GAYVILLE-VOLIN SCHOOL DISTRICT NO. 63-1

GAYVILLE, SOUTH DAKOTA

FINANCIAL REPORT

FOR THE ONE YEAR ENDING JUNE 30, 2024

WITH INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDIT SERVICES, P.C.

GAYVILLE-VOLIN SCHOOL DISTRICT NO. 63-1 GAYVILLE, SOUTH DAKOTA

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NOTE: All figures shown in this financial report are in U.S. dollars. For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, PC

Benjamin Elliott, CPA P.O. Box 262, Madison, South Dakota 57042 605.270.3020

School Board
Gayville-Volin School District No. 63-1
Gayville, South Dakota

INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions:

I have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Gayville-Volin School District No. 63-1 (School District), Gayville, South Dakota as of June 30, 2024, and for the year ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Gayville-Volin School District No. 63-1 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions:

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

Management's Responsibilities 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 control 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.

Gayville-Volin School District No. 63-1 Independent Auditor's Report -- Page Two

Auditor's Responsibility for the Audit of the Financial Statements:

My 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 my 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 generally accepted auditing standards (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 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, I:

- > 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 my 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.

I am 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 I identified during the audit.

Required Supplementary Information (no opinion):

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (page 4 to 13), the Budgetary Comparison Schedules (page 43 to 46), and the School District's Pension Schedules (page 47 to 48) 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting by placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Gayville-Volin School District No. 63-1 Independent Auditor's Report -- Page Three

Other Reporting Required by Government Auditing Standards:

In accordance with Government Auditing Standards, I have also issued my report dated March 31, 2025 (page 50) on my consideration of the School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of my 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.

Bayen Ellist

Independent Audit Services, PC Benjamin Elliott, CPA Madison, South Dakota

March 31, 2025

- 3 -

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Gayville-Volin School District 63-1's annual financial report presents our discussion and analysis of the School District'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 Gayville-Volin School District generated revenue of \$4,068,729 from taxes and other revenue sources of the governmental fund activities and had a total expense of \$3,562,677 of the governmental fund activities resulting in a net increase of \$506,052. There was a total of \$288,205 of revenue generated in the business-type funds along with \$333,520 of expense of the business-type fund activities There was a net decrease of \$45,315 between the Food Service fund and the Enterprise fund resulting in a total net position of \$205,787.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual 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 Gayville-Volin School District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Gayville-Volin 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 two proprietary funds operated by the school are the Food Service Operation and the Enterprise Fund.
- Fiduciary fund statements provide information about the financial relationships 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.

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

Required Components of Gayville-Volin School's Annual Financial Report

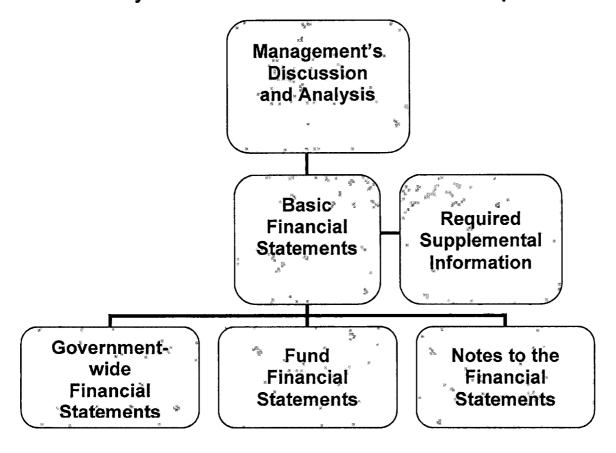


Figure A-2 summarizes the major features of the School's financial statements, including the portion of the School government covered and the types of information contained. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

FIGURE A-2

Major Features of Gayville-Volin School's Government-wide and Fund Financial Statements

		Government-wide		Fund Statements	
		Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	***	Entire School government (except for 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		*Statement of Net	*Balance Sheet	*Statement of Net	*Statement of Net
Financial		Position *Statement of	*Statement of	Position *Statement	Position
Statements		Activities	Revenues, Expenditures and Changes in Fund Balances	of Revenues, Expenses and Changes in Net Position	*Statement of Changes in Net Position
				*Statement of Cash Flows	

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

Government-wide Statements

The government-wide statements report information about the Gayville-Volin 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 Gayville-Volin School's Net Position and how they have changed. Net Position – the difference between the School's assets and liabilities – 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 and high school educational programs, support services (guidance counselor, executive
 administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities
 (sports, drama, 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 hot lunch services to all students. The school also charges a fee to the students to help cover some of the cost of the driving portion of Driver's Ed and tuition is charged at the Raider Academy Childcare Center.

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 Custodial Fund).

The Gayville-Volin 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 funds 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 are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and longterm financial information. The Food Service and Enterprise Fund (types of proprietary fund) are the only 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 fiduciary Net
 Position and a statement of changes in fiduciary Net Position. We exclude these activities from the
 School's government-wide financial statements because the School cannot use these assets to finance its
 operations.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1
FINANCIAL ANALYSIS OF THE GAYVILLE-VOLIN SCHOOL DISTRICT AS A WHOLE
AS OF JUNE 30, 2024

Net Position:

The Gayville-Volin School's combined Net Position increased as follows:

Table A-1 Gayville-Volin School District No. 63-1 Statement of Net Position

Primary Government

		Activities	Business-Type Activities			
	FY24	FY23	FY24		FY24	FY23
Current and other assets	4,562,361		71,967	112,193		4,165,263
Capital assets	5,994,886	6,027,101	· · ·	135,573	6,129,913	6,162,674
Total assets		10,080,171	206,994		10,764,241	
Pension related deferred outflows	604,548	708,467	,	54,812	655,696	763,279
Total deferred outflow of resources	604,548	708,467	51,148	54,812		
Long-term debt outstanding	1,814,078	2,012,865			1,814,078	2,012,865
Other liabilities	590,827	•	•	18,667	·	505,806
Total liabilities	2,404,905	2,500,004	22,646	18,667	2,427,551	2,518,671
Pension related deferred inflows Taxes levied for a future period	351,172 552,478	517,295	•	32,809	380,881 552,478	517,295
Total deferred inflow of resources	903,650	941,446	29,709	32,809	933,359	•
NET POSITION Net investment in capital assets Restricted Unrestricted	3,982,020 3,051,226 819,994	3,818,817 2,767,717 760,654	135,027 22,033 48,727	135,573 22,567 92,962	4,117,047 3,073,259 868,721	3,954,390 2,790,284 853,616
Total net position	7,853,240		205,787	251,102 ======		7,598,290
Increase (Decrease) in Net Position	506,052	368,563	-45,315	-38,915	460,737	329,648
Beginning Net Position, adjusted	7,347,188	6,978,625	251,102	290,017	7,598,290	7,268,642
Ending Net Position	7,853,240	7,347,188	205,787	251,102 ======	8,059,027	7,598,290
Percentage of Increase (Decrease) in Net Position		5.28%		-13.42%	6.06%	4.54%

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities 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 compensated absences payable, early retirement benefits payable and capital outlay certificates payable have been reported in this manner on the Statement of Net Position. The difference between the school's assets and liabilities is its Net Position.

Changes in Net Position

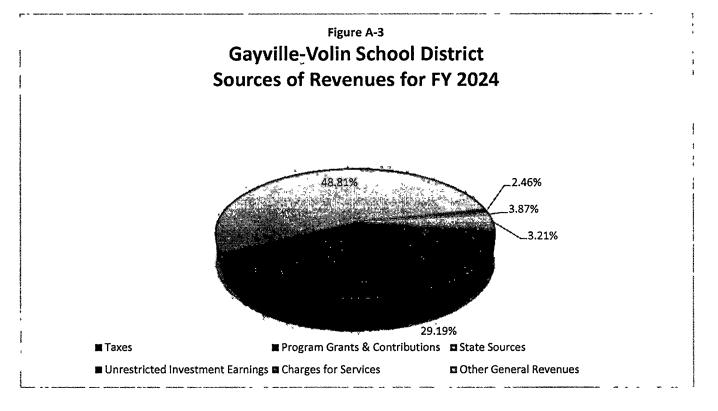
This section will show the financial comparison of revenues and expenses and provide explanations for significant differences.

See attached Table A-2

GOVERNMENTAL ACTIVITIES

PAZDANIFEDS The Gayville-Volin School's total revenues (excluding special items) totaled \$4,356,934. (See Table A-2.)

Approximately 29% of the School's revenue comes from property and other taxes, with another 49% of the School's revenue coming from State Aid. (See Figure A-3)



GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 FINANCIAL ANALYSIS OF THE GAYVILLE-VOLIN SCHOOL DISTRICT AS A WHOLE AS OF JUNE 30, 2024

Change Net Position:

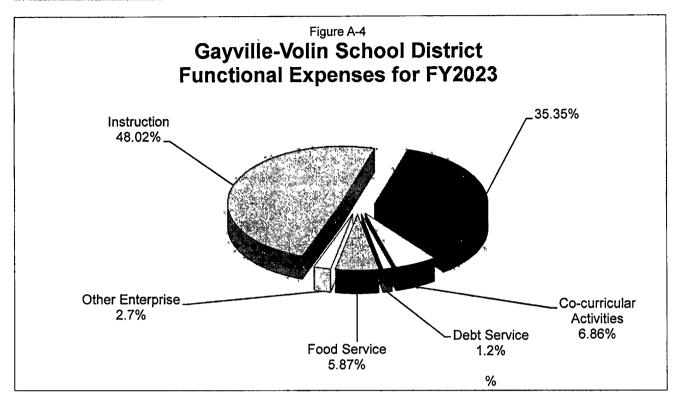
This section will show the financial comparison of revenues and expenses and provide explanations for significant differences.

