

GETTYSBURG SCHOOL DISTRICT NO. 53-1
GETTYSBURG, SOUTH DAKOTA
AUDIT REPORT
FOR THE YEAR THEN ENDED
JUNE 30, 2024

GETTYSBURG SCHOOL DISTRICT NO. 53-1
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1
Schedule of Prior and Current Audit Findings	2 - 5
Independent Auditors' Report	6 - 8
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Governmental Funds	
Balance Sheet	11
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance	13 - 15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	16
Proprietary Funds	
Statement of Net Position	17
Statement of Revenues, Expenses and Changes in Fund Net Position	18
Statement of Cash Flows	19
Fiduciary Funds	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Fund Net Position	21
Notes to the Financial Statements	22 - 43
Required Supplementary Information - Budgetary Comparison Schedules	
Budgetary Comparison Schedule - Budgetary Basis - General Fund	44 - 46
Budgetary Comparison Schedule - Budgetary Basis - Capital Outlay Fund	47 - 48
Budgetary Comparison Schedule - Budgetary Basis - Special Education Fund	49 - 50
Notes to Required Supplementary Information - Budgetary Comparison Schedules	51 - 52
Required Supplementary Information - Pension Schedules	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	53
Schedule of the School District Contributions	54
Notes to Required Supplementary Information - Pension Schedules	55



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

School Board
Gettysburg School District No 53-1
Gettysburg, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Gettysburg School District No. 53-1, South Dakota (School District) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings, items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

Jason W. Bauer, CPA, CGMA, PFS • bauer@cahillbauer.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gettysburg School District No. 53-1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

School District's Response to Findings

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

Purpose of this Report

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

Caill Bower

Mobridge, South Dakota
October 16, 2024

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

STATUS OF PRIOR AUDIT FINDINGS

Finding Number 2023-001:

Internal control over financial reporting and compliance is not adequate.

Current Status

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

Finding Number 2023-002:

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

Current Status

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

Finding Number 2023-003:

Internal control does not provide for identifying material misstatements.

Current Status

Condition still exists, see current audit finding number 2024-003.

Finding Number 2023-004:

Internal control does not provide for ensuring that all payroll deductions are properly setup within the payroll system.

Current Status

This finding has been corrected.

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Finding Number 2024-001:

Criteria

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

Condition Found

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

Identification of Repeat Finding

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

Cause and Effect

This condition increases the risk that fraud or errors might occur in the financial reporting process.

Recommendation

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

Views of Responsible Officials

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

Finding Number 2024-002:

Criteria

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

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

Condition Found

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

Identification of Repeat Finding

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

Cause and Effect

This condition may affect the School's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation

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

Views of Responsible Officials

The business manager, Barbara Everson, is the contact person responsible for the corrective action plan for this comment. The School is continuing its work on correcting this deficiency.

Finding Number 2024-003:

Criteria

An organization's internal control structure should provide for the recording of all necessary material adjustments in order to ensure that accounting records are in accordance with generally accepted accounting principles.

Condition Found

While conducting our audit, we proposed material audit adjustments that would not have been identified as a result of the School District's existing internal controls, and therefore could have resulted in a material misstatement of the School District's financial statements.

Identification of Repeat Finding

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

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
JUNE 30, 2024**

Cause and Effect

This condition may affect the School District's ability to record, process, summarize, and report financial statement data consistent with the assertions of management in the financial statements.

Recommendation

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

Views of Responsible Officials

The business manager, Barbara Everson, is the contact person responsible for the corrective action plan for this comment. The School is continuing its work on correcting this deficiency.



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

School Board
Gettysburg School District No. 53-1
Gettysburg, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gettysburg School District No. 53-1, as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gettysburg School District No. 53-1 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Jason W. Bauer, CPA, CGMA, PFS • bauer@cahillbauer.com

6

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

1. exercise professional judgment and maintain professional skepticism throughout the audit.
2. identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
4. evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
5. conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

The School District has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2024 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Caillie Bawn

Mobridge, South Dakota
October 16, 2024

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,867,496	\$ 112,095	\$ 2,979,591
Investments	200,000	-	200,000
Taxes receivable	1,071,960	-	1,071,960
Inventories	-	2,956	2,956
Other assets	81,328	-	81,328
Net pension asset	6,711	-	6,711
Capital assets			
Land, improvements	8,893	-	8,893
Other capital assets, net depreciation	8,662,431	45,932	8,708,363
TOTAL ASSETS	12,898,819	160,983	13,059,802
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	579,213	-	579,213
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 579,213	\$ -	\$ 579,213

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Accounts payable	\$ 173,410	\$ -	\$ 173,410
Other current liabilities	214,374	16,582	230,956
Noncurrent liabilities:			
Due within one year	334,352	-	334,352
Due in more than one year	4,282,070	-	4,282,070
TOTAL LIABILITIES	5,004,206	16,582	5,020,788
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for future period	998,888	-	998,888
Pension related deferred inflows	336,098	-	336,098
TOTAL DEFERRED INFLOWS OF RESOURCES	1,334,986	-	1,334,986
NET POSITION			
Net Investment in			
Capital Assets	4,127,482	45,932	4,173,414
Restricted for:			
Capital Outlay	1,894,728	-	1,894,728
Special Education	166,060	-	166,060
SDRS Pension Purposes	249,826	-	249,826
Debt Service	204,846	-	204,846
Unrestricted	495,898	98,469	594,367
TOTAL NET POSITION	\$ 7,138,840	\$ 144,401	\$ 7,283,241

