

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
AUDIT REPORT
FOR THE YEAR THEN ENDED
JUNE 30, 2024

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CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**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**

Independent Auditor's Report

School Board
Mobridge-Pollock School District 62-6
Mobridge, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Mobridge-Pollock School District No. 62-6, Mobridge, South Dakota (School District), as of June 30, 2024, and for the year then ended which collectively comprise the School District's basic financial statements and have issued our report thereon February 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing 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 control deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings, items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

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

School District's Response to Findings

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

Purpose of this Report

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

Caleb Bauer

Mobridge, South Dakota
February 4, 2025



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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

School Board
Mobridge-Pollock School District 62-6
Mobridge, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Mobridge-Pollock School District No. 62-6, South Dakota (School District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

In our opinion, the Mobridge-Pollock School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

1. exercise professional judgment and maintain professional skepticism throughout the audit.
2. identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
3. obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2024-005.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly this report is not suitable for any other purposes. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

Calvin Bauer

Mobridge, South Dakota
February 4, 2025

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
AS OF JUNE 30, 2024 AND FOR THE YEAR THEN ENDED**

PRIOR FEDERAL AUDIT FINDINGS

There were no prior federal audit findings to report.

PRIOR OTHER AUDIT FINDINGS

Finding Number 2023-001:

A material weakness was reported for a lack of segregation of duties for cash, revenues, receivables, inventories, payables, custodial funds, capital assets, budget, indebtedness, and equity.

Current Status

Ongoing: Condition still exists, see current audit finding number 2024-001. The reason for recurrence is due to cost considerations, the School District has determined it is not practical to employ additional staff to adequately segregate duties. The School District will implement compensating controls where practical.

Finding Number 2023-002:

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

Current Status

Ongoing: Condition still exists, see current audit finding number 2024-005. The reason for recurrence is due to cost considerations, the School District accepts the risks associated with the auditors preparing the financial statements. The School District will implement compensating controls where practical.

Finding Number 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.

Current Status

Ongoing: Condition still exists, see current audit finding number 2024-002. The reason for recurrence is due to cost considerations, the School District has determined it is not practical to employ additional staff to implement an internal control structure adequate to identify all material adjustments. The School District will implement compensating controls where practical.

Finding Number 2023-004:

The School District did not have an internal control system designed to ensure that general fund activities were properly segregated from custodial fund activities in accordance with SDCL 13-16-19.

Current Status

This finding has been corrected.

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION 1 - SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS

Financial Statements

- a. An unmodified opinion was issued on the financial statements of each opinion unit.
- b. A material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties as discussed in finding number 2024-001. A material weakness was disclosed by our audit of the financial statements for proposing material adjustments as discussed in finding number 2024-002. A material weakness was disclosed for overspending the appropriated budget in Capital Outlay and Special Education fund as discussed in finding 2024-003. A material weakness was disclosed for internal controls being inadequate to ensure that the data collection form was timely filed with the Federal Clearinghouse as discussed in finding 2024-004. A material weakness was disclosed by our audit of the financial statements for the preparation of the financial statements by the auditor as discussed in finding number 2024-005.
- c. Our audit did not report any significant deficiencies not considered to be material weaknesses.
- d. Our audit disclosed compliance findings that are material to the financial statements. See finding number 2024-003.

Federal Awards

- e. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- f. Our audit disclosed audit findings that are required to be reported in accordance with 2 CFR 200.516(a). See finding number 2024-005.
- g. The federal awards tested as major programs were:
 - a. Elementary and Secondary School Emergency Relief Fund 84.425D
 - b. American Rescue Plan Elementary and Secondary School Emergency Relief 84.425U
- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- i. Mobridge-Pollock School District No 62-6 did not qualify as a low-risk auditee.

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION II - FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL-RELATED FINDINGS - MATERIAL WEAKNESSES

FINDING 2024-001

Criteria

To obtain adequate internal control over cash management, the duties of collecting and handling of cash must be segregated from the recording of the cash transaction. The duties of preparing, mailing or otherwise distributing checks should be segregated from the recording process.

Condition Found

A lack of proper segregation of duties existed for the revenue and expenditure functions resulting in decreased reliability of reported financial data and increased potential for the loss of public assets. As a result, an inadequate segregation of duties existed for these functions of the School District.

Cause and Effect

Inaccurate financial statement and/or misappropriations of funds could result from a lack of segregation of duties.

Identification of Repeat Finding

This finding has been a repeat finding for several years.

Recommendation

We recommend that the School District's officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever possible and practical.

Views of responsible officials and corrective actions

See the School District's corrective action plan.

FINDING 2024-002

Criteria

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

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Condition Found

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.

Cause and Effect

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

Identification of Repeat Finding

This finding has been a repeat finding for several years.

Recommendation

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

Views of responsible officials and corrective actions

See the School District's corrective action plan.

FINDING 2024-003

Criteria

A School District's internal control system should be designed to ensure expenditures do not exceed budgeted appropriations in total in accordance with SDCL 13-11-2.

Condition Found

The School District exceeded the budgeted appropriations total in the Special Education Fund in accordance with SDCL 13-11-2.

Cause and Effect

This condition may lead to the School District spending funds that have not been approved by the board of education.

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Recommendation

The School District should put internal controls in place to monitor the budget more closely and supplement their budget as necessary.

Views of responsible officials and corrective actions

See the School District's corrective action plan.

FINDING 2024-004

Criteria

An organization's internal control structure should ensure the data collection form is timely filed with the Federal Clearinghouse as required by federal regulations.

Condition Found

If an entity fails to submit a data collection form to the Federal Clearinghouse, it could face consequences such as losing access to future federal funding and having to repay grant monies due to non-compliance with single audit requirements.

Cause and Effect

Not ensuring timely filing violates federal regulations.

Recommendation

The School District should implement internal controls to ensure its data collection form is timely filed each year.

Views of responsible officials and corrective actions

See the School District's corrective action plan.

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2024-005

Criteria

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

Condition Found

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

Cause and 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.

Identification of Repeat Finding

This finding has been a repeat finding for several years for the financial statement audit; however, this is the initial year as a federal finding due to not being able to prepare the Schedule of Expenditures of Federal Awards.

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 and corrective actions

See the School District's corrective action plan.

Mobridge-Pollock School District No. 62-6

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Finding Number 2024-001: Material weakness in internal controls due to a lack of segregation of duties.