Table A-2
Gayville-Volin School District No. 63-1
Changes in Net Position

Primary Government

	Governmental	Activities	Business-Type	Business-Type Activities		ls
	FY24	FY23	FY24	FY23	FY24	FY23
Revenues						
Program revenues						
Charges for services	29,191	32,127	139,513	128,144	168,704	160,271
Operating grants and contributi	391,620	231,157	133,282	154,395	524,902	385,552
Capital grants		93,103		1,549	0	94,652
General revenues:						
Taxes	1,271,951	1,241,879			1,271,951	1,241,879
State sources	2,126,774	2,076,169			2,126,774	2,076,169
Other sources	32,428	91,800			32,428	91,800
Compensation for damaged propert	y	6,676			0	6,676
Sale of surplus property	3,000	32,000			3,000	32,000
Donations	107,617				107,617	0
Investment earnings	106,148		· ·	1,477	107,248	51,557
Total revenues	4,068,729					
					menumen	manaaaa
Expenses						
Instruction	1,871,127	1,873,549			1,871,127	1,873,549
Support services	1,328,279				1,328,279	1,332,870
Non-program charges	34,890				34,890	0
Debt services	46,853	50,090			46,853	50,090
Co-curricular activities	267,218	229,120			267,218	•
Food service			228,617	232,498		232,498
Enterprise			104,903	92,781	104,903	92,781
Total expenses	3,548,367 ======	, .	•	325,279 	3,881,887	3,810,908
Excess (Deficiency) before special						
items and transfers	520,362	369,362	-59,625	-39,714	460,737	329,648
Transfers	-14,310	-799	14,310	799	0	0
Increase (Decrease) in Net Positi	506,052	Ť	•	-38,915 	460,737	329,648 =======

The Gayville-Volin School's total expenses were \$3,896,197. (See Table A-2) Here is the breakdown of the expenses. The Gayville-Volin School's expenses cover a range of services, encompassing instruction at 48% and support services at 35%. Food Service, Enterprise, Co-curricular and Debt Service make up the other 17%. (See Figure a-4)



BUSINESS-TYPE ACTIVITIES

The School District provides food service including breakfast and lunch in both the Elementary School and the Junior/Senior High Schools. The School district also has an Enterprise Fund.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The General Fund had an increase of \$59,658 in its fund balance for fiscal year 2024. The ending fund palance for General Fund was \$814,189. The Capital Outlay Fund Balance increased by \$238,622 with an ending fund balance of \$2,214,663. The Special Education Fund increased by \$58,341 with an ending fund balance of \$202,630.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Gayville-Volin School Board revised the School budget. These amendments could fall into one of the following categories:

- Contingency transfers approved for unanticipated, yet necessary expenses to provide for items necessary for the education program of this district.
- Grants that became available or changed in amount.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 FINANCIAL ANALYSIS OF THE GAYVILLE-VOLIN SCHOOL DISTRICT AS A WHOLE AS OF JUNE 30, 2024

Table A-3

Gayville-Volin School District No. 63-1

Capital Assets

Primary Government

	Governmental FY24	Activities FY23	Increase (Decrease)	Business-Type FY24	Activities FY23	Increase (Decrease)
Land	58,118	58,118	0	9,000	9,000	0
Construction-in-progress	0	40,619	-40,619			0
Buildings	7,253,455	7,225,830	27,625	108,746	97,196	11,550
Improvements other than buildings	1,185,749	1,006,097	179,652			0
Machinery and equipment	1,337,758	1,257,230	80,528	137,964	138,584	-620
Library books	67,472	67,472	0			0
Copier/printer leases	78,428	208,483	-130,055			0
Total capital assets	9,980,980	9,863,849	117,131	255,710	244,780	10,930
Accumulated depreciation/amortization	-3,986,093	-3,836,748	-149,345	-120,683	-109,207	-11,476
Net capital assets	5,994,887	6,027,101	-32,214	135,027		-546
•	=======	======	======	·	=======	======

Long-term Liabilities:

At year-end the Gayville-Volin School had \$58,334 in Capital Outlay Certificates, \$1,900,000 in General Bonds, \$54,532 in copier leases, \$6,000 in accrued leave liabilities and \$408,685 in other long-term obl This is a decrease of 3.80% in governmental Activities and an increase of 21.32% in business-type activ See Table A-4 below.

Table A-4

Gayville-Volin School District No. 63-1

Outstanding Debt and Obligations

Primary Government

			Percent			Percent
	Governmental FY24	Activities FY23	Increase (Decrease)	Business-Type FY24	Activities FY23	Increase (Decrease)
General Obligation Refunding bond	1,900,000	2,050,000	-7.32%			
Capital Outlay Certificates	58,334	87,500	-33.33%			
Leases	54,532	70,784	-22.96%			
Compensated absences	6,000	6,000	0.00%			
Other obligations	386,039	285,720	35.11%	,	18,667	21.32%
Total outstanding debt and obliga	2,404,905	2,500,004	-3.80%	22,646	18,667	21.32%

The Gayville-Volin School is liable for the accrued vacation leave payable to the 12-month employees (the business manager, superintendent and full-time custodians).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and students' families with a general overview of the Gayville-Volin 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 Alice Hight, Business Manager, Gayville-Volin School District 63-1, 100 Kingsbury Street, PO Box 158, Gayville, South Dakota 57031.

Primary Government

AS OF JUNE 30, 2024	Primary Government					
		Business-				
	Governmental	Type				
	Activities	Activities	Total			
ASSETS						
Current assets:						
Cash and cash equivalents	901,839	44,827				
Certificates of deposit	2,955,532	0				
Advanced to trust & agency imprest	8,000		8,000			
Receivables:						
Property taxes - current	552,478		552,478			
Property taxes - delinquent	40,056		40,056			
Due from other governments	82,964	4,331	87,295			
Accounts	8,388	2,102	10,490			
Inventory	6,077	20,113	26,190			
Total current assets	4,555,334	71,373	4,626,707			
Capital assets:						
Land	58,118	9,000	67,118			
Buildings	7,253,455	108,746	7,362,201			
Improvements	1,185,749		1,185,749			
Equipment	1,337,758	137,964				
Library books	67,471		67,471			
Intangible copier/printer lease	78,428		78,428			
Accumulated depreciation/amortization	-3,986,093	-120,683	-4,106,776			
Total capital assets	5,994,886	135,027	6,129,913			
_	0,000,000	200,027	0,220,020			
Other assets:						
Net pension assets	7,027	594	7,621			
Total assets	10,557,247	206,994	10,764,241			
		-				
DEFERRED OUTFLOW OF RESOURCES						
Pension related deferred outflows	604,548	51,148	655,696			
TOHOLOW TOTALOG OGICETOR						
Total deferred outflow of resources	604,548	51,148	655,696			
TOTAL GETETTER OFCITOR OF TEROFICER	=======	51,140	=======================================			
LIABILITIES						
Current liabilities:						
Accounts payable	123,682	8,156	121 020			
			131,838			
Contracts payable	205,257	3,061	•			
Payroll deductions payable	57,100	370	57,470			
Revenue received in advance		11,059	11,059			
Noncurrent liabilities due in one year:			00 167			
2013 Capital Outlay certificates	29,167		29,167			
2021 GO Refunding bonds	155,000		155,000			
Copier/printer leases	14,621		14,621			
Accrued leave	6,000		6,000			
Total current liabilities	590,827	22,646	613,473			
Noncurrent liabilities:						
2013 Capital Outlay certificates	29,167		29,167			
2021 GO Refunding bonds	1,745,000		1,745,000			
Copier/printer leases	39,911		39,911			
Total noncurrent liabilities	1,814,078	0	1,814,078			
Total liabilities	2,404,905	22,646	2,427,551			
DEFERRED INFLOW OF RESOURCES						
Taxes levied for a future period	552,478		552,478			
Pension related deferred inflows	351,172	29,709	380,881			
ramprom retured deterred furrows						
Total deferred inflow of resources	903,650	29,709	933,359			
dendered Employ of Idoution		=======================================	933,339			
NET POSITION						
	3 000 000	125 027	A 117 047			
Net invested in capital assets	3,982,020	135,027	4,117,047			
Restricted for:	2 227 070		2 227 272			
Capital outlay	2,227,972		2,227,972			
Special education	209,685		209,685			
Debt service	353,166	99 939	353,166			
SDRS pension purposes	260,403	22,033	282,436			
Unrestricted	819,994	48,727	868,721			
Motol act accition	7 052 240	205 707	9 050 007			
Total net position	7,853,240	205,787	8,059,027			
See accompanying notes:	14 -					

		Program Revenues			Net Reven Changes		
		Charges for Services and	Operating Grants and	Capital Grants and	Governmental	Business-type	
Functions/Programs:	Expenses	Reimbursements			Activities		Totals
Primary government:							
Governmental activities:		i					1 510 011
Instruction	1,871,127		361,116		-1,510,011		-1,510,011
Support services	1,328,279	•	30,504		-1,287,222		-1,287,222
Non-program charges	34,890				-34,890		-34,890
Cocurricular activities	267,218				-248,580		-248,580
Interest and fees on debt (all)	46,853				-46,853		-46,853
Total governmental activities	3,548,367	29,191	391,620	0	-3,127,556	0	-3,127,556
Business-type activities:							
Food service	228,617	76,962	122,193			-29,462	-29,462
Child care	104,903	•	•			-31,263 	-31,263
Total primary government	3,881,887	168,704	524,902	0	-3,127,556		
		General revenue Property taxe Gross receipt	s		1,234,439 37,512		1,234,439 37,512
		Revenue from	state sources:				
		State aid			2,079,959		2,079,959
		Other			46,815		46,815
		Revenue from	m counties		17,997		17,997
		Interest earn	ings		106,148	-	107,248
		Donations			107,617		107,617
		Other general			14,431		14,431
		'	plus property		3,000		3,000
		Transfers			-14,310		0
		Total general r	evenue and tran	sfers	3,633,608	•	3,649,018
		Change in net p	osition		506,052	-45,315	460,737
	:	Net position, J	uly 1, 2023		7,347,188		7,598,290
	:	Net position, J	une 30, 2024		7,853,240	205,787	8,059,027

