

MEADE SCHOOL DISTRICT NO. 46-1

Financial Statements

June 30, 2025

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Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

School Board
Meade School District No. 46-1
Meade County, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meade School District No. 46-1 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota

November 5, 2025

Independent Auditor's Report

School Board
Meade School District No. 46-1
Meade County, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meade School District No. 46-1 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District and to meet our 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year 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 GAS 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 GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 information, Schedule of the District's Proportionate Share of the Net Pension Liability (Asset), Schedule of Pension Contributions, and Notes to the Required Supplementary Information 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, which 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.

Management has omitted the Management's Discussion and Analysis, which 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, which 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The list of School District Officials is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The list of School District Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota
November 5, 2025

BASIC FINANCIAL STATEMENTS

Meade School District No. 46-1
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 17,674,805	\$ 287,749	\$ 17,962,554
Taxes Receivable - Current	9,321,844	-	9,321,844
Taxes Receivable - Delinquent	237,180	-	237,180
Due from Other Governments	393,489	1,956	395,445
Internal Balances	74,024	(74,024)	-
Inventories	29,610	29,161	58,771
	<u>27,730,952</u>	<u>244,842</u>	<u>27,975,794</u>
Capital Assets:			
Land	2,974,059	-	2,974,059
Buildings	75,774,953	-	75,774,953
Improvements	2,598,480	-	2,598,480
Equipment	3,749,325	1,907,351	5,656,676
Right-of-Use Assets - Leased Equipment	1,920,350	-	1,920,350
Less: Accumulated Depreciation/Amortization	<u>(31,053,209)</u>	<u>(1,142,188)</u>	<u>(32,195,397)</u>
Total Capital Assets, Net of Depreciation/Amortization	<u>55,963,958</u>	<u>765,163</u>	<u>56,729,121</u>
Restricted Assets:			
Net Pension Assets	25,374	1,085	26,459
Cash Restricted for Debt Service	<u>5,644,112</u>	<u>-</u>	<u>5,644,112</u>
Total Restricted Assets	<u>5,669,486</u>	<u>1,085</u>	<u>5,670,571</u>
TOTAL ASSETS	<u>89,364,396</u>	<u>1,011,090</u>	<u>90,375,486</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related Deferred Outflows	<u>4,868,349</u>	<u>208,156</u>	<u>5,076,505</u>
LIABILITIES			
Accounts Payable	53,710	326	54,036
Contracts Payable	2,217,045	-	2,217,045
Payroll Liabilities	516,491	135	516,626
Unearned Revenue	-	32,799	32,799
Accrued Interest	305,228	-	305,228
Long-term Liabilities:			
Due Within One Year	3,727,688	28,686	3,756,374
Due in More than One Year	<u>24,226,125</u>	<u>11,476</u>	<u>24,237,601</u>
TOTAL LIABILITIES	<u>31,046,287</u>	<u>73,422</u>	<u>31,119,709</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Net Position (Continued)
June 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Future Periods	10,245,087	-	10,245,087
Pension-related Deferred Inflows	<u>3,199,179</u>	<u>136,787</u>	<u>3,335,966</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>13,444,266</u>	<u>136,787</u>	<u>13,581,053</u>
NET POSITION			
Net Investment in Capital Assets	28,717,691	765,163	29,482,854
Restricted:			
Capital Outlay	7,427,441	-	7,427,441
Special Education	1,239,291	-	1,239,291
Debt Service	5,585,818	-	5,585,818
Proportionate Share of Net Pension	1,694,544	72,454	1,766,998
Unrestricted	<u>5,077,407</u>	<u>171,420</u>	<u>5,248,827</u>
TOTAL NET POSITION	<u>\$ 49,742,192</u>	<u>\$ 1,009,037</u>	<u>\$ 50,751,229</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES							
Instruction	\$ 20,469,573	\$ -	\$ 1,427,496	\$ -	\$ (19,042,077)	\$ -	\$ (19,042,077)
Support Services	14,714,308	70,694	457,810	-	(14,185,804)	-	(14,185,804)
Nonprogrammed Charges	5,600	-	-	-	(5,600)	-	(5,600)
Cocurricular Activities	1,306,338	81,733	-	-	(1,224,605)	-	(1,224,605)
Interest on Long-term Debt *	932,032	-	-	-	(932,032)	-	(932,032)
Total Governmental Activities	<u>37,427,851</u>	<u>152,427</u>	<u>1,885,306</u>	<u>-</u>	<u>(35,390,118)</u>	<u>-</u>	<u>(35,390,118)</u>
BUSINESS-TYPE ACTIVITIES							
Food Service	2,023,252	834,146	809,529	-	-	(379,577)	(379,577)
Other Services	187,449	187,461	15,731	-	-	15,743	15,743
Total Business-type Activities	<u>2,210,701</u>	<u>1,021,607</u>	<u>825,260</u>	<u>-</u>	<u>-</u>	<u>(363,834)</u>	<u>(363,834)</u>
Total Primary Government	<u>\$ 39,638,552</u>	<u>\$ 1,174,034</u>	<u>\$ 2,710,566</u>	<u>\$ -</u>	<u>(35,390,118)</u>	<u>(363,834)</u>	<u>(35,753,952)</u>
GENERAL REVENUES AND TRANSFERS							
Taxes:							
Property Taxes					20,822,903	-	20,822,903
Gross Receipts Taxes					210,337	-	210,337
Revenue from State Sources:							
State Aid					13,433,193	-	13,433,193
Revenue from Federal Sources					68,383	-	68,383
Revenue from Intermediate Sources					409,201	-	409,201
Unrestricted Investment Earnings					589,385	8,289	597,674
Other General Revenues					143,322	-	143,322
Compensation for Loss of Capital Assets					150,645	-	150,645
Interest Rebate					257,911	-	257,911
Transfers					(10,250)	10,250	-
Total General Revenues and Transfers					<u>36,075,030</u>	<u>18,539</u>	<u>36,093,569</u>
CHANGE IN NET POSITION					684,912	(345,295)	339,617
NET POSITION - BEGINNING					<u>49,057,280</u>	<u>1,354,332</u>	<u>50,411,612</u>
NET POSITION - ENDING					<u>\$ 49,742,192</u>	<u>\$ 1,009,037</u>	<u>\$ 50,751,229</u>

* 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 are an integral part of this statement.