Views of Responsible officials and Planned Correct Action Plan:

The Mobridge-Pollock School District Business Manager, Kim Schneider, is the contact person at this entity responsible for the corrective action plan for this finding. This finding is due to the limited number of staff employed in the district's business office. Staffing the office at an efficient and financially feasible level precludes the hiring of enough personnel to provide an ideal environment for internal controls. This is an ongoing process, requiring continual analysis of processes and procedures in order to minimize the risk to the district.

Finding Number 2024-002: Material weakness due to a lack of internal control structure to provide recording of all necessary material adjustments in order to ensure that accounting records are in accordance with GAAP.

Views of Responsible officials and Planned Correct Action Plan:

The Mobridge-Pollock School District Business Manager, Kim Schneider, is the contact person at this entity responsible for the corrective action plan for this finding. The district is aware of our overall responsibility for the preparation of all material adjustments of the School's financial statements to ensure their accuracy. This is an ongoing process, requiring continual analysis of processes and procedures in order to minimize the risk to the district.

Finding Number 2024-003: The School District exceeded the budgeted appropriations total in the Special Education as in accordance with SDCL 13-11-2.

Views of Responsible officials and Planned Correct Action Plan:

The Mobridge-Pollock School District Business Manager, Kim Schneider, is the contact person at this entity responsible for the corrective action plan for this finding. The School District will ensure general fund receipts and disbursements are properly segregated from custodial accounts.

Finding Number 2024-004: The School District's internal control system did not ensure that the School District timely filed its data collection form with the Federal Clearinghouse in a timely manner.


Views of Responsible officials and Planned Correct Action Plan:


The Mobridge-Pollock School District Business Manager, Kim Schneider, is the contact person at this entity responsible for the corrective action plan for this finding. The School District will ensure general fund receipts and disbursements are properly segregated from custodial accounts.

Finding Number 2024-005: Material weakness due to a lack of internal control structure to enable for the preparation of the financial statements and related notes.

Views of Responsible officials and Planned Correct Action Plan:

The Mobridge-Pollock School District Business Manager, Kim Schneider, is the contact person at this entity responsible for the corrective action plan for this finding. The district is aware of our overall responsibility for the preparation of the School's financial statements and footnotes including the Schedule of Expenditures of Federal Awards and plans to attempt to set aside time to complete these statements and required footnotes including the Schedule of Expenditures of Federal Awards. This is an ongoing process, requiring continual analysis of processes and procedures in order to minimize the risk to the district.


Business Manager


Superintendent



CAHILL BAUER & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

School Board
Mobridge-Pollock School District 62-6
Mobridge, 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 Mobridge-Pollock School District 62-6, as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mobridge-Pollock School District 62-6 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2025 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Cahtel Bower

Mobridge, South Dakota
February 4, 2025

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$ 4,783,919	\$ 199,763	\$ 4,983,682
Investments	824,355	-	824,355
Taxes receivable	1,335,818	-	1,335,818
Other assets	397,677	42,491	440,168
Inventories	-	23,188	23,188
Restricted cash and cash equivalents	517,467	-	517,467
Net pension asset	15,525	369	15,894
Capital assets			
Land	117,377	-	117,377
Other capital assets, net of depreciation	17,537,090	33,200	17,570,290
TOTAL ASSETS	\$ 25,529,228	\$ 299,011	\$ 25,828,239
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	1,325,102	31,525	1,356,627
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,325,102	\$ 31,525	\$ 1,356,627

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Accounts payable	\$ 80,300	\$ 4,399	\$ 84,699
Other current liabilities	523,666	3,710	527,376
Unearned revenue	-	20,767	20,767
Noncurrent liabilities:			
Due within one year	41,420	-	41,420
Due in more than one year	951,674	-	951,674
TOTAL LIABILITIES	\$ 1,597,060	\$ 28,876	\$ 1,625,936
Pension related deferred inflows	777,258	18,491	795,749
Other deferred inflows	24,053	-	24,053
Taxes levied for future period	1,244,854	-	1,244,854
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 2,046,165	\$ 18,491	\$ 2,064,656
NET POSITION			
Net investment in capital assets	16,788,467	33,200	16,821,667
Restricted for			
Capital outlay purposes	1,735,031	-	1,735,031
Special education purposes	407,100	-	407,100
Debt service purposes	517,467	-	517,467
SDRS pension purposes	563,369	13,403	576,772
Unrestricted	3,199,671	236,566	3,436,237
TOTAL NET POSITION	\$ 23,211,105	\$ 283,169	\$ 23,494,274

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues					Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business-Type Activities	Total	
Primary government								
Governmental activities								
Instruction	\$ 4,166,796	\$ -	\$ 867,956	\$ -	\$ (3,298,840)	\$ -	\$ -	\$ (3,298,840)
Support services	2,767,434	-	201,944	587,351	(1,978,139)	-	-	(1,978,139)
Nonprogrammed charges	-	7,904	-	-	7,904	-	-	7,904
* Interest on long-term debt	43,300	-	-	-	(43,300)	-	-	(43,300)
Cocurricular activities	603,576	81,326	-	86,906	(435,344)	-	-	(435,344)
Total governmental activities	7,581,106	89,230	1,069,900	674,257	(5,747,719)	-	-	(5,747,719)
Business-type activities								
Food service	521,857	219,755	280,935	-	-	(21,167)	(21,167)	(21,167)
Total primary government	\$ 8,102,963	\$ 308,985	\$ 1,350,835	\$ 674,257	\$ (5,747,719)	\$ (21,167)	\$ (21,167)	\$ (5,768,886)
General Revenues								
Taxes								
Property taxes					3,122,247	-	-	3,122,247
Gross receipts taxes					107,432	-	-	107,432
Revenue from state sources								
State aid					2,877,866	-	-	2,877,866
Revenue from federal sources					235,591	-	-	235,591
Unrestricted investment earnings					82,118	-	-	82,118
Other general revenues					255,402	-	-	255,402
Total general revenues					6,680,656	-	-	6,680,656
Change in net position					932,937	(21,167)	(21,167)	911,770
Net position - beginning					22,278,168	304,336	304,336	22,582,504
Net position - ending					\$ 23,211,105	\$ 283,169	\$ 283,169	\$ 23,494,274

