

MILLER SCHOOL DISTRICT NO. 29-4
AUDITED FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024

MILLER SCHOOL DISTRICT NO. 29-4
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2024

Board Members:

Natalie Bertsch, President
Reno Brueggeman
Vance Caffee
Amy Howard
Jonathan Hurd
Amber Werdel
Tara Yost

Superintendent:

Eric Norden

Business Manager:

Sara Gates

MILLER SCHOOL DISTRICT NO. 29-4

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WITH AN OFFICE IN
MOBRIDGE, SOUTH DAKOTA

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

School Board
Miller School District No. 29-4
Hand County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Miller School District No. 29-4, South Dakota (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated, May 27, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not been identified. We identified certain deficiencies in internal control, described in the

accompanying Schedule of Current Audit Findings as items #2024-001, #2024-002, and #2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Current Audit Findings as item # 2024-004.

School District's Response to Findings

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

Purpose of this Report

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

Kohlman, Bierschbach & Anderson, LLP

May 27, 2025

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2024

PRIOR AUDIT FINDINGS:

Finding #2023-001

A material weakness was reported for a lack of segregation of duties for revenues, receivables, capital assets, indebtedness, inventory, equity, and the preparation of trust and custodial receipts and disbursements and bank reconciliations. This finding is restated as current audit finding #2024-001.

Finding #2023-002

As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. This finding is restated as current audit finding #2024-002.

Finding #2023-003

During the course of our engagement, we proposed material audit adjustments that would not have been identified as a result of the School District's existing internal controls, and therefore could have resulted in a material misstatement of the School District's financial statements. This finding is restated as current audit finding #2024-003.

Finding #2023-004

The School District did not follow proper bidding procedures in regard to the school repairs. This finding has been resolved.

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF CURRENT AUDIT FINDINGS
JUNE 30, 2024

CURRENT AUDIT FINDINGS:

Internal Control-Related Findings - Material Weaknesses:

Finding #2024-001

Criteria

Internal control can help a School District achieve its performance targets, and prevent loss of resources. It can help ensure reliable financial reporting, and it can help ensure that the School District complies with laws and regulations.

Condition Found

A material weakness was reported for a lack of internal controls including a lack of segregation of duties for revenues, receivables, capital assets, indebtedness, inventory, equity, and the preparation of trust and custodial receipts and disbursements and bank reconciliations.

Cause

The School District has only three employees who prepare all accounting records. This is undesirable from an internal control viewpoint, and could result in a loss of control over accounting transactions.

Effect

This comment is the result of the size of the entity which precludes staffing at a level sufficient to provide an ideal environment for internal controls. The School District has determined it is not cost beneficial to employ additional personnel just to be able to have adequate internal controls and segregation of duties for revenues, receivables, capital assets, indebtedness, inventory, equity, and the preparation of trust and custodial receipts and disbursements and bank reconciliations, which could result in errors not being found in a timely manner. It is not known how long this comment has been carried forward.

Recommendation

We recommend the School Board take a more active role in their oversight of revenues, receivables, capital assets, indebtedness, inventory, equity, and the preparation of trust and custodial receipts and disbursements and bank reconciliations.

Views of Responsible Officials

Jonathan Hurd is the contact person responsible for the corrective action plan for this comment. The Miller School District No. 29-4 has determined that it is not cost beneficial to employ additional personnel just to be able to have adequate internal controls and segregation of duties for revenues, receivables, capital assets, indebtedness, inventory, equity, and the preparation of trust and custodial receipts and disbursements and bank reconciliations. The Miller School District No. 29-4 is aware of this problem and is attempting to provide compensating controls wherever and whenever possible and practical. Some of the compensating controls that have been implemented include dual signature of checks and board reviewing vouchers and bank statements. However, this lack of internal controls including a lack of segregation of duties regarding revenues, receivables, capital assets, indebtedness, inventory, equity, and the preparation of trust and custodial

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF CURRENT AUDIT FINDINGS
JUNE 30, 2024
(Continued)

receipts and disbursements and bank reconciliations continues to exist.

Finding #2024-002

Criteria

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

Condition Found

As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause

The School District does not have a system of internal control in place to provide for the preparation of the annual financial statements including required footnotes and disclosures in accordance with generally accepted accounting principles.

Effect

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

Recommendation

This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials

Jonathan Hurd is the contact person responsible for the corrective action plan for the comment. The Board of Education is aware of this problem and accepts the degree of risk associated with this condition.

Finding #2024-003

Criteria

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

Condition Found

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

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF CURRENT AUDIT FINDINGS
JUNE 30, 2024
(Continued)

Cause

The School District does not have a system of internal control in place to identify all adjustments necessary to ensure the financial statements are in conformity with generally accepted accounting principles.

Effect

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

Recommendation

This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials

Jonathan Hurd is the contact person responsible for the corrective action plan for this comment. The Miller School District No. 29-4 is aware of this problem and is attempting to provide compensating controls wherever and whenever possible and practical. However, this lack of controls continues to exist.

COMPLIANCE AND OTHER MATTERS:

Finding #2024-004

Criteria

Per South Dakota Codified Law (SDCL) 13-11-2, the School Board is required to approve a budget for the anticipated obligations of each fund for the School's fiscal year, except for trust and custodial funds, and not exceed the budgeted appropriations total of each fund. Any changes in the proposed budget incorporated into the final budget shall be published in the minutes within thirty days after the final adoption of the budget.

Condition Found

The School District went over budget in the Capital Outlay Fund by \$378,237.

Cause

The School District had total expenditures in the Capital Outlay Fund which exceeded the total amounts appropriated for the year.

Effect

Budgets are required for all funds. Per SDCL 13-11-2, expenditures are limited to the appropriated amounts.

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF CURRENT AUDIT FINDINGS
JUNE 30, 2024
(Continued)

Recommendation

We recommend that the School District prepare a budget for all funds, limit expenditures to the amount budgeted, or adopt a supplemental budget or make contingency transfers for small deficits.

Views of Responsible Officials

Jonathan Hurd is the contact person responsible for the corrective action plan for this comment. He stated, "The Miller School District will monitor the budget more closely and make supplemental budget and contingency transfers as needed."

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INDEPENDENT AUDITORS' REPORT

School Board
Miller School District No. 29-4
Hand 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 the Miller School District No. 29-4, South Dakota (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of the School District Pension Contributions on pages 48 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated, May 27, 2025 on our consideration of the School 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 School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Kohlman, Bierschbach & Anderson, LLP