Meade School District No. 46-1
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 7,843,202	\$ 7,900,490	\$ 1,931,113	\$ -	\$ -	\$ -	\$ 17,674,805
Taxes Receivable, Current	4,481,976	3,020,065	1,819,803	-	-	-	9,321,844
Taxes Receivable, Delinquent	133,254	64,494	39,432	-	-	-	237,180
Due from Other Governments	389,285	-	4,204	-	-	-	393,489
Due from Other Funds	74,024	-	-	-	-	-	74,024
Inventory of Supplies	29,610	-	-	-	-	-	29,610
Restricted Assets:							
Cash Restricted for Debt Service	-	-	-	5,032,569	-	611,543	5,644,112
TOTAL ASSETS	<u>\$ 12,951,351</u>	<u>\$ 10,985,049</u>	<u>\$ 3,794,552</u>	<u>\$ 5,032,569</u>	<u>\$ -</u>	<u>\$ 611,543</u>	<u>\$ 33,375,064</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Balance Sheet - Governmental Funds (Continued)
June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 41,743	\$ 2,000	\$ 9,967	\$ -	\$ -	\$ -	\$ 53,710
Contracts Payable	1,761,836	-	455,209	-	-	-	2,217,045
Payroll Liabilities	408,130	-	108,361	-	-	-	516,491
Total Liabilities	<u>2,211,709</u>	<u>2,000</u>	<u>573,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787,246</u>
Deferred Inflows of Resources:							
Property Taxes Levied for Future Periods	5,012,983	3,250,380	1,981,724	-	-	-	10,245,087
Property Taxes Received Outside the Period of Availability	<u>132,997</u>	<u>64,494</u>	<u>39,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,923</u>
Total Deferred Inflows of Resources	<u>5,145,980</u>	<u>3,314,874</u>	<u>2,021,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,482,010</u>
Fund Balances:							
Nonspendable:							
Inventory	29,610	-	-	-	-	-	29,610
Restricted:							
For Capital Outlay	-	7,668,175	-	-	-	-	7,668,175
For Special Education	-	-	1,199,859	-	-	-	1,199,859
For Debt Service	-	-	-	5,032,569	-	611,543	5,644,112
Unassigned	<u>5,564,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,564,052</u>
Total Fund Balances	<u>5,593,662</u>	<u>7,668,175</u>	<u>1,199,859</u>	<u>5,032,569</u>	<u>-</u>	<u>611,543</u>	<u>20,105,808</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,951,351</u>	<u>\$ 10,985,049</u>	<u>\$ 3,794,552</u>	<u>\$ 5,032,569</u>	<u>\$ -</u>	<u>\$ 611,543</u>	<u>\$ 33,375,064</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds	\$ 20,105,808
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	55,963,958
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
General Obligation Debt, Net of Unamortized Premiums	(26,250,089)
Lease Obligations	(996,178)
Compensated Absences	(707,546)
Accrued interest payable is not recorded in the governmental funds but is accrued in the Statement of Net Position.	(305,228)
Assets not available to pay for current period expenditures are deferred in the governmental funds. Assets at year-end consist of:	
Delinquent Property Taxes Receivable	236,923
Net pension asset reported in the governmental activities is not an available financial resource and, therefore, is not reported in the governmental funds.	25,374
Pension-related deferred outflows are components of pension liability (asset), and changes are not reported in the governmental funds.	4,868,349
Pension-related deferred inflows are components of pension liability (asset), and changes are not reported in the governmental funds.	<u>(3,199,179)</u>
Net Position - Governmental Activities	<u>\$ 49,742,192</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Revenue from Local Sources:							
Taxes:							
Ad Valorem Taxes	\$ 10,060,854	\$ 6,541,514	\$ 4,030,183	\$ -	\$ -	\$ -	\$ 20,632,551
Gross Receipts Taxes	210,337	-	-	-	-	-	210,337
Penalties and Interest on Taxes	25,788	9,522	5,961	-	-	-	41,271
Revenue in Lieu of Taxes	12,118	-	-	-	-	-	12,118
Earnings on Deposits	175,181	158,554	33,795	203,561	-	18,294	589,385
Cocurricular Activities:							
Admissions	70,768	-	-	-	-	-	70,768
Other	10,965	-	-	-	-	-	10,965
Other Revenues from Local Sources:							
Rentals	27,401	-	-	-	-	-	27,401
Contributions	133,075	10,000	2,640	-	-	-	145,715
Services Provided Other School Districts	3,593	-	-	-	-	-	3,593
Medicaid Fees	5,311	-	34,389	-	-	-	39,700
Other	64,366	66,824	14	-	-	-	131,204
Total Revenue from Local Sources	<u>10,799,757</u>	<u>6,786,414</u>	<u>4,106,982</u>	<u>203,561</u>	<u>-</u>	<u>18,294</u>	<u>21,915,008</u>
Revenue from Intermediate Sources:							
County Sources:							
County Apportionment	<u>409,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,201</u>
Revenue from State Sources:							
Grants-in-aid:							
Unrestricted Grants-in-aid	12,313,102	-	1,148,207	-	-	-	13,461,309
Restricted Grants-in-aid	<u>7,730</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,980</u>
Total Revenue from State Sources	<u>12,320,832</u>	<u>-</u>	<u>1,148,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,469,289</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
(Continued)
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
Revenue from Federal Sources:							
Grants-in-aid:							
Unrestricted Grants-in-aid Received from Federal Government Through State	46,404	-	-	-	-	-	46,404
Unrestricted Grants-in-aid Received from Federal Government Through an Intermediate Source	21,980	-	-	-	-	-	21,980
Restricted Grants-in-aid Received from Federal Government Through State	<u>1,210,457</u>	<u>-</u>	<u>493,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,703,494</u>
Total Revenue from Federal Sources	<u>1,278,841</u>	<u>-</u>	<u>493,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,771,878</u>
TOTAL REVENUES	<u>24,808,631</u>	<u>6,786,414</u>	<u>5,748,476</u>	<u>203,561</u>	<u>-</u>	<u>18,294</u>	<u>37,565,376</u>
EXPENDITURES							
Instructional Services:							
Regular Programs:							
Elementary	5,974,281	629,162	-	-	-	-	6,603,443
Middle School	3,697,738	364,046	-	-	-	-	4,061,784
High School	3,213,114	313,988	-	-	-	-	3,527,102
Preschool Services	34,859	-	-	-	-	-	34,859
Other Regular Programs	251	-	-	-	-	-	251
Special Programs:							
Gifted and Talented	74,779	-	-	-	-	-	74,779
Programs for Special Education	-	15,788	4,487,533	-	-	-	4,503,321
Culturally Different	31,133	-	-	-	-	-	31,133
Educationally Deprived	<u>652,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652,169</u>
Total Instructional Services	<u>13,678,324</u>	<u>1,322,984</u>	<u>4,487,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,488,841</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
(Continued)
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
Support Services:							
Pupils:							
Attendance and Social Work	80,297	-	-	-	-	-	80,297
Guidance	743,137	-	-	-	-	-	743,137
Health Service	219,743	-	70,838	-	-	-	290,581
Psychological	-	-	184,270	-	-	-	184,270
Speech	-	-	626,143	-	-	-	626,143
Student Therapy	-	-	172,439	-	-	-	172,439
Instructional Staff:							
Improvement of Instruction	135,963	-	7,151	-	-	-	143,114
Educational Media	580,769	68,837	-	-	-	-	649,606
General Administration:							
Board of Education	752,395	-	-	-	-	-	752,395
Executive Administration	296,984	-	-	-	-	-	296,984
School Administration:							
Office of Principal	1,692,657	40,594	-	-	-	-	1,733,251
Other	179,278	-	-	-	-	-	179,278
Business:							
Fiscal Services	418,044	-	-	-	-	-	418,044
Facilities Acquisition and Construction	-	58,475	-	-	4,260	-	62,735
Operation and Maintenance of Plant	3,488,440	821,293	-	-	-	-	4,309,733
Pupil Transportation	1,329,566	159,596	-	-	-	-	1,489,162
Other	279,264	-	-	-	-	-	279,264
Special Education:							
Administration Costs	-	-	322,518	-	-	-	322,518
Transportation Costs	-	-	53,969	-	-	-	53,969
Other	-	-	5,200	-	-	-	5,200
Total Support Services	10,196,537	1,148,795	1,442,528	-	4,260	-	12,792,120

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
(Continued)
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
Nonprogrammed Charges:							
Unemployment Insurance	5,600	-	-	-	-	-	5,600
Debt Services	-	3,328,404	-	282,995	-	-	3,611,399
Cocurricular Activities:							
Male Activities	259,611	13,885	-	-	-	-	273,496
Female Activities	146,424	6,756	-	-	-	-	153,180
Transportation	242,766	-	-	-	-	-	242,766
Combined Activities	565,958	42,284	-	-	-	-	608,242
Total Cocurricular Activities	1,214,759	62,925	-	-	-	-	1,277,684
Capital Outlay	5,994	741,027	-	-	526,341	-	1,273,362
TOTAL EXPENDITURES	25,101,214	6,604,135	5,930,061	282,995	530,601	-	38,449,006
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(292,583)	182,279	(181,585)	(79,434)	(530,601)	18,294	(883,630)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	586,025	530,601	40,000	1,156,626
Transfers Out	(10,250)	(1,156,626)	-	-	-	-	(1,166,876)
Sale of Surplus Property	14,248	136,398	-	-	-	-	150,646
Interest Rebate	-	257,911	-	-	-	-	257,911
TOTAL OTHER FINANCING SOURCES (USES)	3,998	(762,317)	-	586,025	530,601	40,000	398,307
NET CHANGE IN FUND BALANCES	(288,585)	(580,038)	(181,585)	506,591	-	58,294	(485,323)
FUND BALANCE - BEGINNING	5,882,247	8,248,213	1,381,444	4,525,978	-	553,249	20,591,131
FUND BALANCE - ENDING	\$ 5,593,662	\$ 7,668,175	\$ 1,199,859	\$ 5,032,569	\$ -	\$ 611,543	\$ 20,105,808

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (485,323)
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 costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.	(995,541)
The recognition of revenues in the governmental funds differs from the recognition in the governmental activities in the fact that revenue accruals in the fund financial statements require the amounts to be "available."	149,081
Governmental funds reflect as other financing sources and expenditures the impacts of direct financing lease arrangements while the Statement of Activities reflects these changes in assets and liabilities.	454,566
Governmental funds do not reflect the change in compensated absences, but the Statement of Activities reflects the change in these accruals through expenses.	(24,783)
Some expenses, such as accrued interest payable reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	22,615
Amortization of premiums is reported in the Statement of Activities as a reduction of interest expense but is not reported in the governmental funds.	37,206
Repayment of general obligation debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	2,156,708
Pension expenses in the Statement of Activities that do not require current financial resources are not reported as expenditures in the funds.	<u>(629,617)</u>
Change in Net Position of Governmental Activities	<u>\$ 684,912</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Net Position - Proprietary Funds
June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Services Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 101,026	\$ 186,723	\$ 287,749
Due from Other Governments	1,956	-	1,956
Inventory	29,161	-	29,161
Total Current Assets	132,143	186,723	318,866
Noncurrent Assets:			
Machinery and Equipment	1,907,351	-	1,907,351
Less Accumulated Depreciation	(1,142,188)	-	(1,142,188)
Total Noncurrent Assets	765,163	-	765,163
Restricted Asset:			
Net Pension Asset	1,006	79	1,085
TOTAL ASSETS	898,312	186,802	1,085,114
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related Deferred Outflows	193,032	15,124	208,156
LIABILITIES			
Current Liabilities:			
Accounts Payable	326	-	326
Unearned Revenue	32,799	-	32,799
Due to Other Funds	74,024	-	74,024
Accrued Leave Payable	28,686	-	28,686
Payroll Deductions and Employer Matching Payable	135	-	135
Total Current Liabilities	135,970	-	135,970
Noncurrent Liabilities:			
Accrued Leave Payable	11,476	-	11,476
TOTAL LIABILITIES	147,446	-	147,446

