

# MEADE SCHOOL DISTRICT NO. 46-1

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Financial Statements

June 30, 2024



**Meade School District No. 46-1**  
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**June 30, 2024**

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## 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 accompanying 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, 2024, 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 information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 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 management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

*Supplementary 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 Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*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 December 9, 2024 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

December 9, 2024

## BASIC FINANCIAL STATEMENTS

**Meade School District No. 46-1**  
**Statement of Net Position**  
**June 30, 2024**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 18,456,939	\$ 579,833	\$ 19,036,772
Taxes Receivable - Current	9,388,907	-	9,388,907
Taxes Receivable - Delinquent	92,921	-	92,921
Due from Other Governments	507,761	2,447	510,208
Inventories	21,212	44,250	65,462
	<u>28,467,740</u>	<u>626,530</u>	<u>29,094,270</u>
Capital Assets:			
Land	2,974,059	-	2,974,059
Buildings	68,947,989	-	68,947,989
Improvements	2,335,338	-	2,335,338
Equipment	3,305,101	1,933,833	5,238,934
Right of Use Assets - Leased Equipment	1,912,078	-	1,912,078
Construction in Progress	6,300,623	-	6,300,623
Less: Accumulated Depreciation	<u>(28,815,679)</u>	<u>(1,040,047)</u>	<u>(29,855,726)</u>
Total Capital Assets, Net of Depreciation	<u>56,959,509</u>	<u>893,786</u>	<u>57,853,295</u>
Restricted Assets:			
Net Pension Assets	61,721	2,395	64,116
Cash Restricted for Debt Service	5,079,227	-	5,079,227
Cash Restricted for Construction	<u>4,850</u>	<u>-</u>	<u>4,850</u>
Total Restricted Assets	<u>5,145,798</u>	<u>2,395</u>	<u>5,148,193</u>
<b>TOTAL ASSETS</b>	<u>90,573,047</u>	<u>1,522,711</u>	<u>92,095,758</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related Deferred Outflows	<u>5,357,346</u>	<u>207,879</u>	<u>5,565,225</u>
<b>LIABILITIES</b>			
Accounts Payable	74,336	373	74,709
Contracts Payable	2,079,463	-	2,079,463
Payroll Liabilities	453,917	62,332	516,249
Unearned Revenue	-	156,880	156,880
Accrued Interest	327,843	-	327,843
Long-term Liabilities:			
Due Within One Year	3,053,896	24,840	3,078,736
Due in More than One Year	<u>27,523,614</u>	<u>11,742</u>	<u>27,535,356</u>
<b>TOTAL LIABILITIES</b>	<u>33,513,069</u>	<u>256,167</u>	<u>33,769,236</u>

The accompanying notes are an integral part of this statement.



**Meade School District No. 46-1**  
**Statement of Net Position (Continued)**  
**June 30, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Future Periods	10,265,128	-	10,265,128
Pension-related Deferred Inflows	<u>3,094,916</u>	<u>120,091</u>	<u>3,215,007</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>13,360,044</u>	<u>120,091</u>	<u>13,480,135</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	27,064,762	893,786	27,958,548
Restricted:			
Capital Outlay	7,947,056	-	7,947,056
Special Education	1,395,824	-	1,395,824
Debt Service	5,079,227	-	5,079,227
Proportionate Share of Net Pension	2,324,151	90,183	2,414,334
Unrestricted	<u>5,246,260</u>	<u>370,363</u>	<u>5,616,623</u>
<b>TOTAL NET POSITION</b>	<u>\$ 49,057,280</u>	<u>\$ 1,354,332</u>	<u>\$ 50,411,612</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, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Instruction	\$ 18,557,487	\$ -	\$ 1,714,750	\$ -	\$ (16,842,737)	\$ -	\$ (16,842,737)
Support Services	13,958,899	106,454	326,080	250,175	(13,276,190)	-	(13,276,190)
Community Services	6,148	-	-	-	(6,148)	-	(6,148)
Cocurricular Activities	1,091,816	61,851	-	-	(1,029,965)	-	(1,029,965)
Interest on Long-term Debt *	985,739	-	-	-	(985,739)	-	(985,739)
Total Governmental Activities	<u>34,600,089</u>	<u>168,305</u>	<u>2,040,830</u>	<u>250,175</u>	<u>(32,140,779)</u>	<u>-</u>	<u>(32,140,779)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Food Service	1,854,540	709,635	733,374	-	-	(411,531)	(411,531)
Concessions	191,569	227,092	-	-	-	35,523	35,523
Total Business-type Activities	<u>2,046,109</u>	<u>936,727</u>	<u>733,374</u>	<u>-</u>	<u>-</u>	<u>(376,008)</u>	<u>(376,008)</u>
Total Primary Government	<u>\$ 36,646,198</u>	<u>\$ 1,105,032</u>	<u>\$ 2,774,204</u>	<u>\$ 250,175</u>	<u>(32,140,779)</u>	<u>(376,008)</u>	<u>(32,516,787)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes							
					20,173,824	-	20,173,824
Gross Receipts Taxes							
					220,668	-	220,668
Revenue from State Sources:							
State Aid							
					12,647,794	-	12,647,794
Other							
					13,975	-	13,975
Revenue from Federal Sources							
					78,268	-	78,268
Revenue from Intermediate Sources							
					363,786	-	363,786
Unrestricted Investment Earnings							
					827,994	21,503	849,497
Other General Revenues							
					123,055	-	123,055
Compensation for Loss of Capital Assets							
					518,370	-	518,370
Interest Rebate							
					389,544	-	389,544
Transfers							
					(501,641)	501,641	-
Total General Revenues							
					<u>34,855,637</u>	<u>523,144</u>	<u>35,378,781</u>
<b>CHANGE IN NET POSITION</b>							
					2,714,858	147,136	2,861,994
<b>NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED</b>							
					46,676,034	1,213,019	47,889,053
<b>RESTATEMENT FOR ACCOUNTING CHANGE</b>							
					<u>(333,612)</u>	<u>(5,823)</u>	<u>(339,435)</u>
<b>NET POSITION - BEGINNING, AS RESTATED</b>							
					<u>46,342,422</u>	<u>1,207,196</u>	<u>47,549,618</u>
<b>NET POSITION - ENDING</b>							
					<u>\$ 49,057,280</u>	<u>\$ 1,354,332</u>	<u>\$ 50,411,612</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, 2024**

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 8,022,504	8,464,224	\$ 1,970,211	\$ -	\$ -	\$ -	\$ 18,456,939
Taxes Receivable, Current	4,630,929	2,916,772	1,841,206	-	-	-	9,388,907
Taxes Receivable, Delinquent	48,810	27,994	16,117	-	-	-	92,921
Due from Other Governments	454,832	-	52,929	-	-	-	507,761
Inventory of Supplies	21,212	-	-	-	-	-	21,212
Restricted Assets:							
Cash Restricted for Debt Service	-	-	-	4,525,978	-	553,249	5,079,227
Cash Restricted for Construction	-	4,850	-	-	-	-	4,850
<b>TOTAL ASSETS</b>	<u>\$ 13,178,287</u>	<u>\$ 11,413,840</u>	<u>\$ 3,880,463</u>	<u>\$ 4,525,978</u>	<u>\$ -</u>	<u>\$ 553,249</u>	<u>\$ 33,551,817</u>

The accompanying notes are an integral part of this statement.

