Oldham-Ramona-Rutland School District 39-6

Independent Auditor's Report
and Financial Statements

For the Year Ended
June 30, 2025

Oldham-Ramona-Rutland School District 39-6
School District Officials
June 30, 2025

Board Members

Lance Hageman--------------------- Board President
Amber Malisch-------------------------------- Member
Lori Hyland------------------------------------ Member
Carrie Schiernbeck--------------------------- Member
Brooke Albertson ---------------------------- Member

Dawn Hoeke--------------------------Superintendent

Jason Michel-----------------------Business Manager

Oldham-Ramona-Rutland School District 39-6
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

School Board
Oldham-Ramona-Rutland School District 39-6
Rutland, 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 *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldham-Ramona-Rutland School District 39-6, South Dakota (School District), as of June 30, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated June 28, 2026, which was qualified because the School district did not adopt Governmental Accounting Standard Board (GASB) Statement No. 84, fiduciary Activities.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as item 2025-001.

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 accompany 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.

CLO Prof LLC

Yankton, South Dakota
June 28, 2026

Prior Audit Findings

There are no prior other audit findings to report.

Current Audit Findings

Finding Number 2025-001-Compliance Finding

Significant Deficiency

There is a significant deficiency resulting from expenditures exceeding the total amounts budgeted for the Capital Outlay Fund.

Condition, Cause, and Effect: SDCL-13-11-2 requires that the School Board adopt a levy sufficient to meet the budget for the year for each governmental fund. The District had more expenditures than budgeted and didn't supplement for additional costs. As a result, expenditures are in excess of budget for the Capital Outlay Fund.

Criteria: There is a significant deficiency resulting from expenditures exceeding the total amounts budgeted for the Capital Outlay Fund.

Recommendation: We recommend that the District Officials be aware of and adhere to the budgetary requirements and supplement the budget when necessary in the future.

Management's Response: Management agrees with the finding

Repeat Finding from Prior Years: No

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Independent Auditor's Report

School Board
Oldham-Ramona-Rutland School District 39-6
Rutland, South Dakota

Report on the Audit of the Financial Statements

Qualified and Unmodified 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 Oldham-Ramona-Rutland School District No. 39-6, South Dakota, as of June 30, 2025, 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, except for the matters described in the "Basis for Qualified and Unmodified Opinions" section of our report, 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 Oldham-Ramona-Rutland School District 39-6 as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

The School District did not adopt Government Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, which is a departure from accounting principles generally accepted in the United States of America (USGAAP). The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses/expenditures of the governmental activities, the general governmental fund, and the aggregate remaining fund information is not reasonably determinable.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that Oldham-Ramona-Rutland School District No. 39-6 will continue as a going concern. As discussed in Note 18 to the financial statements, the school has experienced litigation, loss of students, and citizen votes to dissolve the school district. These conditions, along with other matters described in Note 17 and 18, indicate that substantial doubt exists about the School District's ability to continue as a going concern for a reasonable period of time. Management's plans in regard to these matters are also described in Note 18. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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.

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 substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset), and Schedule of School District Contributions 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 GAAS, 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 financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2026, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Yankton, South Dakota
June 28, 2026

Oldham-Ramona-Rutland School District 39-6

Statement of Net Position – Government-Wide

June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	$ 6,928,306	$ 57,675	$ 6,985,981
Taxes receivable	1,604,658	--	1,604,658
Inventories	--	3,792	3,792
Prepaid expense	--	1,562	1,562
Other assets	133,508	1,404	134,912
Net pension asset	3,733	--	3,733
Capital assets:			
Land and construction in progress	1,495,803	--	1,495,803
Other capital assets, net of depreciation	2,891,804	4,678	2,896,482
Total Assets	13,057,812	69,111	13,126,923
Deferred Outflows of Resources:			
Pension-related deferred outflows	754,903	--	754,903
Liabilities:			
Unearned revenue	--	16,795	16,795
Other current liabilities	992,096	5,413	997,509
Long-term liabilities:			
Due within one year	32,366	--	32,366
Total Liabilities	1,024,462	22,208	1,046,670
Deferred Inflows of Resources:			
Taxes levied for future periods	1,595,502	--	1,595,502
Pension related deferred inflows	474,828	--	474,828
Total Deferred Inflows of Resources	2,070,330	--	2,070,330
Net Position:			
Net investment in capital assets	4,387,607	4,678	4,392,285
Restricted for:			
Capital outlay	4,355,772	--	4,355,772
Special education	538,228	--	538,228
SDRS pension purposes	283,808	--	283,808
Unrestricted	1,152,508	42,225	1,194,733
Total Net Position	$ 10,717,923	$ 46,903	$ 10,764,826