Miller, South Dakota
May 27, 2025

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 4,760,299	\$ 79,290	\$ 4,839,589
Investments	2,493,295	--	2,493,295
Taxes receivable	2,553,423	--	2,553,423
Other assets	2,622,258	14,744	2,637,002
Restricted Assets:			
Cash and cash equivalents	960,828	2,511	963,339
Net pension asset	11,148	--	11,148
Capital assets:			
Land, improvements and construction/development in progress	266,315	--	266,315
Other capital assets, net of depreciation/amortization	<u>20,245,665</u>	<u>570,785</u>	<u>20,816,450</u>
TOTAL ASSETS	<u>33,913,231</u>	<u>667,330</u>	<u>34,580,561</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related deferred outflows	<u>985,625</u>	<u>--</u>	<u>985,625</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>985,625</u>	<u>--</u>	<u>985,625</u>
LIABILITIES:			
Accounts payable	78,245	8,694	86,939
Other current liabilities	1,734,663	--	1,734,663
Unearned revenue	--	9,204	9,204
Noncurrent Liabilities:			
Due within one year	497,372	--	497,372
Due in more than one year	<u>4,984,174</u>	<u>--</u>	<u>4,984,174</u>
TOTAL LIABILITIES	<u>7,294,454</u>	<u>17,898</u>	<u>7,312,352</u>
DEFERRED INFLOWS OF RESOURCES:			
Taxes levied for future period	2,916,124	--	2,916,124
Pension related deferred inflows	<u>558,186</u>	<u>--</u>	<u>558,186</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,474,310</u>	<u>--</u>	<u>3,474,310</u>
NET POSITION:			
Net investment in capital assets	15,018,773	570,785	15,589,558
Restricted for:			
Capital outlay purposes	3,261,653	--	3,261,653
Special education purposes	1,449,458	--	1,449,458
Debt service purposes	1,437,170	--	1,437,170
SDRS pension purposes	438,587	--	438,587
Unrestricted	<u>2,524,451</u>	<u>78,647</u>	<u>2,603,098</u>
TOTAL NET POSITION	<u>\$24,130,092</u>	<u>\$649,432</u>	<u>\$24,779,524</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF ACTIVITIES
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
Primary Government:							
Governmental Activities:							
Instruction	\$4,008,732	\$ 26,616	\$287,998	\$98,245	\$ (3,595,873)		\$ (3,595,873)
Support services	2,600,934	--	--	--	(2,600,934)		(2,600,934)
*Interest on long-term debt	210,223	--	110,075	--	(100,148)		(100,148)
Cocurricular activities	<u>575,028</u>	<u>47,534</u>	<u>29,832</u>	<u>--</u>	<u>(497,662)</u>		<u>(497,662)</u>
Total Governmental Activities	<u>7,394,917</u>	<u>74,150</u>	<u>427,905</u>	<u>98,245</u>	<u>(6,794,617)</u>		<u>(6,794,617)</u>
Business-Type Activities:							
Food service	<u>274,342</u>	<u>127,784</u>	<u>86,713</u>	<u>--</u>		\$ (59,845)	<u>(59,845)</u>
Total Business-Type Activities	<u>274,342</u>	<u>127,784</u>	<u>86,713</u>	<u>--</u>		<u>(59,845)</u>	<u>(59,845)</u>
Total Primary Government	<u>\$7,669,259</u>	<u>\$201,934</u>	<u>\$514,618</u>	<u>\$98,245</u>		<u>(59,845)</u>	<u>(6,854,462)</u>
* The School District does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.							
		General Revenues:					
		Taxes:					
		Property taxes			5,594,583	--	5,594,583
		Utility taxes			163,290	--	163,290
		Revenue from State Sources:					
		State Aid			1,002,681	--	1,002,681
		Other			232,663	--	232,663
		Revenue from Federal Sources			7,893	--	7,893
		Grants and contributions not restricted to specific programs			33,587	--	33,587
		Unrestricted investment earnings			190,585	2,084	192,669
		Other general revenues			85,085	--	85,085
		Extraordinary items			<u>984,733</u>	<u>--</u>	<u>984,733</u>
		Total General Revenues and Extraordinary Items			<u>8,295,100</u>	<u>2,084</u>	<u>8,297,184</u>
		CHANGE IN NET POSITION			<u>1,500,483</u>	<u>(57,761)</u>	<u>1,442,722</u>
		NET POSITION - BEGINNING			22,704,563	707,193	23,411,756
		ADJUSTMENT:					
		ERROR CORRECTION - CONSTRUCTION IN PROGRESS			<u>(74,954)</u>	<u>--</u>	<u>(74,954)</u>
		ADJUSTED NET POSITION - BEGINNING			<u>22,629,609</u>	<u>707,193</u>	<u>23,336,802</u>
		NET POSITION - ENDING			<u>\$24,130,092</u>	<u>\$649,432</u>	<u>\$24,779,524</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption (Debt Service)	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$2,339,718	\$1,392,813	\$1,027,768	\$ --	\$ 4,760,299
Investments	566,878	--	489,247	1,437,170	2,493,295
Taxes receivable - current	1,257,054	951,933	331,516	--	2,540,503
Taxes receivable - delinquent	9,270	2,543	1,107	--	12,920
Accounts receivable, net	2,681	--	--	--	2,681
Due from insurance company	--	2,192,420	--	--	2,192,420
Due from other governments	198,438	85,403	38,442	--	322,283
Prepaid expenses	33,028	17,152	--	--	50,180
Restricted cash and cash equivalents	<u>--</u>	<u>960,828</u>	<u>--</u>	<u>--</u>	<u>960,828</u>
TOTAL ASSETS	<u>\$4,407,067</u>	<u>\$5,603,092</u>	<u>\$1,888,080</u>	<u>\$1,437,170</u>	<u>\$13,335,409</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 54,837	\$ 18,980	\$ 4,428	\$ --	\$ 78,245
Contracts payable	318,941	--	46,397	--	365,338
Construction contract payable	--	1,213,963	--	--	1,213,963
Construction contract payable - retainage	--	17,310	--	--	17,310
Payroll deductions and withholdings and employer matching payable	<u>50,858</u>	<u>--</u>	<u>8,420</u>	<u>--</u>	<u>59,278</u>
TOTAL LIABILITIES	<u>424,636</u>	<u>1,250,253</u>	<u>59,245</u>	<u>--</u>	<u>1,734,134</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	9,270	2,543	1,107	--	12,920
Taxes levied for future period	<u>1,445,561</u>	<u>1,091,186</u>	<u>379,377</u>	<u>--</u>	<u>2,916,124</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,454,831</u>	<u>1,093,729</u>	<u>380,484</u>	<u>--</u>	<u>2,929,044</u>
FUND BALANCES:					
Nonspendable	33,028	17,152	--	--	50,180
Restricted	--	3,241,958	1,448,351	1,437,170	6,127,479
Assigned	97,115	--	--	--	97,115
Unassigned	<u>2,397,457</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,397,457</u>
TOTAL FUND BALANCES	<u>2,527,600</u>	<u>3,259,110</u>	<u>1,448,351</u>	<u>1,437,170</u>	<u>8,672,231</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$4,407,067</u>	<u>\$5,603,092</u>	<u>\$1,888,080</u>	<u>\$1,437,170</u>	<u>\$13,335,409</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds \$ 8,672,231

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

Net pension asset reported in governmental activities is not an available financial
resource and therefore is not reported in the funds. 11,148

Capital assets used in governmental activities are not current financial resources and
therefore are not reported in the funds. 20,511,980

Assets used in governmental activities that are not current financial resources and
therefore are not reported in the funds. 54,694

Pension related deferred outflows are components of pension liability (asset) and
therefore are not reported in the funds. 985,625

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

Bonds	\$2,000,000	
CO certificates	\$3,360,000	
Copier lease	\$ 54,433	
Early retirement	\$ 67,113	
Accrued interest	\$ <u>78,774</u>	(5,560,320)

Pension related deferred inflows are components of pension liability (asset) and therefore
are not reported in the funds. (558,186)

Assets, such as taxes receivable that are not available to pay for current period
expenditures, are deferred in the funds.