AS OF JUNE 30, 2024					
		Capital	Special	Debt	Total
	General	Outlay	Education	Service	Governmental
	Fund	Fund	Fund	Fund	Funds
ASSETS					
Cash and cash equivalents	293,132	358,641	131,686	118,380	901,839
Certificates of deposit	662,497	1,935,185	130,951	226,899	•
Advanced to T&A imprest	8,000		•	•	8,000
Receivables:	,				·
Property taxes - current	144,487	207,958	111,373	88,660	552,478
Property taxes - delinquent	11,805	13,309	7,055	7,887	•
Due from other governments	69,057	•	13,907	•	82,964
Accounts	8,388		•		8,388
Inventory of supplies	6,077				6,077
Total assets	1,203,443	2,515,093	394,972	441,826	· · · · · · · · · · · · · · · · · · ·
					=======================================
LIABILITIES					
Accounts payable	35,109	79,163	9,410		123,682
Contracts payable	155,118		50,139		205,257
Payroll deductions payable	42,735		14,365		57,100
Total liabilities	232,962	79,163	73,914	0	
DEFERRED INFLOW OF RESOURCES					
Taxes levied for a future period	144,487	207,958	111,373	88,660	552,478
Unavailable revenue:					
Property taxes - delinquent	11,805	13,309	7,055	7,887	•
Total deferred inflow of resources	156,292	221,267	118,428	96,547	592,534
FUND BALANCE					
Nonspendable	14 077				
Restricted	14,077	2 214 662	202 620	245 070	14,077
Committed		2,214,663	202,630	345,279	
Assigned					0
Unassigned	800,112				0
onablighed.	800,112				800,112
Total fund balance	814,189	2,214,663	202,630	345,279	3,576,761
Total liabilities, deferred inflow					
of resources and fund balance					
or resources and Imid Datance	1,203,443	2,515,093	394,972	441,826	4,555,334

Reconciliation of the above balance sheet - governmental funds to the government-wide statement of net position ${\sf S}$

Total fund balance - governmental funds (above)

3,576,761

Amounts reported in the government-wide statement of net position are different because

Capital assets used in governmental activities are not financial and therefore are not reported as assets in governmental funds.	resources Therefore:
Add the cost of capital assets	9,951,101
Subtract the associated accumulated depreciation	-3,956,215

These pension related amounts are not an available financial resource and therefore are not reported in the funds:

Net pension assets	7,027
Deferred outflow of resources	604,548
Deferred inflow of resources	-351,172

Long-term liabilities are not due and payable in the current period.

Therefore, subtract the following long-term liabilities.

- certain, processes the fortowing tong-term fractifies	
2013 Capital Outlay Certificates (QZAB bonds)	-58,334
2018 Copier/printer lease	-54,532
2021 General Obligation Refunding Bonds	-1,900,000
Accrued leave	-6.000

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

40,056

Total net position on government-wide statement of net position

7,853,240

FOR THE YEAR ENDING JUNE 30, 2024					
		Capital		Debt	Total
	General	Outlay	Education Fund	Service G	overnmental Funds
Revenue: Revenue from local sources:	Fund	Fund	Fund		
Taxes:					
Ad valorem taxes	317,597	458,510	245,478	198,452	1,220,037
Prior year ad valorem taxes	4,173	2,809	1,546	1,300	9,828
Gross receipts	37,512				37,512
Penalties and interest	1,315	629		293	2,576
Interest earned	22,621	68,396	6,291	8,841	106,149
Cocurricular activities:	40.500				10 630
Admissions	18,638				18,638
Other revenue from local sources:		107,617			107,617
Donations Medicaid	3,794	107,017	6,759		10,553
Other	13,730		600		14,330
Other					
Total revenue from local sources	419,380	637,961	261,013	208,886	1,527,240
Revenue from intermediate sources:					
County sources:					
State fines apportionment	17,997				17,997
Revenue from state sources:					
Unrestricted grants-in-aid	1,857,784				1,857,784
Restricted grants-in-aid	41,000		268,990		309,990
1000210000 3 20000 20 020	12,000		200,550		505,550
Revenue from federal sources:					
Restricted grants-in-aid	221,479	49,098	80,043		350,620
Total revenues	2,557,640	687,059	610,046	208,886	4,063,631
Expenditures:					
Instruction:					
Regular programs: Elementary school	391,037				201 027
Middle school	184,670				391,037
Righ school	448,293	5,583			184,670 453,876
Preschool services	30,410	0,000			30,410
Special programs:	,				,
Educ. deprived (Title I)	81,522				81,522
Programs for special educ.			415,378		415,378
Total instruction	1,135,932	5,583	415,378	0	1,556,893
Commands assert as as					
Support services: Pupils:					
Guidance	137,301				137,301
Health	671				671
Special education			120,956		120,956
Instruction:			,		,
Staff training	3,350		664		4,014
Educational media	489				489
Technology in school	21,046				21,046
General administration:					
Board of Education	39,757				39,757
Executive administration	227,722				227,722
School administration:	102 576				100 575
Office of principal Special education	193,575		14,707		193,575
Business:			14,707		14,707
Fiscal services	93,995				93,995
Other facility acquisition	,				03,393
Operations and maintenance	339,819				339,819
Pupil transportation	122,688				122,688
Purchased food	8,898				8,898
Criminal background check	579				579
Nonprogram charges	29,919	4,971			34,890
make 1 annual annual annual annual	1 010 000	4 071			
Total support services	1,219,809	4,971	136,327	0	1,361,107
	- 17 -				(continued)
	1 , –			,	-concruded)

FOR THE YEAR ENDING JUNE 30, 2024 (c	ontinued)				
	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service G Fund	Total overnmental Funds
Debt service:					
Principal		45,418		150,000	
Interest and fees		3,116		43,450	46,566
Total debt service	0	48,534	0	193,450	241,984
Cocurricular activities:					
Male activities	41,518	3,946			45,464
Female activities	61,766	13,257			75,023
Transportation	4,313				4,313
Combined activities	79,777	13,368			93,145
Total cocurricular services	187,374	30,571		0	217,945
Capital outlay:		302,335			302,335
		201 004		102 450	2 600 064
Total expenditures	2,543,115	391,994	-	193,450	3,680,264
Excess of revenues					
over (under) expenditures	14,525	295,065	58,341	15,436	383,367
oval (anacz) ciiponaloulos	,		55,512	,	000,001
Other financing sources (uses):					
Transfer in	45,133				45,133
Transfer (out)		-59,443			-59,443
Compensation for damaged property					0
Sale of surplus property		3,000			3,000
Net change in fund balance	59,658	238,622	58,341	15,436	372,057
Fund balance:					
July 1, 2023	754,531	1,976,041	144,289	329,843	3,204,704
June 30, 2024	814,189	2,214,663	202,630	345,279	3,576,761
B			•••	•	
Reconciliation of the above s changes in fund balances to t		-	•		
	_			vicies.	
Net change in fund balances -	total governm	ental fund	s (above)		372,057
Capital outlays are reported					
in the government-wide statem					
allocated over the estimated		s deprecia	tion expense	. Therefore	
Add the cost of capital as					302,335
Subtract depreciation take Subtract amortization take	-				-315,456
Subtract loss on dispositi	-				-17,003 -2,091
dabetace 1033 on dispositi	on or capital	assecs			-2,091
Revenues in the statement of		-		nt financial	L
resources are not reported as	revenues in t	he funds.	Therefore:		
Subtract prior year deling					-38,058
Add current year delinquen	t taxes				40,056
Expenses and reductions of ex	=	_	_		21 200
current financial resources a	nd, therefore,	are not re	eported in the	ne runas	-31,206
Governmental funds do not ref	lect the chang	e in "accri	ued leave", 1	out the	
statement of activities refle	cts the change	in "acrue	d leave" thro	ough	
expenditures. Therefore add	the decrease i	n accrued 1	leave		0
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Therefore:					
Add current year principal		one or net	POSTUTOM.	Therefore:	
2013 Capital Outlay Cert					29,166
2021 General Obligation					150,000
2018 copier/printer leas					2,342
2022 copier/printer leas					13,910
Change in net position on gove	ernment-wide s	tatement of	f activities		506,052