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Net Position - Proprietary Funds (Continued)
June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Services Fund	Total
DEFERRED INFLOWS OF RESOURCES			
Pension-related Deferred Inflows	126,849	9,938	136,787
NET POSITION			
Net Investment in Capital Assets	765,163	-	765,163
Restricted, Net Pension	67,189	5,265	72,454
Unrestricted	(15,303)	186,723	171,420
TOTAL NET POSITION	<u>\$ 817,049</u>	<u>\$ 191,988</u>	<u>\$ 1,009,037</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Revenues, Expenses, and Changes in Fund
Net Position - Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Services Fund	Total
OPERATING REVENUE			
Sales:			
Food and Drink	\$ 834,146	\$ 84,564	\$ 918,710
Other	-	102,897	102,897
Total Operating Revenue	<u>834,146</u>	<u>187,461</u>	<u>1,021,607</u>
OPERATING EXPENSES			
Salaries	777,867	63,466	841,333
Employee Benefits	219,653	13,918	233,571
Purchased Services	73,327	1,070	74,397
Supplies	102,287	98,464	200,751
Cost of Sales - Purchased Food	686,365	-	686,365
Cost of Sales - Donated Food	35,130	-	35,130
Other	-	10,531	10,531
Depreciation	128,623	-	128,623
Total Operating Expenses	<u>2,023,252</u>	<u>187,449</u>	<u>2,210,701</u>
OPERATING INCOME (LOSS)	<u>(1,189,106)</u>	<u>12</u>	<u>(1,189,094)</u>
NONOPERATING REVENUE			
Local Sources:			
Interest Earned	4,908	3,381	8,289
Other Local Revenue	-	15,731	15,731
State Sources:			
Cash Reimbursements	3,507	-	3,507
Supply Chain Grants	130,969	-	130,969
Federal Sources:			
Cash Reimbursements	639,923	-	639,923
Donated Commodities	35,130	-	35,130
Total Nonoperating Revenue	<u>814,437</u>	<u>19,112</u>	<u>833,549</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(374,669)</u>	<u>19,124</u>	<u>(355,545)</u>
Transfers In	<u>-</u>	<u>10,250</u>	<u>10,250</u>
CHANGE IN NET POSITION	<u>(374,669)</u>	<u>29,374</u>	<u>(345,295)</u>
NET POSITION - BEGINNING	<u>1,191,718</u>	<u>162,614</u>	<u>1,354,332</u>
NET POSITION - ENDING	<u>\$ 817,049</u>	<u>\$ 191,988</u>	<u>\$ 1,009,037</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Services Fund	Total
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES			
Receipts from Customers	\$ 710,556	\$ 187,461	\$ 898,017
Payments to Suppliers	(846,795)	(99,676)	(946,471)
Payments to Employees	(1,040,519)	(85,804)	(1,126,323)
Net Cash Provided (Used) by Operating Activities	(1,176,758)	1,981	(1,174,777)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Transfers In	-	10,250	10,250
Interfund Borrowing	74,024	-	74,024
Operating Subsidies	774,399	15,731	790,130
Net Cash Provided by Noncapital Financing Activities	848,423	25,981	874,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	4,908	3,381	8,289
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(323,427)	31,343	(292,084)
CASH AND CASH EQUIVALENTS - BEGINNING	424,453	155,380	579,833
CASH AND CASH EQUIVALENTS - ENDING	\$ 101,026	\$ 186,723	\$ 287,749

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Cash Flows - Proprietary Funds (Continued)
For the Year Ended June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Services Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,189,106)	\$ 12	\$ (1,189,094)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	128,623	-	128,623
Cost of Sales - Donated Food	35,130	-	35,130
Net Pension Expense	15,618	2,111	17,729
Change in Assets and Liabilities:			
Due from Other Governments	491	-	491
Inventory	15,089	-	15,089
Accounts Payable	95	(142)	(47)
Contracts Payable	3,580	-	3,580
Unearned Revenue	(124,081)	-	(124,081)
Payroll Deductions and Employer Matching Payable	<u>(62,197)</u>	<u>-</u>	<u>(62,197)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,176,758)</u>	<u>\$ 1,981</u>	<u>\$ (1,174,777)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Value of Commodities Received	<u>\$ 35,130</u>	<u>\$ -</u>	<u>\$ 35,130</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Net Position - Fiduciary Funds
June 30, 2025

	Private- Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 22,593	\$ 403,907
NET POSITION		
Restricted for Individuals and Organizations	<u>\$ 22,593</u>	<u>\$ 403,907</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

	Private- Purpose Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
ADDITIONS		
Interest	\$ 93	\$ -
Contributions and Donations	<u>-</u>	<u>607,701</u>
Total Additions	<u>93</u>	<u>607,701</u>
DEDUCTIONS		
Scholarships Awarded	1,200	-
Payments for Student and Organization Activities	-	324,012
Other Deductions	<u>-</u>	<u>224,736</u>
Total Deductions	<u>1,200</u>	<u>548,748</u>
CHANGE IN NET POSITION	(1,107)	58,953
NET POSITION - BEGINNING	<u>23,700</u>	<u>344,954</u>
NET POSITION - ENDING	<u>\$ 22,593</u>	<u>\$ 403,907</u>

The accompanying notes are an integral part of this statement.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Meade School District No. 46-1 conform to generally accepted accounting principles applicable to government entities in the United States of America.

A. FINANCIAL REPORTING ENTITY

The reporting entity of Meade School District No. 46-1 (the District) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The District participates in a cooperative service unit with several other school districts, Black Hills Special Services Cooperative (Co-op). The purpose of the Co-op is to provide special education services to member school districts. The governing board of the Co-op is comprised of one representative from each member school district, who is a school board member. See detailed Note 10 entitled "Joint Venture" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the District.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting entity as a whole. These statements include the financial activities of the overall government, except for fiduciary funds. Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. 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 net position form (assets and deferred outflows of resources minus liabilities and deferred inflows of resources equal net position). Net position is displayed in three components, as applicable: net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

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

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. Major individual governmental and proprietary funds are reported in separate columns.

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 District or if it meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities, and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
2. Total assets and deferred outflows of resources, liabilities, and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% 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 year-to-year or because of public interest in the fund's operations.

The funds of the District are described below within their respective fund types:

Governmental Funds

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

Special Revenue Fund Types - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District's special revenue funds are as follows:

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

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

Debt Service Fund Types - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The District has two sinking funds established by SDCL 13-16-13 to account for transfers from the Capital Outlay Fund to restricted cash accounts. The restricted cash accounts and accumulated interest are used to pay the principal and interest on term loans. One debt service fund is a major fund and the other is not a major fund.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). The District currently has one capital project fund to track a major remodel project. The capital project fund is a major fund.

Proprietary Funds

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

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

The District's enterprise funds are as follows:

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

Other Services Fund - A fund used to record financial transactions related to concessions, drivers' education, preschool, after-school programs, and summer school operations. This fund is financed by user charges. This is a major fund.

Fiduciary Funds

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

Private-Purpose Trust Fund Types - 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 District maintains four separate trusts established by donors to provide college scholarships to graduating students.

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

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.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

In the fund financial statements, the “current financial resources” measurement focus and the modified accrual basis of accounting are applied to governmental fund types, while the “economic resources” measurement focus and the accrual basis of accounting are applied to the proprietary and 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 will 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 District considers significant revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Unavailable revenues, where asset recognition criteria have been met, but for which revenue recognition criteria have not been met, are reported as deferred inflows of resources.