Taxes receivable	\$ <u>12,920</u>	<u>12,920</u>
------------------	------------------	---------------

Net Position - Governmental Activities. \$24,130,092

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption (Debt Service)	Total Government Funds
REVENUES:					
Revenue from Local Sources:					
Taxes:					
Ad valorem taxes	\$2,603,432	\$ 2,132,925	\$ 835,471	\$ --	\$ 5,571,828
Prior years' ad valorem taxes	15,277	9,445	3,764	--	28,486
Utility taxes	163,290	--	--	--	163,290
Penalties and interest on taxes	6,204	4,597	1,904	--	12,705
Revenue from local governmental units other than school districts:					
Revenue in lieu of taxes	5,273	1,089	379	--	6,741
Earnings on investments and deposits	60,392	58,679	28,833	42,681	190,585
Cocurricular activities:					
Admissions	25,953	--	--	--	25,953
Other student activity income	21,581	--	--	--	21,581
Other revenue from local sources:					
Rentals	2,720	--	--	--	2,720
Contributions and donations	9,705	83,547	--	--	93,252
Services provided other school districts	26,616	--	--	--	26,616
Refund of prior years' expenditures	6,897	--	--	--	6,897
Other	8,499	4,920	--	--	13,419
Revenue from Intermediate Sources:					
County sources:					
County apportionment	55,308	--	--	--	55,308
Revenue from State Sources:					
Grants-in-aid:					
Unrestricted grants-in-aid	1,235,344	--	--	--	1,235,344
Restricted grants-in-aid	2,077	--	--	--	2,077
Revenue from Federal Sources:					
Grants-in-aid:					
Unrestricted grants-in-aid received from federal government through an intermediate source	7,893	--	--	--	7,893
Restricted grants-in-aid received directly from federal government	--	31,541	--	--	31,541
Restricted grants-in-aid received from federal government through the state	125,320	66,704	130,768	--	322,792
Other federal revenue	--	<u>110,075</u>	--	--	<u>110,075</u>
TOTAL REVENUES	<u>4,381,781</u>	<u>2,503,522</u>	<u>1,001,119</u>	<u>42,681</u>	<u>7,929,103</u>
EXPENDITURES:					
Instruction:					
Regular programs:					
Elementary	1,331,314	122,918	--	--	1,454,232
Middle/junior high	276,624	11,489	--	--	288,113
High school	802,010	185,277	--	--	987,287
Special programs:					
Programs for special education	--	--	507,177	--	507,177

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption (Debt Service)	Total Governmental Funds
Coordinated early intervening services instruction	--	--	67,187	--	67,187
Educationally deprived	212,462	--	--	--	212,462
Support Services:					
Students:					
Guidance	144,864	--	--	--	144,864
Health	5,522	--	--	--	5,522
Psychological	--	--	37,398	--	37,398
Speech pathology	--	--	62,938	--	62,938
Student therapy services	--	--	65,270	--	65,270
Instructional staff:					
Improvement of instruction	27,487	--	--	--	27,487
Educational media	119,398	1,812	--	--	121,210
General administration:					
Board of education	39,229	--	--	--	39,229
Executive administration	171,503	540	--	--	172,043
School administration:					
Office of the principal	269,671	--	--	--	269,671
Business:					
Fiscal services	121,673	--	--	--	121,673
Facilities acquisition and construction	--	16,604	--	--	16,604
Operation and maintenance of plant	632,215	75,343	--	--	707,558
Student transportation	533,906	--	--	--	533,906
Food services	3,071	--	--	--	3,071
Central:					
Staff	908	--	--	--	908
Special education:					
Administrative costs	--	--	27,765	--	27,765
Transportation costs	--	--	408	--	408
Nonprogrammed Charges:					
Early retirement payments	29,589	--	--	--	29,589
Debt Services	--	673,470	--	--	673,470
Cocurricular Activities:					
Male activities	87,586	25,175	--	--	112,761
Female activities	61,016	19,292	--	--	80,308
Transportation	72,623	--	--	--	72,623
Combined activities	162,614	29,345	--	--	191,959
Capital Outlay	--	1,360,472	--	--	1,360,472
TOTAL EXPENDITURES	<u>5,105,285</u>	<u>2,521,737</u>	<u>768,143</u>	<u>--</u>	<u>8,395,165</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>(723,504)</u>	<u>(18,215)</u>	<u>232,976</u>	<u>42,681</u>	<u>(466,062)</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024
(Continued)

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption (Debt Service)	Total Governmental Funds
OTHER FINANCING SOURCES (USES):					
Transfers in	987,512	--	--	125,000	1,112,512
Transfers out	--	(1,083,679)	(28,833)	--	(1,112,512)
Sale of surplus property	--	600	--	--	600
Compensation for loss of general capital assets	<u>--</u>	<u>984,733</u>	<u>--</u>	<u>--</u>	<u>984,733</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>987,512</u>	<u>(98,346)</u>	<u>(28,833)</u>	<u>125,000</u>	<u>985,333</u>
NET CHANGE IN FUND BALANCES	264,008	(116,561)	204,143	167,681	519,271
FUND BALANCE - BEGINNING	<u>2,263,592</u>	<u>3,375,671</u>	<u>1,244,208</u>	<u>1,269,489</u>	<u>8,152,960</u>
FUND BALANCE - ENDING	<u>\$2,527,600</u>	<u>\$ 3,259,110</u>	<u>\$1,448,351</u>	<u>\$1,437,170</u>	<u>\$ 8,672,231</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 519,271

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

This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements. 1,360,472

This amount represents the current year depreciation/amortization expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources. (856,868)

In the statement of activities, loss \$13,103 on disposal of capital assets are reported, whereas in the governmental funds, the proceeds \$600 from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized.

Loss on disposal \$ 13,703 (13,703)

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

CO certificate \$ 445,000
Lease \$ 15,992 460,992

In both the government-wide and fund financial statements, revenues from property tax levies are applied to finance the budget of a particular period. Accounting for revenues from property tax accruals in the funds' statements differs from the accounting in the government-wide statements in that the fund financial statements require the amounts to be "available". This amount reflects the application of both the application period and "availability criteria". (18,436)

Governmental funds recognize expenditures for amounts of compensated absences and early retirement benefits actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits or elect to retire early.

Early retirement paid \$ 29,589 29,589

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest \$ 2,255
Other post-employment benefits \$ 56,946 59,201

Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds. (40,035)