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government		
					Business-Type Activities	Total	
Primary government							
Governmental activities							
Instruction	\$ 1,935,059	\$ 2,500	\$ 189,635	\$ (1,742,924)	\$ -	\$ -	\$ (1,742,924)
Support services	1,244,975	1,927	61,116	(1,181,932)	-	-	(1,181,932)
Cocurricular activities	327,153	66,560	-	(260,593)	-	-	(260,593)
* Interest on long term debt	113,718	-	-	(113,718)	-	-	(113,718)
Total governmental activities	3,620,905	70,987	250,751	(3,299,167)	-	-	(3,299,167)
Business-type activities							
Food services	163,114	93,306	75,078	-	5,270	5,270	5,270
Drivers education services	15,121	6,025	-	-	(9,096)	(9,096)	(9,096)
Total business-type activities	178,235	99,331	75,078	-	(3,826)	(3,826)	(3,826)
Total primary government	\$ 3,799,140	\$ 170,318	\$ 325,829	\$ (3,299,167)	\$ (3,826)	\$ (3,826)	\$ (3,302,993)
General Revenues							
Taxes							
Property taxes				2,327,454	-	-	2,327,454
Utility taxes				74,834	-	-	74,834
Revenue from state sources:							
State Aid				1,068,525	-	-	1,068,525
Unrestricted investments earnings				69,858	-	-	69,858
Other general revenues				108,046	-	-	108,046
Total general revenues and transfers				3,648,717	-	-	3,648,717
Change in net position				349,550	(3,826)		345,724
Net position - beginning				6,789,290	148,227		6,937,517
Net position - ending				\$ 7,138,840	\$ 144,401	\$	\$ 7,283,241

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

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

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	\$ 663,114
Investments	-
Accounts receivable	39
Taxes-receivables	326,291
Taxes-delinquent	15,905
Due from state government	61,965
Due from federal government	12,372
TOTAL ASSETS	\$ 1,079,686
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 14,349
Contracts payable	151,365
Amounts held for others	3,652
Payroll deductions and withholdings payable and employer matching payable	19,348
Total Liabilities	188,714
Deferred Inflows of Resources:	
Unavailable revenue - property taxes	15,905
Taxes levied for future period	318,288
Total Deferred Inflows of Resources	334,193
Fund Balances:	
Restricted	
Capital outlay	-
Debt service	-
Special education	-
Unassigned	556,779
Total Fund Balance	556,779
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,079,686

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

Capital Outlay Fund	Special Education Fund	General Obligation Bonds Series 2021 Bond Redemption Fund	Total Governmental Funds
\$ 1,818,715	\$ 197,582	\$ 188,085	\$ 2,867,496
200,000	-	-	200,000
-	-	-	39
306,643	208,432	173,858	1,015,224
16,077	10,095	14,659	56,736
-	-	-	61,965
6,952	-	-	19,324
<u>\$ 2,348,387</u>	<u>\$ 416,109</u>	<u>\$ 376,602</u>	<u>\$ 4,220,784</u>
\$ 150,725	\$ 8,336	\$ -	\$ 173,410
-	31,540	-	182,905
-	-	-	3,652
-	4,263	-	23,611
<u>150,725</u>	<u>44,139</u>	<u>-</u>	<u>383,578</u>
16,077	10,095	14,659	56,736
302,934	205,910	171,756	998,888
<u>319,011</u>	<u>216,005</u>	<u>186,415</u>	<u>1,055,624</u>
1,878,651	-	-	1,878,651
-	-	190,187	190,187
-	155,965	-	155,965
-	-	-	556,779
<u>1,878,651</u>	<u>155,965</u>	<u>190,187</u>	<u>2,781,582</u>
<u>\$ 2,348,387</u>	<u>\$ 416,109</u>	<u>\$ 376,602</u>	<u>\$ 4,220,784</u>

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total fund balances - governmental funds	\$	2,781,582
--	----	-----------

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

Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	6,711
--	-------

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. The capitalized cost of the capital assets is \$11,734,635 and the accumulated depreciation/amortization is (\$3,063,311) for a net amount of \$8,671,324.	8,671,324
--	-----------

Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	579,213
--	---------

Long term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of compensated absences of \$8,138, bonds payable of \$4,539,635, lease liability of \$68,649, and accrued interest of \$4,206.	(4,620,628)
--	-------------

Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are deferred in the funds.	56,736
--	--------

Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(336,098)
---	-----------

Total net position - governmental funds	\$	<u>7,138,840</u>
---	----	------------------

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
REVENUES:	
Revenue from local sources:	
Taxes:	
Ad valorem taxes	\$ 741,174
Prior years' ad valorem taxes	1,965
Utility taxes	74,834
Penalties and interest on taxes	1,210
Tuition and fees:	
Student tuition	2,500
Earnings on investments and deposits	11,958
Cocurricular activities:	
Admissions	65,825
Other pupil activity income	735
Other revenue from local sources:	
Rentals	460
Contributions and donations	1,218
Charges for services	771
Other	14,555
Total revenue from local sources	<u>917,205</u>
Revenue from intermediate sources:	
County sources:	
County appointment	<u>19,295</u>
Total revenue from intermediate sources	19,295
Revenue from state sources:	
Grants-in-aid:	
Unrestricted grants-in-aid	<u>1,068,525</u>
Total revenue from state sources	1,068,525
Revenue from federal sources:	
Grants-in-aid:	
Restricted grants-in-aid received directly from federal government	21,010
Restricted grants-in-aid received from federal government thru state	<u>118,115</u>
Total revenue from federal sources	<u>139,125</u>
Total revenues	<u>\$ 2,144,150</u>