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

All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

D. INTERFUND ELIMINATIONS AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide financial statements, the District has charged certain “centralized expenses,” including an administrative overhead component, as direct expenses to programs in order to show all expenses that are associated with a service, program, or department. When expenses are charged in this manner, expense reductions occur in the General Fund so that expenses are reported only in the function to which they relate.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. CASH AND CASH EQUIVALENTS

The District considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. The District pools its cash resources for deposit purposes. Accordingly, the enterprise funds have access to their cash resources on demand. All reported enterprise fund deposit balances are considered to be cash equivalents for the purpose of the Statement of Cash Flows.

F. INVENTORY

Inventory is valued at the lower of cost or net realizable value. The cost valuation method is first-in, first-out for enterprise fund inventories and average cost for governmental fund inventories.

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

Inventory in the governmental activities and the governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used. Inventories reported in the fund financial statements are equally offset by a non-spendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The non-spendable fund balance associated with inventory is reduced by the related amounts included in accounts payable, if applicable.

G. CAPITAL ASSETS

Capital assets include land, buildings, improvements, 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 of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

All capital assets are valued at historical cost or estimated historical cost if the 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. Interest costs incurred during the construction of general capital assets are not capitalized.

Capitalization thresholds (the dollar value above which individual asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the government-wide financial statements and proprietary funds are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	-----
Buildings	50,000	50 yrs
Improvements	25,000	20 yrs
Machinery and Equipment	5,000	5-15 yrs
Intangible Lease and Subscription Assets	15,000	5-15 yrs

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation and amortization expense is calculated using the straight-line and composite methods. Depreciation and amortization of exhaustible capital assets and intangible assets are recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation/amortization is reported on the government-wide Statement of Net Position and the proprietary fund's Statement of Net Position.

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 financial statements.

H. LONG-TERM LIABILITIES

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

Government-wide Financial Statements

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Long-term liabilities consist of compensated absences payable, Capital Outlay Certificates payable, and lease obligations.

Compensated Absences Payable - Compensated absences payable includes accrued vacation and sick leave benefits. Teachers are given eight days of sick leave each year and can accumulate 75 or 100 days based on their start date with the District. Upon termination, employees are entitled to receive compensation for their accrued sick leave balance if they meet various age and years of service requirements. If eligible, they will receive one-half of the unused sick leave balance paid at the daily certified substitute rate of pay. Twelve-month support staff are eligible for up to 17 vacation days each year, depending on years of service and other factors. Upon termination, vacation time earned is paid as a separation benefit. For employees normally paid out of governmental funds, these amounts are charged as an expenditure at the time of retirement. For employees normally paid out of enterprise funds, these amounts are recorded as an expense when the obligation vests. Compensated absences have typically been liquidated from the General Fund, Special Education Fund, and Food Service Fund.

Fund Financial Statements

In the fund financial statements, governmental fund 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 as in the government-wide financial statements.

I. LEASES

Lessee:

The District is a lessee for noncancelable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes right-to-use lease assets and lease liabilities with an initial, individual value of \$15,000 or more.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a lease, the 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 is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the 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 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 District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The 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.

Lessor:

The District may be a lessor for a noncancelable lease of property, though as of June 30, 2025, the District was not a lessor. The District recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District may enter into subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided technology. The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with arrangements over a year in length and with an initial, individual value of \$15,000 or more.

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

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

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

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

Subscriptions are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position. As of June 30, 2025, the District does not have any SBITAs.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The District reports increases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The only deferred outflow of resources reported is a deferred amount arising from the District's pension plan for qualified retirees as discussed in Note 9. There are no deferred outflows of resources reported in the governmental funds' balance sheets. Pension-related deferred outflows are reported in the proprietary fund statements.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District's governmental funds report a separate section for deferred inflows of resources. This section reflects a decrease in net position that applies to a future period or periods. Under the modified accrual basis of accounting, governmental fund revenues are not recognized until available (collected no later than 60 days after the end of the District's fiscal year). The District reports the following as deferred inflows of resources in the governmental funds: property taxes levied but not collected within the available period and property taxes collected within the available period that are intended to finance the next fiscal year. In the government-wide financial statements, the District reports deferred inflows of resources for the property taxes levied for future periods and pension-related inflows. The District reports pension-related inflows of resources in the proprietary fund statements and the business-type activity statements for the current year.

L. UNEARNED REVENUE

The food service fund reports meal tickets that have been purchased but not yet redeemed as unearned revenue.

M. NET POSITION AND FUND BALANCE

Government-wide Financial Statements

It is the District's policy to 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. Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization (if applicable), and reduced by the outstanding balances of capital outlay certificates or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted Net Position - Represents all other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

The fund definitions were discussed in Note 1.B. Classifications of governmental fund balances are as follows:

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted - Includes amounts that are constrained for purposes that are placed on the use of resources by either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes but are not restricted. Amounts can be assigned by the School Board or management of the District. The District reports assigned balances for the future payment of unemployment claims.

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

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District uses restricted amounts first when both restricted and unrestricted fund balances are available unless legal documents or contracts, such as a grant agreement requiring dollar-for-dollar spending, prohibit doing so. Additionally, the District would use assigned prior to unassigned amounts of unrestricted fund balance when expenditures are made.

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

N. PROPRIETARY FUND REVENUE AND EXPENSE CLASSIFICATIONS

In the proprietary funds' Statement of Revenues, Expenses, and Changes in Fund Net Position, 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.

O. PROGRAM REVENUES

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

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.

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.

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.

P. PENSIONS

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Statutes impose various restrictions on deposits and investments. 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% of the public deposit accounts that 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.

Meade School District No. 46-1

Notes to the Financial Statements

June 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The District's policy is to report deposits at cost plus interest and credit all income from investments to the fund making the investment, with the exception of the payroll clearing account whose interest income is credited to the General Fund.

Investments - In general, SDCL 4-5-6 permits the District's funds to be invested in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly or (b) repurchase agreements fully collateralized by securities described in (a) or in shares of an open-end, no-load mutual fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent. As of June 30, 2025, the District did not report any investments.

Custodial Credit Risk - Deposits - The risk that, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2025, the District's deposits in financial institutions were not exposed to credit risk, as all deposits were fully collateralized by pledged securities.

Interest Rate Risk - The 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.

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

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

Restricted Cash - \$5,644,112 of cash in the sinking funds is restricted for debt service, as required by the loan covenants.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2025 includes amounts owed by the following:

State of South Dakota	\$	393,489
Other Entities		<u>1,956</u>
	\$	<u><u>395,445</u></u>

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

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

	<u>Due from:</u>
	Food Service Fund
<u>Due to:</u>	
General Fund	<u>\$ 74,024</u>

Amounts owed by the Food Service Fund to the General Fund relate to the payment of employee benefits by the General Fund.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 4 - INTERFUND BALANCES AND TRANSFERS (CONTINUED)

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

Transfers from:	Transfers to:			
	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Other Services Fund
Capital Outlay Fund	\$ 586,025	\$ 530,601	\$ 40,000	\$ -
General Fund	\$ -	\$ -	\$ -	\$ 10,250

Transfers were made for the following purposes:

- Transfers were made from the Capital Outlay Fund to the various Sinking funds to make payments to the respective escrow accounts for future debt payments.
- A transfer was made from the Capital Outlay Fund to the Capital Project Fund to cover construction costs.
- A transfer was made from the General Fund to the Other Services Fund for the operation of an after-school program.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 5 - CHANGES IN CAPITAL ASSETS

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

	Balance June 30, 2024	Increase	Decrease	Balance June 30, 2025
Governmental Activities:				
Non-depreciable Capital Assets:				
Land	\$ 2,974,059	\$ -	\$ -	\$ 2,974,059
Construction in Progress	<u>6,300,623</u>	<u>-</u>	<u>(6,300,623)</u>	<u>-</u>
Subtotal	<u>9,274,682</u>	<u>-</u>	<u>(6,300,623)</u>	<u>2,974,059</u>
Depreciable/Amortizable Capital Assets:				
Buildings	68,947,989	6,826,964	-	75,774,953
Improvements	2,335,338	263,142	-	2,598,480
Equipment	3,305,101	483,879	(39,655)	3,749,325
Leased Equipment	<u>1,912,078</u>	<u>8,272</u>	<u>-</u>	<u>1,920,350</u>
Subtotal	<u>76,500,506</u>	<u>7,582,257</u>	<u>(39,655)</u>	<u>84,043,108</u>
Less Accumulated Depreciation for:				
Buildings	24,589,339	1,540,211	-	26,129,550
Improvements	1,804,319	80,902	-	1,885,221
Equipment	1,960,687	192,659	(39,655)	2,113,691
Less Accumulated Amortization for:				
Leased Equipment	<u>461,344</u>	<u>463,403</u>	<u>-</u>	<u>924,747</u>
Subtotal	<u>28,815,689</u>	<u>2,277,175</u>	<u>(39,655)</u>	<u>31,053,209</u>
Net Capital Assets	<u>\$ 56,959,499</u>	<u>\$ 5,305,082</u>	<u>\$ (6,300,623)</u>	<u>\$ 55,963,958</u>
Business-type Activities:				
Depreciable Capital Assets:				
Equipment	\$ 1,933,833	\$ -	\$ (26,482)	\$ 1,907,351
Less: Accumulated Depreciation	<u>1,040,047</u>	<u>128,623</u>	<u>(26,482)</u>	<u>1,142,188</u>
Net Capital Assets	<u>\$ 893,786</u>	<u>\$ (128,623)</u>	<u>\$ -</u>	<u>\$ 765,163</u>