Change in Net Position of Governmental Activities \$1,500,483

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Enterprise Funds		
	Food Service Fund	Other Enterprise Fund	Totals
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 79,057	\$233	\$ 79,290
Accounts receivable, net	<u>14,744</u>	<u>--</u>	<u>14,744</u>
Total Current Assets	<u>93,801</u>	<u>233</u>	<u>94,034</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	2,511	--	2,511
Capital Assets:			
Machinery and equipment - local funds	679,695	--	679,695
Less: accumulated depreciation	<u>(108,910)</u>	<u>--</u>	<u>(108,910)</u>
Total Noncurrent Assets	<u>573,296</u>	<u>--</u>	<u>573,296</u>
TOTAL ASSETS	<u>667,097</u>	<u>233</u>	<u>667,330</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	8,694	--	8,694
Unearned revenue	<u>9,204</u>	<u>--</u>	<u>9,204</u>
TOTAL LIABILITIES	<u>17,898</u>	<u>--</u>	<u>17,898</u>
NET POSITION:			
Net investment in capital assets	570,785	--	570,785
Unrestricted net position	<u>78,414</u>	<u>233</u>	<u>78,647</u>
TOTAL NET POSITION	<u>\$ 649,199</u>	<u>\$233</u>	<u>\$ 649,432</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	Food Service Fund	Other Enterprise Fund	Totals
OPERATING REVENUE:			
Food Sales:			
Student	\$ 119,326	\$ --	\$ 119,326
Adult	<u>8,458</u>	<u>--</u>	<u>8,458</u>
TOTAL OPERATING REVENUE	<u>127,784</u>	<u>--</u>	<u>127,784</u>
OPERATING EXPENSES:			
Salaries	17,633	--	17,633
Employee benefits	1,349	--	1,349
Purchased services	172,791	--	172,791
Supplies	599	--	599
Other purchased services	2,548	--	2,548
Cost of sales - purchased	10,058	--	10,058
Cost of sales - donated	22,441	--	22,441
Depreciation	<u>46,923</u>	<u>--</u>	<u>46,923</u>
TOTAL OPERATING EXPENSES	<u>274,342</u>	<u>--</u>	<u>274,342</u>
OPERATING LOSS	<u>(146,558)</u>	<u>--</u>	<u>(146,558)</u>
NONOPERATING REVENUE:			
Investment earnings	2,084	--	2,084
State grants	435	--	435
Federal grants	63,837	--	63,837
Donated food	16,624	--	16,624
Donated beef	<u>5,817</u>	<u>--</u>	<u>5,817</u>
TOTAL NONOPERATING REVENUE	<u>88,797</u>	<u>--</u>	<u>88,797</u>
CHANGE IN NET POSITION	<u>(57,761)</u>	<u>--</u>	<u>(57,761)</u>
NET POSITION - BEGINNING	<u>706,960</u>	<u>233</u>	<u>707,193</u>
NET POSITION - ENDING	<u>\$ 649,199</u>	<u>\$233</u>	<u>\$ 649,432</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	Food Service Fund	Other Enterprise Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 121,715	\$ --	\$ 121,715
Cash payments to employees for services	(18,982)	--	(18,982)
Cash payments to suppliers of goods or services	(179,734)	--	(179,734)
Net cash used by operating activities	(77,001)	--	(77,001)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants	64,272	--	64,272
Net cash provided by noncapital financing activities	64,272	--	64,272
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	--	--	--
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received for interest	2,084	--	2,084
Net cash provided by investing activities	2,084	--	2,084
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,645)	--	(10,645)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	92,213	233	92,446
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 81,568	\$233	\$ 81,801
 <u>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</u>			
OPERATING LOSS	\$(146,558)	\$ --	\$(146,558)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Depreciation/amortization	46,923	--	46,923
Value of donated commodities used	22,441	--	22,441
Change in assets and liabilities:			
Accounts receivables	3,784	--	3,784
Accounts and other payables	6,262	--	6,262
Unearned revenue	(9,853)	--	(9,853)
NET CASH USED BY OPERATING ACTIVITIES	\$ (77,001)	\$ --	\$ (77,001)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Value of commodities received	\$ 16,624	\$ --	\$ 16,624
Donated beef	\$ 5,817	\$ --	\$ 5,817

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
ASSETS:		
Cash and cash equivalents	\$ 26,506	\$171,824
Other assets	<u>193,352</u>	<u>--</u>
TOTAL ASSETS	<u>219,858</u>	<u>171,824</u>
LIABILITIES:		
Accounts payable	<u>--</u>	<u>19</u>
TOTAL LIABILITIES	<u>--</u>	<u>19</u>
NET POSITION:		
Restricted for:		
Scholarships	219,858	--
Individuals, organizations and other governments	<u>--</u>	<u>171,805</u>
TOTAL NET POSITION	<u>\$219,858</u>	<u>\$171,805</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Earnings from investments and deposits	\$ 2,204	\$ --
Contributions	25,000	--
Collections for student activities	<u>--</u>	<u>297,262</u>
TOTAL ADDITIONS	<u>27,204</u>	<u>297,262</u>
DEDUCTIONS:		
Payments for student activities	--	265,840
Other deductions	<u>30,000</u>	<u>--</u>
TOTAL DEDUCTIONS	<u>30,000</u>	<u>265,840</u>
CHANGE IN NET POSITION	(2,796)	31,422
NET POSITION - BEGINNING	<u>222,654</u>	<u>140,383</u>
NET POSITION - ENDING	<u>\$219,858</u>	<u>\$171,805</u>

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

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

The reporting entity of Miller School District No. 29-4 (School 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.

b. Basis of Presentation:

Government-Wide Financial Statements:

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

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

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

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

MILLER SCHOOL DISTRICT NO. 29-4

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - (Continued)

set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the School District or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

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

Governmental Funds:

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

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

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

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

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

Bond Redemption Fund - A fund established by the official statement of the Qualified School Construction Bonds to be used to accumulate sinking fund deposits. The Bond Redemption

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

Fund is the only debt service fund maintained by the School District. This is a major fund.

Proprietary Funds:

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

- 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).

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.

Drivers Education Fund - A fund used to record financial transactions related to the drivers' education operations. This fund is financed by user charges. This is not a major fund and is the only fund included under the heading "Other Enterprise Fund".

Fiduciary Funds:

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

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

A scholarship fund to assist former students with college expenses.

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-

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

purpose trust funds. The School District maintains custodial funds to hold assets as an agent in a trustee capacity for various classes, clubs, and so on.

c. Measurement Focus and Basis of Accounting:

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

Measurement Focus:

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-Wide Financial Statements:

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

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the School District is 60 days. The revenues which are accrued at June 30, 2024, are for federal reimbursement, utility receivables and miscellaneous receivables.

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

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

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

Government-Wide Financial Statements:

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

MILLER SCHOOL DISTRICT NO. 29-4**NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2024**

NOTE 1 - (Continued)

The total June 30, 2024 balance of capital assets for governmental activities includes approximately 20 percent for which the costs were determined by estimates of the original costs. The total June 30, 2024 balance of capital assets for business-type activities includes approximately 0 percent for which the values were determined by estimates of the original costs. These estimated original costs were established by appraisals.

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

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation/ Amortization Method</u>	<u>Estimated Useful Life</u>
Land	\$ 5,000	N/A	N/A
Improvements	\$ 5,000	Straight-line	20 to 30 yrs.
Buildings	\$ 5,000	Straight-line	25 to 50 yrs.
Machinery and Equipment Governmental	\$ 5,000	Straight-line	8 to 15 yrs.
Machinery and Equipment Proprietary	\$ 500	Straight-line	5 to 15 yrs.
Intangible Lease Asset	\$ 5,000	Straight-line	5 yrs.
Intangible Subscription Assets	\$ 5,000	Straight-line	4 to 7 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

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

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

f. Long-Term Liabilities:

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

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of early retirement benefits payable, accrued interest, limited tax general obligation certificates, qualified school construction bond, lease liabilities and other post-employment benefits.

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

g. Leases:

Lessee:

The School District is a lessee for a noncancellable lease of copiers. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$1 or more.

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

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

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

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

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

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

h. Program Revenues:

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

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

i. Deferred Inflows and Deferred Outflows of Resources:

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

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

j. Proprietary Funds Revenue and Expense Classifications:

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

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

k. Cash and Cash Equivalents:

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

l. Equity Classifications:

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

m. Application of Net Position:

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

n. Fund Balance Classification Policies and Procedures:

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

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

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

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

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

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

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

The Nonspendable Fund Balance is comprised of the following:

Amount reported in nonspendable form such as prepaid expenses.