(Continued on next page)

Capital Outlay Fund	Special Education Fund	General Obligation Bonds Series 2021 Bond Redemption Fund	Total Governmental Funds
\$ 691,580	\$ 430,771	\$ 424,687	\$ 2,288,212
940	618	903	4,426
-	-	-	74,834
911	498	683	3,302
-	-	-	2,500
45,463	8,550	3,887	69,858
-	-	-	65,825
-	-	-	735
-	-	-	460
6,050	565	-	7,833
-	1,156	-	1,927
3,166	-	-	17,721
748,110	442,158	430,160	2,537,633
-	-	-	19,295
-	-	-	19,295
-	-	-	1,068,525
-	-	-	1,068,525
-	-	-	21,010
50,636	53,157	-	221,908
50,636	53,157	-	242,918
\$ 798,746	\$ 495,315	\$ 430,160	\$ 3,868,371

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
Expenditures:	
Instruction:	
Regular programs:	
Elementary	\$ 492,611
Middle/junior high	175,988
High school	469,590
Special programs:	
Programs for special education	-
Educationally deprived	45,254
Total instruction	<u>1,183,443</u>
Support services:	
Pupils:	
Guidance	65,526
Health	142
Psychological	-
Speech pathology	-
Audiology services	-
Student therapy services	-
Instructional staff:	
Improvement of instruction	42,106
Educational media	96,990
General administration:	
Board of education	25,756
Executive administration	41,556
School administration:	
Office of the principal	157,038
Other	122
Business:	
Fiscal services	120,964
Facilities acquisition & construction	-
Operation and maintenance of plant	322,086
Pupil transportation	35,354

(Continued on next page)

Capital Outlay Fund	Special Education Fund	General Obligation Bonds Series 2021 Bond Redemption Fund	Total Governmental Funds
\$ 33,544	\$ -	\$ -	\$ 526,155
2,640	-	-	178,628
33,328	-	-	502,918
-	491,623	-	491,623
-	-	-	45,254
69,512	491,623	-	1,744,578
-	-	-	65,526
-	-	-	142
-	20,537	-	20,537
-	57,108	-	57,108
-	400	-	400
-	42,212	-	42,212
-	-	-	42,106
7,044	-	-	104,034
-	-	-	25,756
498	-	-	42,054
-	-	-	157,038
-	-	-	122
11,655	-	-	132,619
466	-	-	466
50,759	-	-	372,845
-	-	-	35,354

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
Central:	
Staff	519
Special education:	
Administrative costs	-
Transportation costs	-
Other	-
Total support services	908,159
Debt Services	-
Cocurricular activities:	
Male activities	62,219
Female activities	40,619
Transportation	16,809
Combined activities	71,423
Total cocurricular activities	191,070
Capital outlay	-
Total expenditures/expenses	\$ 2,282,672
Other financing sources (uses)	
Transfers in	134,000
Transfers out	-
Total other financing sources (uses)	134,000
Net change in fund balances	(4,522)
Fund balance - beginning	561,301
Fund balance - ending	\$ 556,779

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

Capital Outlay Fund	Special Education Fund	General Obligation Bonds Series 2021 Bond Redemption Fund	Total Governmental Funds
-	-	-	519
-	54,131	-	54,131
-	191	-	191
-	2,750	-	2,750
70,422	177,329	-	1,155,910
-	-	422,266	422,266
-	-	-	62,219
-	-	-	40,619
-	-	-	16,809
20,418	-	-	91,841
20,418	-	-	211,488
558,812	-	-	558,812
\$ 719,164	\$ 668,952	\$ 422,266	\$ 4,093,054
-	-	-	134,000
(134,000)	-	-	(134,000)
(134,000)	-	-	-
(54,418)	(173,637)	7,894	(224,683)
1,933,069	329,602	182,293	3,006,265
\$ 1,878,651	\$ 155,965	\$ 190,187	\$ 2,781,582

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$	(224,683)
--	----	-----------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation/amortization expense.		360,920
---	--	---------

In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized.		(74,433)
---	--	----------

In both the government-wide and fund financial statements, revenues from property tax levies are applied to finance the budget of a particular period. Accounting for revenues from property tax accruals in the funds' statements differs from the accounting in the government wide statements in that the fund financial statements require the amounts to be "available". This amount reflects the application of both the application period and "availability criteria".		31,514
--	--	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses consist of the change in accrued interest of \$315, change in compensated absences \$1,550, and pension expense of (\$31,728).		(29,863)
---	--	----------

Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		327,098
--	--	---------

The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.		(41,003)
--	--	----------

Change in net position of governmental activities	\$	<u>349,550</u>
---	----	----------------