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction	\$ 503,082
Support Services	1,762,858
Cocurricular Activities	<u>11,235</u>
	<u>\$ 2,277,175</u>

Depreciation expense was charged to the business-type activities as follows:

Food Service	\$ 128,623
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Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in long-term liabilities:

	Balance June 30, 2024	Increase	Decrease	Balance June 30, 2025	Amounts Due Within 1 Year
Governmental Activities:					
Bonds Payable:					
Capital Outlay					
Certificates	\$ 28,000,742	\$ -	\$ (2,156,708)	\$ 25,844,034	\$ 2,804,071
Related Bond Premiums	443,261	-	(37,206)	406,055	-
Total Bonds Payable	28,444,003	-	(2,193,914)	26,250,089	2,804,071
Other Liabilities:					
Lease Obligations	1,450,744	8,272	(462,838)	996,178	463,594
Compensated Absences	682,763	24,783	-	707,546	460,023
Total Other Liabilities	2,133,507	33,055	(462,838)	1,703,724	923,617
Total Governmental Activities					
Long-term Liabilities	<u>\$ 30,577,510</u>	<u>\$ 33,055</u>	<u>\$ (2,656,752)</u>	<u>\$ 27,953,813</u>	<u>\$ 3,727,688</u>
Business-type Activities:					
Other Liabilities:					
Compensated Absences	<u>\$ 36,582</u>	<u>\$ 4,249</u>	<u>\$ (669)</u>	<u>\$ 40,162</u>	<u>\$ 28,686</u>

Capital outlay certificates at June 30, 2025 are comprised of the following individual issues:

2017 Capital Outlay Certificates. Bearing interest ranging from 1.10% to 4.00%. Due 8/15/2036. Payment is made by the Capital Outlay Fund.	\$ 6,675,000
2016 Capital Outlay Certificates. Bearing interest ranging from 1.00% to 3.50%. Due 8/15/2036. Payment is made by the Capital Outlay Fund.	6,560,000
2010B Capital Outlay Certificates (Qualified School Construction Bonds). Bearing interest at 5.65% due on a semi-annual basis. Semi-annual payments of \$151,515 are payable to a Sinking Fund until 6/1/2027 when the principal balance is due. Sinking Fund payments are made by the Capital Outlay Fund and interest payments are made by the Debt Service Fund.	5,000,000
2015 Capital Outlay Certificates. Bearing interest ranging from 4.00% to 4.40%. Due 1/15/2036. Payment is made by the Capital Outlay Fund.	1,695,000
2021 Capital Outlay Certificates. Bearing interest at fixed rates ranging from 1.50% to 6.00%. Due 1/15/2030. Payment is made by the Capital Outlay Fund.	1,429,410
2022 Capital Outlay Certificates. Bearing interest at 4.10%. Due 8/31/2032. Payment is made by the Capital Outlay Fund.	3,884,624
2010 Capital Outlay Certificates (Qualified Zone Academy Bond). The bonds require annual Sinking Fund payments of \$40,000 until 7/1/2025. Payments to the Sinking Fund are made by the Capital Outlay Fund.	600,000
Related premiums on debt issued, amortized over 20 years	406,055
	<u>\$ 26,250,089</u>

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

The annual debt service requirements to maturity for all long-term debt outstanding, excluding compensated absences, as of June 30, 2025, are as follows:

Year Ending June 30,	Capital Outlay Certificates		Lease Obligations	
	Principal	Interest	Principal	Interest
2026	\$ 2,804,071	\$ 941,401	\$ 463,594	\$ -
2027	7,262,250	876,896	463,670	-
2028	2,336,276	522,145	68,914	-
2029	1,811,184	447,501	-	-
2030	1,867,004	388,366	-	-
2031-2035	7,178,249	1,050,600	-	-
2036-2040	2,585,000	97,950	-	-
	<u>\$ 25,844,034</u>	<u>\$ 4,324,859</u>	<u>\$ 996,178</u>	<u>\$ -</u>

Lease obligations include various office equipment. Payments are due monthly at the beginning of each period and are based on a 4% interest rate. Lease terms are between 24 and 60 months. Payments are made from the Capital Outlay Fund and the General Fund.

Sinking Fund provisions on the 2010B Capital Outlay Certificates - Qualified School Construction Bonds require semi-annual deposits of \$151,515 on or before June 1 and December 1 of each year through June 2027 when the debt matures. The current balance of the Sinking Fund is presented as restricted assets of the Debt Service Fund #2 in the governmental funds balance sheet. The total amount included in the Sinking Fund for the 2010B Capital Outlay Certificates as of June 30, 2025 was \$5,032,569.

Sinking Fund provisions on the 2010 Capital Outlay Certificates - Qualified Zone Academy Bonds require annual deposits of \$40,000 on or before July 1 of each year through July 2025 when the debt matures. The current balance of the Sinking Fund is presented as restricted assets of the Debt Service Fund (included in the nonmajor funds) in the governmental funds balance sheet. The total amount included in the Sinking Fund for the 2010 Capital Outlay Certificates as of June 30, 2025 was \$611,543.

Compensated absences liability includes the amount owed by the District to employees for their accrued leave balances, including the District's share of payroll deductions.

NOTE 7 - RESTRICTED NET POSITION

The following table shows restricted net position and the purposes for such restrictions as shown on the Statement of Net Position:

Major Purpose	Restricted By	Amount
Capital Outlay	State Law	\$ 7,427,441
Special Education	State Law	1,239,291
Debt Service	Debt Covenants	5,585,818
Proportionate Share of Net Pension Asset	State Law	1,766,998
		<u>\$ 16,019,548</u>

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 8 - PROPERTY TAX

Property taxes are levied on or before each October 1, attached as an enforceable lien on property, and become due and payable as of the following January 1, and are payable in two installments on or before the following April 30 and October 31. The county bills and collects the District's taxes and remits them to the District.

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, is not susceptible to accrual has been reported as deferred inflows of resources - property taxes levied for future periods 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 60-day "availability period."

State statute allows the General Fund tax rates to be increased by special election of the voters.

NOTE 9 - PENSION PLAN

Plan Information

All employees, working more than 20 hours per week during the school year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined-benefit pension plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivors' benefits. Authority for establishing, administering, and amending plan provisions is found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.sdrs.sd.gov/publications/> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098, or by calling (605) 773-3731.

Benefits Provided

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

Members who were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation judicial 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% joint survivor benefit when the member dies.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 9 - PENSION PLAN (CONTINUED)

Members who 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% joint and survivor benefit, or a 100% joint and survivor benefit. All Generational retirements 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% of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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

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

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

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, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The District's share of contributions to the SDRS for the fiscal years ended June 30, 2025, 2024, and 2023 was \$1,172,210, \$1,100,287, and \$1,016,566, respectively, equal to the required contributions each year.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 9 - PENSION PLAN (CONTINUED)

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

At June 30, 2024, SDRS was 100.03% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension liability (asset) of the South Dakota Retirement System, for the District as the measurement period ending June 30, 2024 and reported by the District as of June 30, 2025 was as follows:

Proportionate Share of Pension Liability	\$ 97,512,470
Less: Proportionate Share of Net Pension Restricted for Pension Benefits	<u>97,538,929</u>
Proportionate Share of Net Pension Liability (Asset)	<u>\$ (26,459)</u>

At June 30, 2025, the District reported a liability (asset) of (\$26,459) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the District's proportion was 0.65364500% which is a decrease of 0.0032550% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense (reduction of pension expense) of \$647,337. At June 30, 2025, the 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	\$ 2,450,156	\$ -
Changes in Assumption	436,238	3,325,247
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	996,656	-
Changes in Proportion and Difference Between District Contributions and Proportionate Share of Contributions	21,245	10,719
District Contributions Subsequent to the Measurement Date	<u>1,172,210</u>	<u>-</u>
	<u>\$ 5,076,505</u>	<u>\$ 3,335,966</u>

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 9 - PENSION PLAN (CONTINUED)

\$1,172,210 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30	
2026	\$ (917,043)
2027	1,278,025
2028	130,535
2029	76,812
2030	-
Thereafter	-
	<u>\$ 568,329</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15%, after 25 years of service.
Discount Rate	6.5% net of pension plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.71%

Mortality Rates

All mortality rates are 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

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 9 - PENSION PLAN (CONTINUED)

Disabled Members:

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

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for the 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 the 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, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
	<u>100%</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 assumes that employee contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 9 - PENSION PLAN (CONTINUED)

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

The following presents the District's proportionate share of net pension liability (asset) calculated using the discount rate of 6.5% as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 13,445,228</u>	<u>\$ (26,459)</u>	<u>\$ (11,050,496)</u>

Pension Plan Fiduciary Net Position

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

NOTE 10 - JOINT VENTURE

Black Hills Special Services Cooperative

The District participates in the Black Hills Special Services Cooperative (the Co-op), a cooperative service unit formed for the purpose of providing special education services to the member school districts. During the year ended June 30, 2025, the District paid \$900,791 for services provided by the Co-op.