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

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

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

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Capital Outlay Fund	Federal Funding, Property Taxes
Special Education Fund	Federal Funding, Property Taxes

A schedule of fund balances is provided as follows:

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - (Continued)

Miller School District No. 29-4
Disclosure of Fund Balances Reported on Balance Sheet
Governmental Funds
June 30, 2024

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Special Education Fund</u>	<u>Bond Redemption (Debt Service)</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Nonspendable:					
Prepaid Items	\$ 33,028	\$ 17,152	\$ --	\$ --	\$ 50,180
Restricted for:					
Capital Outlay Fund	--	3,241,958	--	--	3,241,958
Special Education Fund	--	--	1,448,351	--	1,448,351
Debt Service Requirements	--	--	--	1,437,170	1,437,170
Assigned to:					
Next Year's Budget	83,355	--	--	--	83,355
Unemployment	13,760	--	--	--	13,760
Unassigned	<u>2,397,457</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,397,457</u>
Total Fund Balances	<u>\$2,527,600</u>	<u>\$3,259,110</u>	<u>\$1,448,351</u>	<u>\$1,437,170</u>	<u>\$8,672,231</u>

o. Pensions:

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

NOTE 2 - VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The School District is prohibited by statute from spending in excess of appropriated amounts at the fund level. The following represents the significant overdrafts of the expenditures compared to appropriations.

	<u>Year Ended 6/30/2024</u>
Capital Outlay Fund	\$378,237

The Governing Board plans to take the following actions to address this violation: The District will not account for Capital Outlay transfers in the total budget amount and will adopt a supplement budget if expenditures exceed what is budgeted.

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - DEPOSITS AND INVESTMENTS FAIR VALUE MEASUREMENT, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The School District follows the practice of aggregating the cash assets of all the funds except for the Bond Redemption Fund and the Trust and Custodial Funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

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

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

Fair Value Measurement - The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2024:

- U.S. Treasury Notes - Level 1 - Valued using the Market Approach

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

As of June 30, 2024, the School District had the following investment. This is all recorded in the Bond Redemption Fund.

<u>Investment</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Treasury Notes	N/A	\$1,437,170	\$1,437,170

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - (Continued)

Concentration of Credit Risk - The School District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the School District's investments are in certificates of deposit - 42%, U.S. Treasury Notes - 58%.

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

Assignment of Investment Income - State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The School District's policy is to credit all income from deposits and investments to the General Fund, except for the Private-Purpose Trust Fund, Bond Redemption Fund, and Food Service Fund, which retain their investment income. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

NOTE 4 - RESTRICTED CASH AND INVESTMENTS

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

<u>Amount:</u>	<u>Purpose:</u>
\$ 50,892	Various contributions set aside in the Capital Outlay Fund
\$909,936	Restricted proceeds from Capital Outlay Certificates
\$ 2,511	Food Service restriction for certain foods as required by the federal government

NOTE 5 - RECEIVABLES AND PAYABLES

Receivables and payables are aggregated in the Statement of Net Position. However, the detail of all receivables and current payables is shown in the Governmental Funds Balance Sheet. Unavailable revenue, which is shown as a deferred inflows of resources on the Governmental Funds Balance Sheet is reduced on the Statement of Net Position for delinquent taxes receivable, and included as a reconciling item on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position. The detail of the noncurrent liabilities on the Statement of Net Position is shown at Note 8. The School District does not expect all receivables to be collected within one year.

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 - PROPERTY TAXES

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

School District property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Revenue related to current year property taxes receivable which is not intended to be used to finance the current year's appropriations and therefore are not susceptible to accrual has been reported as deferred inflow of resources - property taxes levied for future period in both the fund financial statements and the government-wide financial statements. Additionally, in the fund financial statements, revenue from property taxes may be limited by any amount not collected during the current fiscal period or within the "availability period".

NOTE 7 - CHANGES IN CAPITAL ASSETS

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

Primary Government

	Balance 07/01/23	Increases	Error Correction	Decreases	Balance 06/30/24
Governmental Activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 40,779	\$ --	\$ --	\$ --	\$ 40,779
Construction/development in progress	<u>1,704,060</u>	<u>1,161,114</u>	<u>(74,954)</u>	<u>2,564,684</u>	<u>225,536</u>
Total, not being depreciated/amortized	<u>1,744,839</u>	<u>1,161,114</u>	<u>(74,954)</u>	<u>2,564,684</u>	<u>266,315</u>
Capital assets, being depreciated/amortized:					
Improvements	1,210,237	--	--	--	1,210,237
Buildings	25,710,705	2,377,824	--	7,161	28,081,368
Machinery and equipment	812,277	386,218	--	27,097	1,171,398
Intangible lease assets	89,099	--	--	--	89,099
Intangible subscription assets	<u>330,382</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>330,382</u>
Total, being depreciated/amortized	<u>28,152,700</u>	<u>2,764,042</u>	<u>--</u>	<u>34,258</u>	<u>30,882,484</u>
Less accumulated depreciation/amortization for:					
Improvements	778,883	37,253	--	--	816,136
Buildings	8,527,410	659,534	--	4,297	9,182,647
Machinery and equipment	423,891	84,986	--	16,258	492,619
Intangible lease assets	17,820	17,820	--	--	35,640
Intangible subscription assets	<u>52,502</u>	<u>57,275</u>	<u>--</u>	<u>--</u>	<u>109,777</u>
Total accumulated depreciation/amortization	<u>9,800,506</u>	<u>856,868</u>	<u>--</u>	<u>20,555</u>	<u>10,636,819</u>
Total capital assets, being depreciated/ amortized net	<u>18,352,194</u>	<u>1,907,174</u>	<u>--</u>	<u>13,703</u>	<u>20,245,665</u>
Governmental activity capital assets, net	<u>\$20,097,033</u>	<u>\$3,068,288</u>	<u>\$(74,954)</u>	<u>\$2,578,387</u>	<u>\$20,511,980</u>

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - (Continued)

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:

Instruction	\$491,178
Support services	247,468
Cocurricular activities	<u>118,222</u>

Total depreciation/amortization expense - governmental activities	<u>\$856,868</u>
---	------------------

	<u>Balance 07/01/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/24</u>
Business-type activities:				
Capital assets, being depreciated/amortized:				
Machinery and equipment	\$679,695	\$ --	\$--	\$679,695
Less accumulated depreciation/amortization for:				
Machinery and equipment	<u>61,987</u>	<u>46,923</u>	--	<u>108,910</u>
Business-type activity capital assets being depreciated/amortized, net	<u>\$617,708</u>	<u>\$46,923</u>	\$--	<u>\$570,785</u>

Depreciation/amortization expense was charged to functions as follows:

Business-type activities:

Food services	<u>\$46,923</u>
---------------	-----------------

Construction/development in progress at June 30, 2024, is composed of the following:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Expended Thru 6/30/2024</u>	<u>Committed</u>	<u>Required Future Financing</u>
Governmental Activities:				
Parking lot	\$522,262	\$225,536	\$296,726	\$ --
Total Governmental Activities	<u>\$522,262</u>	<u>\$225,536</u>	<u>\$296,726</u>	\$ --

NOTE 8 - LONG-TERM LIABILITIES

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

PRIMARY GOVERNMENT

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Limited Tax General Obligation Certificates - 2015	\$1,855,000	\$--	\$215,000	\$1,640,000	\$215,000
Qualified School Construction Bond	2,000,000	--	--	2,000,000	--
Limited Tax General Obligation Certificates - 2021	1,950,000	--	230,000	1,720,000	235,000
Copier lease	<u>70,425</u>	<u>--</u>	<u>15,992</u>	<u>54,433</u>	<u>17,783</u>
Total debt	5,875,425	--	460,992	5,414,433	467,783
Other post-employment benefits	56,946	--	56,946	--	--
Early retirement payable	<u>96,702</u>	<u>--</u>	<u>29,589</u>	<u>67,113</u>	<u>29,589</u>
Total governmental activities	<u>\$6,029,073</u>	<u>\$--</u>	<u>\$547,527</u>	<u>\$5,481,546</u>	<u>\$497,372</u>

Early retirement benefits payable for governmental activities were liquidated from the General Fund.