**Meade School District No. 46-1**  
**Balance Sheet - Governmental Funds (Continued)**  
**June 30, 2024**

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 16,536	\$ 13,941	\$ 43,859	\$ -	\$ -	\$ -	\$ 74,336
Contracts Payable	1,714,557	-	364,906	-	-	-	2,079,463
Payroll Liabilities	374,931	-	78,986	-	-	-	453,917
Total Liabilities	<u>2,106,024</u>	<u>13,941</u>	<u>487,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,607,716</u>
Deferred Inflows of Resources:							
Property Taxes Levied for Future Periods	5,143,240	3,125,000	1,996,888	-	-	-	10,265,128
Property Taxes Received Outside the Period of Availability	46,776	26,686	14,380	-	-	-	87,842
Total Deferred Inflows of Resources	<u>5,190,016</u>	<u>3,151,686</u>	<u>2,011,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,352,970</u>
Fund Balances:							
Nonspendable:							
Inventory	21,212	-	-	-	-	-	21,212
Restricted:							
For Capital Outlay	-	8,248,213	-	-	-	-	8,248,213
For Special Education	-	-	1,381,444	-	-	-	1,381,444
For Debt Service	-	-	-	4,525,978	-	553,249	5,079,227
Unassigned	5,861,035	-	-	-	-	-	5,861,035
Total Fund Balances	<u>5,882,247</u>	<u>8,248,213</u>	<u>1,381,444</u>	<u>4,525,978</u>	<u>-</u>	<u>553,249</u>	<u>20,591,131</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 13,178,287</u>	<u>\$ 11,413,840</u>	<u>\$ 3,880,463</u>	<u>\$ 4,525,978</u>	<u>\$ -</u>	<u>\$ 553,249</u>	<u>\$ 33,551,817</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, 2024**

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Total Fund Balances - Governmental Funds	\$ 20,591,131
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.	56,959,509
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
General Obligation Debt, Net of Unamortized Premiums	(28,444,003)
Lease Obligations	(1,450,745)
Compensated Absences	(682,762)
Accrued interest payable is not recorded in the funds but is accrued in the Statement of Net Position.	(327,843)
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	87,842
Net pension asset reported in the governmental activities is not an available financial resource and, therefore, is not reported in the funds.	61,721
Pension-related deferred outflows are components of pension liability (asset), and changes are not reported in the funds.	5,357,346
Pension-related deferred inflows are components of pension liability (asset), and changes are not reported in the funds.	<u>(3,094,916)</u>
Net Position - Governmental Activities	<u>\$ 49,057,280</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, 2024**

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Revenue from Local Sources:							
Taxes:							
Ad Valorem Taxes	\$ 9,784,246	\$ 6,339,191	\$ 3,888,281	\$ -	\$ -	\$ -	\$ 20,011,718
Prior Year Ad Valorem	44,735	28,035	16,536	-	-	-	89,306
Tax Deed Revenues	21,084						21,084
Gross Receipts Taxes	220,668	-	-	-	-	-	220,668
Penalties and Interest on Taxes	24,512	9,867	5,891	-	-	-	40,270
Revenue in Lieu of Taxes	11,609						11,609
Earnings on Deposits	179,300	393,782	32,221	209,472	-	13,219	827,994
Cocurricular Activities:							
Admissions	57,993	-	-	-	-	-	57,993
Other	3,858	-	-	-	-	-	3,858
Other Revenues from Local Sources:							
Rentals	28,720	-	-	-	-	-	28,720
Contributions	60,186	7,440	1,959	-	-	-	69,585
Services Provided Other School Districts	36,000						36,000
Medicaid Fees	3,296	-	38,438	-	-	-	41,734
Other	107,239	1,751	2,456	-	-	-	111,446
Total Revenue from Local Sources	<u>10,583,446</u>	<u>6,780,066</u>	<u>3,985,782</u>	<u>209,472</u>	<u>-</u>	<u>13,219</u>	<u>21,571,985</u>
Revenue from Intermediate Sources:							
County Sources:							
County Apportionment	<u>363,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,786</u>
Revenue from State Sources:							
Grants-in-aid:							
Unrestricted Grants-in-aid	11,665,211	-	1,008,123	-	-	-	12,673,334
Restricted Grants-in-aid	17,145	-	755	-	-	-	17,900
Total Revenue from State Sources	<u>11,682,356</u>	<u>-</u>	<u>1,008,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,691,234</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, 2024**

	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	43,739	-	-	-	-	-	43,739
Unrestricted Grants-in-aid Received from Federal Government Through an Intermediate Source	34,529	-	-	-	-	-	34,529
Restricted Grants-in-aid Received from Federal Government Through State	1,209,499	261,226	721,230	-	-	-	2,191,955
Total Revenue from Federal Sources	<u>1,287,767</u>	<u>261,226</u>	<u>721,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,270,223</u>
<b>TOTAL REVENUES</b>	<u>23,917,355</u>	<u>7,041,292</u>	<u>5,715,890</u>	<u>209,472</u>	<u>-</u>	<u>13,219</u>	<u>36,897,228</u>
<b>EXPENDITURES</b>							
Instructional Services:							
Regular Programs:							
Elementary	5,792,264	192,521	-	-	-	-	5,984,785
Middle School	3,631,557	63,680	-	-	-	-	3,695,237
High School	3,241,996	129,506	-	-	-	-	3,371,502
Other Regular Programs	27,789	-	-	-	-	-	27,789
Special Programs:							
Gifted and Talented	71,130	-	-	-	-	-	71,130
Programs for Special Education	-	-	4,049,209	-	-	-	4,049,209
Culturally Different	25,850	-	-	-	-	-	25,850
Educationally Deprived	698,397	-	-	-	-	-	698,397
Total Instructional Services	<u>13,488,983</u>	<u>385,707</u>	<u>4,049,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,923,899</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, 2024**

	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	69,644	-	-	-	-	-	69,644
Guidance	716,524	-	-	-	-	-	716,524
Health Service	224,039	-	68,258	-	-	-	292,297
Psychological	-	-	323,692	-	-	-	323,692
Speech	-	-	595,938	-	-	-	595,938
Student Therapy	-	-	162,165	-	-	-	162,165
Instructional Staff:							
Improvement of Instruction	173,455	-	6,049	-	-	-	179,504
Educational Media	486,482	63,410	-	-	-	-	549,892
General Administration:							
Board of Education	539,098	-	-	-	-	-	539,098
Executive Administration	286,822	803	-	-	-	-	287,625
School Administration:							
Office of Principal	1,601,908	55,896	-	-	-	-	1,657,804
Other	168,289	1,440	-	-	-	-	169,729
Business:							
Fiscal Services	430,327	1,606	-	-	-	-	431,933
Facilities Acquisition and Construction	-	232,751	-	-	700,694	-	933,445
Operation and Maintenance of Plant	3,286,958	582,488	-	-	-	-	3,869,446
Pupil Transportation	1,503,201	-	-	-	-	-	1,503,201
Other	198,886	-	-	-	-	-	198,886
Special Education:							
Administration Costs	-	10,266	297,857	-	-	-	308,123
Transportation Costs	-	-	17,651	-	-	-	17,651
Other	-	-	2,704	-	-	-	2,704
Total Support Services	<u>9,685,633</u>	<u>948,660</u>	<u>1,474,314</u>	<u>-</u>	<u>700,694</u>	<u>-</u>	<u>12,809,301</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, 2024**