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

Spearfish School District No. 40-2	8.33%
Lead/Deadwood School District No. 40-1	8.33%
Oelrichs School District No. 23-3	8.33%
Meade School District No. 46-1	8.33%
Rapid City School District No. 51-4	8.33%
Belle Fourche School District No. 9-1	8.33%
Custer School District No. 16-1	8.33%
Douglas School District No. 51-1	8.33%
Edgemont School District No. 23-1	8.33%
Haakon School District No. 27-1	8.33%
Hill City School District No. 51-2	8.33%
Hot Springs School District No. 23-2	8.33%

The Co-op's governing board is comprised of one representative from each member school district who is a school board member. The board is responsible for adopting the Co-op's budget and setting service fees at a level adequate to fund the adopted budget.

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

Separate financial statements may be obtained by writing to BHSSC, PO Box 218, Sturgis, SD 57785. At June 30, 2025, this joint venture had total assets of \$9,859,150, liabilities of \$861,211, deferred inflows of \$614,857, and net position of \$8,383,082 (un-audited).

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 11 - RISK MANAGEMENT

The 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, 2025, the District managed its risks as follows:

Employee Health Insurance

The District obtains this coverage from a private carrier. Settled claims resulting from these risks have not exceeded the coverage during the past three years.

Unemployment Benefits

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

During the fiscal year ended June 30, 2025, the District paid \$5,600 for unemployment benefits. At June 30, 2025, no claims had been filed and were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next fiscal year.

Liability Insurance

The District joined the Associated School Boards of South Dakota Property Liability Fund (ASBSD-PLF), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota School Districts. The objective of the ASBSD-PLF is to administer and provide risk management services and risk-sharing facilities to the members and to defend and protect the members against liability; to advise members on loss control guidelines and procedures; and provide them with risk management services, loss control, and risk reduction information, and to obtain lower costs for that coverage. The District's responsibility is to promptly report to and cooperate with the ASBSD-PLF to resolve any incident that could result in a claim being made by or against the District. The District pays an annual premium to provide liability coverage detailed below under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the ASBSD-PLF member, based on their exposure or type of coverage. The District pays an annual premium to the pool to provide coverage for liability coverage for torts, theft of, or property damage, and errors and omissions of public officials. The agreement with the Associated School Boards of South Dakota Property Liability Fund provides that the above coverages will be provided to a \$2,000,000 limit.

Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$100,000 to the upper limit. The District carries a \$2,000 deductible for the above coverage.

The 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 during the past three years.

Meade School District No. 46-1
Notes to the Financial Statements
June 30, 2025

NOTE 11 - RISK MANAGEMENT (CONTINUED)

Workers' Compensation

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

The 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 for the past three years.

NOTE 12 - CONCENTRATIONS

The District is dependent upon program revenues and operating revenues from the State of South Dakota for its primary existence.

NOTE 13 - SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

Meade School District No. 46-1
Budgetary Comparison Schedule - General Fund - Budgetary Basis
For the Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance Positive (Negative)
REVENUES				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 10,074,425	\$ 10,074,425	\$ 10,060,854	\$ (13,571)
Gross Receipts Taxes	215,000	215,000	210,337	(4,663)
Penalties and Interest on Taxes	30,000	30,000	25,788	(4,212)
Revenues in Lieu of Taxes	-	-	12,118	12,118
Earnings on Deposits	230,000	230,000	175,181	(54,819)
Cocurricular Activities:				
Admissions	60,000	60,000	70,768	10,768
Other	15,000	15,000	10,965	(4,035)
Other Revenues from Local Sources:				
Rentals	25,000	25,000	27,401	2,401
Contributions	121,950	121,950	133,075	11,125
Medicaid Fees	10,000	10,000	5,311	(4,689)
Services Provided Other School Districts	-	-	3,593	3,593
Other	66,000	66,000	64,366	(1,634)
Total Revenue from Local Sources	<u>10,847,375</u>	<u>10,847,375</u>	<u>10,799,757</u>	<u>(47,618)</u>
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	<u>350,000</u>	<u>350,000</u>	<u>409,201</u>	<u>59,201</u>
Revenue from State Sources:				
Grants-in-aid:				
Unrestricted Grants-in-aid	12,303,818	12,303,818	12,313,102	9,284
Restricted Grants-in-aid	<u>11,700</u>	<u>11,700</u>	<u>7,730</u>	<u>(3,970)</u>
Total Revenue from State Sources	<u>12,315,518</u>	<u>12,315,518</u>	<u>12,320,832</u>	<u>5,314</u>
Revenue from Federal Sources:				
Grants-in-aid:				
Unrestricted Grants-in-aid Received from Federal Government Through State	39,500	39,500	46,404	6,904
Unrestricted Grants-in-aid Received from Federal Government Through an Intermediate Source	15,000	15,000	21,980	6,980
Restricted Grants-in-aid Received from Federal Government Through State	<u>1,264,260</u>	<u>1,264,260</u>	<u>1,210,457</u>	<u>(53,803)</u>
Total Revenue from Federal Sources	<u>1,318,760</u>	<u>1,318,760</u>	<u>1,278,841</u>	<u>(39,919)</u>
TOTAL REVENUES	<u>24,831,653</u>	<u>24,831,653</u>	<u>24,808,631</u>	<u>(23,022)</u>

See independent auditor's report and notes to required supplementary information.

Meade School District No. 46-1
Budgetary Comparison Schedule - General Fund -
Budgetary Basis (Continued)
For the Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance Positive (Negative)
EXPENDITURES				
Instructional Services:				
Regular Programs:				
Elementary	6,044,443	6,044,443	5,974,281	70,162
Middle School	3,752,754	3,747,845	3,697,738	50,107
High School	3,340,792	3,335,892	3,219,108	116,784
Preschool Services	42,942	28,716	34,859	(6,143)
Other Regular Programs	4,635	3,508	251	3,257
Special Programs:				
Gifted and Talented	65,105	65,538	74,779	(9,241)
Culturally Different	26,303	26,422	31,133	(4,711)
Educationally Deprived	666,304	766,329	652,169	114,160
Total Instructional Services	<u>13,943,278</u>	<u>14,018,693</u>	<u>13,684,318</u>	<u>334,375</u>
Support Services:				
Pupils:				
Attendance and Social Work	81,564	89,564	80,297	9,267
Guidance	744,059	744,059	743,137	922
Health Service	239,746	239,746	219,743	20,003
Instructional Staff:				
Improvement of Instruction	188,452	211,038	135,963	75,075
Educational Media	574,075	574,075	580,769	(6,694)
General Administration:				
Board of Education	600,675	662,491	752,395	(89,904)
Executive Administration	295,843	295,843	296,984	(1,141)
School Administration:				
Office of Principal	1,718,247	1,718,247	1,692,657	25,590
Other	187,796	187,796	179,278	8,518
Business:				
Fiscal Services	402,080	402,080	418,044	(15,964)
Operation and Maintenance of Plant	3,392,023	3,392,023	3,488,440	(96,417)
Pupil Transportation	1,401,447	1,401,447	1,329,566	71,881
Other	209,519	209,519	279,264	(69,745)
Total Support Services	<u>10,035,526</u>	<u>10,127,928</u>	<u>10,196,537</u>	<u>(68,609)</u>
Nonprogrammed Charges:				
Unemployment Insurance	<u>-</u>	<u>-</u>	<u>5,600</u>	<u>(5,600)</u>