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

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund	-	
ASSETS						
Cash and cash equivalents	\$ 2,707,247	\$ 1,722,654	\$ 354,018	\$ -	\$ -	\$ 4,783,919
Investments	824,355	-	-	-	-	824,355
Taxes receivables - current	611,055	404,658	250,891	-	-	1,266,604
Taxes receivables - delinquent	34,344	21,385	13,485	-	-	69,214
Due from state government	101,279	-	-	-	-	101,279
Due from federal governments	204,515	-	91,883	-	-	296,398
Restricted cash and cash equivalents	-	-	-	517,467	-	517,467
TOTAL ASSETS	\$ 4,482,795	\$ 2,148,697	\$ 710,277	\$ 517,467	\$ -	\$ 7,859,236
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	63,730	15,630	940	-	-	80,300
Contracts payable	395,508	-	48,810	-	-	444,318
Due to other funds	2,302	-	-	-	-	2,302
Amount held for others	17,863	-	-	-	-	17,863
Payroll deductions and withholdings and employer matching payable	52,542	-	6,641	-	-	59,183
Total Liabilities	531,945	15,630	56,391	-	-	603,966
Deferred Inflows of Resources						
Unavailable revenue - property tax	32,369	20,438	12,886	-	-	65,693
Taxes levied for future period	600,032	398,036	246,786	-	-	1,244,854
Other deferred inflows of resources	24,053	-	-	-	-	24,053
Total Deferred Inflows of Resources	656,454	418,474	259,672	-	-	1,334,600
Fund balances						
Restricted						
Capital outlay purposes	-	1,714,593	-	-	-	1,714,593
Special education purposes	-	-	394,214	-	-	394,214
Debt service purposes	-	-	-	517,467	-	517,467
Assigned						
Unemployment	1,427	-	-	-	-	1,427
Unassigned	3,292,969	-	-	-	-	3,292,969
Total fund balance	3,294,396	1,714,593	394,214	517,467	-	5,920,670
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,482,795	\$ 2,148,697	\$ 710,277	\$ 517,467	\$ -	\$ 7,859,236

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

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Total fund balances - governmental funds	\$	5,920,670
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. The capitalized cost of the capital assets is \$22,959,910 and the accumulated depreciation/amortization is (\$5,305,443) for a net amount of \$17,654,467.		17,654,467
Net pension asset reported in governmental activities is not an available financial resource and therefor is not reported in the funds.		15,525
Pension deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.		1,325,102
Pension deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.		(777,258)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Early retirement benefits	\$52,501	
Lease liability	\$74,593	
Qualified Zone Academy Bonds payable	\$866,000	(993,094)
Property taxes become due and payable on January 1, each year, but are not collected/available soon enough to pay current period expenditures; therefore, they are reported as deferred inflow of resources in the fund financial statements. However, because the <i>delinquent taxes</i> are due and payable by the taxpayer at June 30, the delinquent taxes are reported as revenue on the government-wide financial statements.		65,693
Net position- governmental funds	\$	<u>23,211,105</u>

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund		
REVENUES						
Revenue from local sources						
Taxes						
Ad valorem taxes	\$ 1,459,856	\$ 986,131	\$ 613,932	\$ -	\$ 3,059,919	
Prior years' ad valorem taxes	11,332	5,629	3,543	-	20,504	
Tax deed revenue	377	-	-	-	377	
Utility taxes	107,432	-	-	-	107,432	
Penalties and interest on taxes	4,062	2,411	1,511	-	7,984	
Earnings on investments and deposits	75,975	-	-	6,143	82,118	
Cocurricular activities						
Admissions	40,909	-	-	-	40,909	
Other pupil activity income	40,417	-	-	-	40,417	
Other revenue from local sources						
Contributions and donations	8,822	21,670	-	-	30,492	
Charges for services	7,607	-	297	-	7,904	
Other	63,837	-	1,645	-	65,482	
Revenue from intermediate sources						
County sources						
County appointment	81,131	-	-	-	81,131	
Revenue from state sources						
Grants-in-aid						
Unrestricted grants-in-aid	2,877,866	-	-	-	2,877,866	
Restricted grants-in-aid	10,848	-	104,150	-	114,998	

(Continued on next page)

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund		
Revenue from federal sources						
Grants-in-aid						
Unrestricted grants-in-aid						
Received directly from						
the federal government	\$ 217,022	\$ -	\$ 2,912	\$ -	\$ -	\$ 219,934
Unrestricted grants-in-aid						
Received from federal government						
through the state	23	-	-	-	-	23
Restricted grants-in-aid						
Received directly from						
the federal government	48,918	-	-	-	-	48,918
Restricted grants-in-aid						
Received from federal government through						
the state	733,509	572,322	187,504	-	-	1,493,335
Johnson O'Malley funds	15,634	-	-	-	-	15,634
Other federal revenues	-	78,245	-	-	-	78,245
Total Revenues	5,805,577	1,666,408	915,494	6,143		8,393,622
EXPENDITURES						
Instruction						
Regular programs						
Elementary	1,243,225	41,333	-	-	-	1,284,558
Middle/junior high	529,290	55,471	-	-	-	584,761
High school	897,623	38,755	-	-	-	936,378
Other regular programs	82,061	-	-	-	-	82,061
Special programs						
Programs for special education	-	-	704,558	-	-	704,558
Educationally deprived	\$ 365,891	\$ -	\$ -	\$ -	\$ -	\$ 365,891

(Continued on next page)

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund		
Support services						
Pupils						
Guidance	\$ 131,891	-	-	\$ -	-	\$ 131,891
Health	8,403	-	-	-	-	8,403
Psychological	-	-	52,510	-	-	52,510
Speech pathology	-	-	152,684	-	-	152,684
Student therapy services	-	-	56,224	-	-	56,224
Support services - instructional staff						
Improvement of instruction	36,279	-	-	-	-	36,279
Educational media	189,858	56,355	-	-	-	246,213
Support services - general administration						
Board of education	54,317	300	-	-	-	54,617
Executive administration	192,250	-	-	-	-	192,250
Support services - school administration						
Office of the principal	440,989	-	-	-	-	440,989
Other	495	-	-	-	-	495
Support services - business						
Fiscal services	156,611	-	-	-	-	156,611
Operation and maintenance of plant	888,263	4,597	-	-	-	892,860
Pupil transportation	78,876	-	-	-	-	78,876
Food services	12,673	1,104	-	-	-	13,777
Support services - central						
Planning	12,347	-	-	-	-	12,347
Support services - special education						
Administrative costs	-	-	87,256	-	-	87,256
Other	-	-	58	-	-	58
Nonprogrammed charges						
Early retirement payments	\$ 17,323	\$ -	\$ -	\$ -	\$ -	\$ 17,323

(Continued on next page)