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 STATEMENT OF NET POSITION - ENTERPRISE FUNDS AS OF JUNE 30, 2024

AS OF DORE 30, 2024	Food	Day	Total
3 GODING	Service Fund	Care Fund	Enterprise Funds
ASSETS Current assets:			
Cash	26,980	17,847	44,827
Due from other governments	3,754	577 985	4,331 2,102
Accounts receivable Inventory - supplies	1,117 2,105	965	2,102
Inventory - supplies Inventory - purchased goods	11,722		11,722
Inventory - commodities (donated)	6,286		6,286
Capital assets:			
Land		9,000	9,000 108,746
Building Equipment	137,964	108,746	137,964
Accumulated depreciation	-86,867	-33,816	-120,683
Other assets: Net pension assets	378	216	594
Total assets	103,439	103,555	206,994
20022 000000			-
DEFERRED OUTFLOW OF RESOURCES	20 504	10 604	E1 140
Pension related deferred outflows	32,524	18,624	51,148
Total deferred outflow of resources	32,524	18,624	51,148
LIABILITIES			
Accounts payable		8,156	8,156
Contracts payable		3,061	3,061
Payroll deductions payable		370	370
Revenue received in advance	11,059		11,059
Total liabilities	11,059	11,587	22,646
DEFERRED INFLOW OF RESOURCES: Pension related deferred inflows	18,892	10,817	29,709
rension related deferred inflows	10,092		29,709
Total deferred inflow of resources	18,892	10,817	29,709
NET POSITION			
Net invested in capital assets	51,097	83,930	135,027
Restricted - SDRS pension purposes	14,010	8,023	22,033
Unrestricted	40,905	7,822	48,727
Total net position	106,012	99,775	205,787
See accompanying notes.			
STATEMENT OF REVENUES, EXPENSES AND CHAR			
	NGES		
IN NET POSITION - ENTERPRISE FUNDS		Dave	motal.
	Food	Day Care	Total Enterprise
IN NET POSITION - ENTERPRISE FUNDS		Day Care Fund	Total Enterprise Funds
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue:	Food Service Fund	Care Fund	Enterprise Funds
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils	Food Service Fund 71,056	Care Fund	Enterprise Funds 133,607
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults	Food Service Fund 71,056 3,400	Care Fund	Funds 133,607 3,400
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue	Food Service Fund 71,056 3,400 2,506	Care Fund 62,551	Enterprise Funds 133,607 3,400 2,506
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults	Food Service Fund 71,056 3,400 2,506	Care Fund	Funds Funds 133,607 3,400
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue	Food Service Fund 71,056 3,400 2,506	Care Fund 62,551	Enterprise Funds 133,607 3,400 2,506
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries	Food Service Fund 	Care Fund 62,551 62,551	Enterprise Funds 133,607 3,400 2,506 139,513
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042	Care Fund 62,551 62,551 75,732 9,336	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655	Care Fund 62,551 62,551 75,732 9,336 3,532	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042	Care Fund 62,551 62,551 75,732 9,336	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food	Food Service Fund 	Care Fund 62,551 62,551 75,732 9,336 3,532	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities)	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064	133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064	133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities)	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation	Food Service Fund	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss)	Food Service Fund	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense):	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense):	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source:	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source:	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915	Care Fund 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense)	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense) Income (loss) before transfers:	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926 -28,853	Care Fund 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089 -11,580 -30,772	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506 -59,625
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense)	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926	Care Fund 62,551 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506 -59,625
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense) Income (loss) before transfers:	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926 -28,853 2,759	Care Fund 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089 -11,580 -30,772 11,551	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506 -59,625 14,310
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense) Income (loss) before transfers: Transfers in of equipment Change in Net Position	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926 -28,853 2,759 -26,094	Care Fund 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089 -11,580 -30,772 11,551 -19,221	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506 -59,625 14,310 -45,315
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense) Income (loss) before transfers: Transfers in of equipment	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 27 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926 -28,853 2,759	Care Fund 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089 -11,580 -30,772 11,551	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506 -59,625 14,310
IN NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024 Operating revenue: Sales to pupils Sales to adults Other revenue Total operating revenue Operating expense: Salaries Employee benefits Purchased services Supplies Cost of sales: Purchased food Donated food (commodities) Depreciation Pension related expense reduction Total operating expenses Operating income (loss) Nonoperating revenue (expense): Loss on disposal of capital asset Interest earned State source: Cash reimbursement Federal source: Cash reimbursement Donated food Total nonoperating revenue (expense) Income (loss) before transfers: Transfers in of equipment Change in Net Position	Food Service Fund 71,056 3,400 2,506 76,962 98,361 24,042 3,655 6,567 62,756 21,088 10,265 7 226,741 -149,779 -1,876 609 327 102,915 18,951 120,926 -28,853 2,759 -26,094	Care Fund 62,551 75,732 9,336 3,532 13,064 2,714 525 104,903 -42,352 491 11,089 -11,580 -30,772 11,551 -19,221	Enterprise Funds 133,607 3,400 2,506 139,513 174,093 33,378 7,187 19,631 62,756 21,088 12,979 532 331,644 -192,131 -1,876 1,100 327 114,004 18,951 132,506 -59,625 14,310 -45,315

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS FOR THE YEAR ENDING JUNE 30, 2024

FOR THE TEAR ENDING BONE 50, 2024	Food	Child	Total
	Service Fund	Care Fund	Enterprise Funds
Cash flows from:			
Operating activities:			
Receipts from customers	74,778	61,566	
Cash paid for employees	-122,403	-84,943	
Payments to suppliers	-78,727	-9,938	-88,665
Net cash provided (used)			
by operating activities	-126,352	-33,315	-159,667
Noncapital financing activities:			207
Grant cash reimbursements, state	327	44 700	327
Grant cash reimbursements, federal	102,123	11,580	113,703
Capital financing activities: None			0
Investing activities:			
Interest received	609	491	•
Certificates of deposit redeemed	30,582	20,388	50,970
Net increase (decrease) in			
cash and cash equivalents	7,289	-856	6,433
Cash and cash equivalents:			
July 1, 2023	19,691 	18,703	38,394
June 30, 2024	26,980	17,847	•
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	-149,779	-42,352	-192,131
Donated commodities used	21,088		21,088
Depreciation	10,265	2,714	12,979
Pension related exp. reduction	7	525	532
Change in operating accounts:			
Accounts receivable	109	-985	-876
Inventory - supplies	150		150
Inventory - purchased	-5,391		-5,391
Accounts payable	-508	6,658	6,150
Contracts payable		67	67
Benefits payable		58	58
Unearned revenue	-2,293		-2,293
Net cash provided (used)			
by operating activities	-126,352	-33,315	-159,667
		_	
Noncash investing, capital and financing activities:			
Donated commodities received	18,951		18,951
Transfer in of equipment	2,759	11,551	14,310

See accompanying notes.

GAYVILLE-VOLIN SCHOOL DISTRICT NO. 63-1 STATEMENT OF FIDUCIARY NET POSITION AS OF JUNE 30, 2024

AS OF JUNE 30, 2024	
	Custodial
	Funds
Assets:	0.1.646
Cash	34,646
Certificate of deposit	8,657
Due from student activities	16,363
Total assets	59,666
TOTAL ASSECT	
Liabilities:	
Due to general fund - advance	8,000
Total liabilities	8,000
	=======
Net Position - Restricted:	
Restricted for student activities	51,666
Total net position	51,666
-	***************************************
See accompanying notes.	
see accompanying notes.	

GAYVILLE-VOLIN SCHOOL DISTRICT NO. 63-1 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDING JUNE 30, 2024

	Custodial Funds
Additions:	
Collections for student activities	85,790
General fund reimbursements	107,338
Interest earnings	242
Total additions	193,370
Deductions:	
Payments for student activities	94,681
General fund uses	106,295
Total deductions	200,976
Change in not modified	7 606
Change in net position	-7,606
Net Oosition - Restricted:	
July 1, 2023	59,272
	200 that the ern time and was a
June 30, 2024	51,666
See accompanying notes.	

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity:

The funds and account groups included in this report are controlled by or dependent upon the Gayville-Volin School District's (School District) Board of Education.

The School District's officials at June 30, 2024 are:

Board Members: Superintendent:

John Freeburg, President Jason Selchert

Stacy Barta

Eric Dimmer Business Manager
Tyler Hoxeng Alice Hight

Kathy Jorgensen

Attorney:

Churchill, Manolis, Freeman, Kludt & Burns

The reporting entity of the School District consists of (1) 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; (2) those organizations for which the primary government is financially accountable; and (3) 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.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The School District is financially accountable if its governing board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the School District (the primary government). The School District may also be financially accountable for another organization if that organization is fiscally dependent on the School District unless that organization can, without the approval of the School District: (1) set its own budget; (2) determine its own rates or charges; and (3) borrow money.

Based upon the application of these criteria, the Gayville-Volin School District does not have any component units. Also, the School District does not participate with other school districts in any cooperative service units.

b. Basis of Presentation:

Government-wide Financial Statements:

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

The Statement of Net Position reports all financial and capital resources, in a net position form (assets minus liabilities equal net position). Net position is displayed in three components, as applicable: net invested 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 function of the School District's governmental activities and for each segment of School District's business-type activities. Direct expenses are associated with a specific program or function and are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients for goods and services offered by the program 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 and interest, are presented as general revenues.

Fund Financial Statements:

The fund financial statements include specific information about individual funds used by the reporting entity. Each fund is considered a separate accounting entity with a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, enterprise, and fiduciary. An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operating fund of the School District or if it meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding element total (assets, liabilities, revenues, or expenditures/ expenses) for all funds of that category (that is, total governmental or total enterprise), and
- b. The same element that meets the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.
- c. In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's official believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

The School District has elected to classify all of its funds as major funds.

School District funds are described below within their respective fund type:

Governmental Funds

General fund - a fund established by South Dakota Codified Law (SDCL) 13-16-3 to meet all the general operational costs of a school district, excluding capital outlay and special education fund expenditures. The general fund is always a major fund.

Special Revenue Fund Type - special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes. The School District has the following special revenue funds:

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 and is a major fund.

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

Debt Service Fund Types - debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related cost.

Debt Service fund - A fund established by SDCL 13-16-13 to account for the payment of principal, interest and related costs of a 2021 general obligation refunding bond. This fund is financed by property taxes and is a major fund. See also page 42.

Enterprise Funds

Enterprise Fund Types - enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. The School District has the following enterprise fund:

Food service fund - a fund used to record financial transactions related to the School District's food service operations. This fund is financed by user charges and grants and is a major fund.

Child care fund - a fund used to record financial transactions related to the School's child care activity and driver's education. This fund is financed by user charges, fund raising activities, and grants. This fund is a major fund.

Fiduciary Funds

Fiduciary funds consist of the following sub-category of fiduciary funds. Fiduciary funds are never considered to be major funds.

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

c. Measurement Focus and Basis of Accounting:

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

Measurement Focus

Government-wide Financial Statements:

Both governmental and business-type activities are presented using the "economic resources" measurement focus, applied on the accrual basis of accounting.

The "economic resources" measurement focus includes all assets and liabilities (whether current or noncurrent, financial, or nonfinancial) on the balance sheet. Operating statements use the flow of all economic resources to present operating income, changes in net position, and cash flows during the accounting period. This measurement focus uses the term "net position" to describe its equity at the end of the accounting period.

Fund Financial Statements:

All governmental funds are presented using the "current financial resources" measurement focus and the modified accrual basis of accounting.

The "current financial resources" measurement focus includes only current financial assets and liabilities on the balance sheet. Operating statements present sources and uses of available spendable financial resources during the accounting period. This measurement focus uses the term "fund balance" to describe its equity at the end of the accounting period. It is a measure of available spendable financial resources.

Enterprise and fiduciary funds are presented using the "economic resources" measurement focus (described above) and the accrual basis of accounting.

Basis of Accounting

Government-wide Financial Statements:

In the government-wide financial statements, the accrual basis of accounting is used for both governmental and business-type activities in the Statement of Net Position and Statement of Activities. 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:

In the 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 School District's availability period for accruing and recording revenues is 90 days to better match grant activity. The revenues which are accrued at June 30, 2024 are grants and other accounts receivable.