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Food Service Fund</u>	<u>Drivers Education Fund</u>	<u>Total Proprietary Funds</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 88,412	\$ 23,683	\$ 112,095
Inventory of supplies	950	-	950
Inventory of store purchased for resale	1,016	-	1,016
Inventory of donated foods	990	-	990
Total Current Assets	<u>91,368</u>	<u>23,683</u>	<u>115,051</u>
Noncurrent assets:			
Capital assets			
Machinery and equipment	79,455	-	79,455
Accumulated depreciation	(33,523)	-	(33,523)
Total Noncurrent Assets	<u>45,932</u>	<u>-</u>	<u>45,932</u>
TOTAL ASSETS	<u>137,300</u>	<u>23,683</u>	<u>160,983</u>
LIABILITIES:			
Current liabilities:			
Contracts payable	539	-	539
Benefits payable	70	-	70
Unearned revenue	15,973	-	15,973
Total Current Liabilities	<u>16,582</u>	<u>-</u>	<u>16,582</u>
TOTAL LIABILITIES	<u>16,582</u>	<u>-</u>	<u>16,582</u>
NET POSITION:			
Net investment in capital assets	45,932	-	45,932
Unrestricted	74,786	23,683	98,469
TOTAL NET POSITION	<u>\$ 120,718</u>	<u>\$ 23,683</u>	<u>\$ 144,401</u>

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

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Food Service Fund	Drivers Education Fund	Total Proprietary Funds
OPERATING REVENUES			
Sales			
To pupils	\$ 86,718	\$ 6,025	\$ 92,743
To adults	3,083	-	3,083
Other charges for goods and services	3,505	-	3,505
Total operating revenues	<u>93,306</u>	<u>6,025</u>	<u>99,331</u>
OPERATING EXPENSES			
Salaries	1,618	12,081	13,699
Employee benefits	1,581	1,649	3,230
Purchased services	133,993	1,391	135,384
Supplies	658	-	658
Cost of sales - donated food	19,885	-	19,885
Other	18	-	18
Depreciation	5,361	-	5,361
Total operating expenses	<u>163,114</u>	<u>15,121</u>	<u>178,235</u>
Operating loss	<u>(69,808)</u>	<u>(9,096)</u>	<u>(78,904)</u>
NONOPERATING REVENUES			
State sources			
State grants	284	-	284
Federal sources			
Cash reimbursements	54,619	-	54,619
Donated food	20,175	-	20,175
Total nonoperating revenues	<u>75,078</u>	<u>-</u>	<u>75,078</u>
Change in net position	5,270	(9,096)	(3,826)
Total net position - July 1, 2023	<u>115,448</u>	<u>32,779</u>	<u>148,227</u>
Total net position - June 30, 2024	<u>\$ 120,718</u>	<u>\$ 23,683</u>	<u>\$ 144,401</u>

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Food Service Fund	Drivers Education Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 89,607	\$ 6,025	\$ 95,632
Payments to employees for services	(3,217)	(13,730)	(16,947)
Payments to suppliers of goods and services	(134,796)	(1,391)	(136,187)
Net cash used by operating activities	<u>(48,406)</u>	<u>(9,096)</u>	<u>(57,502)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants	70,423	-	70,423
Net cash provided by noncapital financing activities	<u>70,423</u>	<u>-</u>	<u>70,423</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	22,017	(9,096)	12,921
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>66,395</u>	<u>32,779</u>	<u>99,174</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 88,412</u>	<u>\$ 23,683</u>	<u>\$ 112,095</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES			
Operating loss	\$ (69,808)	\$ (9,096)	\$ (78,904)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Depreciation expense	5,361	-	5,361
Value of donated commodities used	19,885	-	19,885
Change in assets and liabilities			
Inventories	(127)	-	(127)
Contracts and benefits payable	(18)	-	(18)
Unearned revenue	<u>(3,699)</u>	<u>-</u>	<u>(3,699)</u>
Net cash used by operating activities	<u>\$ (48,406)</u>	<u>\$ (9,096)</u>	<u>\$ (57,502)</u>
Noncash investing, capital and financing activities:			
Value of commodities received	\$ 20,175	\$ -	\$ 20,175

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2024**

	Private-Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 6,408	\$ 191,799
TOTAL ASSETS	6,408	191,799
NET POSITION		
Restricted for student activities	-	191,799
Restricted for scholarships and memorials	6,408	-
TOTAL NET POSITION	\$ 6,408	\$ 191,799

GETTYSBURG SCHOOL DISTRICT NO. 53-1
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Collections for student activities	\$ -	\$ 208,784
Other additions	3,000	-
Total additions	3,000	208,784
DEDUCTIONS		
Payments for student activities	-	180,030
Other deductions	3,762	-
Total deductions	3,762	180,030
Change in net position	(762)	28,754
Total net position - July 1, 2023	7,170	\$ 163,045
Total net position - June 30, 2024	<u>\$ 6,408</u>	<u>\$ 191,799</u>

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(See Independent Auditors' Report)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity

The reporting entity of the Gettysburg School District No. 53-1, consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; those organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

Governmental Funds

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

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

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

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

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

Debt Service Funds - 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 costs.

General Obligation Bonds, Series 2021 Refinance of 2013 Bond Redemption Fund - A fund established by SDCL 13-16-13 to account for proceeds of a property tax restricted to use for the payment of debt service costs on this bonded debt. This is a major fund.

Proprietary Funds

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

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

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

The Drivers Education Fund is an enterprise fund maintained by the School District. This is a major fund.

Fiduciary Funds

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

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

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

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

c. Measurement Focus and Basis of Accounting

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Gettysburg School District No. 53-1, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2024 are expected federal reimbursements, utility taxes, and miscellaneous reimbursements.