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Activities – Government-Wide

June 30, 2025

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities:						
Instruction	$ 2,862,834	$ 700	$ 330,974	$ (2,531,160)	$ --	$ (2,531,160)
Support services	1,846,775	--	27,831	(1,818,944)	--	(1,818,944)
Interest on long-term debt*	16,162	--	--	(16,162)	--	(16,162)
Cocurricular activities	249,909	24,207	--	(225,702)	--	(225,702)
Total Governmental Activities	4,975,680	24,907	358,805	(4,591,968)	--	(4,591,968)
Business-Type Activities:						
Food service	183,956	84,359	60,465	--	(39,132)	(39,132)
Driver's education	3,459	4,300			841	841
Preschool	34,319	14,645	15,100	--	(4,574)	(4,574)
Total Business Type Activities	221,734	103,304	75,565	--	(42,865)	(42,865)
Total Primary Government	$ 5,197,414	$ 128,211	$ 434,370	(4,591,968)	(42,865)	(4,634,833)

*The School District does not have interest expense related to the functions presented above. This amount includes indirect interest

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property taxes	3,743,887	--	3,743,887
Gross receipts taxes	101,274	--	101,274
Revenue from state sources:			
State aid	1,516,006	--	1,516,006
Other	8,717	--	8,717
Unrestricted investment earnings	628	--	628
Other general revenues	191,647	--	191,647
Transfers	(26,000)	26,000	--
Total General Revenues and Transfers	5,536,159	26,000	5,562,159
Change in Net Position	944,191	(16,865)	927,326
Net Position - Beginning of Year	9,623,208	71,465	9,694,673
Adjustment - See Note 16	150,524	(7,697)	142,827
Adjusted Net Position - Beginning of Year	9,773,732	63,768	9,837,500
Net Position - Ending of Year	$ 10,717,923	$ 46,903	$ 10,764,826

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Balance Sheet – Governmental Funds

June 30, 2025

	General	Capital Outlay	Special Education	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 1,417,359	$ 4,906,233	$ 604,714	$ 6,928,306
Accounts receivable	561	--	--	561
Taxes receivable - current	611,965	674,161	309,376	1,595,502
Taxes receivable - delinquent	5,971	2,123	1,062	9,156
Due from other governments	132,850	--	97	132,947
Total Assets	$ 2,168,706	$ 5,582,517	$ 915,249	$ 8,666,472
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 29,831	$ 530,155	$ 7,861	$ 567,847
Contracts payable	296,730	22,429	27,333	346,492
Payroll deductions and withholding and employer matching payable	45,306	--	32,451	77,757
Total Liabilities	371,867	552,584	67,645	992,096
Deferred Inflows of Resources:				
Taxes levied for future period	611,965	674,161	309,376	1,595,502
Delinquent taxes not available	5,971	2,123	1,062	9,156
Total Deferred Inflows of Resources	617,936	676,284	310,438	1,604,658
Fund Balances:				
Restricted:				
For capital outlay	--	4,353,649	--	4,353,649
For special education	--	--	537,166	537,166
Unassigned	1,178,903	--	--	1,178,903
Total Fund Balances	1,178,903	4,353,649	537,166	6,069,718
Total Liabilities and Fund Balances	$ 2,168,706	$ 5,582,517	$ 915,249	$ 8,666,472

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2025

Total Fund Balances - Governmental Funds	$ 6,069,718
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	4,387,607
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	754,903
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(32,366)
Assets that are not available to pay for current period expenditures are deferred in the governmental funds. Assets at year end consist of:	
Delinquent Property Taxes Receivable	9,156
Proportionate Share of Net Pension Asset	3,733
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(474,828)
Net Position - Governmental Activities	$ 10,717,923