Under the modified accrual basis of accounting, receivables may be measurable but "not available". Not available means not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred inflow of resources are those where the asset recognition criteria has been met but for which the revenue recognition criteria has not been met because the receivable is not available.

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. However, the Gayville-Volin School District budgets for, and makes payment of, debt obligations due on July 1st as of June 30th, the end of the School District's fiscal year.

All enterprise funds and fiduciary funds are accounted for using the accrual basis of accounting, the same as in the government-wide financial statements. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

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

In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances" (if any).

Fund Financial Statements:

In the fund financial statements, noncurrent portions of long-term interfund receivables (reported in "Advance to" asset accounts) are equally offset by a nonspendable fund balance account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources."

e. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as reductions of disbursements in the fund that is reimbursed. All other interfund transactions are reported as transfers.

f. Cash and Cash Equivalents:

In the enterprise funds' statement of cash flows, the School District considers all highly liquid investments and deposits (including restricted assets) with a term to maturity of three months or less when purchased to be cash equivalents.

g. <u>Inventory</u>:

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

Governmental activities and governmental fund inventories, if any, consists of expendable supplies held for consumption. In the government-wide financial statements and governmental funds, inventory items, if any, are initially recorded as assets and charged to expense in the various functions of government as they are consumed. Inventories reported in the fund financial statements 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. Nonspendable fund balance related to inventory are reported net of related liabilities (accounts payable).

h. Capital Assets and Infrastructure assets:

Capital assets include land, buildings, improvements, and equipment, and all other tangible or intangible assets that are used in operations, which have initial useful lives extending beyond a single reporting period. *Infrastructure* assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets. Infrastructure assets, if any, are classified as "Improvements Other then Buildings."

Government-wide Financial Statements:

In the government-wide financial statements, capital assets are accounted for on the accrual basis of accounting. Capital asset purchases are capitalized and not expensed. Instead, capital purchases are expensed over the life of the asset as depreciation or amortization.

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated 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. After an item has been capitalized, subsequent improvements or betterments that are significant, and which extend the useful life of the item, are also capitalized.

The total June 30, 2024 balance of capital assets for governmental activities include approximately 2% for which the costs were determined by estimates of the original costs. The total June 30, 2024 balance of capital assets for business-type activities includes approximately 0% for which the costs were determined by estimates of the original costs. The estimated original costs were established by appraisals.

Interest cost incurred during construction of general capital assets are not capitalized with other capital asset cost. Interest cost incurred during construction of enterprise capital assets are not capitalized with other capital asset cost.

Depreciation and amortization of all exhaustible capital assets are recorded as an allocated expense in the government-wide statement of activities and the enterprise fund statement of revenue, expenses and changes in fund net position. Accumulated depreciation/amortization is reported on the government-wide statement of net position and on the enterprise fund's statement of net position. See page 41.

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

Capitalization Threshold	Depreciation/ Amoritization Method	Estimated Life in Years
all	N/A	N/A
20,000	Straight-line	33-50
10,000	Straight-line	10-50
5,000	Straight-line	2-20
ce 500	Straight-line	12
	Threshold all 20,000 10,000	Capitalization Amoritization Threshold Method all N/A 20,000 Straight-line 10,000 Straight-line 5,000 Straight-line

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

In the fund financial statements, governmental funds account for capital asset purchases as expenditures of the appropriate governmental fund. Enterprise funds account for capital asset purchases on the accrual basis of accounting, the same as in the government-wide statements.

i. Long-term Liabilities:

Government-wide Financial Statements:

In the government-wide financial statement, all long-term liabilities to be repaid from governmental or business-type resources are reported as liabilities. Long-term liabilities consist of a general obligation bond, capital outlay certificates, equipment lease and compensated absences.

Fund Financial Statements:

In the fund financial statements, governmental debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. Enterprise fund long-term debt (if any) is reported as a liability, the same as in the government-wide statements.

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

General revenues include all revenues not specifically earmarked for a specific program. General revenues include all taxes, investment earnings, unrestricted receipts from federal, state, or county governments, and miscellaneous revenues not related to a program. These revenues are not restricted and can be used for the regular operation of the School District.

k. Deferred Inflows and Deferred Outflows of Resources

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

In the government-wide financial statements, the only deferred outflow of resources reported is a deferred amount arising from the School District's pension plan for qualified retirees as discussed in Note 13.

In the fund financial statement there are no deferred outflows of resources reported in the governmental funds. There is deferred outflows of resources reported in the enterprise funds arising from School District's pension plan for qualified retirees as discussed in Note 13.

In addition to liabilities, the statement of financial position has a separate section to report 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.

In the government-wide financial statements, the only deferred inflow of resources reported are deferred amounts arising from the School District's pension plan and property taxes that are levied for future periods.

In the funds financial statement, governmental funds report deferred inflows of resources for property taxes levied but not collected within the available period and property taxes levied in the available period that are intended to finance the next fiscal year. Enterprise funds report deferred outflows of resources arising from School District's pension plan for qualified retirees as discussed in Note 13.

1. Enterprise Fund Revenue and Expense Classifications:

In the government-wide and fund financial statements, enterprise 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. Equity Classifications:

Government-wide Statements:

Equity is classified as net position and is displayed in three components:

- Net invested 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 capital outlay certificate payable, capitalized leases payable, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position Consists of net position with constraints placed on their use either by (a) external groups such as creditor, grantor, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- 3. Unrestricted Net Position Other net position that does not meet the criteria of 1 or 2 above.

Fund Financial Statements:

Governmental fund equity is classified as "Fund Balance", and may distinguish between "Nonspendable", "Restricted", "Committed, "Assigned", and "Unassigned" components. Enterprise fund equity is classified as "Net Position", the same as in the government-wide financial statements.

Fiduciary fund equity is reported as "Net Position - Restricted".

n. 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:

- * <u>Nonspendable</u> 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.
- * <u>Committed</u> includes fund balance amounts that are constrained for specific purposes that are internally imposed (or modified or rescinded) by the government through formal action at the highest level of decision making authority and does not lapse at year-end.
- * <u>Assigned</u> includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Council or Finance Officer.
- * <u>Unassigned</u> includes positive fund balance within the general fund which has not been classified within the above categories and negative fund balances in other governmental funds.

The School District fund balance classifications are made up of:

Fund Balance	Account	Authority	
Classifications	or Fund	or Action	Amount
Nonspendable	Inventory of supplies		6,077
	General - Impress activity	Resolution	8,000
Restricted	Capital Outlay	Statute	2,214,663
	Special Education	Statute	202,630
	Debt Service	Statute	345,279
Committed	None		0
Assigned	None		0
Unassigned	General		800,112
			3,576,761

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

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

The purpose of each special revenue fund and revenue source is:

Special Revenue Fund: Revenue Source: (see page 17)

* Capital Outlay Property taxes and grants

* Special Education Property taxes and grants

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 which can be charged to either restricted or unrestricted net position.

p. Allowance for Doubtful Accounts:

Because write-off of uncollected taxes and/or student meals is minimal, is it not considered necessary to establish an estimated allowance for doubtful accounts.

q. Accounting Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from these estimates. Following are the estimates made by management during the year:

- * Allowance for doubtful accounts estimated uncollectables
- * Inventory estimated fair market value
- * Depreciation estimated service lives
- * SDRS Pension actuarial assumptions

r. Pensions:

For the purpose of measuring the net pension (asset)/liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense (expense reduction), information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deductions from SRDS's fiduciary net position have been determined on the same basis as they are reported by SDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. School District contributions and net position (asset)/liability are recognized on an accrual basis of accounting.

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

Budget Overdrafts:

The School District is prohibited by statute from spending in excess of appropriated amounts within a fund. In FY24 the Special Education Fund went over its budget by \$20,053. In the future, the School District expects to make contingency transfers or adopt supplemental appropriations to cover expenditures that will exceed their original appropriation.

3. DEPOSITS, INVESTMENTS AND 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 deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 13-16-15 and 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 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 better, or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota. Deposits are reported at cost, plus interest, if the account is the add-on type.

Actual bank balances at June 30, 2024 were as follows: Insured \$500,000, Collateralized ** \$3,503,980, for a total of \$4,003,980.

** Uninsured, collateral jointly held by state's/school's agent in the name of the state and the pledging financial institution.

The carrying amount of these deposits at June 30, 2024 was \$3,945,501 which equals \$3,902,198 on the government-wide statement of net position plus \$43,303 on the fiduciary funds statement.

Investments - In general, SDCL 4-5-6 permits school district 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); or (c) in shares of an openend, no-load mutual fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safe-keeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Cash Equivalents - Certificates of deposit, with a term to maturity of greater than 3 months when purchased, were insured or collateralized and are considered deposits. Also, because certificates of deposit are included in the equivalent of an internal cash management pool, which is available on demand to all School District funds, certificates of deposit (if any) are considered to be cash equivalent.

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

Custodial Credit Risk (Deposits) - The risk that, in the event of a depository failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2024 the School District's deposits in financial institutions were not exposed to custodial credit risk.

Concentration of Credit Risk - the School District places no limit on the amount that may be deposited/invested in any one institution. All School District deposits are in CorTrust Bank.

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

Assignment of Investment Income - State law allows income from deposits and investments to be credited to either the general fund or the fund making the investment. The School District's policy is to credit all income from deposits and investments to the general fund, except for interest from certificates of deposit in the capital outlay fund and for interest earned by the bond redemption fund. U.S.GAAP, however, requires income from deposits and investments to be reported in the fund whose assets generated the 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 (ie: general fund) is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the governmentwide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. These transfers are not violations of the statutory restrictions on interfund transfers.

4. 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. Allowances for estimated uncollectible accounts are not material to these financial statements.

5. DUE FROM OTHER GOVERNMENTS

At June 30, 2024 amounts due from other governments were:

	Governmental Activities	Business-Type Activities
Federal government:		
Title I	15,598	
ESSER III	17,328	24
ESSER Learning Loss	684	
HMI Grant		3,730
CACFP claims		577
State government:		
IDEA Part B 611	13,907	
County government:		
Gross receipts tax	35,447	
	82,964	4,331

6. INVENTORY OF SUPPLIES AND SMALL TOOLS

Government-wide Statements: (consumption method)

In the government-wide financial statements inventory of supplies and small tools are recorded as assets when purchased and charged to expense when they are consumed. Inventory of supplies and small tools are recorded at cost. Donated items are valued at estimated market value at the date of receipt. The cost valuation method is first-in first-out. Inventory at June 30, 2024 is \$6,077 for supplies in the general fund and \$20,113 for food and supplies in the food service fund.