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

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

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

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

d. Interfund Eliminations and Reclassifications

Government Wide Financial Statements

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

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

e. Deposits and Investments

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

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

f. Capital Assets

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

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

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

Government-Wide Statements

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

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

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

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

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

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	Any Amount	N/A	N/A
Improvements, other than buildings	\$ 15,000	Straight-line	10-50 years
Buildings	50,000	Straight-line	50-100 years
Machinery and equipment - governmental activities	5,000	Straight-line	5-20 years
Machinery and equipment - business-type activities	1,000	Straight-line	12 years
Intangible lease assets	5,000	Straight-line	Various
Intangible subscription assets	5,000	Straight-line	Various

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

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

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

g. Long-Term Liabilities

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

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of general obligation bonds, lease liability, and compensated absences.

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

h. Leases

Lessee:

The School District is a lessee for a noncancellable lease of a building for bus storage and several copiers throughout the School. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

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

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

i. Program Revenues

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

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

j. Deferred Inflows and Deferred Outflows of Resources

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

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

k. Proprietary Funds Revenue and Expense Classifications

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

l. Cash and Cash Equivalents

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

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

m. Equity Classifications

Government-wide Financial Statements

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

- 1: Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2: Restricted Net Position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 3: Unrestricted Net Position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

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

n. Application of Net Position

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

o. Fund Balance Classification Policies and Procedures

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

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

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

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

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

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

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

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

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

p. Pensions

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

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

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

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

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

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

As of June 30, 2024, the School District the investments reported in the financial statements consist of only certificates of deposit.

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

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

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

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

NOTE 3 - RECEIVABLES AND PAYABLES

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

NOTE 4 - INVENTORY

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

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

In the governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

NOTE 5 - PROPERTY TAXES

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

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

NOTE 6 - CHANGES IN CAPITAL ASSETS

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

	<u>Balance 07/01/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/2024</u>
Primary Government				
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	\$ 8,893	\$ -	\$ -	\$ 8,893
Construction in progress	-	469,235	-	469,235
Total capital assets, not being depreciated/amortized	<u>8,893</u>	<u>469,235</u>	<u>-</u>	<u>478,128</u>
Capital assets, being depreciated/amortized				
Buildings	8,782,893	-	-	8,782,893
Improvements other than buildings	1,380,733	-	-	1,380,733
Machinery and equipment	938,644	193,577	(135,499)	996,722
Intangible lease assets	93,107	41,003	(37,951)	96,159
Total capital assets, being depreciated/amortized	<u>11,195,377</u>	<u>234,580</u>	<u>(173,450)</u>	<u>11,256,507</u>
Less accumulated depreciation/amortization for				
Buildings	1,570,067	169,373	-	1,739,440
Improvements other than buildings	679,315	61,472	-	740,787
Machinery and equipment	525,782	94,044	(61,066)	558,760
Intangible lease assets	44,269	18,006	(37,951)	24,324
Total accumulated depreciation/amortization	<u>2,819,433</u>	<u>342,895</u>	<u>(99,017)</u>	<u>3,063,311</u>
Total capital assets, being depreciated/amortized, net	<u>8,375,944</u>	<u>(108,315)</u>	<u>(74,433)</u>	<u>8,193,196</u>
Governmental activity capital assets, net	<u>\$ 8,384,837</u>	<u>\$ 360,920</u>	<u>\$ (74,433)</u>	<u>\$ 8,671,324</u>

Depreciation/amortization expense was charged to functions as follows:

	<u>06/30/2024</u>
Governmental activities	
Instructional	\$ 147,283
Support Services	80,894
Cocurricular	<u>114,718</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 342,895</u>

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

	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2024
Business-type activities				
Capital assets, being depreciated				
Machinery and equipment	\$ 79,455	-	-	\$ 79,455
Total capital assets, being depreciated	79,455	-	-	79,455
Less accumulated depreciation for Machinery and equipment	28,162	5,361	-	33,523
Total accumulated depreciation	28,162	5,361	-	33,523
Total business-type activities, capital assets, being depreciated, net	51,293	(5,361)	-	45,932
Business-type activities capital assets, net	\$ 51,293	\$ (5,361)	\$ -	\$ 45,932

Depreciation expense was charged to functions as follows:

	06/30/2024
Business-type activities	
Food Service	\$ 5,361

NOTE 7 - LONG-TERM LIABILITIES

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

	Beginning Balance 07/01/2023	Additions	Deletions	Ending Balance 06/30/2024	Due Within One Year
Primary government					
Governmental activities					
General obligation refunding bonds, Series 2021	\$ 4,847,868	\$ -	\$ (308,233)	\$ 4,539,635	315,643
Lease liability	46,511	41,003	(18,865)	68,649	18,709
Compensated absences	9,688	5,555	(7,105)	8,138	-
Total governmental activities	\$ 4,904,067	\$ 46,558	\$ (334,203)	\$ 4,616,422	\$ 334,352

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

Liabilities payable at June 30, 2024, is comprised of the following:

General obligation refunding bonds, Series 2021, 2.39% maturing December 2036 to be paid from the obligation bonds, payments to be made from the bond redemption fund.	\$4,539,635
Lease liability: Copier and bus garage leases to be made from the Capital	68,649
Compensated Absences: Sick pay, payment to be made by the fund that the payroll expenditures are charged within.	<u>8,138</u>
Total long-term liabilities	<u>\$ 4,616,422</u>

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2024 are as follows:

