\$ 5,193,254</b>	<b>5,387,726</b>	<b>\$ 194,472</b>

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

**Elk Point-Jefferson School District No. 61-7**

Required Supplementary Information – Budgetary Comparison Schedule – General Fund – Budgetary Basis  
June 30, 2024 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Expenditures</b>				
Instructional Services:				
Regular Programs:				
Elementary	\$ 1,398,900	\$ 1,398,900	\$ 1,396,015	\$ 2,885
Middle/junior high	457,000	457,000	447,287	9,713
High school	1,049,875	1,049,875	1,051,110	(1,235)
Special Programs:				
Educationally deprived	125,150	125,150	123,581	1,569
Support Services:				
Students:				
Guidance	154,950	154,950	153,768	1,182
Health	44,700	44,700	44,663	37
Instructional Staff:				
Improvement of instruction	22,225	22,225	19,449	2,776
Educational media	178,330	178,330	172,977	5,353
General Administration:				
Board of education	143,075	143,075	143,936	(861)
Executive administration	226,325	226,325	227,899	(1,574)
School Administration:				
Office of the principal	346,325	346,325	336,621	9,704
Other	3,100	3,100	2,527	573
Business:				
Fiscal services	111,050	111,050	110,754	296
Operation and maintenance of plant	599,950	599,950	597,646	2,304
Student transportation	246,000	246,000	242,912	3,088
Cocurricular Activities:				
Male activities	102,980	102,980	103,341	(361)
Female activities	88,255	88,255	93,385	(5,130)
Transportation	41,400	41,400	40,920	480
Combined activities	181,425	181,425	171,542	9,883
Contingency	12,500	12,500	--	12,500
Total Expenditures	<u>5,533,515</u>	<u>5,533,515</u>	<u>5,480,333</u>	<u>53,182</u>
Excess of Revenues Over Expenditures	<u>(340,261)</u>	<u>(340,261)</u>	<u>(92,607)</u>	<u>247,654</u>
<b>Other Financing Sources:</b>				
Operating transfers in	<u>250,000</u>	<u>250,000</u>	<u>94,798</u>	<u>(155,202)</u>
Total Other Financing Sources:	<u>250,000</u>	<u>250,000</u>	<u>94,798</u>	<u>(155,202)</u>
Net Change in Fund Balances	(90,261)	(90,261)	2,191	92,452
<b>Fund Balance, Beginning of Year</b>	<u>1,144,272</u>	<u>1,144,272</u>	<u>1,144,272</u>	<u>--</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,054,011</u>	<u>\$ 1,054,011</u>	<u>\$ 1,146,463</u>	<u>\$ 92,452</u>

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

**Elk Point-Jefferson School District No. 61-7**

Required Supplementary Information – Budgetary Comparison Schedule – Capital Outlay Fund – Budgetary Basis  
June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 1,567,000	\$ 1,567,000	\$ 1,609,936	\$ 42,936
Prior years' ad valorem taxes	4,000	4,000	6,555	2,555
Penalties and interest on taxes	1,000	1,000	1,482	482
Other Revenue from Local Sources:				
Rentals	20,000	20,000	14,000	(6,000)
Contributions and Donations	--	--	3,448	3,448
Total Revenues	<u>1,592,000</u>	<u>1,592,000</u>	<u>1,635,421</u>	<u>43,421</u>
<b>Expenditures</b>				
Instructional Services:				
Regular Programs:				
Elementary	173,165	173,165	170,372	2,793
Middle/junior high	108,500	108,500	89,190	19,310
High school	135,000	135,000	94,895	40,105
Support Services:				
Students:				
Guidance	500	500	--	500
Instructional Staff				
Educational media	15,000	15,000	10,046	4,954
General Administration				
Executive administration	1,000	1,000	--	1,000
School Administration:				
Office of the principal	1,000	1,000	128	872
Business:				
Fiscal Services	38,000	38,000	35,979	2,021
Facilities acquisition and construction	514,563	514,563	657,777	(143,214)
Operation and maintenance of plant	297,000	297,000	256,468	40,532
Student transportation	93,000	93,000	68,395	24,605
Debt Services:	10,000	10,000	9,987	13
Cocurricular Activities:				
Combined Activities	88,850	88,850	55,144	33,706
Total Expenditures	<u>1,475,578</u>	<u>1,475,578</u>	<u>1,448,381</u>	<u>27,197</u>
Excess of Revenue Over (Under)				
Expenditures	<u>116,422</u>	<u>116,422</u>	<u>187,040</u>	<u>70,618</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(250,000)	(250,000)	(94,798)	155,202
Compensation for Loss of General Cap Assets	--	--	20,704	20,704
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(74,094)</u>	<u>175,906</u>
Net Change in Fund Balances	(133,578)	(133,578)	112,946	246,524
<b>Fund Balance, Beginning of Year</b>	<u>2,449,879</u>	<u>2,449,879</u>	<u>2,449,879</u>	<u>--</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,316,301</u>	<u>\$ 2,316,301</u>	<u>\$ 2,562,825</u>	<u>\$ 246,524</u>