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

PRIMARY GOVERNMENT

Governmental Activities:

Limited Tax General Obligation Certificates - 2015:

Requires semi-annual payments of not more \$261,756 for the year,
from the Capital Outlay Fund with a varying interest rate from .6% to 2.8 %. \$1,640,000

Qualified School Construction Bond:

Requires semi-annual interest payment of \$62,500 from the Capital Outlay Fund with the final payment to be made July 15, 2028. The principal is paid back July 15, 2028, in a lump sum payment of \$2,000,000. However, money is to be deposited every year into a separate account and a debt service fund was set up to account for this beginning July 15, 2013. The bond has an interest rate of 6.25%, but 5.8% is refunded to the School District from the IRS for an effective interest rate of .45%. Due to the sequester, the subsidy received for July 2016, January 2017, July 2017, January 2018, July 2018, January 2019, July 2019, January 2020, July 2020, January 2021, July 2021, January 2022, July 2022, January 2023, July 2023, January 2024 and July 2024 was less than the amount requested. This reduction is scheduled to end September 30, 2030, subject to intervening congressional action, but the amounts continue to be reduced. \$2,000,000

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - (Continued)

Limited Tax General Obligation Certificates - 2021:

Requires semi-annual payments of not more than \$269,400 for the year from the Capital Outlay Fund with an interest of 2.0%. \$1,720,000

Early Retirement Payable:

Requires annual payments of not more than \$29,589 from the General Fund, final payment in fiscal year 2027. \$ 67,113

The annual debt service requirements to maturity, except for other post-employment benefits, for all debt outstanding as of June 30, 2024, are as follows:

Annual Requirements to Maturity for Long-Term Debt
June 30, 2024

Year Ending June 30,	Early Retirement Payable	Limited Tax General Obligation Certificates - 2015		Qualified School Construction Bond		Limited Tax General Obligation Certificates - 2021		Total	
	Prin.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.
2025	\$29,589	\$ 215,000	\$ 38,411	\$ --	\$67,000	\$ 235,000	\$ 34,400	\$ 479,589	\$139,811
2026	29,589	225,000	33,733	--	9,000	235,000	29,700	489,589	72,433
2027	7,935	230,000	28,555	--	9,000	240,000	25,000	477,935	62,555
2028	--	235,000	22,915	--	9,000	245,000	20,200	480,000	52,115
2029	--	240,000	16,857	2,000,000	4,500	250,000	15,300	2,490,000	36,657
2030 - 2031	--	495,000	13,869	--	--	515,000	15,500	1,010,000	29,369
	<u>\$67,113</u>	<u>\$1,640,000</u>	<u>\$154,340</u>	<u>\$2,000,000</u>	<u>\$98,500</u>	<u>\$1,720,000</u>	<u>\$140,100</u>	<u>\$5,427,113</u>	<u>\$392,940</u>

NOTE 9 - LEASES

The School had one lease for copiers which requires monthly payments of \$1,599 including interest, and matures June of 2027.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 17,783	\$ 926	\$ 18,709
2026	18,142	567	18,709
2027	18,508	201	18,709

NOTE 10 - RESTRICTED NET POSITION

Restricted net position for the year ended June 30, 2024, was as follows:

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 - (Continued)

<u>Purpose</u>	<u>Restricted By</u>	<u>Amount</u>
Major Purposes:		
Capital Outlay purposes	Law	\$3,261,653
Special Education purposes	Law	1,449,458
Permanently Restricted Purposes:		
Scholarships - expendable		209,858
Scholarships - nonexpendable		10,000
Other Purposes:		
SDRS pension purposes	Law	438,587
Debt service purposes	Debt Covenants	<u>1,437,170</u>
Total Restricted Net Position		<u>\$6,806,726</u>

These balances are restricted due to federal grant, debt covenants, and statutory requirements.

NOTE 11 - INTERFUND TRANSFERS

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

<u>Transfers From:</u>	<u>Transfers To:</u>		
	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Total</u>
Capital Outlay Fund	\$ 958,679	\$125,000	\$1,083,679
Special Education	<u>28,833</u>	<u>--</u>	<u>28,833</u>
Totals	<u>\$987,512</u>	<u>\$125,000</u>	<u>\$1,112,512</u>

Transfers of investment and deposit earnings to the General Fund are reported. SDCL 4-5-9 and 13-16-18 give the school board the authority to designate whether all such earnings should be retained by any individual funds or credited to the General Fund. These interfund transfers are not violations of the statutory restrictions on interfund transfers. Certain other statutes and debt covenants require earnings from investments and deposits to be retained in the fund that services the long-term debt.

The Capital Outlay Fund transferred money to the Bond Redemption Fund in accordance with the terms of the Qualified School Construction Bond, and the General Fund in accordance with SDCL 13-6-6.

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 - ADJUSTMENTS TO AND RESTATEMENT OF BEGINNING BALANCES

During fiscal year 2024, error corrections resulted in adjustments to and restatements of beginning net position and fund net position as follows:

	<u>Government-Wide</u> Governmental Activities
06/30/23, as previously reported	\$22,704,563
Error correction -- construction in progress	<u>(74,954)</u>
06/30/23, as restated	<u>\$22,629,609</u>

NOTE 13 - 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 survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605)773-3731.

Benefits Provided:

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

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

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - (Continued)

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

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

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, 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 School District's share of contributions to the SDRS for the fiscal years ended June 30, 2024, 2023, and 2022, were \$194,306, \$177,427 and \$164,252, respectively, equal to the required contributions each year.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:

At June 30, 2023, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the School

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - (Continued)

District as of the measurement period ended June 30, 2023, and reported by the School District as of June 30, 2024, are as follows:

Proportionate share of pension liability	\$16,550,545
Less proportionate share of net pension restricted for pension benefits	<u>16,561,693</u>
Proportionate share of net pension asset	\$ <u>11,148</u>

At June 30, 2024, the School District reported an asset of \$11,148 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the School District's proportion was .114215%, which is a decrease of .000429% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$40,035. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience.	\$315,993	\$ --
Changes in assumption.	381,131	557,128
Net difference between projected and actual earnings on pension plan investments.	74,218	--
Changes in proportion and difference between School District contributions and proportionate share of contributions.	19,977	1,058
School District contributions subsequent to the measurement date.	<u>194,306</u>	<u>--</u>
TOTAL	<u>\$985,625</u>	<u>\$558,186</u>

\$194,306 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - (Continued)

Year Ending June 30:

2025	\$ 159,039
2026	(160,790)
2027	219,126
2028	<u>15,758</u>
 TOTAL	 \$ <u>233,133</u>

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	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.91%

Mortality Rates:

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - (Continued)

care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<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	<u>1.9%</u>	0.8%
Total	<u>100.0%</u>	

Discount Rate:

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net pension liability (asset)	\$2,284,927	\$(11,148)	\$(1,888,899)

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - (Continued)

Pension Plan Fiduciary Net Position:

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

NOTE 14 - RISK MANAGEMENT

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

Employee Health Insurance:

The School District joined the South Dakota School District Health Benefits Fund. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The School District pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. There is no lifetime maximum payment per person.