Fund Financial Statements: (consumption method)

In the fund financial statements inventory of supplies and small tools (if any) are recorded as assets when purchased and charged to expenditure/expense when they are consumed. Reported governmental inventories are equally offset by a nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Inventory of supplies and small tools are recorded at cost. Donated items are valued at estimated acquisition value at the date of receipt. Donated commodities are valued at estimated acquisition value based on the USDA price list at date of receipt. The cost valuation method is first-in first-out.

7. CHANGES IN CAPITAL ASSETS (schedule one)

A summary of changes in capital assets for the fiscal year ending June 30, 2024 is found on schedule one at the end of these footnotes. There is no construction-in-progress at June 30, 2024. See page 41.

8. CHANGES IN LONG-TERM LIABILITIES (schedule two)

A summary of changes in long-term liabilities for the fiscal year ending June 30, 2024 is found on schedule two at the end of these footnotes. See page 42.

The School District has no: (a) unused lines-of-credit, (b) short-term debt, (c) debt extinguishments, defeasances, refundings or troubled debt restructuring, (d) special assessment debt, (e) conduit debt, (f) derivatives or hedging of variable rate debt, (g) debt related to claims and judgments, or (h) other than the collateral specified, terms in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences or (3) subjective acceleration clauses.

9. LEASE

The School District is lessee in noncancellable leases for three (3) Toshiba copier/printer machines with a remaining capitalization amount of \$2,065 and three (3) Kyocera copier/printer machines with a remaining capitalization amount of \$63,489. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$5,000 or more. See page 42.

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 term of the lease using a 5% imputed rate of interest. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the fixed term as stated in a lease contract.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate used to discount the expected lease payments to present value (5% was determined to be reasonable), (2) lease term (the noncancellable period of the lease was used), and (3) lease payments (the fixed lease payment used in the measurement of lease liability was used with a purchase option price of zero based on the School District's practice of leasing a new copier at the end of a copier lease).

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the government-wide statement of net position.

10. RESTRICTED NET POSITION

The following table shows the net position restricted for specific purposes as shown on the statement of net position:

Fund	Restricted by	Governmental	Business
Capital outlay	Statute	2,227,972	
Special education	Statute	209,685	
Debt service	Covenants	353,166	
SDRS pension purposes	GASB 68	260,403	22,033
Total restricted net pos	sition	3,051,226	22,033

11. INTERFUND TRANSFERS

During the year ending June 30, 2024 a transfer of \$45,133 was made from the capital outlay fund to the general fund for operations. The capital outlay fund also transferred equipment of \$2,759 to the food service fund and \$11,551 to the day care fund.

12. REVENUE RECEIVED IN ADVANCE

The enterprise fund reports meal tickets of \$5,131 that have been purchased but not yet redeemed as revenue received in advance. Also, unspent federal supply chain grant receipts of \$5,928 is reported as revenue received in advance.

13. PENSION PLAN

Plan Information:

See note 1r above for pension plan accounting policies.

Plan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDFRS 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 South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SDRS, PO Box 1098, Pierre, SD 57501-1098; accessing http://sdrs.sd.gov/publications.aspx or calling (605) 773-3731.

Benefits Provided:

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

Members that were hired before July 1, 2017 are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80.

Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

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

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

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

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

Legislation enacted in 2021 reduced the minimum COLA from .05 percent to 0.0 percent.

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

Contributions:

Per SDCL 3-12, contributions requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the years ending June 30, 2024, 2023 and 2022 were \$118,960, \$120,842, and \$119,109 respectively (employer's share) equal to the required contribution each year.

<u>Pension (Assets)/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources to Pensions:</u>

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

Proportionate share of total pension liability	\$ 11	,314,768
Less: Proportionate share of net position restricted		
for pension benefits	(11	.,322,389)
Proportionate share of net pension (asset)/liability	\$	(7,621)
	==	

At June 30, 2024 the School District reported a (asset)/liability of \$(7,621) for its proportionate share of the net pension (asset)/liability. The net pension (asset) was measured as of June 30, 2023 and the total pension liability used to calculate the net pension (asset) was based on a projection of the School 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 .000780830 which is a decrease of .00005053 over its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized net pension expense of \$31,738. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

]		red Outflows Resources		red Inflows Resources
Difference between expected and actual experience		\$	216,028	\$	0
Change in assumptions			260,560		380,880
Net difference between projector actual earnings on pension plan		ents	50,739		0
Changes in proportion and diffe between School District contril proportionate share of contrib	bution and	d	9,409		
School District contributions to the measurement date	subsequen [.]	t	118,960	_	
•	Totals	\$	655,696 (118,960) (380,880)	\$ =	380,880
To be amortized over 4 years		\$	155,856 ======		

The \$118,960 reported as deferred outflow of resources related to the pension, results from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

The other amounts reported as deferred outflows of resources and deferred inflow of resources related to the pension will be recognized in pension expense (reduction of expense) as follows:

Year	Ending	June	30,	2025	\$ 110,455
		June	30,	2026	(123,002)
		June	30,	2027	156,994
		June	30,	2028	11,409
					\$ 155,856

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real return 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: Pub T-2010

Other Class A Members: Pub G-2010 Public Safety Members: Pub S-2010

Retired Members:

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

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

Public Safety Retirees: Pub S-2010, 102% of rate at all ages

Beneficiaries:

Pub G-2010 contingent survivor mortality table

Disabled Members:

Public Safety: Pub S-2010 disabled member mortality table Others: Pub G-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.

Investments

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which my utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (ie: 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Discount Rate:

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

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

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

		Current	
		Discount	
	1% Decrease	Rate	1% Increase
	5.50%	6.50%	7.50%
School District's proportionate share			
of the net pension (asset)/liability	\$1,562,089	\$(7,621)	\$(1,291,345)

Pension Plan Fiduciary Net Position:

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

14. EMPLOYEE BENEFIT PLAN

The School District offers eligible employees a "Flexible Benefits Plan" (also known as a "cafeteria plan") under Internal Revenue Code Sec.125. The Plan allows eligible employees to use money provided by the School District through employee salary redirection, to choose (and pay for) one or more benefits offered through the Plan.

15. PROPERTY TAXES

Property taxes are levied on or before 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 revenue 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 not susceptible to accrual, has been reported as deferred revenue in both the government-wide financial statements and the fund 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". However, because property taxes are payable on April 30 and October 31 each year, about 1/2 of the property tax levy is collected by June 30, to finance the current year's appropriations, and 1/2 is collected after June 30, to finance the next year's appropriations.

Consequently, the School District considers all unpaid property tax levies at June 30 to be for the next year's appropriation. This entire amount is deferred in both the government-wide financial statements and the fund financial statements. Any delinquent property taxes received after June 30, but within the School District's "availability period", are considered immaterial to these financial statements and are deferred along with the second 1/2 of the current year's tax levy.

Delinquent property taxes, from prior year tax levies, are included in "net position" in the government-wide statement of activities but are deferred in the fund financial statements. See reconciliations on page 16 and 18.

16. RISK MANAGEMENT

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

<u>Health</u>:

The School District joined the South Dakota School District Health Benefits Fund. 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 with the premiums it receives from the members.

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

Liability and Property:

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

Worker's Compensation:

The 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 provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota. The School District made \$836 unemployment payments in FY23. The School District expects to make small unemployment payments of at least \$223 in FY24.

17. TAX ABATEMENTS

As of June 30, 2024 the School District did not provide any tax abatement incentives through agreements that are considered tax abatements in accordance with the provisions of GASB Statement No. 77.

18. LITIGATION

The School District can be a party to litigation. No determination can be made at this time regarding the potential outcome of such matters. However, as discussed in the risk management note above, the School District has liability coverage for itself and its employees. Therefore, any litigation is not expected to have a potential material effect on the School District's financial statements.

19. OTHER DISCLOSURES AND SUBSEQUENT EVENTS

The School District does not have any "Other Post Employment Benefits".

The School District does not have any Subscription-Based Information Technology Arrangements to report.

Student enrollments are:

FY10 - 247	FY13 - 273	FY16 - 287	FY19 - 293	FY22 - 275	FY25 - 255
FY11 - 258	FY14 - 276	FY17 - 304	FY20 - 290	FY23 - 262	
FY12 - 271	FY15 - 274	FY18 - 279	FY21 - 279	FY24 - 257	

In FY26 the School District will close its child day care operation.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE ONE CHANGES IN CAPITAL ASSETS FOR THE YEAR ENDING JUNE 30, 2024

						Depreciation	•		- -	epreciation	Remaining
	Beginning				Fadiac	Amortization				mortization	Cost
		Adjustments	Additions	(Deletions)	6-30-24		Adjustments	(Additions)	Deletions	6-30-24	6-30-24
				(Derectors)					Detectors		
General capital assets:											
Not being depreciated:											
Land	58,118	1			58,118	0					58,118
Construction-in-progre	40,619			-40,619	0	0				0	0
Jone Carolina in progra			~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~							··· ·· ·· ·· ·· ·· ·· ·· ··	
Totals	98,737		0	-40,619 ======	58,118 ======	0		0	0	0	58,118
Being depreciated/amorti	zed:										
Buildings	7,225,830	1	27,625		7,253,455	-2,645,653		-150,066		-2,795,719	4,457,736
Improvements	1,006,097		179,652		1,185,749	-351,815		-60,194		-416,383	769,366
Equipment	1,257,230		80,528		1,337,758	-644,153	-	-102,746		-689,467	648,291
Library books	67,472		,		67,472	-52,198		-2,449		-54,647	12,825
Intangible copier/printer lease	208,483			-130,055	78,428	-142,929		-17,003	130,055	-29,877	48,551
intangible copier/printer lease											
Totals	9,765,112	. 0	287,805		9,922,862	-3,836,748	-	-332,458	130,055	-3,986,093	5,936,769
		<u></u>		RENAMA					<u></u>		
Combined totals	9,863,849		287,805	-170,674	9,980,980	-3,836,748		-332,458	130,055	-3,986,093	5,994,887
			======				=	======	=======================================		======
						Governmental					
						depreciation	/amortizatio	n			
						is allocated	as follows:				
						Instructio	n	229,550			
						Support		53,635			
						Co-curricu	lar	49,273			
								332,458			
Enterprise fund:											
Food service fund:											
Land - child care	9,000				9,000	0				0	9,000
Buildings - child care	97,196		11,551		108,747	-31,103		-2,714		-33,817	74,930
Equipment - food servi	138,584		2,759	-3,379 	137,964	-78,104 		-10,265 	1,502	-86,867 	51,097
Totals	244,780		14,310	-3,379	255,711	-109,207		-12,979	1,502	-120,684	135,027
									======	=====	======