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund		
Cocurricular activities						
Male activities	\$ 81,797	\$ -	\$ -	\$ -	\$ -	\$ 81,797
Female activities	57,216	8,508	-	-	-	65,724
Transportation	79,802	-	-	-	-	79,802
Combined activities	181,425	3,326	-	-	-	184,751
Debt services	-	-	-	43,300	-	43,300
Capital outlay	-	847,375	-	-	-	847,375
Total expenditures	5,738,905	1,057,124	1,053,290	43,300	43,300	7,892,619
Excess of revenue over (under) expenditures	66,672	609,284	(137,796)	(37,157)		501,003
Other financing sources (uses)						
Transfer in	380,400	-	-	86,600	-	467,000
Transfer out	-	(467,000)	-	-	-	(467,000)
Sale of surplus property	52	-	-	-	-	52
Net other financing sources (uses)	380,452	(467,000)	-	86,600	-	52
Net change in fund balances	447,124	142,284	(137,796)	49,443		501,055
Fund balance - beginning	2,847,272	1,572,309	532,010	468,024		5,419,615
Fund Balance - Ending	\$ 3,294,396	\$ 1,714,593	\$ 394,214	\$ 517,467	\$ -	\$ 5,920,670

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

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$	501,055
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.		847,375
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		(507,003)
The receipt of donated capital assets is not reported on the fund statements, but is reported as a program revenue on the government wide statements.		86,906
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".		33,463
Governmental funds recognize expenditures for amounts of early retirement benefits actually paid to employees with current financial resources during the fiscal year. In the statement of activities, expenses for these benefits are recognized when the employees elect to retire early.		17,323
Some expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. (e.g., pension expense)		(69,649)
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.		23,467
Change in net position of governmental activities	\$	<u>932,937</u>

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO 62-6
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Enterprise Funds Food Service Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 199,763
Accounts receivable	26,339
Due from other government	16,152
Inventory of supplies	5,065
Inventory of stores purchased for resale	12,644
Inventory of donated food	5,479
Total current assets	<u>265,442</u>
Noncurrent assets	
Pension asset	369
Capital assets	
Machinery and equipment	204,823
Less accumulated depreciation	<u>(171,623)</u>
Total noncurrent assets	<u>33,569</u>
TOTAL ASSETS	<u>299,011</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows of resources	<u>31,525</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>31,525</u>
 LIABILITIES	
Current liabilities	
Accounts payable	4,399
Contracts payable	3,333
Payroll deductions and withholdings and employer matching payable	377
Unearned revenue	<u>20,767</u>
TOTAL LIABILITIES	<u>28,876</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows of resources	<u>18,491</u>
DEFERRED INFLOWS OF RESOURCES	<u>18,491</u>
 NET POSITION	
Invested in capital assets	33,200
Restricted for SDRS purposes	13,403
Unrestricted net position	<u>236,566</u>
TOTAL NET POSITION	<u>\$ 283,169</u>

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

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO 62-6
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Funds Food Service Fund
OPERATING REVENUE	
Sales	
Students	\$ 196,648
Adult	12,037
Other charges for goods and services	11,070
Total operating revenue	<u>219,755</u>
OPERATING EXPENSES	
Food Service	
Salaries	172,216
Employee benefits	57,646
Purchased services	19,348
Supplies	19,703
Cost of sales - purchased food	206,800
Cost of sales - donated food	40,846
Depreciation	5,298
Total Operating Expenses	<u>521,857</u>
Operating Loss	<u>(302,102)</u>
NONOPERATING REVENUES (EXPENSES)	
State sources	
Cash reimbursements	945
Federal sources	
Cash reimbursements	241,427
Donated food	38,563
Total nonoperating revenues	<u>280,935</u>
CHANGE IN NET POSITION	(21,167)
NET POSITION - BEGINNING	<u>304,336</u>
NET POSITION - ENDING	<u>\$ 283,169</u>

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Enterprise Funds</u>
	<u>Food Service</u>
	<u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 208,014
Payments to suppliers	(243,842)
Payments to employees	(218,137)
Net cash used by operating activities	<u>(253,965)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash reimbursements - state sources	945
Cash reimbursements - federal sources	239,181
Net cash flows from noncapital financing activities	<u>240,126</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,839)
CASH AND CASH EQUIVALENTS	
AT BEGINNING OF YEAR	<u>213,602</u>
CASH AND CASH EQUIVALENTS	
AT END OF YEAR	<u><u>\$ 199,763</u></u>

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

RECONCILIATION OF OPERATING LOSS TO NET
CASH USED BY OPERATING ACTIVITIES

Operating loss	\$ (302,102)
Adjustments to reconcile operating loss to net cash used by operating activities	
Value of commodities used	40,846
Depreciation expense	5,298
Change in assets and liabilities	
Accounts receivable	(11,765)
Inventories	3,376
Accounts and other payables	(1,367)
Contracts and benefits payable	599
Unearned revenue	24
Pension deferred outflows/inflows	11,126
	<hr/>
Net cash used by operating activities	<u>\$ (253,965)</u>

NONCASH INVESTING, CAPITAL AND
FINANCING ACTIVITIES

Value of commodities received	<u>\$ 38,563</u>
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**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO 62-6
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Private-Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 12,184	\$ 80,129
Investments	31,850	-
Due from other funds	-	2,302
	<u>44,034</u>	<u>82,431</u>
NET POSITION		
Restricted for student activities	-	82,431
Restricted for scholarships	44,034	-
	<u>44,034</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ 44,034</u></u>	<u><u>\$ 82,431</u></u>

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO 62-6
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions and donations	\$ 8,600	\$ -
Collections for student activities	-	97,074
Earnings on investments and deposits	287	-
TOTAL ADDITIONS	8,887	97,074
DEDUCTIONS:		
Payments for student activities	-	78,814
Trust deductions for scholarships	2,050	-
TOTAL DEDUCTIONS	2,050	78,814
CHANGE IN NET POSITION	6,837	18,260
NET POSITION - BEGINNING	37,197	64,171
NET POSITION - ENDING	\$ 44,034	\$ 82,431

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(See Independent Auditors' Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity

The reporting entity of Moberidge-Pollock School District No. 62-6, 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 invested in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the 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 Laws (SDCL) 13-16-3 to meet all the general operational costs of the School District, excluding capital outlay fund and special education fund expenditures. The General Fund is always a major fund.

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

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 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.

The Bond Redemption Fund - A fund established by SDCL 13-16-13 to account for the payment of interest and principal on all bonded indebtedness. The Bond Redemption Fund is the only debt service fund maintained by the School District. This is not a major fund.

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(See Independent Auditors' Report)

Proprietary Funds

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

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

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.

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 the following private-purpose trust fund:

The Scholarship fund is used for the purposes of providing scholarships to students.

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

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.

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

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 government funds, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary and similar fiduciary funds.

Basis of Accounting

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2024 are reimbursements for federal program expenditures, state reimbursements, misc reimbursements, and utility taxes.