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
June 30, 2025

	General	Capital Outlay	Special Education	Total Governmental Funds
Revenues				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	$ 1,410,745	$ 1,592,808	$ 705,015	$ 3,708,568
Prior years' ad valorem taxes	10,689	10,061	5,423	26,173
Utility taxes	101,274	--	--	101,274
Penalties and interest on taxes	7,275	2,725	1,335	11,335
Tuition and Fees:				
Regular day school tuition	700	--	--	700
Earnings on Investments and Deposits	628	--	--	628
Cocurricular Activities:				
Admissions	13,866	--	--	13,866
Other student activity income	10,341	--	--	10,341
Other Revenue from Local Sources				
Rentals	243,137	--	--	243,137
Contributions and donations	964	540	--	1,504
Charges for services	--	--	1,118	1,118
Other	19,404	2,768	--	22,172
Revenue from Intermediate Sources:				
County Sources:				
County apportionment	8,406	--	--	8,406
Revenue in lieu of taxes	462	591	248	1,301
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid	1,516,006	--	--	1,516,006
Restricted grants-in-aid	8,717	--	--	8,717
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted grants-in-aid received directly from federal government	--	27,831	--	27,831
Restricted grants-in-aid received from federal government through the state	142,010	188,103	861	330,974
Total Revenues	$ 3,494,624	$ 1,825,427	$ 714,000	$ 6,034,051

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
June 30, 2025 (Continued)

	General	Capital Outlay	Special Education	Total Governmental Funds
Expenditures				
Instructional Services:				
Regular Programs:				
Elementary	$ 975,566	$ 121,270	$ --	$ 1,096,836
Middle/junior high	328,371	38,748	--	367,119
High school	570,645	45,267	--	615,912
Special Programs:				
Programs for special education	--	--	516,957	516,957
Educationally deprived	150,443	--	--	150,443
Support Services:				
Students:				
Guidance	144,435	--	--	144,435
Health	1,476	--	--	1,476
Psychological services	--	--	13,655	13,655
Speech Pathology	--	--	20,914	20,914
Student therapy services	--	--	17,984	17,984
Instructional Staff				
Improvement of instruction	16,807	--	--	16,807
Educational media	87,621	6,000	--	93,621
General Administration				
Board of education	82,035	--	--	82,035
Executive administration	257,828	--	--	257,828
School Administration:				
Office of the principal	104,440	--	--	104,440
Other	67	--	--	67
Business:				
Fiscal services	92,456	3,654	--	96,110
Operation and maintenance of plant	300,871	83,964	--	384,835
Student transportation	213,316	2,047	--	215,363
Special Education:				
Administrative costs	--	--	41,115	41,115
Other special education costs	--	--	99,484	99,484
Debt Services	--	16,162	--	16,162
Cocurricular Activities:				
Male activities	45,346	--	--	45,346
Female activities	53,013	--	--	53,013
Transportation	7,579	--	--	7,579
Combined activities	124,946	11,821	--	136,767
Capital Outlay	--	1,519,130	--	1,519,130
Total Expenditures	3,557,261	1,848,063	710,109	6,115,433
Excess of Revenue Over (Under) Expenditures	(62,637)	(22,636)	3,891	(81,382)
Other Financing Sources (Uses):				
Transfer out	(26,000)	--	--	(26,000)
Sale of surplus property	--	6,943	--	6,943
Total Other Financing Sources (Uses)	(26,000)	6,943	--	(19,057)
Net Change in Fund Balances	(88,637)	(15,693)	3,891	(100,439)
Fund Balance, Beginning of Year	1,267,540	4,369,342	533,275	6,170,157
Fund Balance, Ending of Year	$ 1,178,903	$ 4,353,649	$ 537,166	$ 6,069,718

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (100,439)
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital assets purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	1,519,130
The amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financials because it does not require the use of current financial resources.	(269,253)
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets is reflected, regardless of whether a gain or loss is realized.	(92,934)
The recognition of revenues in the governmental funds differ from the recognition in the governmental activities in the fact that revenue accruals in the fund financial statements require the amounts to be "available."	(2,189)
Governmental funds do not reflect the change in compensated absences liabilities but the Statement of Activities reflects the change in these accruals through expenses.	(2,307)
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	(107,817)
Change in net position of governmental activities	$ 944,191

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Net Position – Proprietary Funds