	General Fund	Capital Outlay Fund	Special Education Fund	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Total Governmental Funds
Community Services							
Custody and Care of Children	6,148	-	-	-	-	-	6,148
Debt Services	-	3,321,522	-	283,160	-	-	3,604,682
Cocurricular Activities:							
Male Activities	204,257	21,440	-	-	-	-	225,697
Female Activities	131,717	8,065	-	-	-	-	139,782
Transportation	187,820	-	-	-	-	-	187,820
Combined Activities	489,004	33,704	-	-	-	-	522,708
Total Cocurricular Activities	1,012,798	63,209	-	-	-	-	1,076,007
Capital Outlay	-	2,274,026	-	-	6,155,906	-	8,429,932
<b>TOTAL EXPENDITURES</b>	<b>24,193,562</b>	<b>6,993,124</b>	<b>5,523,523</b>	<b>283,160</b>	<b>6,856,600</b>	<b>-</b>	<b>43,849,969</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(276,207)</b>	<b>48,168</b>	<b>192,367</b>	<b>(73,688)</b>	<b>(6,856,600)</b>	<b>13,219</b>	<b>(6,952,741)</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers In	-	-	-	586,190	6,856,600	40,000	7,482,790
Transfers Out	-	(7,482,790)	-	-	-	-	(7,482,790)
Sale of Surplus Property	3,704	511,797	-	-	-	-	515,501
Interest Rebate	-	389,544	-	-	-	-	389,544
Proceeds of Long-term Debt Issued	-	1,912,157	-	-	-	-	1,912,157
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>3,704</b>	<b>(4,669,292)</b>	<b>-</b>	<b>586,190</b>	<b>6,856,600</b>	<b>40,000</b>	<b>2,817,202</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(272,503)</b>	<b>(4,621,124)</b>	<b>192,367</b>	<b>512,502</b>	<b>-</b>	<b>53,219</b>	<b>(4,135,539)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>6,154,750</b>	<b>12,869,337</b>	<b>1,189,077</b>	<b>4,013,476</b>	<b>-</b>	<b>500,030</b>	<b>24,726,670</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 5,882,247</b>	<b>\$ 8,248,213</b>	<b>\$ 1,381,444</b>	<b>\$ 4,525,978</b>	<b>\$ -</b>	<b>\$ 553,249</b>	<b>\$ 20,591,131</b>

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, 2024**

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Net Change in Fund Balances - Total Governmental Funds	\$ (4,135,539)
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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,315,401
Governmental funds report proceeds from the sale of capital assets, while the Statement of Activities reports gains and losses on disposals.	(3,120)
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."	11,446
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.	(1,444,805)
Governmental funds do not reflect the change in compensated absences, but the Statement of Activities reflects the change in these accruals through expenses.	2,318
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.	20,273
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.	2,100,130
Pension expenses in the Statement of Activities that do not require current financial resources are not reported as expenditures in the funds.	<u>(188,452)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,714,858</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, 2024**

	Enterprise Funds		
	Food Service Fund	Concession Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 424,453	\$ 155,380	\$ 579,833
Due From Other Governments	2,447	-	2,447
Inventory of Stores Purchased for Resale	44,250	-	44,250
Total Current Assets	<u>471,150</u>	<u>155,380</u>	<u>626,530</u>
Noncurrent Assets:			
Machinery and Equipment	1,933,833	-	1,933,833
Less Accumulated Depreciation	<u>(1,040,047)</u>	<u>-</u>	<u>(1,040,047)</u>
Total Noncurrent Assets	<u>893,786</u>	<u>-</u>	<u>893,786</u>
Restricted Asset:			
Net Pension Asset	<u>2,199</u>	<u>196</u>	<u>2,395</u>
<b>TOTAL ASSETS</b>	<u>1,367,135</u>	<u>155,576</u>	<u>1,522,711</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related Deferred Outflows	<u>190,878</u>	<u>17,001</u>	<u>207,879</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>190,878</u>	<u>17,001</u>	<u>207,879</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	231	142	373
Unearned Revenue	156,880	-	156,880
Accrued Leave Payable	24,840	-	24,840
Payroll Deductions and Employer Matching Payable	<u>62,332</u>	<u>-</u>	<u>62,332</u>
Total Current Liabilities	<u>244,283</u>	<u>142</u>	<u>244,425</u>
Noncurrent Liabilities:			
Accrued Leave Payable	<u>11,742</u>	<u>-</u>	<u>11,742</u>
<b>TOTAL LIABILITIES</b>	<u>256,025</u>	<u>142</u>	<u>256,167</u>

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, 2024**

	Enterprise Funds		
	Food Service Fund	Concession Fund	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension-related Deferred Inflows	110,270	9,821	120,091
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>110,270</u>	<u>9,821</u>	<u>120,091</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	893,786	-	893,786
Restricted, Net Pension	82,807	7,376	90,183
Unrestricted	<u>215,125</u>	<u>155,238</u>	<u>370,363</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,191,718</u>	<u>\$ 162,614</u>	<u>\$ 1,354,332</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, 2024**

	Enterprise Funds		
	Food Service Fund	Concession Fund	Total
<b>OPERATING REVENUE</b>			
Sales:			
Food and Drink	\$ 709,635	\$ 118,861	\$ 828,496
Other	-	108,231	108,231
Total Operating Revenue	<u>709,635</u>	<u>227,092</u>	<u>936,727</u>
<b>OPERATING EXPENSES</b>			
Salaries	689,905	74,557	764,462
Employee Benefits	199,018	16,002	215,020
Purchased Services	61,725	1,685	63,410
Supplies	54,301	99,324	153,625
Cost of Sales - Purchased Food	671,783	-	671,783
Cost of Sales - Donated Food	49,183	-	49,183
Depreciation	128,624	-	128,624
Total Operating Expenses	<u>1,854,539</u>	<u>191,568</u>	<u>2,046,107</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,144,904)</u>	<u>35,524</u>	<u>(1,109,380)</u>
<b>NONOPERATING REVENUE</b>			
Local Sources:			
Interest Earned	18,512	2,989	21,501
State Sources:			
Cash Reimbursements	3,323	-	3,323
Supply Chain Grants	45,978	-	45,978
Federal Sources:			
Cash Reimbursements	634,890	-	634,890
Donated Food	49,183	-	49,183
Total Nonoperating Revenue	<u>751,886</u>	<u>2,989</u>	<u>754,875</u>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u>(393,018)</u>	<u>38,513</u>	<u>(354,505)</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital Contributions	<u>501,641</u>	<u>-</u>	<u>501,641</u>
<b>CHANGE IN NET POSITION</b>	108,623	38,513	147,136
<b>NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED</b>	1,088,918	124,101	1,213,019
<b>RESTATEMENT FOR ACCOUNTING CHANGE</b>	<u>(5,823)</u>	<u>-</u>	<u>(5,823)</u>
<b>NET POSITION - BEGINNING, AS RESTATED</b>	<u>1,083,095</u>	<u>124,101</u>	<u>1,207,196</u>
<b>NET POSITION - ENDING</b>	<u>\$ 1,191,718</u>	<u>\$ 162,614</u>	<u>\$ 1,354,332</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, 2024**