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Budgetary Comparison Schedule - General Fund -
Budgetary Basis (Continued)
For the Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Cocurricular Activities:				
Male Activities	241,134	272,084	259,611	12,473
Female Activities	148,506	148,471	146,424	2,047
Transportation	197,500	197,500	242,766	(45,266)
Combined Activities	556,840	556,840	565,958	(9,118)
Total Cocurricular Activities	1,143,980	1,174,895	1,214,759	(39,864)
TOTAL EXPENDITURES	25,122,784	25,321,516	25,101,214	220,302
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(291,131)	(489,863)	(292,583)	197,280
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	10,250	(10,250)	(20,500)
Sale of Surplus Property	-	-	14,248	14,248
TOTAL OTHER FINANCING SOURCES (USES)	-	10,250	3,998	(6,252)
NET CHANGE IN FUND BALANCES	(291,131)	(479,613)	(288,585)	191,028
FUND BALANCE - BEGINNING	5,882,247	5,882,247	5,882,247	-
FUND BALANCE - ENDING	\$ 5,591,116	\$ 5,402,634	\$ 5,593,662	\$ 191,028

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Budgetary Comparison Schedule - Capital Outlay Fund -
Budgetary Basis
For the Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance Positive (Negative)
REVENUES				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 6,640,505	\$ 6,640,505	\$ 6,541,514	\$ (98,991)
Penalties and Interest on Taxes	10,000	10,000	9,522	(478)
Earnings on Deposits	115,000	115,000	158,554	43,554
Other Revenues from Local Sources	10,050	10,050	76,824	66,774
Total Revenue from Local Sources	<u>6,775,555</u>	<u>6,775,555</u>	<u>6,786,414</u>	<u>10,859</u>
Revenue from Federal Sources:				
Grants-in-aid:				
Restricted Grants-in-aid Received from Federal Government Through State	<u>1,267,940</u>	<u>1,267,940</u>	<u>-</u>	<u>(1,267,940)</u>
TOTAL REVENUES	<u>8,043,495</u>	<u>8,043,495</u>	<u>6,786,414</u>	<u>(1,257,081)</u>
EXPENDITURES				
Instructional Services:				
Regular Programs:				
Elementary	843,949	843,341	629,162	214,179
Middle School	363,762	363,762	364,046	(284)
High School	<u>295,606</u>	<u>295,606</u>	<u>313,988</u>	<u>(18,382)</u>
Special Programs:				
Programs for Special Education	<u>22,495</u>	<u>22,495</u>	<u>15,788</u>	<u>6,707</u>
Total Instructional Services	<u>1,525,812</u>	<u>1,525,204</u>	<u>1,322,984</u>	<u>202,220</u>
Support Services:				
Instructional Staff:				
Educational Media	98,830	98,830	86,015	12,815
School Administration:				
Office of Principal	224,789	75,789	66,394	9,395
Business:				
Facilities Acquisition and Construction	50,000	381,500	321,617	59,883
Operation and Maintenance of Plant	1,089,000	1,280,500	1,246,150	34,350
Pupil Transportation	<u>165,000</u>	<u>165,000</u>	<u>159,596</u>	<u>5,404</u>
Total Support Services	<u>1,627,619</u>	<u>2,001,619</u>	<u>1,879,772</u>	<u>121,847</u>

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Budgetary Comparison Schedule - Capital Outlay Fund -
Budgetary Basis (Continued)
For the Year Ended June 30, 2025

	Amounts Original	Amounts Final	(Budgetary Basis)	Positive (Negative)
Debt Services	3,331,600	3,333,105	3,328,404	4,701
Cocurricular Activities:				
Male Activities	14,600	14,600	13,885	715
Female Activities	6,600	6,600	6,756	(156)
Combined Activities	47,500	57,550	52,334	(4,834)
Total Cocurricular Activities	68,700	68,700	72,975	(4,275)
TOTAL EXPENDITURES	6,553,731	6,928,628	6,604,135	324,493
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,489,764	1,114,867	182,279	(932,588)
OTHER FINANCING SOURCES (USES)				
Transfers Out	626,000	626,000	(1,156,626)	(1,782,626)
Sale of Surplus Property	-	-	136,398	136,398
Interest Credit	(253,000)	(253,000)	257,911	510,911
TOTAL OTHER FINANCING SOURCES (USES)	373,000	373,000	(762,317)	(1,135,317)
NET CHANGE IN FUND BALANCES	1,862,764	1,487,867	(580,038)	(2,067,905)
FUND BALANCE - BEGINNING	8,248,213	8,248,213	8,248,213	-
FUND BALANCE - ENDING	\$ 10,110,977	\$ 9,736,080	\$ 7,668,175	\$ (2,067,905)

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Budgetary Comparison Schedule - Special Education Fund -
Budgetary Basis
For the Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance Positive (Negative)
REVENUES				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 4,007,172	\$ 4,007,172	\$ 4,030,183	\$ 23,011
Penalties and Interest on Taxes	5,000	5,000	5,961	961
Earnings on Deposits	22,000	22,000	33,795	11,795
Other Revenues from Local Sources:	30,000	30,000	37,043	7,043
Total Revenue from Local Sources	<u>4,064,172</u>	<u>4,064,172</u>	<u>4,106,982</u>	<u>42,810</u>
Revenue from State Sources:				
Grants-in-aid:				
Unrestricted Grants-in-aid	1,183,126	1,183,126	1,148,207	(34,919)
Restricted Grants-in-aid	-	-	250	250
Total Revenue from State Sources	<u>1,183,126</u>	<u>1,183,126</u>	<u>1,148,457</u>	<u>(34,669)</u>
Revenue from Federal Sources:				
Restricted Grants-in-aid Received from				
Federal Government Through State	732,826	732,826	493,037	(239,789)
Total Revenue from Federal Sources	<u>732,826</u>	<u>732,826</u>	<u>493,037</u>	<u>(239,789)</u>
TOTAL REVENUES	<u>5,980,124</u>	<u>5,980,124</u>	<u>5,748,476</u>	<u>(231,648)</u>

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Budgetary Comparison Schedule - Special Education Fund -
Budgetary Basis (Continued)
For the Year Ended June 30, 2025

	<u>Budgeted Amounts Original</u>	<u>Budgeted Amounts Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES				
Instructional Services:				
Special Programs:				
Programs for Special Education	<u>4,475,691</u>	<u>4,475,691</u>	<u>4,487,533</u>	<u>(11,842)</u>
Support Services:				
Pupils:				
Health Service	70,985	70,985	70,838	147
Psychological	344,298	344,298	184,270	160,028
Speech	672,772	672,772	626,143	46,629
Student Therapy	167,721	167,721	172,439	(4,718)
Instructional Staff:				
Improvement of Instruction	23,900	23,900	7,151	16,749
Special Education:				
Administration Costs	313,410	313,410	322,518	(9,108)
Transportation Costs	7,000	7,000	53,969	(46,969)
Other	<u>50,000</u>	<u>50,000</u>	<u>5,200</u>	<u>44,800</u>
Total Support Services	<u>1,650,086</u>	<u>1,650,086</u>	<u>1,442,528</u>	<u>207,558</u>
TOTAL EXPENDITURES	<u>6,125,777</u>	<u>6,125,777</u>	<u>5,930,061</u>	<u>195,716</u>
NET CHANGE IN FUND BALANCES	(145,653)	(145,653)	(181,585)	(35,932)
FUND BALANCE - BEGINNING	<u>1,381,444</u>	<u>1,381,444</u>	<u>1,381,444</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,235,791</u>	<u>\$ 1,235,791</u>	<u>\$ 1,199,859</u>	<u>\$ (35,932)</u>

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Schedule of the District's Proportionate Share
of the Net Pension Liability (Asset)
South Dakota Retirement System

Year*	District's Proportion of the Net Pension Liability/Asset	District's Proportionate Share of the Net Pension Liability (Asset) (a)	District's Covered Payroll (b)	District'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
2025	0.65364500%	\$ (26,459)	\$ 18,328,313	0.14%	100.03%
2024	0.65690000%	\$ (64,116)	\$ 16,942,815	0.38%	100.07%
2023	0.65110100%	\$ (61,534)	\$ 15,680,818	0.39%	100.10%
2022	0.67758100%	\$ (5,189,111)	\$ 15,376,452	33.75%	105.52%
2021	0.66888610%	\$ (29,050)	\$ 14,680,652	0.20%	100.04%
2020	0.67202270%	\$ (71,216)	\$ 14,290,073	0.50%	100.09%
2019	0.66142690%	\$ (15,426)	\$ 13,756,489	0.11%	100.02%
2018	0.65197460%	\$ (59,167)	\$ 13,215,240	0.45%	100.10%
2017	0.62008550%	\$ 2,094,588	\$ 11,787,480	17.77%	96.89%
2016	0.61478970%	\$ (2,607,499)	\$ 11,224,608	23.23%	104.10%

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

See independent auditor's report and notes to the required supplementary information.