June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Fund	Totals
Assets:			
Current Assets:			
Cash and cash equivalents	$ 5,642	$ 52,033	$ 57,675
Accounts receivable, net	1,404	--	1,404
Inventory - supplies	703	--	703
Inventory - stores for resale	1,032	--	1,032
Inventory of donated food	2,057	--	2,057
Prepaid expenses	1,562	--	1,562
Total Current Assets	12,400	52,033	64,433
Noncurrent Assets:			
Machinery and equipment - local funds	180,656	--	180,656
Less accumulated depreciation	(175,978)	--	(175,978)
Total Noncurrent Assets	4,678	--	4,678
Total Assets	$ 17,078	$ 52,033	$ 69,111
Liabilities:			
Current Liabilities:			
Accrued payroll expenses	$ --	$ 5,413	$ 5,413
Unearned revenue	16,795	--	16,795
Total Current Liabilities	16,795	5,413	22,208
Net Position:			
Net investment in capital assets	4,678	--	4,678
Unrestricted net position	(4,395)	46,620	42,225
Total Net Position	$ 283	$ 46,620	$ 46,903

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds

June 30, 2025

	Enterprise Funds		
	Food Service Fund	Other Fund	Totals
Operating Revenue:			
Food Sales:			
Student	$ 80,330	$ --	$ 80,330
Adult	3,914	--	3,914
Other charges for goods and services	115	18,945	19,060
Total Operating Revenue	84,359	18,945	103,304
Operating Expenses:			
Salaries	81,206	26,439	107,645
Employee benefits	16,933	10,261	27,194
Purchased services	6,045	--	6,045
Supplies	1,974	1,078	3,052
Cost of sales - purchased	66,801	--	66,801
Cost of sales - donated	8,935	--	8,935
Depreciation	2,062	--	2,062
Total Operating Expenses	183,956	37,778	221,734
Operating (Loss)	(99,597)	(18,833)	(118,430)
Nonoperating Revenues:			
Other local revenue	--	15,100	15,100
State grants	415	--	415
Federal grants	50,726	--	50,726
Donated food	9,324	--	9,324
Total Nonoperating Revenue	60,465	15,100	75,565
(Loss) Before Transfers	(39,132)	(3,733)	(42,865)
Transfers in	26,000	--	26,000
Change in Net Position	(13,132)	(3,733)	(16,865)
Net Position - Beginning of Year	21,112	50,353	71,465
Adjustment - See Note 16	(7,697)	--	(7,697)
Adjusted Net Position - Beginning of Year	13,415	50,353	63,768
Net Position - Ending of Year	$ 283	$ 46,620	$ 46,903

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Cash Flows – Proprietary Funds
June 30, 2025

	Food Service Fund	Other Fund	Totals
Cash Flows from Operating Activities			
Cash receipts from customers	$ 89,513	$ 19,015	$ 108,528
Cash payments to suppliers	(73,266)	(1,078)	(74,344)
Cash payments to employees	(99,871)	(31,918)	(131,789)
Net Cash (Used) by Operating Activities	(83,624)	(13,981)	(97,605)
Cash Flows from Noncapital Financing Activities:			
Transfers in	26,000	--	26,000
Cash donations and grants - local	--	15,100	15,100
Cash reimbursements - state	415	--	415
Cash reimbursements - federal	50,726	--	50,726
Net Cash Provided by Noncapital Financing Activities	77,141	15,100	92,241
Net Change in Cash and Cash Equivalents	(6,483)	1,119	(5,364)
Cash and Cash Equivalents, Beginning of Year	12,125	50,914	63,039
Cash and Cash Equivalents, End of Year	$ 5,642	$ 52,033	$ 57,675
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:			
Operating (Loss)	$ (99,597)	$ (18,833)	$ (118,430)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation expense	2,062	--	2,062
Value of commodities used	8,935	--	8,935
Change in Assets and Liabilities:			
Accounts receivable	(332)	70	(262)
Inventory	1,554	--	1,554
Prepaid expenses	(1,562)		(1,562)
Unearned revenue	5,486	--	5,486
Contracts payable	(162)	(501)	(663)
Accrued payroll expenses	(8)	5,283	5,275
Net cash (used) by operating activities:	$ (83,624)	$ (13,981)	$ (97,605)
Noncash Investing, Capital and Financing Activities			
Value of commodities received	$ 9,324	$ --	$ 9,324

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Net Position – Fiduciary Funds

June 30, 2025

	Private-Purpose Trust Funds	Custodial Funds
Assets:		
Cash and cash equivalents	$ 26,770	$ 57,974
Total Assets	$ 26,770	$ 57,974
Liabilities:		
Accounts payable	--	5,506
Amount held for others	--	52,468
Total Liabilities	--	57,974
Net Position:		
Scholarships	26,770	--
Total Net Position	$ 26,770	$ --

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Oldham-Ramona-Rutland School District 39-6

Statement of Changes in Net Position – Fiduciary Funds

June 30, 2025

	Private-Purpose Trust Funds
Additions:	
Contributions and donations	$ 5
Total Additions	5
Deductions:	
Other expenses	3,000
Total Deductions	3,000
Change in Net Position	(2,995)
Net Position - Beginning	18,875
Adjustment - See Note 16	10,890
Adjusted Net Position, Beginning	29,765
Net Position - Ending	$ 26,770

The accompanying Notes to Financial Statements are an integral part of this financial statement.