	Enterprise Funds		
	Food Service Fund	Concession Fund	Total
<b>CASH FLOWS PROVIDED (USED)</b>			
<b>BY OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 730,996	\$ 227,093	\$ 958,089
Payments to Suppliers	(810,883)	(100,868)	(911,751)
Payments to Employees	(877,107)	(98,322)	(975,429)
Net Cash Provided (Used) by Operating Activities	<u>(956,994)</u>	<u>27,903</u>	<u>(929,091)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating Subsidies	<u>684,191</u>	<u>-</u>	<u>684,191</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Purchases of Machinery and Equipment	<u>(190,581)</u>	<u>-</u>	<u>(190,581)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Earnings	<u>18,512</u>	<u>2,989</u>	<u>21,501</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(444,872)	30,892	(413,980)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>869,325</u>	<u>124,488</u>	<u>993,813</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 424,453</u>	<u>\$ 155,380</u>	<u>\$ 579,833</u>

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, 2024**

	Enterprise Funds		
	Food Service Fund	Concession Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (1,144,904)	\$ 35,524	\$ (1,109,380)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	128,624	-	128,624
Cost of Sales - Donated Food	49,183	-	49,183
Net Pension Expense	12,756	2,528	15,284
Change in Assets and Liabilities:			
Due from Other Governments	(261)	-	(261)
Inventories	(23,305)	-	(23,305)
Accounts Payable	231	142	373
Contracts Payable	(940)	-	(940)
Unearned Revenue	21,622	-	21,622
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (956,994)</u>	<u>\$ 27,903</u>	<u>\$ (929,091)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Value of Commodities Received	<u>\$ 49,183</u>	<u>\$ -</u>	<u>\$ 49,183</u>
Equipment Donated by Capital Outlay Fund	<u>\$ 501,641</u>	<u>\$ -</u>	<u>\$ 501,641</u>

The accompanying notes are an integral part of this statement.

**Meade School District No. 46-1**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2024**

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	<u>Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 23,700	\$ 344,954
<b>TOTAL ASSETS</b>	<u>\$ 23,700</u>	<u>\$ 344,954</u>
<b>NET POSITION</b>		
Restricted for Individuals and Organizations	\$ 23,700	\$ 344,954
<b>TOTAL NET POSITION</b>	<u>\$ 23,700</u>	<u>\$ 344,954</u>

The accompanying notes are an integral part of this statement.



**Meade School District No. 46-1**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2024**

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	<u>Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Interest	\$ 93	\$ -
Contributions and Donations	<u>-</u>	<u>464,362</u>
Total Additions	<u>93</u>	<u>464,362</u>
<b>DEDUCTIONS</b>		
Scholarships Awarded	900	-
Payments for Student and Organization Activities	-	401,604
Other Deductions	<u>1,000</u>	<u>-</u>
Total Deductions	<u>1,900</u>	<u>401,604</u>
<b>CHANGE IN NET POSITION</b>	(1,807)	62,758
<b>NET POSITION - BEGINNING</b>	<u>25,507</u>	<u>282,196</u>
<b>NET POSITION - ENDING</b>	<u>\$ 23,700</u>	<u>\$ 344,954</u>

The accompanying notes are an integral part of this statement.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**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, 2024**

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**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 a 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, 2024**

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**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 two capital project funds to track major remodel projects. One capital project fund is a major fund and the other is not 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.

*Concession Fund* - A fund used to record financial transactions related to concessions, drivers' education, 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, 2024**

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**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.

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.

**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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. INVENTORY**

Inventory is valued at the lower of cost or market. 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 consist 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. 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

Depreciation and amortization expense is calculated using the straight-line and composite methods. Depreciation and amortization of exhaustible fixed assets and intangible assets are recorded as an allocated expense in the Statement of Activities. 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 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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, Qualified Zone Academy Bonds (QZABs), 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, 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.

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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the 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 noncancellable lease of property, though as of June 30, 2024, 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 incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable 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.

**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.



**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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-cancellable 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, 2024, 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.

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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Unrestricted* - 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. Classification 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* - Constraints 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* - 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* - Represents fund balance that has not been assigned to other funds and that has not been restricted or assigned.

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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. PROGRAM REVENUES**

In the 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 Revenues - 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 Revenues - 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.

**Q. IMPLEMENTATION OF GASB STATEMENT NO. 101**

As of July 1, 2023, the District adopted GASB Statement No. 101, *Compensated Absences*. GASB 101 affects any government entity that provides compensated absences for employees. The main difference between previous GAAP and GASB 101 is the recognition of liabilities for compensated absences that have not been used and leave that has been used but not yet paid in cash or settled through noncash means. The effects of the implementation of this standard are described in Note 13.

**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.

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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

*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.

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, 2024, 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 - \$5,084,077 of cash in the sinking funds is restricted for debt service and construction, as required by the loan covenants.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments in the funds was as follows:

State of South Dakota	\$ 507,761
Other Entities	2,447
	\$ 510,208

**NOTE 4 - INTERFUND TRANSFERS**

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

<b>Transfers from:</b>	Debt Service Fund #2	Capital Project Fund #2	Nonmajor Governmental Funds	Food Service Fund
Capital Outlay Fund	\$ 586,190	\$ 6,856,600	\$ 40,000	\$ -
Governmental Activities	\$ -	\$ -	\$ -	\$ 501,641

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4 - INTERFUND TRANSFERS (CONTINUED)**

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 governmental activities to the Food Service Fund in the amount of \$501,641 for equipment purchased by the Capital Outlay Fund for the High School Kitchen remodel.

**NOTE 5 - CHANGES IN CAPITAL ASSETS**

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

	Balance June 30, 2023	Increase	Decrease	Balance June 30, 2024
Governmental Activities:				
Non-depreciable Capital Assets:				
Land	\$ 2,974,059	\$ -	\$ -	\$ 2,974,059
Construction in Progress	144,717	6,155,906	-	6,300,623
Subtotal	3,118,776	6,155,906	-	9,274,682
Depreciable/Amortizable Capital Assets:				
Buildings	68,947,989	-	-	68,947,989
Improvements	2,335,338	-	-	2,335,338
Equipment	2,978,831	361,770	(35,500)	3,305,101
Leased Equipment	138,903	1,912,078	(138,903)	1,912,078
Subtotal	74,401,061	2,273,848	(174,403)	76,500,506
Less Accumulated Depreciation for:				
Buildings	23,139,496	1,449,833	-	24,589,329
Improvements	1,722,776	81,543	-	1,804,319
Equipment	1,874,362	121,825	(35,500)	1,960,687
Less Accumulated Amortization for:				
Leased Equipment	135,847	461,345	(135,848)	461,344
Subtotal	26,872,481	2,114,546	(171,348)	28,815,679
Net Capital Assets	\$ 50,647,356	\$ 6,315,208	\$ (3,055)	\$ 56,959,509
Business-type Activities:				
Depreciable Capital Assets:				
Equipment	\$ 1,241,611	\$ 692,222	\$ -	\$ 1,933,833
Less: Accumulated Depreciation	911,423	128,624	-	1,040,047
Net Capital Assets	\$ 330,188	\$ 563,598	\$ -	\$ 893,786

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5 - CHANGES IN CAPITAL ASSETS (CONTINUED)**

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

Instruction	\$ 500,582
Support Services	1,603,234
Cocurricular Activities	<u>10,730</u>
	<u>\$ 2,114,546</u>

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

Food Service	\$ 128,624
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Construction in progress is composed of the Sturgis Brown High School Kitchen project. The project is expected to cost \$7.7 million and will be completed by June 30, 2025. The project is being funded with \$5 million in capital outlay certificates and cash reserves in the Capital Outlay Fund and Food Service Fund.