**Meade School District No. 46-1
Schedule of Pension Contributions
South Dakota Retirement System**

Year	Contractually- required Contribution (a)	Contributions in Relation to the Contractually- required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2025	\$ 1,172,210	\$ 1,172,210	\$ -	\$ 19,533,175	6.00%
2024	\$ 1,100,287	\$ 1,100,287	\$ -	\$ 18,328,313	6.00%
2023	\$ 1,016,566	\$ 1,016,566	\$ -	\$ 16,942,815	6.00%
2022	\$ 940,637	\$ 940,637	\$ -	\$ 15,680,818	6.00%
2021	\$ 922,589	\$ 922,589	\$ -	\$ 15,376,452	6.00%
2020	\$ 880,841	\$ 880,841	\$ -	\$ 14,680,652	6.00%
2019	\$ 857,315	\$ 857,315	\$ -	\$ 14,290,073	6.00%
2018	\$ 825,176	\$ 825,176	\$ -	\$ 13,756,489	6.00%
2017	\$ 795,002	\$ 795,002	\$ -	\$ 13,215,240	6.02%
2016	\$ 707,546	\$ 707,546	\$ -	\$ 11,787,480	6.00%

See independent auditor's report and notes to the required supplementary information.

Meade School District No. 46-1
Notes to the Required Supplementary Information
June 30, 2025

NOTE 1 - BASIS OF PRESENTATION

The Budgetary Comparison Schedules have been prepared on the budgetary basis of accounting. The Budgetary Comparison Schedules present capital outlay expenditures within each function, while the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds presents capital outlay expenditures as a separate function.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to the first regular Board meeting in May of each year, the School Board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
2. The proposed budget is considered by the School Board at the first regular meeting held in May of each year.
3. The proposed budget is published for public review no later than July 15 of each year.
4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
5. Before October 1 of each year, the School Board must approve the budget for the ensuing fiscal year for each fund, except Fiduciary Funds.
6. After adoption by the School Board, the operating budget is legally binding, and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5% of the total 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 item in the budget.
8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets when monies 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.

NOTE 3 - PENSION PLAN

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

See independent auditor's report.

Meade School District No. 46-1
Notes to the Required Supplementary Information
June 30, 2025

NOTE 3 - PENSION PLAN (CONTINUED)

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 an FVFR equal to or exceeding 100%.

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

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

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

See independent auditor's report.

OTHER INFORMATION

Meade School District No. 46-1
School District Officials
June 30, 2025

BOARD MEMBERS

Justin Jutting - President
Aaron Odegaard
Scottie Bruch
Terry Koontz
Megan Snyder
Lee Spring
Brian Voight
Tim Amdahl
Thomas Schneller

SUPERINTENDENT

Wayne Wormstadt

BUSINESS MANAGER

Brett Burditt

See independent auditor's report.

MEADE SCHOOL DISTRICT NO. 46-1

Single Audit Reporting

For the Year Ended June 30, 2025



Meade School District No. 46-1
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For the Year Ended June 30, 2025

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Independent Auditor's Report on the
Schedule of Expenditures of Federal Awards

School Board
Meade School District No. 46-1
Meade County, South Dakota

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the Schedule of Expenditures of Federal Awards of the Meade School District No. 46-1 (the District) for the year ended June 30, 2025, and the related notes (the Schedule).

In our opinion, the accompanying Schedule of Expenditures of Federal Awards presents fairly, in all material respects, the expenditures of federal awards of Meade School District No. 46-1 for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

We are required to be independent of the 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 opinion.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

Responsibilities of Management for the Schedule

The District's management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that it is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, *Government Auditing Standards*, and the Uniform Guidance 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 Schedule.

In performing an audit in accordance with GAAS, GAS, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 Schedule.
- 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

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.

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota

December 8, 2025

Independent Auditor's Report on Compliance for
Each Major Federal Program and Report on Internal Control
over Compliance in Accordance with the Uniform Guidance

School Board
Meade School District No. 46-1
Meade County, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meade School District No. 46-1's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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.

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota

December 8, 2025

Meade School District No. 46-1
Schedule of Findings and Questioned Costs
June 30, 2025

SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS

- a. The Independent Auditor's Report expressed unmodified opinions on the financial statements of Meade School District No. 46-1 (the District).
- b. No material weaknesses or significant deficiencies in internal control over financial reporting, which would be required to be reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* were noted during the audit.
- c. No instances of noncompliance material to the financial statements of the District that are required to be reported in accordance with *Governmental Auditing Standards*, were noted during the audit.
- d. The Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance for the District expressed an unmodified opinion on all major programs.
- e. No material weaknesses in internal control over compliance or noncompliance were reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance.
- f. There were no audit findings as required to be reported in accordance with 2 CFR Section 200.516(a).
- g. The federal awards tested as major programs were:

Assistance
Listing
Numbers

Name of Federal Program

84.367

Supporting Effective Instruction State Grants Title II A

Special Education Cluster:

84.027

Special Education - Grants to States

84.173

Special Education - Preschool Grants

- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- i. Meade School District No. 46-1 qualified as a low-risk entity.

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings to report.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.



SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings reported for the year ended June 30, 2024.

Meade School District No. 46-1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Assistance Listing Numbers	Major Program	Cluster/Program Name	Additional Award Identification	Pass-through Entity, if Applicable	Pass-through ID	Amount
<i>Child Nutrition Cluster:</i>						
<u>U.S. Department of Agriculture</u>						
Non-Cash Assistance (Commodities):						
10 . 555	N	National School Lunch Program (Note 3)	Commodities	South Dakota Department of Education	NSLP-46001-25	\$ 35,130
Cash Assistance:						
10 . 553	N	School Breakfast Program (Note 3)		South Dakota Department of Education	NSLP-46001-25	86,740
10 . 555	N	National School Lunch Program (Note 3)	Performance Based Reimbursement	South Dakota Department of Education	NSLP-46001-25	25,490
10 . 555	N	National School Lunch Program (Note 3)	Supply Chain Assistance	South Dakota Department of Education	NSLP-46001-25	106,178
10 . 555	N	National School Lunch Program (Note 3)		South Dakota Department of Education	NSLP-46001-25	526,627
10 . 556	N	Special Milk Program for Children		South Dakota Department of Education	NSLP-46001-25	1,066
10 . 582	N	Fresh Fruit and Vegetable Program		South Dakota Department of Education	FFVP-46001-25	163,174
Total Child Nutrition Cluster						<u>944,405</u>
<i>Special Education Cluster:</i>						
<u>U.S. Department of Education</u>						
84 . 027	Y	Special Education - Grants to States		South Dakota Department of Education	611-46001-25	476,231
84 . 173	Y	Special Education - Preschool Grants		South Dakota Department of Education	619-46001-25	16,806
Total Special Education Cluster						<u>493,037</u>
<i>Forest Service Schools and Roads Cluster:</i>						
<u>U.S. Department of Agriculture</u>						
10 . 666	N	Schools and Roads - Grants to Counties		Meade County, South Dakota	NA	<u>21,980</u>
Total U.S. Department of Agriculture						<u>966,385</u>
<i>Other Programs:</i>						
<u>U.S. Department of the Interior</u>						
15 . 227	N	Distributions of Receipts to State and Local Governments (Note 3)		South Dakota Bureau of Administration	NA	<u>46,404</u>
Total U.S. Department of the Interior						<u>46,404</u>

See independent auditor's report on the schedule of expenditures of federal awards.

Meade School District No. 46-1
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Assistance Listing Numbers	Major Program	Cluster/Program Name	Additional Award Identification	Pass-through Entity, if Applicable	Pass-through ID	Amount
<u>U.S. Department of Education</u>						
84 . 010	N	Title I Grants to Local Educational Agencies		South Dakota Department of Education	TIA-46001-25	655,372
84 . 010	N	Title I Grants to Local Educational Agencies		South Dakota Department of Education	TIASIG-46001-25	45,791
84 . 424	N	Student Support and Academic Enrichment Program		South Dakota Department of Education	TIV-46001-25	78,124
84 . 048	N	Career and Technical Education - Basic Grants to States		South Dakota Department of Education	TIVA-46001-25	44,881
84 . 367	Y	Supporting Effective Instruction State Grants		South Dakota Department of Education	TIIA-46001-25	223,115
84 . 425U	N	Education Stabilization Fund	ARP ESSER	South Dakota Department of Education	2024G-385	24,791
Total U.S. Department of Education						<u>1,565,111</u>
Total Federal Financial Assistance						<u>\$ 2,577,900</u>

NOTE 1: The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025 and is presented on the modified accrual basis of accounting unless otherwise noted. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general purpose financial statements.

NOTE 2: The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: These amounts reflect revenues received. Federal reimbursements are based on approved rates for services provided rather than reimbursement for specific expenditures.

NOTE 4: The District did not provide any assistance to subrecipients.

See independent auditor's report on the schedule of expenditures of federal awards.