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 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 the general long-term debt which are recognized when due.

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

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

d. Interfund Eliminations and Reclassifications

Government-wide Financial Statements

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

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

e. Deposits and Investments

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

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

f. Capital Assets

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

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

Government-Wide Statements

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

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

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(See Independent Auditors' Report)

The total June 30, 2024 balance of capital assets for governmental activities includes approximately 10 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 10 percent for which the values were determined by estimates of the original cost. These estimated original costs were established by deflated current replacement cost.

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

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

	Capitalization	Depreciation/ Amortization	Estimated
	Threshold	Method	Useful Life
Land	All	N/A	N/A
Improvements	\$ 5,000	Straight-line	15-50 years
Buildings	\$ 5,000	Straight-line	15-50 years
Machinery and equipment	\$ 5,000	Straight-line	3-20 years
Food service equipment	\$ 5,000	Straight-line	3-15 years
Intangible lease assets	\$ 5,000	Straight-line	Various
Intangible subscription assets	\$ 5,000	Straight-line	Various

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

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

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

g. Long-Term Liabilities

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

NOTES TO FINANCIAL STATEMENTS - Page 7
(See Independent Auditors' Report)

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 consist primarily of a Qualified Zone Academy Bond issue, lease liability, and early retirement benefits payable.

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

h. Leases

Lessee:

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

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

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

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

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

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

i. Program Revenues

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

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

1. Charges for services - These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

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

j. Deferred Inflows and Deferred Outflows of Resources

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

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

k. Proprietary Funds Revenue and Expense Classifications

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

l. Cash and Cash Equivalents

The School District pools its cash resources for depositing and investing purposes. For purposes of financial statement reporting, the School District considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Accordingly, the enterprise fund has access to its 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.

m. Equity Classifications

Government-wide Statements

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

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

1. Net Invested in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any 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 assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

3. Unrestricted Net Position - All other net assets that do not meet the definition of "restricted" or "net invested in capital assets."

Fund Financial Statements

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

n. Application of Net Position

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

o. Fund Balance Classification Policies and Procedures

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

- Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board, Superintendent or Business Manager.
- 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.

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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 School District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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

p. Pension

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 - DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

Deposits - The School District'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 physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

As of June 30, 2024, the School District's investments reported in the financial statements consist of only certificates of deposit and SD FIT.

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(See Independent Auditors' Report)

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>Investment</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
CD's - Scholarshi	Unrated	\$ 31,850	\$ 31,850
Total Scholarship Fund		31,850	31,850
External Investment Pool:			
SD FIT	Unrated	824,355	824,355
Total Government Activities		824,355	824,355
Total Investments		\$ 856,205	\$ 856,205

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing purposes. It is regulated by a nine-member board with representation from municipalities, school districts and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis.

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.

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

Concentration of Credit Risk - The School District places no limit on the amount that may be invested in any one issuer. The School District does not have a deposit policy for custodial risk. As of June 30, 2024, the School District's deposits were fully insured or collateralized and were not exposed to custodial credit risk.

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.

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(See Independent Auditors' Report)

NOTE 3 - 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>
\$ 517,467	Debt Service
<u>\$ 517,467</u>	

NOTE 4 - RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year. No allowances for estimated uncollectibles have been determined to be necessary.

NOTE 5 - INVENTORY

Inventory for consumption is stated at cost. Inventory for resale is stated at the lower of cost or market. The cost valuation method is consumption method. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

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

No material inventories were on hand as of June 30, 2024, in the government funds.

NOTE 6 - PROPERTY TAXES

Property taxes are levied on or before October 1, attach as an enforceable lien on property 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 revenue in both the fund financial statements and the government-wide financial statements. Additionally, in the fund financial statements, revenue from property taxes may be limited by any amount not collected during the current fiscal period or within the "availability period".

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(See Independent Auditors' Report)

NOTE 7 - CHANGES IN CAPITAL ASSETS

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

	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2024
Primary Government				
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	\$ 117,377	\$ -	\$ -	\$ 117,377
Construction in progress	124,188	-	(124,188)	-
Total capital assets, being depreciated/amortized	<u>241,565</u>	<u>-</u>	<u>(124,188)</u>	<u>117,377</u>
Capital assets, being depreciated/amortized				
Improvements	1,733,700	641,707	-	2,375,407
Buildings	17,888,443	-	-	17,888,443
Machinery and equipment	2,040,769	416,762	-	2,457,531
Intangible lease assets	121,152	-	-	121,152
Total capital assets, being depreciated/amortized	<u>21,784,064</u>	<u>1,058,469</u>	<u>-</u>	<u>22,842,533</u>
Less accumulated depreciation/amortization for				
Improvements	427,838	144,778	-	572,616
Buildings	3,157,111	202,844	-	3,359,955
Machinery and equipment	1,189,261	135,151	-	1,324,412
Intangible lease assets	24,230	24,230	-	48,460
Total accumulated depreciation/amortization	<u>4,798,440</u>	<u>507,003</u>	<u>-</u>	<u>5,305,443</u>
Total capital assets, being depreciated/amortized, net	<u>16,985,624</u>	<u>551,466</u>	<u>-</u>	<u>17,537,090</u>
Governmental activity capital assets, net	<u>\$ 17,227,189</u>	<u>\$ 551,466</u>	<u>\$ (124,188)</u>	<u>\$ 17,654,467</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities	
Instruction	\$ 159,545
Support services	157,947
Co-curricular activities	<u>189,511</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 507,003</u>

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	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2024
Business-type activities				
Capital assets, being depreciated				
Machinery and equipment	\$ 204,823	\$ -	\$ -	\$ 204,823
Less accumulated depreciation for Machinery and equipment	166,325	5,298	-	171,623
 Total capital assets, being depreciated, net	 \$ 38,498	 \$ (5,298)	 \$ -	 \$ 33,200

Depreciation expense was charged to functions as follows:

Business-type activities	
Food Services	\$ 5,298

NOTE 8 - LONG-TERM LIABILITIES

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

	Balance 07/01/2023	Additions	Deletions	Balance 06/30/2024	Due Within One Year
Governmental Activities:					
Qualified Zone Academy Bonds	\$ 866,000	\$ -	\$ -	\$ 866,000	\$ -
Lease liability	98,060	-	23,467	74,593	24,153
Early retirement	70,486	-	17,985	52,501	17,267
Total governmental activities	\$ 1,034,546	\$ -	\$ 41,452	\$ 993,094	\$ 41,420

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

Qualified Zone Academy Bonds Payable: Payable from the Debt	\$ 866,000
Lease Liability: Payable from the Capital Outlay	74,593
Early Retirement Payable: Payable from the General Fund	52,501
	<u>\$ 993,094</u>

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(See Independent Auditors' Report)

Annual Requirements to Maturity for Long-Term Debt

Year Ended June 30	Early Retirement	QZAB	Lease Liability
2025	17,267	-	24,153
2026	17,267	-	24,858
2027	13,661	-	25,582
2028	4,306	-	-
2029	-	-	-
2030-2034	-	866,000	-
Totals	<u>\$ 52,501</u>	<u>\$ 866,000</u>	<u>\$ 74,593</u>

The amounts for Early Retirement payable are calculated based upon undiscounted cash flows at 20% of the current base salary. Early Retirement Benefits payable for governmental activities typically have been liquidated from the general fund.