**NOTE 6 - LONG-TERM LIABILITIES**

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

	Balance June 30, 2023	Increase	Decrease	Balance June 30, 2024	Amounts Due Within 1 Year
Governmental Activities:					
General Obligation Debt:					
Capital Outlay					
Certificates	\$ 30,100,872	\$ -	\$ (2,100,130)	\$ 28,000,742	\$ 2,156,709
Related Bond Premiums	<u>480,467</u>	<u>-</u>	<u>(37,206)</u>	<u>443,261</u>	<u>-</u>
Total General Obligation Debt	<u>30,581,339</u>	<u>-</u>	<u>(2,137,336)</u>	<u>28,444,003</u>	<u>2,156,709</u>
Other Liabilities:					
Lease Obligations	5,940	1,912,157	(467,352)	1,450,745	461,350
Compensated Absences	<u>685,080</u>	<u>373,400</u>	<u>(375,718)</u>	<u>682,762</u>	<u>435,837</u>
Total Other Liabilities	<u>691,020</u>	<u>2,285,557</u>	<u>(843,070)</u>	<u>2,133,507</u>	<u>897,187</u>
Total Governmental Activities	31,272,359	2,285,557	(2,980,406)	30,577,510	3,053,896
Business-type Activities:					
Other Liabilities:					
Compensated Absences	<u>31,672</u>	<u>14,819</u>	<u>(9,909)</u>	<u>36,582</u>	<u>24,840</u>
Total Long-term Liabilities	<u>\$ 31,304,031</u>	<u>\$ 2,300,376</u>	<u>\$ (2,990,315)</u>	<u>\$ 30,614,092</u>	<u>\$ 3,078,736</u>

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

Capital outlay certificates at June 30, 2024 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.	\$ 7,125,000
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.	7,020,000
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.	2,235,000
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.	1,701,876
2022 Capital Outlay Certificates. Bearing interest at 4.10%. Due 8/31/2032. Payment is made by the Capital Outlay Fund.	4,318,866
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	443,261
	\$ 28,444,003

The annual debt service requirements to maturity for all long-term debt outstanding as of June 30, 2024, excluding compensated absences, and accrued leave payable are as follows:

Year Ending June 30,	General Obligation Debt		Lease Obligations		Totals
	Principal	Interest	Principal	Interest	
2025	\$ 2,156,708	\$ 994,137	\$ 461,350	\$ -	\$ 2,542,143
2026	2,804,072	941,401	461,413	-	2,536,596
2027	7,262,250	876,896	461,413	-	2,543,936
2028	2,336,276	522,145	66,569	-	3,138,563
2029	1,811,183	447,501	-	-	2,258,684
2030-2034	7,815,253	1,350,291	-	-	9,165,544
2035-2039	3,815,000	216,625	-	-	4,031,625
	\$ 28,000,742	\$ 5,348,996	\$ 1,450,745	\$ -	\$ 26,217,091

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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

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, 2024 was \$4,525,978.

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, 2024 was \$553,249.

**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:

<u>Major Purpose</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Outlay	State Law	\$ 7,947,056
Special Education	State Law	1,395,824
Debt Service	Debt Covenants	5,079,227
Proportionate Share of Net Pension Asset	State Law	2,414,334
		<u>\$ 16,836,441</u>

**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 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.



**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**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. The right to receive retirement benefits vests after three years of credited service. 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 different classes of employees, 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 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 retirement benefits that do not meet the above criteria may be payable at a reduced level.

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 retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5% of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9 - PENSION PLAN (CONTINUED)**

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

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
  - 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 or equal to the accrued liabilities.

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

All benefits except those depending on the member's accumulated contributions are annually increased by the Cost-of-living Adjustment.

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, 2024, 2023, and 2022 were \$1,100,287, \$1,016,566, and \$940,637, respectively, equal to the required contributions each year.

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

At June 30, 2023, SDRS was 100.07% 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, 2022 and reported by the District as of June 30, 2024 was as follows:

Proportionate Share of Pension Liability	\$ 95,189,360
Less: Proportionate Share of Net Pension Restricted for Pension Benefits	<u>95,253,476</u>
Proportionate Share of Net Pension Liability (Asset)	<u>\$ (64,116)</u>

At June 30, 2024, the District reported a liability (asset) of (\$64,116) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the District's proportion was 0.65690000% which is a decrease of 0.0057990% from its proportion measured as of June 30, 2022.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9 - PENSION PLAN (CONTINUED)**

For the year ended June 30, 2024, the District recognized pension expense (reduction of pension expense) of \$203,706. At June 30, 2024, 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	\$ 1,817,410	\$ -
Changes in Assumption	2,192,049	3,204,288
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	426,865	-
Changes in Proportion and Difference Between District Contributions and Proportionate Share of Contributions	28,614	10,719
District Contributions Subsequent to the Measurement Date	1,100,287	-
	\$ 5,565,225	\$ 3,215,007

\$1,100,287 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30,		
2025	\$	882,228
2026		(963,725)
2027		1,242,310
2028		89,118
2029		-
Thereafter		-
	\$	1,249,931

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 9 - PENSION PLAN (CONTINUED)**

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Graded by years of service, 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	1.91%

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% or rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above
- Public Safety Retirees: PubS-2010, 102% of rates at all ages

*Beneficiaries:* PubG-2010 contingent survivor mortality table

*Disabled Members:*

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

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for 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 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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9 - PENSION PLAN (CONTINUED)**

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, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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

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>\$ 13,141,606</u>	<u>\$ (64,116)</u>	<u>\$ (10,863,878)</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, 2024, the District paid \$1,145,489 for services provided by the Co-op.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 10 - JOINT VENTURE (CONTINUED)**

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, 2024, this joint venture had total assets of \$10,369,477, liabilities of \$912,212, deferred inflows of \$1,175,961, and net position of \$8,281,304 (un-audited).

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

Employee Health Insurance

The District obtains this coverage from a private carrier. The District does not carry additional health insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have not exceeded the 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 year ended June 30, 2024, the District paid \$0 for unemployment benefits. At June 30, 2024, 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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 11 - RISK MANAGEMENT (CONTINUED)**

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 which 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.

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 workers' 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 workers' 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 workers' compensation claims. The District pays an annual premium, to provide workers' compensation coverage for its employees under a retrospectively rated policy. The premiums are accrued based on the ultimate cost of the experience-to-date of the Fund members. The District is responsible for the payment of a premium to the insurance pool along with other pool participants. 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 determined on a prorated basis based on 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 insurance coverage purchased by the pool in excess of the retained risk and through insurance coverage purchased by the pool in excess of the retained risk. For the year ended June 30, 2024, the pool's retained risk was \$500,000 per occurrence with additional insurance purchased from a private insurance company for an additional \$500,000 for a total coverage of \$1,000,000 per occurrence.