1. Summary of Significant Accounting Policies:

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

a. Reporting Entity:

The reporting entity of Oldham-Ramona-Rutland School District 39-6 (School District), consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The School District is financially accountable if its Governing Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the School District. The School District may also be financially accountable for another organization if that organization is fiscally dependent on the School District.

The School District participates in a cooperative service unit with several other School Districts. See detailed note entitled "Joint Ventures" for specific disclosures. Joint Ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the School District.

b. Basis of Presentation:

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between the governmental and business-type activities of the School District. 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 and services.

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

1. Summary of Significant Accounting Policies: (Continued)

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

Fund Financial Statements:

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

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

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

Governmental Funds:

General Fund – A fund established by South Dakota Codified Laws (SDCL) 13-16-3 to meet all the general operational costs of the School District, excluding the 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.

1. Summary of Significant Accounting Policies: (Continued)

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.

Proprietary Funds:

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

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not 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.)

2. 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.

3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

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

Other Enterprise Fund: A fund used to record financial transactions related to driver's education and preschool services conducted for the benefit of the children. This fund is financed by user charges. This is a major fund.

Fiduciary Funds:

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

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

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

1. Summary of Significant Accounting Policies: (Continued)

c. Measurement Focus and Basis of Accounting:

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

Measurement Focus:

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-Wide Financial Statements:

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

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Oldham-Ramona-Rutland School District 39-6, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2025 are due from federal governments, local governments, rural electric and telephone gross receipts.

1. Summary of Significant Accounting Policies: (Continued)

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

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

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

d. 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.

As of June 30, 2025, there are no investments classified in the financial statements.

e. Capital Assets:

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

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

Government-Wide Financial Statements:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at the 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 capital assets, construction-period interest is not capitalized, in accordance with USGAAP. For capital assets used in business-type activities/proprietary fund’s operations, construction period interest is not capitalized in accordance with USGAAP.

1. Summary of Significant Accounting Policies: (Continued)

The total June 30, 2025 balance of capital assets for governmental activities includes approximately less than two percent for which the costs were determined by estimates of the original costs. The total June 30, 2025 balance of capital assets for business-type activities are all valued at original cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land*	All	--	--
Buildings	$ 25,000	Straight-line	15-50 years
Improvements	25,000	Straight-line	15-50 years
Equipment	5,000	Straight-line	4-20 years

*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.

f. Long-Term Liabilities:

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

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

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

1. Summary of Significant Accounting Policies: (Continued)

g. Program Revenues:

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

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

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

h. Leases:

The School District does not have a formal policy for leases. If it did, it would recognize a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of $45,000 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 its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

1. Summary of Significant Accounting Policies: (Continued)

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

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

i. Subscription-Based Information Technology Arrangements:

The School District does not have any subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. If it did, the School District would recognize a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The School District recognizes subscription liabilities with an initial, individual value of $45,000 or more.

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

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

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

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

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

1. Summary of Significant Accounting Policies: (Continued)

j. Program Revenues:

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

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

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

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

k. Deferred Outflows/Inflows 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.

l. 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.

m. Cash and Cash Equivalents:

The School District pools its cash resources for depositing and investing purposes. 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.

1. Summary of Significant Accounting Policies: (Continued)

n. Equity Classifications:

Government-Wide Financial Statements:

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

1. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish 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 net position held in trust for other purposes.

o. Application of Net Position:

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

p. 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.

1. Summary of Significant Accounting Policies: (Continued)

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

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

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

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

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

q. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

r. Pensions:

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

2. Violations of Finance-Related Legal and Contractual Provisions:

The School District is prohibited by state statute from spending in excess of appropriated amounts. The Capital Outlay Fund for the 2025 fiscal year was budgeted to spend $1,522,065, but the School District spent $325,998 more that the budgeted amount without supplementing the budget. The School District plans to monitor the spending closely in the future and to supplement as necessary in order to prevent reoccurrence of this violation.