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

**Elk Point-Jefferson School District No. 61-7**  
Required Supplementary Information – Budgetary Comparison  
Schedule – Special Education Fund – Budgetary Basis  
June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 984,000	\$ 984,000	\$ 1,020,162	\$ 36,162
Prior years' ad valorem taxes	3,000	3,000	4,234	1,234
Penalties and interest on taxes	750	750	894	144
Other Revenue from Local Sources:				
Contributions and Donations	--	--	50	50
Charges for services	--	--	5,033	5,033
Revenue from State Sources:				
Grants-in-Aid				
Restricted grants-in-aid	180,000	180,000	2,979	(177,021)
<b>Total Revenues</b>	<u>1,167,750</u>	<u>1,167,750</u>	<u>1,033,352</u>	<u>(134,398)</u>
<b>Expenditures</b>				
Instructional Services:				
Special Programs:				
Programs for special education	1,017,705	1,017,705	1,002,995	14,710
Support Services:				
Students:				
Health	81,550	81,550	13,759	67,791
Psychological	42,005	42,005	34,866	7,139
Speech pathology	58,795	58,795	50,935	7,860
Student therapy services	61,030	61,030	63,288	(2,258)
Instructional Staff:				
Improvement of instruction	1,500	1,500	2,296	(796)
Special Education:				
Administrative costs	57,225	57,225	56,451	774
Transportation costs	7,550	7,550	5,718	1,832
Other special education costs	7,000	7,000	1,173	5,827
<b>Total Expenditures</b>	<u>1,334,360</u>	<u>1,334,360</u>	<u>1,231,481</u>	<u>102,879</u>
<b>Net Change in Fund Balance</b>	<b>(166,610)</b>	<b>(166,610)</b>	<b>(198,129)</b>	<b>(31,519)</b>
<b>Fund Balance, Beginning of Year</b>	<u>487,078</u>	<u>487,078</u>	<u>487,078</u>	<u>--</u>
<b>Fund Balance, End of Year</b>	<u>\$ 320,468</u>	<u>\$ 320,468</u>	<u>\$ 288,949</u>	<u>\$ (31,519)</u>

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

**Elk Point-Jefferson School District No. 61-7**  
Notes to the Required Supplementary Information  
June 30, 2024

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**1. Budgets and Budgetary Accounting:**

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

- a. 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.
- b. The proposed budget is considered by the School Board at the first regular meeting held in the month of May of each year.
- c. The proposed budget is published for public review no later than July 15 each year.
- d. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
- e. Before October 1 of each year, the School Board must approve the budget for the ensuing fiscal year for each fund, except fiduciary funds.
- f. After adoption by the School Board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted except as indicated in Item (h).
- g. 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 budget category, except for capital outlay, that is deemed insufficient during the year. No amount of expenditures may be charged directly to the contingency line item in the budget.
- h. 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.
- i. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.
- j. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- k. Budgets for the General Fund and each major special revenue fund are adopted on a basis consisted with generally accepted accounting principles (GAAP).

**2. USGAAP/Budgetary Accounting Basis Differences:**

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

**Elk Point-Jefferson School District No. 61-7**  
Schedule of Changes in Total OPEB Liability  
June 30, 2024

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**Changes in the Total OPEB Liability:**

Beginning of Year Balances	\$ 28,257
Interest	7,800
Effect on assumptions, changes or inputs	161,170
Benefit payments	<u>(13,674)</u>
End of Year Balances	<u><u>\$ 183,553</u></u>

**Elk Point-Jefferson School District No. 61-7**

Schedule of the Proportionate Share of the Net Pension Liability (Asset) South Dakota Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.1535190%	0.1556870%	0.1600250%	0.1550981%	0.1545596%	0.1543088%	0.1569294%	0.1593197%	0.1652776%	0.1717945%
District's proportionate share of net pension liability (asset)	\$ (14,984)	\$ (14,714)	\$ (1,225,518)	\$ (6,736)	\$ (16,379)	\$ (3,599)	\$ (14,242)	\$ 538,166	\$ (700,990)	\$ (1,237,708)
District's covered-employee payroll	\$ 3,959,794	\$ 3,717,559	\$ 3,631,476	\$ 3,403,929	\$ 3,286,240	\$ 3,208,915	\$ 3,188,474	\$ 3,029,451	\$ 3,017,490	\$ 3,004,203
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.38%	0.40%	33.75%	0.20%	0.50%	0.11%	0.45%	17.76%	23.23%	41.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.10%	100.10%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%	104.10%

Note: The information disclosed for each fiscal year is reported as the measurement date of the collective net pension liability (asset) which is June 30 of the preceding year.



**Elk Point-Jefferson School District No. 61-7**  
Schedule of the School District Contributions South Dakota Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 251,888	\$ 237,589	\$ 223,054	\$ 217,889	\$ 204,236	\$ 197,625	\$ 192,476	\$ 191,309	\$ 181,768	\$ 181,050
Contributions in relation to the contractually-required contribution	<u>251,888</u>	<u>237,589</u>	<u>223,054</u>	<u>217,889</u>	<u>204,236</u>	<u>197,625</u>	<u>192,476</u>	<u>191,309</u>	<u>181,768</u>	<u>181,050</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered-employee payroll	\$ 4,198,123	\$ 3,959,794	\$ 3,717,559	\$ 3,631,476	\$ 3,403,929	\$ 3,286,240	\$ 3,208,915	\$ 3,188,474	\$ 3,029,451	\$ 3,017,490
Contributions as a percentage of employee-covered payroll	6.00%	6.00%	6.00%	6.00%	6.00%	6.01%	6.00%	6.00%	6.00%	6.00%

## Elk Point-Jefferson School District No. 61-7

### Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions For the Year Ended June 30, 2024

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#### Changes from Prior Valuation

The June 30, 2023 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2022 Actuarial Valuation.

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

#### Benefit Provision Changes

During the 2023 Legislative Session no significant SDRS benefit changes were made and emergency medical services personnel prospectively became Class B Public Safety members.

#### Actuarial Assumption Changes

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

As of June 30, 2022, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2023 SDRS COLA was limited to a restricted maximum of 2.10%. For the June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 2.10%.

As of June 30, 2023, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91%. The July 2024 SDRS COLA will equal inflation, between 0% and 1.91%. For this June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.91%.

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

#### Actuarial Method Changes

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