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.

**Meade School District No. 46-1**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**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 - RESTATEMENT OF NET ASSETS - ACCOUNTING CHANGE**

The District implemented Governmental Accounting Standards Board Statement Number 101 – Compensated Absences as of July 1, 2023. This standard requires the recognition of liabilities for compensated absences that have not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if (a) leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Previously, the District recorded a liability only for leave that was likely to be paid in cash to employees. The implementation of this new standard resulted in the recognition of an increase in previously recorded liability balances and a prior period restatement of net assets as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Food Service Fund</u>
Net Position - Beginning, as Previously Reported	\$ 46,676,034	\$ 1,213,019	\$ 1,213,019
Impact of Adoption of GASB 101	<u>(333,612)</u>	<u>(5,823)</u>	<u>(5,823)</u>
Net Position - Beginning, as Restated	<u>\$ 46,342,422</u>	<u>\$ 1,207,196</u>	<u>\$ 1,207,196</u>

**NOTE 14 - 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, 2024**

	<u>Budgeted Original</u>	<u>Budgeted Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 9,216,939	\$ 9,216,939	\$ 9,784,246	\$ 567,307
Prior Year Ad Valorem	45,000	45,000	44,735	(265)
Tax Deed Revenue	-	-	21,084	21,084
Gross Receipts Taxes	215,000	215,000	220,668	5,668
Penalties and Interest on Taxes	30,000	30,000	24,512	(5,488)
Revenues in Lieu of Taxes	-	-	11,609	11,609
Earnings on Deposits	70,000	70,000	179,300	109,300
Cocurricular Activities:				
Admissions	60,000	60,000	57,993	(2,007)
Other	15,000	15,000	3,858	(11,142)
Other Revenues from Local Sources:				
Rentals	20,000	20,000	28,720	8,720
Contributions	64,000	64,000	60,186	(3,814)
Medicaid Fees	43,000	43,000	3,296	(39,704)
Services Provided Other School Districts	-	-	36,000	36,000
Other	61,000	61,000	107,239	46,239
Total Revenue from Local Sources	<u>9,839,939</u>	<u>9,839,939</u>	<u>10,583,446</u>	<u>743,507</u>
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	<u>350,000</u>	<u>350,000</u>	<u>363,786</u>	<u>13,786</u>
Revenue from State Sources:				
Grants-in-aid:				
Unrestricted Grants-in-aid	12,352,888	12,352,888	11,665,211	(687,677)
Restricted Grants-in-aid	<u>11,700</u>	<u>11,700</u>	<u>17,145</u>	<u>5,445</u>
Total Revenue from State Sources	<u>12,364,588</u>	<u>12,364,588</u>	<u>11,682,356</u>	<u>(682,232)</u>
Revenue from Federal Sources:				
Grants-in-aid:				
Unrestricted Grants-in-aid Received from Federal Government Through State	39,500	39,500	43,739	4,239
Unrestricted Grants-in-aid Received from Federal Government Through an Intermediate Source	15,000	15,000	34,529	19,529
Restricted Grants-in-aid Received from Federal Government Through State	<u>1,058,155</u>	<u>1,058,155</u>	<u>1,209,499</u>	<u>151,344</u>
Total Revenue from Federal Sources	<u>1,112,655</u>	<u>1,112,655</u>	<u>1,287,767</u>	<u>175,112</u>
<b>TOTAL REVENUES</b>	<u>23,667,182</u>	<u>23,667,182</u>	<u>23,917,355</u>	<u>250,173</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, 2024**

	<u>Budgeted Original</u>	<u>Budgeted Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES</b>				
Instructional Services:				
Regular Programs:				
Elementary	5,853,596	5,853,596	5,792,264	61,332
Middle School	3,685,921	3,685,921	3,631,557	54,364
High School	3,220,241	3,220,241	3,241,996	(21,755)
Other Regular Programs	24,933	24,933	27,789	(2,856)
Special Programs:				
Gifted and Talented	70,764	70,764	71,130	(366)
Culturally Different	24,848	24,848	25,850	(1,002)
Educationally Deprived	628,314	628,314	698,397	(70,083)
Total Instructional Services	<u>13,508,617</u>	<u>13,508,617</u>	<u>13,488,983</u>	<u>19,634</u>
Support Services:				
Pupils:				
Attendance and Social Work	81,884	81,884	69,644	12,240
Guidance	771,162	771,162	716,524	54,638
Health Service	228,925	228,925	224,039	4,886
Instructional Staff:				
Improvement of Instruction	182,356	182,356	173,455	8,901
Educational Media	570,190	570,190	486,482	83,708
General Administration:				
Board of Education	519,335	519,335	539,098	(19,763)
Executive Administration	281,540	281,540	286,822	(5,282)
School Administration:				
Office of Principal	1,644,093	1,644,093	1,601,908	42,185
Other	179,162	179,162	168,289	10,873
Business:				
Fiscal Services	381,294	381,294	430,327	(49,033)
Operation and Maintenance of Plant	3,217,165	3,217,165	3,286,958	(69,793)
Pupil Transportation	1,343,750	1,343,750	1,503,201	(159,451)
Other	198,713	198,713	198,886	(173)
Total Support Services	<u>9,599,569</u>	<u>9,599,569</u>	<u>9,685,633</u>	<u>(86,064)</u>
Community Services				
Custody and Care of Children	<u>-</u>	<u>-</u>	<u>6,148</u>	<u>(6,148)</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, 2024**

	Budgeted Original	Budgeted Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Cocurricular Activities:				
Male Activities	212,402	212,402	204,257	8,145
Female Activities	133,055	133,055	131,717	1,338
Transportation	211,000	211,000	187,820	23,180
Combined Activities	<u>524,281</u>	<u>524,281</u>	<u>489,004</u>	<u>35,277</u>
Total Cocurricular Activities	<u>1,080,738</u>	<u>1,080,738</u>	<u>1,012,798</u>	<u>67,940</u>
<b>TOTAL EXPENDITURES</b>	<u>24,188,924</u>	<u>24,188,924</u>	<u>24,193,562</u>	<u>(4,638)</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(521,742)</u>	<u>(521,742)</u>	<u>(276,207)</u>	<u>245,535</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of Surplus Property	<u>-</u>	<u>-</u>	<u>3,704</u>	<u>3,704</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(521,742)</u>	<u>(521,742)</u>	<u>(272,503)</u>	<u>249,239</u>
<b>FUND BALANCE - BEGINNING</b>	<u>6,154,750</u>	<u>6,154,750</u>	<u>6,154,750</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 5,633,008</u>	<u>\$ 5,633,008</u>	<u>\$ 5,882,247</u>	<u>\$ 249,239</u>