Qualified Zone Academy bonds are term bonds in which the School District makes annual deposits to a money market account at Dacotah Bank until the final term date at which time the entire liability becomes due.

NOTE 9 - INDIVIDUAL FUND INTERFUND TRANSACTIONS

There following interfund transfers were made for the year ended June 30, 2024.

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General Fund	\$ 380,400	\$ -	\$ 380,400
Capital Outlay Fund	-	(467,000)	(467,000)
Debt Service	86,600	-	86,600
Total	<u>\$ 467,000</u>	<u>\$ (467,000)</u>	<u>\$ -</u>

Transfers between funds are permitted under SDCL. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

NOTE 10 - LITIGATION

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

NOTE 11 - SUBSEQUENT EVENTS

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

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

NOTE 12 - RESTRICTED NET POSITION

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Position:

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
Major Purposes:		
Capital Outlay purposes	Law	\$ 1,735,031
Special Education	Law	407,100
Other Purposes		
Debt Service purposes	Debt Covenants	517,467
SDRS pension purposes	Law	<u>576,772</u>
Total Restricted Net Position		<u>\$ 3,236,370</u>

NOTE 13 - PENSION PLAN

Plan Information:

All permanent employees working twenty or more hours per week participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, PO Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

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(See Independent Auditors' Report)

Benefits Provided:

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

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

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

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

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

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

If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be the increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, 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.

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(See Independent Auditors' Report)

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6% of salary; Class B Judiciary Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the years ended June 30, 2024, 2023, and 2022 were \$247,708, \$252,014, and \$238,204, respectively, equal to the required contributions each year.

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

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

Proportionate share of total	\$ 23,596,644
Less proportionate share of net position restricted for	<u>23,612,538</u>
Proportionate share of net pension liability (asset)	<u><u>\$ (15,894)</u></u>

At June 30 2024, the District reported an asset of \$15,894 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023 and the total pension asset 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 .162840%, which is a decrease of .0049730% from its proportion measure as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$81,475. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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(See Independent Auditors' Report)

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual	\$ 450,521	\$ -
Changes in assumption	543,390	794,316
Net difference between projected and actual earnings on pension plan investments	105,816	-
Changes in proportion and difference between the District contributions and proportionate	9,192	1,433
District contributions subsequent to the	<u>247,708</u>	<u>-</u>
Total	<u>\$ 1,356,627</u>	<u>\$ 795,749</u>

\$247,708 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	
2025	\$ 218,427
2026	(238,724)
2027	310,201
2028	23,266
TOTAL	<u>\$ 313,170</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
Investment Rate of Return	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	1.91%

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(See Independent Auditors' Report)

Mortality Rates

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	1.7%
High Yield Debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9%	0.8%
Total	100.00%	

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(See Independent Auditors' Report)

Discount Rate:

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

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

The following presents the District’s proportionate share of net pension liability (asset) calculated using the discount rate of 6.5% as well as what the 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 (5.5%) or 1-percentage point higher (7.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
proportionate share of the net pension	\$ 3,257,694	\$ (15,894)	\$ (2,693,064)

Pension Plan Fiduciary Net Position

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

NOTE 14 - SPECIAL TERMINATION BENEFITS

The School District maintained an early retirement program which ended on June 30, 2021. Employees are no longer offered early retirement; however, as of June 30, 2024, the School was paying benefits to two qualified individuals. The payments will end on June 30, 2027.

NOTE 15 - 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.

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The School District does not carry additional health insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have 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 and vehicle coverage from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Workmen's Compensation

The School District purchases liability insurance for workers compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Unemployment Benefits

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

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

NOTE 16 - COST SHARING CONSORTIUM

The School District participates in a cost-sharing arrangement for vocational education funds. The School Districts included in this arrangement are Bison, Lemmon, and Mobridge-Pollock. The grant application includes the amounts each school is requesting for the Carl Perkins Vocational Funds. The funds are sent directly to each school: therefore, the Mobridge-Pollock School District records only their share of the revenue and expenditures in the General Fund. The Mobridge-Pollock School District is listed as the fiscal agent on the application but provides no accounting to the schools. Any pooled expenditures are billed to and reimbursed by the schools involved.

REQUIRED SUPPLEMENTARY INFORMATION

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024**

Data Control Codes	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
1000	Revenue from local sources				
1100	Taxes				
1110	Ad valorem taxes	\$ 1,410,514	\$ 1,410,514	\$ 1,459,856	\$ 49,342
1120	Prior years' ad valorem taxes	-	-	11,332	11,332
1130	Tax deed revenue	-	-	377	377
1140	Utility Tax	114,496	114,496	107,432	(7,064)
1190	Penalties and interest on taxes	5,000	5,000	4,062	(938)
1510	Earnings on investments and deposits	5,000	5,000	18,605	13,605
1700	Cocurricular activities				
1710	Admissions	22,000	22,000	40,909	18,909
1790	Other pupil activities	500	500	40,417	39,917
1900	Other revenue from local sources				
1920	Contributions and donations	-	-	8,822	8,822
1970	Charges for services	10,000	10,000	7,607	(2,393)
1990	Other	48,000	48,000	63,837	15,837
2000	Revenue from intermediate sources				
2100	County sources				
2110	County apportionment	53,581	53,581	81,131	27,550
3000	Revenue from state sources				
	Grants-in-aid				
3110	Unrestricted grants-in-aid	2,843,944	2,843,944	2,877,866	33,922
3120	Restricted grants-in-aid	-	-	10,848	10,848
4000	Revenue from federal sources				
	Grants-in-aid				
4120	Unrestricted grants-in-aid received from federal govt through the state	-	-	23	23
4140	Unrestricted grants-in-aid Received directly from federal government	50,000	50,000	48,918	(1,082)
4150-4199	Restricted grants-in-aid received from federal government through the state	904,423	904,423	733,509	(170,914)
4400	Johnson O-Malley funds	10,000	10,000	15,634	5,634
	Total revenue	\$ 5,477,458	\$ 5,477,458	\$ 5,531,185	\$ 53,727