Accumulated

Accumulated

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE TWO CHANGES IN LONG-TERM LIABILITIES FOR THE ONE YEAR ENDING JUNE 30, 2024

FOR THE ONE YEAR ENDING JUNE 30, 20	24			Governmental	Principal
_	Beginning 6-30-23	Additions	(Deletions)	Ending 6-30-24	Due in FY25
GOVERNMENTAL - DIRECT BORROWING	 }				
2013 Capital Outlay Certificates:					
Qualified Zone Academy Bonds					
Original amount: \$350,000 Maturing July 15, 2025					
Interest at zero					
Annual payments of \$29,166.67					
Collateral - Capital outlay tax					
levy in an amount not to exceed \$3.00 per \$1,000 of assessed					
valuation for the payment of					
principal portion of the Bonds					
Paid from Capital Outlay Fund	87,500		-29,166	58,334	29,167
2021 General Obligation Refunding B	onds:				
Original amount: \$2,200,000					
Maturing August 1, 2034					
Interest at 2.0% to 3.0% Total annual payments of					
Approximately \$194,000					
Collateral - General ad valorem t	axes				
levied upon the taxable propert	y in				
the school district without lim					
to rate or amount. Further sec					
as to the payment of both princ interest by the pledge of futur	_				
payments of appropriated State					
	2,050,000		-150,000	1,900,000	155,000
GOVERNMENTAL - OTHER LIABILITIE	es				
2018 Lease of copiers:					
Original amount: \$130,055					
Maturing August 2023					
Imputed interest at 5.0% Monthly payments of \$2,351.43					
Collateral - Copiers					
Paid from capital outlay fund	2,342		-2,342	0	0
2022 Lease of copiers: Original amount: \$78,428 Maturing December 2028 Imputed interest at 5.08 Monthly payments of \$1,417.99					
Collateral - Copiers Paid from capital outlay fund	68,442		-13,910	54,532	14,621
Accrued leave liability:					
Paid from General Fund	6,000	6,000	-6,000	6,000	6,000
	2,214,284	6,000	-201,418	2,018,866	204,788
	************	*******			
SCHEDULE OF PAYMENTS FOR LONG-TERM	DEBT				
AT JUNE 30, 2024	fotal Payment	Principal	Interest	Balance	
2013 Capital Outlay Certificates:					
Qualified Zone Academy Bonds					
FY25	29,167	29,167	0	29,166	
FY26	29,166	29,166	0	0	
Totals	58,333	58,333	0		
55000	*********	***************************************			
2021 General Obligation Refunding B				<u>.</u>	
FY25	194,800	155,000	39,800	1,745,000	
FY26 FY27	191,700 193,550	155,000 160,000	36,700 33,550	1,590,000 1,430,000	
F127 FY28	194,475	165,000	29,475	1,265,000	
FY29	194,450	170,000	24,450	1,095,000	
FY30-FY34	965,100	900,000	65,100	195,000	
FY35	196,950	195,000	1,950	0	
Totals	2,131,025	1,900,000	231,025		

2022 Lease of copiers:	17,016	14,621	2,395	39,911	
FY26	17,016	15,370	1,646		
FY27	17,016	16,156	860	8,385	
FY28	8,508	8,385	123	0	
Totals	59,556	54,532	5,024		
200410		,			

Budgeted Amounts

		_	d Amounts			
GENERAL FUND				Variance		
Revenues:	Omininal	Contingency		Tiena!	3.04	Positive
Local Sources:	Original	Transfers su	pplementals	Final	Actual	(Negative)
Taxes:						
Ad valorem taxes	307,517			307,517	317,597	10,080
Prior year ad valorem taxes	3,000			3,000	4,173	1,173
Gross receipts	34,000			34,000	37,512	3,512
Mobile home taxes	5,000			5,000	37,312	-5,000
Penalties and interest	1,000			1,000	1,315	315
Interest earned	11,000			11,000	22,621	
Cocurricular activities:	11,000			11,000	22,021	11,021
Admissions	15,000			15,000	18,638	3,638
Other	9,900				13,730	•
Other revenue from local source	•			9,900	13,730	3,830
	es:			0		^
Donations	6 000				2 704	0
Medicaid Intermediate sources:	6,000			6,000	3,794	-2,206
	17 000			17 000	17 007	007
County apportionment	17,000			17,000	17,997	997
State sources:	. 046 055			1 046 075	1 055 504	10.000
Unrestricted grants-in-aid	1,846,875				1,857,784	
Restricted grants-in-aid	40,000			40,000	41,000	1,000
Federal sources:						
Restricted grants-in-aid	211,359		4,640	•	221,479	5,480
Total revenues	2,507,651	0	4,640	2,512,291	2,557,640	45,349
Expenditures:						
Instruction:						
Regular programs:						
Elementary school	395,622			395,622		·
Middle school	184,129		2,000	186,129	184,670	1,459
High school	441,540		6,600	448,140	448,293	-153
Preschool Services	30,728			30,728	30,410	318
Special programs:						
Disadvantaged Children	80,074		1,500	81,574	81,522	52
Support services:	•		·	·	·	
Pupils:						
Guidance	137,378			137,378	137,301	77
Health	1,300			1,300	671	629
Instruction:	1,500			1,500	0/1	023
Staff training	4 772			4,773	3,350	1,423
2	4,773				489	
Educational media	1,827		* 000	1,827		1,338
Technology in school	19,080		1,200	20,280	21,046	-766
General administration:						
Board of Education	34,290		7,250	41,540	39,757	1,783
Executive administration	227,321		750	228,071	227,722	349
School administration:						
Office of principals	190,723		500	191,223	193,575	-2,352
Other support services	3,775			3,775		3,775
Business:						
Fiscal services	94,375			94,375	93,995	380
Operations and maintenance	344,094		1,100	345,194	339,819	5,375
Pupil transportation	124,818		,	124,818	122,688	
Fruits and Vegetable grant	8,775			8,775	8,898	-123
Central: recruiting	400		200	600	579	21
Non-program charges	400		30,000	30,000	29,919	81
Cocurricular activities:			50,000	30,000	25,525	0.2
Male activities	39,103		3,000	42,103	41,518	585
Female activities	49,035		21,050	70,085	61,766	8,319
	49,033		800	800		•
Transportation	02 226		800		4,313	-3,513
Combined activities	83,336			83,336	79,777	3,559
Makal amamakkana						
Total expenditures	2,496,496	0	75,950	2,572,446	2,543,115	29,331
	44	•		44		
Excess of rev over (under) exp	11,155	0	-71,310	-60,155	14,525	74,680
Other Siene is I was						
Other financial sources:	_					4
Transfer in	0			0	45,133	45,133
_ ,, ,						
Fund balance:						
July 1, 2023	754,531			754,531	754,531	0
June 30, 2024	765,686	0	-71,310	694,376	814,189	

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS FOR THE YEAR ENDING JUNE 30, 2024

CAPITAL OUTLAY FUND	E	Sudgeted Amount		Variance Positive	
Revenue:	Original	Supplementals	Final	Actual	(Negative)
Local Sources:					
Taxes:					
Ad valorem taxes	452,510		452,510	458,510	6,000
Prior year ad valorem taxes	3,000		3,000	2,809	-191
Mobile home taxes	3,000		3,000	_,	-3,000
Penalties and interest	750		750	629	-121
Interest earned	25,000		25,000	68,396	43,396
Other revenue from local source	· ·		20,000	00,000	40,000
Donations	10,000		10,000	107,617	97,617
Other revenue from state source			10,000	10.,01.	3.,01.
Restricted grants-in-aid	.		0		0
Other revenue from federal sou	rces:		•		•
Restricted grants-in-aid	57,350	· · · · · · · · · · · · · · · · · · ·	91,650	49,098	-42,552
Total revenue	551,610		585,910	687,059	101,149
Expenditures:					
Instruction:					
Regular programs:					
Elementary school	12,781	17,500	30,281	13,280	17,001
Middle school	3,700	· ·	12,100	5,404	•
High school	37,165		48,565	37,803	10,762
Support services:	,	,	,	,	•
Pupils:					
Guidance			0		0
Instruction:					
Educational media	1,500		1,500		1,500
Technology in school	2,500		2,500		2,500
General education:	•		·		
Executive administration			0		0
School administration:					
Office of Principals			0		0
Business:					
Facilities acquisition			0		0
Building acquisition			0		0
Other facility acquisition	162,000	70,000	232,000	187,018	44,982
Operations and maintenance	43,400		60,400	50,154	10,246
Pupil transportation	15,000	·	15,000	14,259	741
Food services	·	800	800		800
Daycare services	11,950	2,650	14,600		14,600
Nonprogram charges	0	•	Ó	4,971	-4,971
				·	•
Debt service:	55,000		55,000	48,534	6,466
Cocurricular activities:					
Male activities	4,000		4,000	3,946	54
Female activities	5,500	4,500	10,000	13,257	-3,257
Transportation			0		0
Combined	13,500	3,750	17,250	13,368	3,882
Total expenditures	367,996	136,000	503,996	391,994	112,002
Excess of rev over (under) exp	183,614	-101,700	81,914	295,065	213,151
Other financial sources:					
Transfer in			0		0
Transfer (out)	-40,000	-75,000	=	-59,443	
Sale of surplus property	,	/	0	3,000	· ·
				,	•
Fund balance:			1 000 045	4 000 000	-
July 1, 2023	1,976,041		1,976,041	1,976,041	0
Turno 30 0004	2 110 655		1 042 OFF	2 214 662	271 700
June 30, 2024	2,119,655		1,942,955	2,214,663	271,708