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

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.

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

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

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

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.

5. Inventory:

Inventory held for consumption is stated at cost.

Inventory for resale is valued at the lower of cost or market. The cost valuation method is the first in, first out 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.

In the governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No inventories were on hand as of June 30, 2025 in the governmental funds.

6. Property Taxes:

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

School District property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Revenue related to current year property taxes receivable which is not intended to be used to finance the current year's appropriations and therefore are not susceptible to accrual, has been reported as deferred inflows of resources-property taxes levied for future period in both the fund financial statements and 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."

7. Due from Other Governments:

Receivables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year. Amounts due from other governments include reimbursements for various programs. These amounts include $132,947 due from various county, school, state and federal governments.

8. Changes in Capital Assets:

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

** Adjusted	6/30/2024 Balance	Increases	Decreases	6/30/2025 Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 4,848	$ --	$ --	$ 4,848
Construction in progress **	150,524	1,340,431	--	1,490,955
Total capital assets not being depreciated	155,372	1,340,431	--	1,495,803
Capital assets being depreciated:				
Buildings	4,584,845		570,322	4,014,523
Improvements	232,917	--	8,906	224,011
Equipment	1,639,330	178,699	92,182	1,725,847
Library books	25,133	--	--	25,133
Total capital assets being depreciated	6,482,225	178,699	671,410	5,989,514
Less accumulated depreciation for:				
Buildings	2,375,265	134,698	482,062	2,027,901
Improvements	104,368	9,146	4,232	109,282
Equipment	910,365	124,152	92,182	942,335
Library books	16,935	1,257	--	18,192
Total accumulated depreciation	3,406,933	269,253	578,476	3,097,710
Total capital assets being depreciated, net	3,075,292	(90,554)	92,934	2,891,804
Net Capital Assets	$ 3,230,664	$ 1,249,877	$ 92,934	$ 4,387,607

Depreciation expense was charged to functions as follows:

Instruction	$ 115,567
Support services	146,482
Co-curricular activities	7,204
Total Depreciation Expense	$ 269,253

8. Changes in Capital Assets: (Continued)

	6/30/2024 Balance	Increases	Decreases	6/30/2025 Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Equipment	$ 180,656	$ --	$ --	$ 180,656
Less accumulated depreciation for:				
Less: accumulated depreciation	173,916	2,062	--	175,978
Total capital assets being depreciated, net	$ 6,740	$ (2,062)	$ --	$ 4,678

Depreciation expense was charged to functions as follows:

Business-type activities:	
Food service	$ 2,062

9. Long-Term Liabilities:

A summary of the changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	6/30/2024	Increase	Decrease	6/30/2025	Due Within One Year
Governmental Activities:					
Other Liabilities:					
Compensated absences	$ 30,059	$ 32,366	$ 30,059	$ 32,366	$ 32,366
Total Governmental Activities	$ 30,059	$ 32,366	$ 30,059	$ 32,366	$ 32,366

10. Restricted Net Position:

Restricted Net Position for the year ended June 30, 2025 was as follows:

Purpose	Restricted By	Amount
Major Purposes:		
Capital Outlay	Law	$ 4,355,772
Special Education	Law	538,228
SDRS Pension Purposes	Law	283,808
Total		$ 5,177,808

11. Interfund Transfers:

Transfers to/from other funds at June 30, 2025, consist of the following:

Transfer from the General Fund to the Food Service Fund for operations.	$	26,000

12. Pension Plan:

a. Plan Information:

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

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

12. Pension Plan: (Continued)

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 earning based on investment returns.
Legislation enacted in 2017 established the current COLA process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
    - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
    - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

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

c. Contributions:

Per SDCL 3-12, contribution requirements of the active employees and participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the years ended June 30, 2025, 2024 and 2023, equal to required contributions each year, were as follows:

Year	Amount
2025	$ 158,424
2024	155,291
2023	189,407

12. Pension Plan: (Continued)

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

At June 30, 2024, SDRS is 100% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of the measurement period ending June 30, 2024 and reported by the School District as of June 30, 2025 are as follows:

Proportionate share of pension liability	$ 13,755,980
Less proportionate share of net pension restricted for pension	13,759,713
Proportionate share of net pension (asset)	$ (3,733)