(Continued on next page)

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final			Positive (Negative)
EXPENDITURES					
1000	Instruction				
1100	Regular programs				
1111	Elementary	\$ 1,684,329	\$ 1,684,329	\$ 1,243,225	\$ 441,104
1121	Middle/junior high	575,854	575,854	529,290	46,564
1131	High School	994,493	994,493	897,623	96,870
1190	Other regular programs	75,673	75,673	82,061	(6,388)
1200	Special programs				
1270	Educationally deprived	275,927	275,927	365,891	(89,964)
2000	Support services				
2100	Pupils				
2120	Guidance	128,687	128,687	131,891	(3,204)
2134	Health	3,500	3,500	8,403	(4,903)
2200	Support services-instructional staff				
2210	Improvement of instruction	17,000	17,000	36,279	(19,279)
2220	Educational media	179,988	179,988	189,858	(9,870)
2300	Support services-general administration:				
2310	Board of education	49,887	49,887	54,317	(4,430)
2321	Executive administration	190,121	190,121	192,250	(2,129)
	Support services-school administration				
2410	Office of the Principal	430,115	430,115	440,989	(10,874)
2490	Other	-	-	495	(495)
2500	Support services-business				
2529	Fiscal services	165,106	165,106	156,611	8,495
2540	Operation and maintenance of plant	718,457	909,457	888,263	21,194
2550	Pupil Transportation	101,193	101,193	78,876	22,317
2560	Food services	20,813	20,813	12,673	8,140
2600	Support services - central				
2620	Data Colletion	2,000	2,000	12,347	(10,347)
	Nonprogrammed charges				
4500	Early retirement payments	25,879	25,879	17,323	8,556
6000	Cocurricular activities				
6100	Male activities	82,243	82,243	81,797	446
6200	Female activities	60,137	60,137	57,216	2,921
6500	Transportation	51,822	75,822	79,802	(3,980)
6900	Combined activities	174,750	174,750	181,425	(6,675)
7000	Contingencies				
		15,000	15,000	-	15,000
	Total Expenditures	\$ 6,022,974	\$ 6,237,974	\$ 5,738,905	\$ 499,069

(Continued on next page)

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Excess revenue over/under expenditures	\$ (545,516)	\$ (760,516)	\$ (207,720)	\$ 552,796
Other financing sources/(uses)				
5110 Transfers in	243,193	380,400	380,400	-
8110 Transfers out	-	(63,736)	-	63,736
5130 Sale of surplus property	-	-	52	(52)
Total other financing uses	243,193	316,664	380,452	63,684
Net change in fund balances	(302,323)	(443,852)	172,732	616,584
Fund balance - beginning	1,760,275	1,760,275	1,760,275	-
Fund balance - ending	\$ 1,457,952	\$ 1,316,423	\$ 1,933,007	\$ 616,584

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
1000	Revenue from local sources				
1100	Taxes				
1110	Ad valorem taxes	\$ 996,156	\$ 996,156	\$ 986,131	\$ (10,025)
1120	Prior years' ad valorem taxes	-	-	5,629	5,629
1190	Penalties and interest on taxes	-	-	2,411	2,411
1900	Other revenue from local sources				
1920	Contributions and donations	-	-	21,670	21,670
4000	Revenue from federal sources				
4150-	Restricted grants-in-aid				
4199	received from federal government through the state	541,211	541,211	572,322	31,111
4900	Other	-	-	78,245	78,245
	Total revenue	1,537,367	1,537,367	1,666,408	129,041
EXPENDITURES:					
1000	Instruction				
1100	Regular programs				
1110	Elementary	34,000	34,000	41,333	(7,333)
1120	Middle/junior high	19,000	19,000	87,155	(68,155)
1130	High School	32,000	32,000	70,439	(38,439)
2000	Support services				
2200	Support services - instructional staff				
2220	Educational media	142,000	142,000	73,105	68,895
2400	Support Services - general administration				
2410	Board of education	-	-	300	(300)
2500	Support services - business				
2530	Facilities acquisition and construction	724,467	724,467	530,676	193,791
2540	Operation and maintenance of plant	45,136	45,136	83,703	(38,567)
2550	Pupil transportation	107,000	107,000	107,101	(101)
2560	Food service	5,000	5,000	1,104	3,896
Cocurricular Activities:					
6200	Femal activities	-	-	8,508	(8,508)
6900	Combined activities	80,000	80,000	53,700	26,300
	Total expenditures	1,188,603	1,188,603	1,057,124	131,479
	Excess revenue over/under expenditures	348,764	348,764	609,284	260,520
Other financing uses					
5110	Transfer in	90,000	90,000	-	(90,000)
8110	Transfer out	(243,193)	(445,193)	(467,000)	(21,807)
	Total other financing uses	(153,193)	(355,193)	(467,000)	(111,807)
	Net change in fund balances	195,571	(6,429)	142,284	148,713
	Fund balance - beginning	1,572,309	1,572,309	1,572,309	-
	Fund balance - ending	\$ 1,767,880	\$ 1,565,880	\$ 1,714,593	\$ 148,713

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL EDUCATION FUND - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024**

Data Control Codes	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
1000	Revenue from local sources				
1100	Taxes				
1110	Ad valorem taxes	\$ 522,755	\$ 522,755	\$ 613,932	\$ 91,177
1120	Prior years' ad valorem taxes	-	-	3,543	3,543
1190	Penalties and interest on taxes	-	-	1,511	1,511
1900	Other revenue from local sources				
1970	Charges for services	-	-	297	297
1990	Other	-	-	1,645	1,645
3000	Revenue from state sources				
	Grants-in-aid				
3120	Restricted grants-in-aid	353,288	353,288	104,150	(249,138)
4000	Revenue from federal sources				
	Grants-in-aid				
4110	Unrestricted grants-in-aid received directly from the federal government	-	-	2,912	2,912
4150	Restricted grants-in-aid received from federal government through the state	176,000	176,000	187,504	11,504
	Total revenue	1,052,043	1,052,043	915,494	(136,549)

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL EDUCATION FUND - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024**