Year Ending June 30	General Obligation Bonds, Series 2021		Copier and Bus Garage Lease Liability	
	Principal	Interest	Principal	Interest
2025	315,643	106,623	\$ 18,709	\$ 2,157
2026	323,232	99,034	19,330	1,537
2027	331,004	91,262	19,972	895
2028	338,962	83,304	10,638	340
2029	347,112	75,154	-	-
2030-2034	1,864,830	246,502	-	-
2035-2037	1,018,852	36,815	-	-
	<u>\$ 4,539,635</u>	<u>\$ 738,694</u>	<u>\$ 68,649</u>	<u>\$ 4,929</u>

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

NOTE 8 - INDIVIDUAL FUND INTERFUND BALANCES AND INTERFUND TRANSFERS

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

<u>6/30/2024</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General Fund	\$ 134,000	\$ -	134,000
Capital Outlay Fund	-	(134,000)	(134,000)
Total	<u>\$ 134,000</u>	<u>\$ (134,000)</u>	<u>\$ -</u>

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

NOTE 9 - RESTRICTED NET POSITION

<u>Major Purposes:</u>	<u>Restricted By</u>	<u>6/30/2024</u>
Special Education Purposes	Law	\$ 166,060
Capital Outlay Purposes	Law	1,894,728
Debt Service Purposes	Debt Covenant	204,846
SDRS Pension Purposes	Law	249,826
Total Restricted Net Position		<u>\$2,515,460</u>

These balances are restricted due to statutory requirements.

NOTE 10 - PENSION PLAN

Plan Information:

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

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

Benefits Provided:

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

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

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

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

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

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

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

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

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

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6% of salary; Class B Judiciary Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The School District's share of contributions to the SDRS for the years ended June 30, 2024, 2023, and 2022 was \$106,760, \$106,405, and \$104,580, respectively, equal to the required contributions each year.

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

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

Proportionate share of pension liability	\$ 9,962,931
Less proportionate share of net pension restricted for pension benefits	<u>9,969,642</u>
Proportionate share of net pension asset	<u>\$ (6,711)</u>

At June 30, 2024, the School District reported an asset of \$6,711 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023 and the total pension liability used to calculate the net pension asset was based on a projection of the School 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 .0687540%, which is a decrease of .0042410% from its proportion measured as of June 30, 2022.

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

For the year ended June 30, 2024, the School District recognized pension expense of \$31,728. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 190,218	\$ -
Changes in assumption	229,429	335,375
Net difference between projected and actual earnings on pension plan investments	44,678	-
Changes in proportion and difference between District contributions and proportionate share of contributions	8,128	723
District contributions subsequent to the measurement date	<u>106,760</u>	<u>-</u>
Total	<u>\$ 579,213</u>	<u>\$ 336,098</u>

\$106,760 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	
2025	93,727
2026	(99,707)
2027	132,120
2028	<u>10,215</u>
TOTAL	<u>\$ 136,355</u>

Actuarial Assumptions:

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

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

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

Mortality Rates:

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

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

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

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

Discount Rate:

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

Sensitivity of liability (asset) to changes in the discount rate:

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

	Current		
	1% Decrease	Discount Rate	1% Increase
School District's Proportionate share of the net pension liability/(asset)	\$1,375,457	\$ (6,711)	\$(1,137,061)

Pension Plan Fiduciary Net Position:

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

NOTE 11 - RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS - Page 21
(See Independent Auditors' Report)

Employee Health Insurance

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 health insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Liability Insurance

The School District purchases liability insurance for risks related to torts; theft or damage to property; and errors and omission 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.

Unemployment Benefits

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

Workmen's Compensation

The School District participates, with several other educational units and related organizations in South Dakota, in the Associated School Boards of South Dakota Workers' Compensation Fund Pool which provided workers' compensation insurance coverage for participating members of the pool. The School District is responsible for payment of a premium to the insurance pool along with other pool participants. The School District may also be responsible for additional assessments in the event the pool is determined by its board of trustees to have inadequate reserves to satisfy current obligations or judgments. Additional assessments, if any, are to be determined on a prorated basis based upon each participant's percentage of contribution in relation to the total contributions to the pool of all participants for the year in which the shortfall occurs. The pool provides loss coverage to all participants through pool retained risk retention and through insurance coverage purchased by the pool in excess of the retained risk.

For the year ended June 30, 2024, the pool's retained risk was \$500,000 per occurrence. The pool has reinsurance which covers up to \$1,000,000 per individual incident. The School District does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

NOTE 12 - LITIGATION

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

NOTE 13 - SUBSEQUENT EVENTS

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

NOTE 14 - COST SHARING CONSORTIUM

The School District participates in a cost-sharing arrangement for vocational education funds. The School Districts included in this arrangement are Agar-Blundt-Onida, Belle Fourche, Custer, Douglas, Edgemont, Gettysburg, Highmore-Harold, Hill City, Hot Springs, Lead-Deadwood, Miller, Newell, Oelrichs, Spearfish, Stanley County, Kadoka, Haakon, New Underwood, Wall, Cros Creek, and Crazy Horse.. The grant application includes the amounts each school is requesting for the Carl Perkins Vocational Funds. The funds are sent directly to each school: therefore, the Gettysburg School District records only their share of the revenue and expenditures in the General Fund. The Western Dakota Technical College is listed as the fiscal agent on the application but provides no accounting to the schools. Any pooled expenditures are billed to and reimbursed by the schools involved.