At June 30, 2025, the School District reported a liability (asset) of ($3,733) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the School District's proportion was 0.09220900%, which is a decrease of -0.0301780% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized a pension expense of $107,817. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 345,641	$ --
Changes in assumption	61,540	469,089
Net difference between projected and actual earnings on pension plan investments	140,597	--
Changes in proportion and difference between district contributions and proportionate share of contributions	48,701	5,739
District contributions subsequent to the measurement date	158,424	--
Total	$ 754,903	$ 474,828

12. Pension Plan: (Continued)

$158,424 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30,		
2026	$	(119,678)
2027		193,504
2028		32,699
2029		15,126
Total	$	121,651

e. Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
Future COLAs	1.71%

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

12. Pension Plan: (Continued)

Beneficiaries:
PubG-2010 contingent survivor mortality table

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100.0%	

f. Discount Rate:

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

12. Pension Plan: (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate net pension liability (asset)	$ 1,896,704	$ (3,733)	$ (1,558,882)

h. Pension Plan Fiduciary Net Position:

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

13. Joint Ventures:

The School District participates in the joint venture known as the Northeast Educational Services Cooperative (co-op) formed for the purpose of providing public support services to the member school districts.

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

Arlington School District No. 38-1	3.57%	Florence School District No. 14-1	4.00%
Britton-Hecla School District No. 45-4	5.82%	Hamlin School District No. 28-3	10.12%
Castlewood School District No. 28-1	3.91%	Henry School District No. 14-2	2.21%
Clark School District No. 12-2	5.54%	Iroquois School District No. 02-3	2.53%
DeSmet School District No. 38-2	4.01%	Lake Preston School District No. 38-3	2.06%
Deubrook School District No. 5-6	4.77%	Oldham-Ramona-Rutland School District No. 39-6	3.68%
Deuel School District No. 19-4	6.20%	Rosholt School District No. 54-4	2.60%
Elkton School District No. 5-3	5.23%	Webster Area School District No. 18-5	6.43%
Enemy Swim Day School	1.82%	Sioux Valley School District No. 5-5	8.64%
Estelline School District No. 28-2	3.15%	Summit School District No. 54-6	2.05%
Waubay School District No. 18-3	1.94%	Willow Lake School District No. 12-3	3.83%
Waverly School District No. 14-5	3.08%	Wilmot School District No. 54-7	2.81%

13. Joint Ventures: (Continued)

The co-op's governing board is composed of one school board member representative from each member school district. The board is responsible for adopting the co-op's budget and for setting service fees as a level adequate to fund the adopted budget. The school district retained no equity in the net position of the co-op, but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above. Separate financial statements for this joint venture are available for the Northeast Educational Services Cooperative.

		June 30, 2025
Total Assets and Deferred Outflows	$	3,284,771
Total Liabilities and Deferred Inflows	$	1,331,453
Total Net Position	$	1,953,318

14. Risk Management:

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2025, the School District managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

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

Workers' Compensation:

The School District purchases liability insurance for worker's 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 liability resulting from claims for unemployment benefits.

During the year ended June 30, 2025, no claims for unemployment benefits were paid. At June 30, 2025, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

15. Significant Contingencies – Litigation:

At June 30, 2025, the School District was involved in three lawsuits related to the consolidation. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the School District has liability coverage for itself and its employees with EMC. Therefore, no material effects are anticipated to the School District as a result of the potential outcome of these lawsuits.

16. Adjustments to and Restatement of Beginning Balances:

During the current fiscal year, errors were identified in the Governmental Funds within the capital assets records, in the Business-Type Funds within the unearned revenue records, and Fiduciary Funds within the cash records that are related to prior periods. As a result, the beginning net position for governmental activities, business-type activities, proprietary funds, and fiduciary funds has been restated. The effect of these restatements is as follows:

Government-Wide - Governmental Activities:	
Net Position - June 30, 2024, as previously reported	$ 9,623,208
Adjust ending balance of CWIP	150,524
Net Position - June 30, 2024, as restated	$ 9,773,732
Government-Wide - Business-Type Activities:	
Net Position - June 30, 2024, as previously reported	$ 71,456
Adjust ending balance of unearned revenues	(7,697)
Net Position - June 30, 2024, as restated	$ 63,759
Proprietary Funds - Food Service Fund:	
Net Position - June 30, 2024, as previously reported	$ 21,112
Adjust ending balance of unearned revenues	(7,697)
Net Position - June 30, 2024, as restated	$ 13,415
Fiduciary Funds - Private-Purpose Trust Funds:	
Net Position - June 30, 2024, as previously reported	$ 18,875
Adjust ending balance of unearned revenues	10,890
Net Position - June 30, 2024, as restated	$ 29,765