The School District does not carry additional health insurance coverage to pay claims. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:

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

Worker's Compensation:

The School District participates, with several other educational units and related organizations in South Dakota, in the Associated School Boards of South Dakota Workers' Compensation Fund Pool which provide 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 worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The School District's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The School District pays an annual premium, to provide worker's compensation coverage for its employees, under a retrospectively rated policy and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. The School District may also be responsible for additional assessments in the event the pool is determined by its board of trustees to have inadequate reserves to satisfy current obligations or judgments. Additional assessments, if any, are to be determined on a prorated basis based upon each participant's percentage of contribution in relation to the total contributions to the pool of all participants

MILLER SCHOOL DISTRICT NO. 29-4

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 14 - (Continued)

for the year in which the shortfall occurs. The pool provides loss coverage to all participants through pool retained risk retention and through insurance coverage purchased by the pool in excess of the retained risk. The pool pays the first \$500,000 of any claim per individual. The pool has reinsurance which covers up to \$1,000,000 per individual per incident.

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

Unemployment Benefits:

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

The School District has Assigned Fund Balance in the General Fund in the amount of \$13,760 for the payment of future unemployment benefits.

During the year ended June 30, 2024, no claims for unemployment benefits were paid. At June 30, 2024, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

NOTE 15 - LITIGATION

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

NOTE 16 - SUBSEQUENT EVENTS

Miller School District Health Plan is a single-employer defined benefit medical plan administered by the School District. This plan provides medical insurance benefits to eligible current employees, as well as retirees meeting eligibility requirements. After eligibility for retiree benefits is established, retirees must pay premiums until they are eligible for Medicare. SDCL 6-6-16 specifically allows any School District to provide health insurance for retiring employees and their immediate families. The liability exists because of an implicit subsidy of costs of the benefits to retirees of the School District. Benefit provisions were established and may be amended during the negotiated agreement process between certified staff and the governing board. The health plan does not issue separately stated stand-alone financial statements. The school has an immaterial OPEB liability of \$23,359 as of June 30, 2024. Since this amount is immaterial to the school's government-wide financial statements, and the liability will end on June 30, 2025, this amount has not been included in the government-wide Statement of Net Position.

There are no other subsequent events through May 27, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

MILLER SCHOOL DISTRICT NO. 29-4
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 2,290,000	\$ 2,290,000	\$2,603,432	\$ 313,432
Prior years' ad valorem taxes	--	--	15,277	15,277
Utility taxes	132,000	132,000	163,290	31,290
Penalties and interest on taxes	5,000	5,000	6,204	1,204
Revenue from local governmental units other than school districts:				
Revenue in lieu of taxes	4,000	4,000	5,273	1,273
Earnings on investments and deposits	10,000	10,000	60,392	50,392
Cocurricular activities:				
Admissions	30,000	30,000	25,953	(4,047)
Other student activity income	6,000	6,000	21,581	15,581
Other revenue from local sources:				
Rentals	500	500	2,720	2,220
Contributions and donations	500	500	9,705	9,205
Services provided other school districts	10,000	10,000	26,616	16,616
Refund of prior years' expenditures	7,500	7,500	6,897	(603)
Other	5,000	5,000	8,499	3,499
Revenue from Intermediate Sources:				
County sources:				
County apportionment	89,000	89,000	55,308	(33,692)
Revenue from State Sources:				
Grants-in-aid:				
Unrestricted grants-in-aid	1,127,000	1,127,000	1,235,344	108,344
Restricted grants-in-aid	--	--	2,077	2,077
Revenue from Federal Sources:				
Grants-in-aid:				
Unrestricted grants-in-aid received from federal government through an intermediate source	--	--	7,893	7,893
Restricted grants-in-aid received from federal government through the state	<u>123,149</u>	<u>123,149</u>	<u>125,320</u>	<u>2,171</u>
TOTAL REVENUES	<u>3,839,649</u>	<u>3,839,649</u>	<u>4,381,781</u>	<u>542,132</u>

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Instruction:				
Regular programs:				
Elementary	1,346,410	1,346,410	1,331,314	15,096
Middle/junior high	282,750	282,750	276,624	6,126
High school	882,000	882,000	802,010	79,990
Special programs:				
Educationally deprived	154,895	154,895	212,462	(57,567)
Support Services:				
Students:				
Guidance	136,090	136,090	144,864	(8,774)
Health	3,500	3,500	5,522	(2,022)
Instructional staff:				
Improvement of instruction	54,245	54,245	27,487	26,758
Educational media	111,990	111,990	119,398	(7,408)
General administration:				
Board of education	54,765	54,765	39,229	15,536
Executive administration	186,575	186,575	171,503	15,072
School administration:				
Office of the principal	271,170	271,170	269,671	1,499
Other	350	350	--	350
Business:				
Fiscal services	129,105	129,105	121,673	7,432
Operation and maintenance of plant	601,000	601,000	632,215	(31,215)
Student transportation services	485,000	485,000	533,906	(48,906)
Food services	--	--	3,071	(3,071)
Central:				
Staff	500	500	908	(408)
Nonprogrammed Charges:				
Payments to state - unemployment	5,000	5,000	--	5,000
Early retirement payments	29,605	29,605	29,589	16
Cocurricular Activities:				
Male activities	81,165	81,165	87,586	(6,421)
Female activities	51,635	51,635	61,016	(9,381)
Transportation	81,000	81,000	72,623	8,377
Combined activities	163,320	163,320	162,614	706
Contingencies	30,000	30,000		
Amount transferred		--		30,000
TOTAL EXPENDITURES	<u>5,142,070</u>	<u>5,142,070</u>	<u>5,105,285</u>	<u>36,785</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(1,302,421)</u>	<u>(1,302,421)</u>	<u>(723,504)</u>	<u>578,917</u>

MILLER SCHOOL DISTRICT NO. 29-4
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES:				
Transfers in	<u>900,000</u>	<u>900,000</u>	<u>987,512</u>	<u>87,512</u>
TOTAL OTHER FINANCING SOURCES	<u>900,000</u>	<u>900,000</u>	<u>987,512</u>	<u>87,512</u>
NET CHANGE IN FUND BALANCES	<u>(402,421)</u>	<u>(402,421)</u>	<u>264,008</u>	<u>666,429</u>
FUND BALANCE - BEGINNING	<u>2,263,592</u>	<u>2,263,592</u>	<u>2,263,592</u>	<u>--</u>
FUND BALANCE - ENDING	<u>\$ 1,861,171</u>	<u>\$ 1,861,171</u>	<u>\$2,527,600</u>	<u>\$ 666,429</u>