Data Control Codes	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
	Original	Final			
EXPENDITURES					
Instruction					
1200	Special programs				
1220	Programs for special education	767,291	767,291	704,558	62,733
Support services					
2100	Pupils				
2140	Psychological	57,980	57,980	52,510	5,470
2150	Speech pathology	102,095	102,095	152,684	(50,589)
2170	Student therapy services	26,000	26,000	56,224	(30,224)
Support services - special education					
2700	Administrative costs	91,756	91,756	87,256	4,500
2750	Other	-	-	58	(58)
	Total expenditures	1,045,122	1,045,122	1,053,290	(8,168)
	Excess revenue over/under expenditures	6,921	6,921	(137,796)	(144,717)
5110	Transfers in		55,814	-	(55,814)
	Net change in fund balance	6,921	62,735	(137,796)	(200,531)
	Fund balance - beginning	532,010	532,010	532,010	-
	Fund balance -ending	\$ 538,931	\$ 594,745	\$ 394,214	\$ (200,531)

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF BUDGETARY COMPARISONS FOR THE GENERAL FUND AND FOR EACH
MAJOR SPECIAL REVENUE FUND WITH A LEGALLY REQUIRED BUDGET
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.
3. The proposed budget is published for public review no later than July 15 each year.
4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.
6. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent of the total School District budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.
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.

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF BUDGETARY COMPARISONS FOR THE GENERAL FUND AND FOR EACH
 MAJOR SPECIAL REVENUE FUND WITH A LEGALLY REQUIRED BUDGET
 FOR THE YEAR ENDED JUNE 30, 2024**

11. The following reconciles the U.S. GAAP Basis Fund Balance to the budgetary basis Fund Balance for the General Fund as of June 30, 2024:

U.S. GAAP Basis Fund Balance	\$ 3,294,396
Subtract: portion comprised of excess Impact Aid funds	<u>(1,361,389)</u>
Budgetary Basis Fund Balance	<u><u>\$ 1,933,007</u></u>

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/Pupil Transportation function of government, along with all other current Pupil Transportation related expenditures.

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM**

Pension Plan	Fiscal Year Ending	Employer's Percentage of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
SDRS	6/30/2024	0.1628%	\$ (15,894)	\$ 4,200,235	-0.38%	100.10%
SDRS	6/30/2023	0.1678%	(15,859)	4,007,110	-0.40%	100.10%
SDRS	6/30/2022	0.1668%	(1,277,150)	3,784,479	-33.75%	105.52%
SDRS	6/30/2021	0.1711%	(7,430)	3,754,625	-0.20%	100.04%
SDRS	6/30/2020	0.1693%	(17,938)	3,599,150	-0.50%	100.09%
SDRS	6/30/2019	0.1806%	(4,211)	3,753,676	-0.11%	100.02%
SDRS	6/30/2018	0.1919%	(17,413)	3,898,472	-0.45%	100.10%
SDRS	6/30/2017	0.1704%	575,487	3,239,553	17.76%	96.89%
SDRS	6/30/2016	0.1734%	(735,604)	3,166,500	-23.23%	104.10%
SDRS	6/30/2015	0.1740%	(1,253,426)	3,118,913	-40.19%	107.29%

MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
SDRS	6/30/2024	\$ 247,708	\$ 247,708	\$ -	\$ 4,128,463	6.00%
SDRS	6/30/2023	252,014	252,014	-	4,200,235	6.00%
SDRS	6/30/2022	238,204	238,204	-	3,970,060	6.00%
SDRS	6/30/2021	227,069	227,069	-	3,784,479	6.00%
SDRS	6/30/2020	225,277	225,277	-	3,754,625	6.00%
SDRS	6/30/2019	215,943	215,943	-	3,599,150	6.00%
SDRS	6/30/2018	225,221	225,221	-	3,753,676	6.00%
SDRS	6/30/2017	233,909	233,909	-	3,898,472	6.00%
SDRS	6/30/2016	194,373	194,373	-	3,239,553	6.00%
SDRS	6/30/2015	189,990	189,990	-	3,166,500	6.00%

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO. 62-6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) AND SCHEDULE OF CONTRIBUTIONS**

Changes from prior valuation

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

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

Benefit Provision Changes

During the 2022 Legislative Session no significant SDRS benefit changes were made and gaming enforcement agents became Class B Public Safety Members.

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

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

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

SUPPLEMENTARY INFORMATION

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO 62-6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Pass-through the SD Department of Education			
Child Nutrition Cluster			
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555	NSLP-17-204	38,563
Cash Assistance			
School Breakfast Program (Note 3)	10.553	NSLP-17-204	35,960
National School Lunch Program (Note 3)	10.555	NSLP-17-204	189,315
Summer Food Service Program for Children	10.559	NSLP-17-204	<u>16,152</u>
Total Child Nutrition Cluster			\$ 279,990
Other Programs			
Fresh Fruit & Vegetable Program	10.582	N/A	20,706
Total U.S. Department of Agriculture			<u>300,696</u>
U.S. DEPARTMENT OF THE INTERIOR			
Direct federal funding			
Indian education - assistance to schools -			
Johnson-O-Malley (Note 3)	15.130	N/A	5,522
Pass-through the SD Department of Education:			
Distributions of Receipts to State & Local Governments	15.227	N/A	<u>23</u>
Total U.S. Department of the Interior			<u>5,545</u>
U.S DEPARTMENT OF EDUCATION			
Direct federal funding			
Impact Aid (Title VIII of ESEA)	84.041	N/A	2,912
Indian education - grants to local educational agencies	84.060	N/A	48,918
Pass-through the SD Department of Education			
Title I grants to local educational agencies	84.010	T1ba-17-098	293,230
Special Education Cluster:			
Special Education - Grants to States - Flow Through	84.027	17-611-058	180,043
Special Education - Preschool Grants	84.173	17-619-052	<u>7,461</u>
Total Special Education Cluster			187,504

**MOBRIDGE-POLLOCK SCHOOL DISTRICT NO 62-6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures
Rural Education	84.358	N/A	16,401
Improving Teach Quality State Grants (Title II Part A)	84.367	17-T2A-098	65,249
Career and Technical Education - Basic			
Grants to the States	84.048	N/A	24,053
Student Support and Academic Enrichment Program	84.424	N/A	44,226
Elementary and Secondary School Emergency Relief (Note 4)	84.425D	N/A	25,636
American Rescue Plan Elementary and Secondary School Emergency Relief (Note 4)	84.425U	N/A	840,384
Total U.S. Department of Education			1,548,513
Total Expenditures			1,854,754

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to the reimbursement. The School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - FEDERAL REIMBURSEMENTS

Federal reimbursements are not based upon specific expenditures. Therefore, some amounts reported here represent cash received and/or food commodities used rather than federal expenditures.

NOTE 4: MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM

This represents a Major Federal Financial Assistance Program.