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

**Meade School District No. 46-1**  
**Budgetary Comparison Schedule - Capital Outlay Fund -**  
**Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Budgeted Original	Budgeted Final	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>REVENUES</b>				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 6,100,000	\$ 6,100,000	\$ 6,339,191	\$ 239,191
Prior Year Ad Valorem	20,000	20,000	28,035	8,035
Penalties and Interest on Taxes	10,000	10,000	9,867	(133)
Earnings on Deposits	50,000	50,000	393,782	343,782
Other Revenues from Local Sources	-	-	9,191	9,191
Total Revenue from Local Sources	<u>6,180,000</u>	<u>6,180,000</u>	<u>6,780,066</u>	<u>600,066</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>261,226</u>	<u>(1,006,714)</u>
<b>TOTAL REVENUES</b>	<u>7,447,940</u>	<u>7,447,940</u>	<u>7,041,292</u>	<u>(406,648)</u>
<b>EXPENDITURES</b>				
Instructional Services:				
Regular Programs:				
Elementary	259,928	259,928	192,521	67,407
Middle School	152,525	152,525	63,680	88,845
High School	<u>127,550</u>	<u>127,550</u>	<u>129,506</u>	<u>(1,956)</u>
Total Instructional Services	<u>540,003</u>	<u>540,003</u>	<u>385,707</u>	<u>154,296</u>
Support Services:				
Instructional Staff:				
Educational Media	93,795	93,795	81,133	12,662
General Administration:				
Executive Administration	-	-	42,318	(42,318)
School Administration:				
Office of Principal	65,500	65,500	67,891	(2,391)
Other	2,000	2,000	1,440	560
Business:				
Fiscal Services	5,950	5,950	1,606	4,344
Facilities Acquisition and Construction	2,334,957	2,334,957	2,365,908	(30,951)
Operation and Maintenance of Plant	565,945	565,945	631,488	(65,543)
Transportation	165,000	165,000	-	165,000
Special Education:				
Administration Costs	<u>2,500</u>	<u>2,500</u>	<u>10,266</u>	<u>(7,766)</u>
Total Support Services	<u>3,235,647</u>	<u>3,235,647</u>	<u>3,202,050</u>	<u>33,597</u>

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

**Meade School District No. 46-1**  
**Budgetary Comparison Schedule - Capital Outlay Fund -**  
**Budgetary Basis (Continued)**  
**For the Year Ended June 30, 2024**

	Budgeted Original	Budgeted Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Debt Services	3,336,000	3,336,000	3,321,522	14,478
Cocurricular Activities:				
Male Activities	37,300	37,300	34,636	2,664
Female Activities	8,500	8,500	15,505	(7,005)
Combined Activities	-	-	33,704	(33,704)
Total Cocurricular Activities	<u>45,800</u>	<u>45,800</u>	<u>83,845</u>	<u>(38,045)</u>
<b>TOTAL EXPENDITURES</b>	<u>7,157,450</u>	<u>7,157,450</u>	<u>6,993,124</u>	<u>164,326</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>290,490</u>	<u>290,490</u>	<u>48,168</u>	<u>(242,322)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	3,326,000	3,326,000	(7,482,790)	(10,808,790)
Sale of Surplus Property	-	-	511,797	511,797
Interest Credit	(253,000)	(253,000)	389,544	642,544
Proceeds of Long-term Debt	<u>1,912,157</u>	<u>1,912,157</u>	<u>1,912,157</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>4,985,157</u>	<u>4,985,157</u>	<u>(4,669,292)</u>	<u>(9,654,449)</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,275,647	5,275,647	(4,621,124)	(9,896,771)
<b>FUND BALANCE - BEGINNING</b>	<u>12,869,337</u>	<u>12,869,337</u>	<u>12,869,337</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 18,144,984</u>	<u>\$ 18,144,984</u>	<u>\$ 8,248,213</u>	<u>\$ (9,896,771)</u>

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

**Meade School District No. 46-1**  
**Budgetary Comparison Schedule - Special Education Fund -**  
**Budgetary Basis**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Original</u>	<u>Budgeted Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 3,616,388	\$ 3,616,388	\$ 3,888,281	\$ 271,893
Prior Year Ad Valorem	9,000	9,000	16,536	7,536
Penalties and Interest on Taxes	6,000	6,000	5,891	(109)
Earnings on Deposits	12,000	12,000	32,221	20,221
Other Revenues from Local Sources:	<u>21,000</u>	<u>21,000</u>	<u>42,853</u>	<u>21,853</u>
Total Revenue from Local Sources	<u>3,664,388</u>	<u>3,664,388</u>	<u>3,985,782</u>	<u>321,394</u>
Revenue from State Sources:				
Grants-in-aid:				
Unrestricted Grants-in-aid	1,167,961	1,167,961	1,008,123	(159,838)
Restricted Grants-in-aid	<u>-</u>	<u>-</u>	<u>755</u>	<u>755</u>
Total Revenue from State Sources	<u>1,167,961</u>	<u>1,167,961</u>	<u>1,008,878</u>	<u>(159,083)</u>
Revenue from Federal Sources:				
Restricted Grants-in-aid Received from				
Federal Government Through State	<u>885,824</u>	<u>885,824</u>	<u>721,230</u>	<u>(164,594)</u>
Total Revenue from Federal Sources	<u>885,824</u>	<u>885,824</u>	<u>721,230</u>	<u>(164,594)</u>
<b>TOTAL REVENUES</b>	<u>5,718,173</u>	<u>5,718,173</u>	<u>5,715,890</u>	<u>(2,283)</u>

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

**Meade School District No. 46-1**  
**Budgetary Comparison Schedule - Special Education Fund -**  
**Budgetary Basis (Continued)**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Original</u>	<u>Budgeted Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES</b>				
Instructional Services:				
Special Programs:				
Programs for Special Education	<u>4,159,360</u>	<u>4,159,360</u>	<u>4,049,209</u>	<u>110,151</u>
Support Services:				
Pupils:				
Health Service	63,467	63,467	68,258	(4,791)
Psychological	381,200	381,200	323,692	57,508
Speech	577,100	577,100	595,938	(18,838)
Student Therapy	161,200	161,200	162,165	(965)
Instructional Staff:				
Improvement of Instruction	23,900	23,900	6,049	17,851
Special Education:				
Administration Costs	319,550	319,550	297,857	21,693
Transportation Costs	30,000	30,000	17,651	12,349
Other	<u>151,000</u>	<u>151,000</u>	<u>2,704</u>	<u>148,296</u>
Total Support Services	<u>1,707,417</u>	<u>1,707,417</u>	<u>1,474,314</u>	<u>233,103</u>
<b>TOTAL EXPENDITURES</b>	<u>5,866,777</u>	<u>5,866,777</u>	<u>5,523,523</u>	<u>343,254</u>
<b>NET CHANGE IN FUND BALANCES</b>	(148,604)	(148,604)	192,367	340,971
<b>FUND BALANCE - BEGINNING</b>	<u>1,189,077</u>	<u>1,189,077</u>	<u>1,189,077</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,040,473</u>	<u>\$ 1,040,473</u>	<u>\$ 1,381,444</u>	<u>\$ 340,971</u>

See independent auditor's report and notes to 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)	District's Covered- employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
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%
2015	0.63392940%	\$ (4,567,202)	\$ 11,036,578	-41.38%	107.30%

\*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 required supplementary information.