MILLER SCHOOL DISTRICT NO. 29-4
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CAPITAL OUTLAY FUND -
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 2,177,000	\$ 2,177,000	\$ 2,132,925	\$ (44,075)
Prior years' ad valorem taxes	--	--	9,445	9,445
Penalties and interest on taxes	--	--	4,597	4,597
Revenue from local governmental units other than school districts:				
Revenue in lieu of taxes	--	--	1,089	1,089
Earnings on investments and deposits	--	--	58,679	58,679
Other revenue from local sources:				
Contributions and donations	--	--	83,547	83,547
Other	--	--	4,920	4,920
Revenue from Federal Sources:				
Grants-in-aid:				
Restricted grants-in-aid received directly from federal government	--	--	31,541	31,541
Restricted grants-in-aid received from federal government through the state	--	--	66,704	66,704
Other federal revenue	<u>108,000</u>	<u>108,000</u>	<u>110,075</u>	<u>2,075</u>
TOTAL REVENUES	<u>2,285,000</u>	<u>2,285,000</u>	<u>2,503,522</u>	<u>218,522</u>
EXPENDITURES:				
Instruction:				
Regular programs:				
Elementary	94,500	94,500	122,918	(28,418)
Middle/junior high	10,000	10,000	11,489	(1,489)
High school	103,500	103,500	204,272	(100,772)
Support Services:				
Instructional staff:				
Educational media	5,500	5,500	23,165	(17,665)
General administration:				
Executive administration	2,500	2,500	540	1,960
School administration:				
Office of the principal	1,000	1,000	--	1,000
Business:				
Fiscal services	8,500	8,500	--	8,500
Facilities acquisition and construction	1,120,000	1,120,000	1,336,728	(216,728)
Operation and maintenance of plant	89,000	89,000	75,343	13,657
Debt Services	654,000	654,000	673,470	(19,470)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cocurricular Activities:				
Male activities	20,000	20,000	25,175	(5,175)
Female activities	10,000	10,000	19,292	(9,292)
Combined activities	<u>25,000</u>	<u>25,000</u>	<u>29,345</u>	<u>(4,345)</u>
TOTAL EXPENDITURES	<u>2,143,500</u>	<u>2,143,500</u>	<u>2,521,737</u>	<u>(378,237)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>141,500</u>	<u>141,500</u>	<u>(18,215)</u>	<u>(159,715)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,025,000)	(1,025,000)	(1,083,679)	(58,679)
Sale of surplus property	--	--	600	600
Compensation for loss of general capital assets	<u>--</u>	<u>--</u>	<u>984,733</u>	<u>984,733</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,025,000)</u>	<u>(1,025,000)</u>	<u>(98,346)</u>	<u>926,654</u>
NET CHANGE IN FUND BALANCES	(883,500)	(883,500)	(116,561)	766,939
FUND BALANCE - BEGINNING	<u>3,375,671</u>	<u>3,375,671</u>	<u>3,375,671</u>	<u>--</u>
FUND BALANCE - ENDING	<u>\$ 2,492,171</u>	<u>\$ 2,492,171</u>	<u>\$ 3,259,110</u>	<u>\$ 766,939</u>

MILLER SCHOOL DISTRICT NO. 29-4
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - SPECIAL EDUCATION FUND -
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 757,000	\$757,000	\$ 835,471	\$ 78,471
Prior years' ad valorem taxes	--	--	3,764	3,764
Penalties and interest on taxes	--	--	1,904	1,904
Revenue from local governmental units other than school districts:				
Revenue in lieu of taxes	--	--	379	379
Earnings on investments and deposits	--	--	28,833	28,833
Revenue from Federal Sources:				
Grants-in-aid:				
Restricted grants-in-aid received from federal government through the state	<u>118,245</u>	<u>118,245</u>	<u>130,768</u>	<u>12,523</u>
TOTAL REVENUES	<u>875,245</u>	<u>875,245</u>	<u>1,001,119</u>	<u>125,874</u>
EXPENDITURES:				
Instruction:				
Special programs:				
Programs for special education	680,445	680,445	507,177	173,268
Coordinated early intervening services instruction	--	--	67,187	(67,187)
Support Services:				
Students:				
Psychological	40,000	40,000	37,398	2,602
Speech pathology	59,750	59,750	62,938	(3,188)
Audiology	5,000	5,000	--	5,000
Student therapy services	50,000	50,000	65,270	(15,270)
Special education:				
Administrative costs	37,550	37,550	27,765	9,785
Transportation costs	<u>2,500</u>	<u>2,500</u>	<u>408</u>	<u>2,092</u>
TOTAL EXPENDITURES	<u>875,245</u>	<u>875,245</u>	<u>768,143</u>	<u>107,102</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>--</u>	<u>--</u>	<u>232,976</u>	<u>232,976</u>

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING USES:				
Transfers out	<u> --</u>	<u> --</u>	<u> (28,833)</u>	<u> (28,833)</u>
TOTAL OTHER FINANCING USES	<u> --</u>	<u> --</u>	<u> (28,833)</u>	<u> (28,833)</u>
NET CHANGE IN FUND BALANCES	<u> --</u>	<u> --</u>	<u> 204,143</u>	<u> 204,143</u>
FUND BALANCE - BEGINNING	<u> 1,244,208</u>	<u> 1,244,208</u>	<u> 1,244,208</u>	<u> --</u>
FUND BALANCE - ENDING	<u>\$ 1,244,208</u>	<u>\$ 1,244,208</u>	<u>\$ 1,448,351</u>	<u>\$ 204,143</u>

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF BUDGETARY COMPARISONS FOR THE GENERAL FUND AND FOR EACH
MAJOR SPECIAL REVENUE FUND WITH A LEGALLY REQUIRED BUDGET
JUNE 30, 2024

NOTE 1 - Budgets and Budgetary Accounting

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

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

NOTE 2 - USGAAP/Budgetary Accounting Basis Differences

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

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM

	Last 10 Fiscal Years									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	.114215%	.114644%	.132722%	.1280519%	.1213766%	.1265378%	.1234730%	.1152296%	.1153072%	.1187829%
District's proportionate share of net pension liability (asset)	\$(11,148)	\$(10,834)	\$(1,016.423)	\$(5,561)	\$(12,863)	\$(2,951)	\$ (11,205)	\$ 389,234	\$ (489,051)	\$ (855,782)
District's covered payroll	\$2,946,017	\$2,737,546	\$ 3,014,885	\$2,810,505	\$2,580,708	\$2,634,449	\$2,499,907	\$2,195,950	\$2,109,318	\$2,077,186
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.38%	0.40%	33.71%	0.20%	0.50%	0.11%	0.45%	17.73%	23.19%	41.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.1%	100.1%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%	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 6/30 pf the previous fiscal year.

MILLER SCHOOL DISTRICT NO. 29-4
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT PENSION CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM

	Last 10 Fiscal Years									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 194,306	\$ 177,427	\$ 164,252	\$ 180,714	\$ 168,621	\$ 154,843	\$ 157,836	\$ 150,709	\$ 131,757	\$ 126,559
Contributions in relation to the contractually required contribution	\$ 194,306	\$ 177,427	\$ 164,252	\$ 180,714	\$ 168,621	\$ 154,843	\$ 157,836	\$ 150,709	\$ 131,757	\$ 126,559
District's covered payroll	\$3,238,424	\$2,955,246	\$2,737,546	\$3,014,885	\$2,810,505	\$2,580,708	\$2,634,449	\$2,499,907	\$2,195,950	\$2,109,318
Contributions as a percentage of covered payroll	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

MILLER SCHOOL DISTRICT NO. 29-4
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024

Changes from Prior Valuation:

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

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

Benefit Provision Changes:

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

Actuarial Method Changes:

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

Actuarial Assumption Changes:

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

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

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

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