REQUIRED SUPPLEMENTARY INFORMATION

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 709,139	\$ 709,139	\$ 741,174	\$ 32,035
1120	Prior Years' Ad Valorem Taxes	12,000	12,000	1,965	(10,035)
1130	Tax Deed Revenue	1,000	1,000	-	(1,000)
1140	Utility Taxes	85,000	85,000	74,834	(10,166)
1190	Penalties and Interest on Taxes	2,000	2,000	1,210	(790)
1300	Tuition and Fees				
1310	Student Tuition	4,500	4,500	2,500	(2,000)
1510	Interest	6,000	6,000	11,958	5,958
1700	Cocurricular Activities:				
1710	Admissions	77,000	77,000	65,825	(11,175)
1790	Other	3,000	3,000	735	(2,265)
1900	Other Revenue from Local Sources:				
1910	Rentals	1,500	1,500	460	(1,040)
1920	Contributions and Donations	4,100	4,100	1,218	(2,882)
1970	Charges for Services	7,000	7,000	771	(6,229)
1990	Other	8,000	8,000	14,555	6,555
2000	Revenue from Intermediate Sources:				
2100	County Sources:				
2110	County Apportionment	24,000	24,000	19,295	(4,705)
2900	Other	900	900	-	(900)
3000	Revenue from State Sources:				
3110	Unrestricted Grants-in-Aid	1,135,538	1,135,538	1,068,525	(67,013)
4000	Revenue from Federal Sources:				
4140	Restricted Grants-in-Aid Received Directly from Federal Government	20,000	20,000	21,010	1,010
4199	Restricted Grants-in-Aid Received from Federal Govt Through the State	142,907	142,907	118,115	(24,792)
	Total Revenue	\$ 2,243,584	\$ 2,243,584	\$ 2,144,150	\$ (99,434)

(Continued on next page)

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
EXPENDITURES:					
1000	Instruction:				
1100	Regular Programs:				
1111	Elementary	\$ 510,164	\$ 510,164	\$ 492,611	\$ 17,553
1120	Middle/Junior High	194,192	194,192	175,988	18,204
1130	High School	480,042	480,042	469,590	10,452
1200	Special Programs:				
1270	Educationally Deprived	43,179	43,179	45,254	(2,075)
2000	Support Services:				
2100	Pupils:				
2120	Guidance	67,204	67,204	65,526	1,678
2130	Health Services	2,000	2,000	142	1,858
2200	Support Services-Instructional Staff:				
2210	Improvement of Instruction	41,140	41,140	42,106	(966)
2220	Educational Media	94,536	94,536	96,990	(2,454)
2300	Support Services-General Administration:				
2310	Board of Education	27,813	27,813	25,756	2,057
2321	Executive Administration	43,183	43,183	41,556	1,627
2400	Support Services - School Administration:				
2410	Office of the Principal	150,153	150,153	157,038	(6,885)
2490	Other	250	250	122	128
2500	Support Services-Business:				
2520	Fiscal Services	123,939	123,939	120,964	2,975
2540	Operation & Maintenance of Plant	355,712	355,712	322,086	33,626
2550	Pupil Transportation	37,809	37,809	35,354	2,455
2600	Support Services-Central:				
2640	Staff	800	800	519	281
4000	Nonprogrammed Charges:				
4400	Payments to State Unemployment	250	250	-	250
6000	Cocurricular Activities				
6100	Male Activities	68,311	68,311	62,219	6,092
6200	Female Activities	46,780	46,780	40,619	6,161
6500	Transportation	15,286	15,286	16,809	(1,523)
6900	Combined Activities	76,707	76,707	71,423	5,284
7000	Contingencies	20,000	20,000	-	20,000
	Total Expenditures	\$ 2,399,450	\$ 2,399,450	\$ 2,282,672	\$ 116,778

(Continued on next page)

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Excess Revenue Over/Under Expenditures	\$ (155,866)	\$ (155,866)	\$ (138,522)	\$ 17,344
Other Financing Sources				
5110 Transfer In	155,866	155,866	134,000	(21,866)
Total Other Financing Sources	155,866	155,866	134,000	(21,866)
Net Change in Fund Balances	-	-	(4,522)	(4,522)
Fund Balance - Beginning	561,301	561,301	561,301	-
Fund Balance - Ending	\$ 561,301	\$ 561,301	\$ 556,779	\$ (4,522)

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 675,000	\$ 675,000	\$ 691,580	\$ 16,580
1120	Prior Years' Ad Valorem Taxes	10,300	10,300	940	(9,360)
1130	Tax Deed Revenue	700	700	-	(700)
1190	Penalties and Interest on Taxes	250	250	911	661
1510	Interest	36,000	36,000	45,463	9,463
1700	Cocurricular Activities:				
1710	Admissions	4,000	4,000	-	(4,000)
1900	Other Revenue from Local Sources:				
1920	Contributions and Donations	-	-	6,050	6,050
1990	Other	-	-	3,166	3,166
4000	Revenue from Federal Sources:				
4199	Received Directly from Federal Government Through the State	50,000	50,000	50,636	636
Total Revenue		\$ 776,250	\$ 776,250	\$ 798,746	\$ 22,496