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

Year	Contractually- required Contribution	Contributions in Relation to the Contractually- required Contribution	Contribution Deficiency (Excess)	District's Covered- employee Payroll	Contributions as a Percentage of Covered- employee Payroll
2024	\$ 1,100,287	\$ 1,100,287	-	\$ 18,328,313	6%
2023	\$ 1,016,566	\$ 1,016,566	-	\$ 16,942,815	6%
2022	\$ 940,637	\$ 940,637	-	\$ 15,680,818	6%
2021	\$ 922,589	\$ 922,589	-	\$ 15,376,452	6%
2020	\$ 880,841	\$ 880,841	-	\$ 14,680,652	6%
2019	\$ 857,315	\$ 857,315	-	\$ 14,290,073	6%
2018	\$ 825,176	\$ 825,176	-	\$ 13,756,489	6%
2017	\$ 795,002	\$ 795,002	-	\$ 13,215,240	6%
2016	\$ 707,546	\$ 707,546	-	\$ 11,787,480	6%
2015	\$ 673,460	\$ 673,460	-	\$ 11,224,608	6%

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

**Meade School District No. 46-1**  
**Notes to the Required Supplementary Information**  
**June 30, 2024**

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**NOTE 1 - BASIS OF PRESENTATION**

The Budgetary Comparison Schedules have been prepared on the modified accrual 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 present 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 Trust and Agency Funds.
6. After adoption by the School Board, the operating budget is legally binding, and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 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.
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. Generally accepted accounting principles prescribe that budgetary information be presented for the General Fund and major special revenue funds of the District.

**NOTE 3 - PENSION PLAN**

Changes from Prior Valuation

The June 30, 2023 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, 2022 Actuarial Valuation.

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

Benefit Provision Changes

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

See independent auditor's report.

**Meade School District No. 46-1**  
**Notes to the Required Supplementary Information**  
**June 30, 2024**

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**NOTE 3 - PENSION PLAN (CONTINUED)**

Actuarial Assumption Changes

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

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

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

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

See independent auditor's report.

SINGLE AUDIT INFORMATION

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2024.

#### **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 entity'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 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 determination of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

*Casey Peterson, LTD*

Casey Peterson, LTD

Rapid City, South Dakota

December 9, 2024

Independent Auditor's Report on Compliance for  
Each Major 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 described 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, 2024. 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, 2024.

*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 9, 2024

**Meade School District No. 46-1  
Schedule of Findings and Questioned Costs  
June 30, 2024**

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**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 are 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 which, is 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 Program and Report on Internal Control over Compliance Required by 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 Program and Report on Internal Control over Compliance Required by 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:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program</u>
AL # 84.010	Title I Grants to Local Education Agencies
	<i>Child Nutrition Cluster:</i>
AL # 10.555	National School Lunch Program
AL # 10.553	School Breakfast Program
AL # 10.556	Special Milk
AL # 10.582	Fresh Fruits and Vegetables Program

- 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.



**PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

There were no findings reported for the year ended June 30, 2023.

**Meade School District No. 46-1  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

Assistance Listing Numbers	Major Program	Cluster/Program Name	Additional Award Identification	Pass-through Entity, if Applicable	Pass-through ID	Amount
<b><u>U.S. Department of Agriculture</u></b>						
<b><i>Child Nutrition Cluster:</i></b>						
Non-Cash Assistance (Commodities):						
10 . 555	Y	National School Lunch Program (Note 3)	Commodities	South Dakota Department of Education	NSLP-46001-24	\$ 49,183
Cash Assistance:						
10 . 553	Y	School Breakfast Program (Note 3)		South Dakota Department of Education	NSLP-46001-24	97,440
10 . 555	Y	National School Lunch Program (Note 3)	Performance Based Reimbursement	South Dakota Department of Education	NSLP-46001-24	22,638
10 . 555	Y	National School Lunch Program (Note 3)	Supply Chain Assistance	South Dakota Department of Education	NSLP-46001-24	45,978
10 . 555	Y	National School Lunch Program (Note 3)		South Dakota Department of Education	NSLP-46001-24	512,738
10 . 556	Y	Special Milk Program for Children		South Dakota Department of Education	NSLP-46001-24	2,075
10 . 582	Y	Fresh Fruit and Vegetable Program		South Dakota Department of Education	FFVP-46001-24	92,557
<b>Total Child Nutrition Cluster</b>						<u>822,609</u>
<b><i>Special Education Cluster:</i></b>						
<b><u>U.S. Department of Education</u></b>						
84 . 027	N	Special Education - Grants to States		South Dakota Department of Education	611-46001-24	705,099
84 . 173	N	Special Education - Preschool Grants		South Dakota Department of Education	619-46001-24	16,131
<b>Total Special Education Cluster</b>						<u>721,230</u>
<b><i>Other Programs:</i></b>						
<b><u>U.S. Department of Agriculture</u></b>						
10 . 666	N	Schools and Roads - Grants to Counties		Meade County, South Dakota	NA	34,529
<b>Total Department of Agriculture</b>						<u>857,138</u>
<b><u>U.S. Department of the Interior</u></b>						
15 . 227	N	Distributions of Receipts to State and Local Governments (Note 3)		South Dakota Bureau of Administration	NA	43,739
<b>Total Department of the Interior</b>						<u>43,739</u>

See independent auditor's report.

**Meade School District No. 46-1**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2024**

Assistance Listing Numbers	Major Program	Cluster/Program Name	Additional Award Identification	Pass-through Entity, if Applicable	Pass-through ID	Amount
<b><u>U.S. Department of Education</u></b>						
84 .010	Y	Title I Grants to Local Educational Agencies		South Dakota Department of Education	TIA-46001-24	713,537
84 .010	Y	Title I Grants to Local Educational Agencies		South Dakota Department of Education	TIASIG-46001-24	36,857
84 .424	N	Student Support and Academic Enrichment Program		South Dakota Department of Education	TIV-46001-24	82,705
84 .048	N	Career and Technical Education - Basic Grants to States		South Dakota Department of Education	TIVA-46001-24	48,612
84 .051F	N	CTE Innovation Grant		South Dakota Department of Education	ED-GRANTS-081423-001	6,199
84 .367	N	Improving Teacher Quality State Grants Title II A		South Dakota Department of Education	TIIA-46001-24	208,753
84 .425U	N	Education Stabilization Fund	American Rescue Plan (ARP ESSER)	South Dakota Department of Education	2024G-385	13,183
84 .425U	N	Education Stabilization Fund	American Rescue Plan (ARP Homeless II)	South Dakota Department of Education	2021G-ARP46001	6,846
84 .425U	N	Education Stabilization Fund	American Rescue Plan (ARP ESSER)	South Dakota Department of Education	2021G-ARP46001	250,175
84 .425D	N	Education Stabilization Fund	(ESSER I and II)	South Dakota Department of Education	2021G-CRSSA46001	<u>11,051</u>
<b>Total Department of Education</b>						<u>2,099,148</u>
<b>Total Federal Financial Assistance</b>						<u>\$ 3,000,275</u>

NOTE 1: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District 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 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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 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.

## OTHER INFORMATION

**Meade School District No. 46-1  
School District Officials  
June 30, 2024**

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**BOARD MEMBERS**

Justin Jutting - President

Aaron Odegaard

Scottie Bruch

Sandy Cass

Terry Koontz

Megan Snyder

Lee Spring

Darrell Vig

Brian Voight

**SUPERINTENDENT**

Wayne Wormstadt

**BUSINESS MANAGER**

Brett Burditt

See independent auditor's report.