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDING JUNE 30, 2024

SPECIAL EDUCATION FUND	I	Budgeted Amount		Variance Positive	
Revenues:	Original	Supplementals	Final	Actual	(Negative)
Local Sources:					
Taxes:					
Ad valorem taxes	241,455		241,455	245,478	4,023
Prior year ad valorem taxes	1,500		1,500	1,546	•
Mobile home taxes	1,800		1,800	•	-1,800
Penalties and interest	300		300	339	•
Interest earned	1,000		1,000	6,291	
Medicaid	3,500		3,500	6,759	•
Other	•		0	600	600
State sources:					
Restricted grants-in-aid	268,408		268,408	268,990	582
Federal sources:	•		,	,	
Restricted grants-in-aid	75,456		75,456	80,043	4,587
Total revenues	593,419		593,419	610,046	16,627
Expenditures:					
Instruction:					
Special programs:					
Special education	379,287	3,000	382,287	415,378	-33,091
Support services:	,	-,	00=,=0	1	00,00
Pupils:					
Special education	130,858	5,000	135,858	120,956	14,902
Instructions:	,	0,000			==,,50=
Staff training	584		584	664	-80
School administration:					-
Special education	11,923		12,923	· · · · · · · · · · · · · · · · · · ·	
Total expenditures	522,652	9,000	531,652	551,705	-20,053
Excess of rev over (under) exp	70,767	-9,000	61,767	58,341	-3,426
Other financing sources:					
None			0		0
Fund balance:					
July 1, 2023	144,289		144,289	144,289	0
June 30, 2024	215,056	·	206,056	202,630	-3,426

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 JUNE 30, 2024

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS

1. Budgets and Budgetary Accounting:

The School District follows 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 May of each year.
- c. The proposed budget is published for public review no later than July 15 of 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 trust and agency 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 number 1h below.
- 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.
- h. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets, when money is available, to increase legal spending authority. See pages 43 to 45.
- i. Unexpended appropriations lapse at year end unless encumbered by resolution of the school board. No encumbrances were outstanding at June 30, 2024.
- j. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
- k. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

2. GAAP and Budgetary Accounting Basis Difference:

The financial statements prepared in conformity with U.S.GAAP 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 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 service/business/pupil transportation function of government, along with all other current pupil transportation related expenditures.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 FOR THE TEN YEARS ENDING JUNE 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE SOUTH DAKOTA RETIREMENT SYSTEM'S NET PENSION (ASSET)/LIABILITY

				School's	
				Proportionate	
				Share of the	Plan
			School's	Net Pension	Fiduciary
		School's	Covered	(Asset)	Net Position
		Proportionate	Employee	Liability as a	as a
	School's	Share of	Payroll	Percentage of	Percentage of
SDRS	Pension	Net Pension	for its	its Covered	the Total
Measurement Date	Allocation	(Asset)	6-30	Employee	Pension
Year Ended (1)	Percentage	Liability	Year End	Payroll	Liability
June 30, 2023	0.0780830%	-7,621	2,014,033	(00.40%)	100.10%
June 30, 2022	0.0831360%	-7,857	1,985,150	(00.40%)	100.10%
June 30, 2021	0.0788330%	-603,726	1,788,983	(33.75%)	105.53%
June 30, 2020	0.0778568%	-3,381	1,708,717	(00.20%)	100.04%
June 30, 2019	0.0784729%	-8,316	1,668,500	(00.50%)	100.09%
June 30, 2018	0.0800814%	-1,868	1,664,817	(00.12%)	100.02%
June 30, 2017	0.0773134%	-7,016	1,570,850	(00.45%)	100.10%
June 30, 2016	0.0716053%	241,876	1,361,567	17.76%	96.89%
June 30, 2015	0.0696503%	-295,407	1,271,617	(23.23%)	104.10%
June 30, 2014	0.0711384%	-512,923	1,244,017	(41.23%)	107.30%

⁽¹⁾ The amounts presented for each fiscal year were determined as of the Plan Fiduciary's net pension (asset)/liability which is 6/30 of the School's previous fiscal year.

Note: This schedule is intended to show information for ten years.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 FOR THE TEN YEARS ENDING JUNE 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS TO THE SOUTH DAKOTA RETIREMENT SYSTEM

School's Year Ended	Contractually Required Contribution	Contributions Related to the Contractually Required Contribution	Contribution Deficiency (Excess)	School's Covered Employee Payroll for its Fiscal Year End	Contributions as a Percentage of Covered Employee Payroll
June 30, 2024	118,960	118,960	0	1,982,667	6.00%
June 30, 2023	120,842	120,842	0	2,014,033	6.00%
June 30, 2022	119,109	119,109	0	1,985,150	6.00%
June 30, 2021	107,339	107,339	0	1,788,983	6.00%
June 30, 2020	102,523	102,523	0	1,708,717	6.00%
June 30, 2019	100,110	100,110	0	1,668,500	6.00%
June 30, 2018	99,889	99,889	0	1,664,817	6.00%
June 30, 2017	94,251	94,251	0	1,570,850	6.00%
June 30, 2016	81,694	81,694	0	1,361,567	6.00%
June 30, 2015	76,297	76,297	0	1,271,617	6.00%

Note: This schedule is intended to show information for ten years.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 JUNE 30, 2024

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS FOR THE YEAR ENDING JUNE 30, 2023

Changes of 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 a follows:

Benefit Provision Changes:

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

Actuarial Method Changes:

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

Actuarial Assumption Changes:

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

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

As of June 30, 2023, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91%. The July 2024 SDRS COLA will equal inflation, between 0% and 1.91%. For this June 20, 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.

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

Governing Board
Gayville-Volin School District No. 63-1
Gayville, South Dakota

INDEPENDENT AUDITOR'S REPORT

I 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 governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Gayville-Volin School District (School District), Gayville, South Dakota, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued my report thereon dated March 31, 2025, which was unmodified.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist 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 Gayville-Volin 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.

My 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 my audit I did not identify any deficiency in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

I did identify deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-01 and 2024-02 that I consider to be a significant deficiencies.

Gayville-Volin School District No. 63-1 Report on Internal Control and Compliance and Other Matters Page Two

Government Auditing Standards require the auditor to perform limited procedures on the School District's responses to the internal control over financial reporting findings identified in my audit described in the accompanying schedule of findings and responses. The School District's responses were not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the responses.

I did note minor matters involving internal control over financial reporting that I reported to the governing body and management of the Gayville-Volin School District in a separate Letter of Comments dated March 31, 2025.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gayville-Volin School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.

I did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-02 that I consider to be a significant deficiency.

Government Auditing Standards require the auditor to perform limited procedures on the School District's response to the compliance finding identified in my audit described in the accompanying schedule of findings and responses. The School District's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

I did note minor matters involving compliance that I reported to the governing body and management of the Gayville-Volin School District in a separate Letter of Comments dated March 31, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gayville-Volin School District's internal control over financial reporting 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 mater of public record and its distribution is not limited.

Independent Audit Services, PC Benjamin Elliott, CPA Madison, South Dakota

March 31, 2025

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GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 JUNE 30, 2024

SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES

Prior Federal Compliance Audit Findings:

The prior audit report was not subject to Single Audit requirements.

Prior Other Audit Findings:

FY23 Segregation of Duties - Repeated below as 2024-01 FY23 Budget Overdraft - Repeated below as 2024-02

SCHEDULE OF CURRENT AUDIT FINDINGS AND RESPONSES

Finding 2024-01: Lack of Proper Segregation of Duties (internal control, first reported in 2012)

Criteria:

The management of a school district is responsible for establishing and maintaining an internal control structure to provide management and taxpayers with reasonable assurance: 1) that assets are safeguarded against loss from unauthorized use or disposition, 2) that transactions are executed in accordance with management's authorization, and 3) that transactions are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

A key element of an effective internal control structure is the separation of duties so one person isn't responsible of all aspects of a transaction.

Condition:

The business manager processes most transactions from beginning to end. The business manager receives money, posts receipts to the accounting records, prepares bank deposits, generates and signs checks, makes journal entries, and posts transactions to the general ledger. As a result, an inadequate segregation of duties exists for the Gayville-Volin School District.

Effect:

Inadequate segregation of duties can lead to misappropriation of funds.

Recommendation:

'.I recommend the Gayville-Volin School District's management be cognizant of this lack of segregation of duties and attempt to provide compensating internal controls whenever and wherever possible and practical.

Management Response:

This comment is a result of the size of our school district, which precludes staffing at a level sufficient to provide an ideal environment for internal controls. The Gayville-Volin School District has determined that it is not cost beneficial to employ additional personnel just to be able to adequately segregate duties. The Gayville-Volin School District is aware of this problem and is attempting to provide compensating controls whenever and wherever possible and practical. However, this lack of segregation of duties is expected to continue.

GAYVILLE-VOLIN SCHOOL DISTRICT No. 63-1 JUNE 30, 2024 SCHEDULE OF CURRENT AUDIT FINDINGS AND RESPONSES (continued)

Finding 2024-02: Special Education Fund Budget Overdraft (compliance and internal control)

Criteria:

SDCL 13-11-2 prohibits a school district from spending in excess of appropriated amounts at the fund level.

Condition:

School District expenditures in the special education fund exceeded the fund's appropriation by \$20,053.

Possible Effect:

Expenditures in excess of a budget can lead to unnecessary expenditures and unnecessary taxation.

Recommendation:

I recommend the School District stay within its budget using contingency transfers and/or supplemental appropriations to adjust budget line items when necessary.

Management Response:

In the future, the School District expects to make contingency transfers or adopt sufficient supplemental appropriations to cover expenditures that will exceed their original appropriation.

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