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget	
	Original	Final			
EXPENDITURES:					
1000	Instruction:				
1100	Regular Programs:				
1111	Elementary	\$ 32,085	\$ 32,085	\$ 33,544	\$ (1,459)
1120	Middle/Junior High	3,000	3,000	2,640	360
1130	High School	36,500	36,500	33,328	3,172
2000	Support Services:				
2200	Support Services-Instructional Staff:				
2220	Educational Media	31,500	31,500	28,924	2,576
2300	Support Services-General Administration:				
2321	Executive Administration	-	-	498	(498)
2500	Support Services-Business				
2520	Fiscal Services	11,807	11,807	11,655	152
2530	Facilities Acquisition and Construction	500,500	500,500	469,701	30,799
2540	Operation & Maintenance of Plant	57,327	57,327	56,635	692
2550	Pupil Transportation	33,000	33,000	61,821	(28,821)
6000	Cocurricular Activities				
6900	Combined Activities	22,500	22,500	20,418	2,082
Total Expenditures		728,219	728,219	719,164	9,055
Excess Revenue Over/Under Expenditures		48,031	48,031	79,582	31,551
Other Financing Sources					
8110	Transfer Out	(155,866)	(155,866)	(134,000)	21,866
Total Other Financing Sources		(155,866)	(155,866)	(134,000)	21,866
Net Change in Fund Balances		(107,835)	(107,835)	(54,418)	53,417
Fund Balance - Beginning		1,933,069	1,933,069	1,933,069	-
Fund Balance - Ending		\$ 1,825,234	\$ 1,825,234	\$ 1,878,651	\$ 53,417

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
REVENUES:					
1000	Revenue from Local Sources:				
1100	Taxes:				
1110	Ad Valorem Taxes	\$ 428,944	\$ 428,944	\$ 430,771	\$ 1,827
1120	Prior Years' Ad Valorem Taxes	8,500	8,500	618	(7,882)
1130	Tax Deed Revenue	300	300	-	(300)
1190	Penalties and Interest on Taxes	250	250	498	248
1510	Interest	6,000	6,000	8,550	2,550
1900	Other Revenue from Local Sources:				
1920	Contributions and Donations	-	-	565	565
1970	Charges for Services	700	700	1,156	456
4000	Revenue from Federal Sources:				
4199	Received Directly from Federal Government Through the State	53,157	53,157	53,157	-
	Total Revenue	\$ 497,851	\$ 497,851	\$ 495,315	\$ (2,536)

GETTYSBURG SCHOOL DISTRICT NO. 53-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget	
	Original	Final			
EXPENDITURES:					
1200	Special Programs:				
1220	Programs for Special Education	\$ 524,422	\$ 524,422	\$ 491,623	\$ 32,799
2000	Support Services:				
2100	Pupils:				
2140	Psychological Services	18,000	18,000	20,537	(2,537)
2150	Speech	57,739	57,739	57,108	631
2160	Audiology Services	800	800	400	400
2170	Student Therapy Services	22,300	22,300	42,212	(19,912)
2700	Special Education:				
2710	Administrative Costs	54,000	54,000	54,131	(131)
2730	Transportation Costs	2,350	2,350	191	2,159
2750	Other Special Education Costs	6,450	6,450	2,750	3,700
Total Expenditures		686,061	686,061	668,952	17,109
Excess Revenue Over/Under Expenditures		(188,210)	(188,210)	(173,637)	14,573
Net Change in Fund Balances		(188,210)	(188,210)	(173,637)	14,573
Fund Balance - Beginning		329,602	329,602	329,602	-
Fund Balance - Ending		\$ 141,392	\$ 141,392	\$ 155,965	\$ 14,573

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

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

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

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

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

GETTYSBURG SCHOOL DISTRICT NO. 53-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Page 2
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - GAAP/BUDGETARY ACCOUNTING BASIS DIFFERENCES

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

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM**

Pension Plan	Fiscal Year Ending	Employer's Percentage of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
SDRS	6/30/2024	0.0688%	\$ (6,711)	\$ 1,773,415	-0.38%	100.10%
SDRS	6/30/2023	0.0730%	(6,898)	1,742,999	-0.40%	100.10%
SDRS	6/30/2022	0.0723%	(553,786)	1,641,000	-33.75%	105.52%
SDRS	6/30/2021	0.0716%	(3,110)	1,571,506	-0.20%	100.04%
SDRS	6/30/2020	0.0734%	(7,777)	1,560,361	-0.50%	100.09%
SDRS	6/30/2019	0.0726%	(1,693)	1,512,153	-0.11%	100.02%
SDRS	6/30/2018	0.0703%	(6,376)	1,427,435	-0.45%	100.10%
SDRS	6/30/2017	0.0713%	240,699	1,349,629	17.83%	96.89%
SDRS	6/30/2016	0.0737%	(312,509)	1,345,233	-23.16%	104.10%
SDRS	6/30/2015	0.0750%	(540,452)	1,311,806	-40.18%	107.29%

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM**

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
SDRS	6/30/2024	\$ 106,761	\$ 106,761	\$ -	\$ 1,779,342	6.00%
SDRS	6/30/2023	106,405	106,405	-	1,773,415	6.00%
SDRS	6/30/2022	104,580	104,580	-	1,742,999	6.00%
SDRS	6/30/2021	98,460	98,460	-	1,641,000	6.00%
SDRS	6/30/2020	94,290	94,290	-	1,571,506	6.00%
SDRS	6/30/2019	93,622	93,622	-	1,560,361	6.00%
SDRS	6/30/2018	90,560	90,560	-	1,512,153	6.00%
SDRS	6/30/2017	85,646	85,646	-	1,427,435	6.00%
SDRS	6/30/2016	80,978	80,978	-	1,349,629	6.00%
SDRS	6/30/2015	80,714	80,714	-	1,345,233	6.00%

**GETTYSBURG SCHOOL DISTRICT NO. 53-1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) AND SCHEDULE OF CONTRIBUTIONS**

Changes from prior valuation

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

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

Benefit Provision Changes

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

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

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

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