17. Subsequent Events:

The School District has evaluated subsequent events through June 28, 2026, the date on which the financial statements were available to be issued. In March 2025 the School District approved to issue Capital Outlay Certificates not to exceed $8,000,000 to be used to finance a new building at the Ramona building site. A bid was accepted with the contractor in June 2025 approximating $8,257,090. In August 2025 the board determined more work was needed to the building site in Ramona. The bid increased to approximately $17,567,486. The Capital Outlay Certificates to be issued in Fiscal Year 2025 were $8,170,000 and Capital Outlay Certificates to be issued in Fiscal Year 2026 were $4,907,000 for a total of $13,077,000. Along with Capital Outlay Opt Out for $700,000 for 21 years. A court injunction in August 2025 halted the purchases of the Capital Outlay Certificates along with the construction. The court determined the Opt Out Elections was approved for only one year (tax year 2026) due to the ballot wording.

18. Going Concern:

The accompanying financial statements have been prepared assuming that the Oldham-Ramona-Rutland School District No. 39-6 (School District) will continue as a going concern. As of June 30, 2025, the School District has been involved in three lawsuits, as mentioned in Note 15 above. In December of 2025, the school district held a vote for dissolution of the district. The school district continued operations with 363 votes for dissolution (49.8%) and 367 votes against dissolution (50.2%). Additionally, the school district's enrollment decreased by approximately 12% from Fiscal Year 2024 and as of October 2025, Fiscal Year 2026 unofficial enrollment decreased by approximately 29% from Fiscal Year 2025.

These conditions raise substantial doubt about the Entity's ability to continued as a going concern for one year after the date the financial statements are issued.

Management has evaluated these conditions and is developing plans that include improving public support and increasing enrollment. The ultimate outcome and success of these matters cannot presently be determined. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts of the amounts and classification of liabilities that might be necessary should the School District be unable to continue as a going concern.

Required Supplementary Information

Oldham-Ramona-Rutland School District 39-6
Required Supplementary Information – Budgetary Comparison Schedule – General Fund – Budgetary Basis
June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	$ 1,402,535	$ 1,402,535	$ 1,410,745	$ 8,210
Prior years' ad valorem taxes	15,000	15,000	10,689	(4,311)
Utility taxes	78,586	78,586	101,274	22,688
Tax deed revenue	100	100	--	(100)
Penalties and interest on taxes	9,000	9,000	7,275	(1,725)
Tuitions and Fees:				
Regular day school tuition	--	--	700	700
Earnings on Investments and Deposits	5,000	5,000	628	(4,372)
Cocurricular Activities:				
Admissions	12,000	12,000	13,866	1,866
Rentals	--	--		--
Other student activity income	12,000	12,000	10,341	(1,659)
Other Revenue from Local Sources:				
Rentals	14,000	14,000	243,137	229,137
Contributions and donations	1,500	1,500	964	(536)
Charges for services	9,000	9,000	--	(9,000)
Other	10,000	10,000	19,404	9,404
Revenue from Intermediate Sources:				
County Sources:				
County apportionment	5,000	13,093	8,406	(4,687)
Revenue in lieu of taxes	--	1,233	462	(771)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid	1,816,715	1,816,715	1,516,006	(300,709)
Restricted grants-in-aid	7,500	7,500	8,717	1,217
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted grants-in-aid received from federal government through the state	158,386	158,386	142,010	(16,376)
Total Revenues	$ 3,556,322	$ 3,565,648	$ 3,494,624	$ (71,024)

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Oldham-Ramona-Rutland School District 39-6
Required Supplementary Information – Budgetary Comparison Schedule – General Fund – Budgetary Basis
June 30, 2025 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Expenditures				
Instructional Services:				
Regular Programs:				
Elementary	$ 983,958	$ 1,004,848	$ 975,566	$ 29,282
Middle/junior high	328,508	328,508	328,371	137
High school	580,702	580,702	570,645	10,057
Special Programs:				
Educationally deprived	142,750	142,750	150,443	(7,693)
Support Services:				
Students:				
Guidance	144,780	146,280	144,435	1,845
Health	3,000	3,000	1,476	1,524
Instructional Staff:				
Improvement of instruction	12,985	20,485	16,807	3,678
Educational media	87,655	87,655	87,621	34
General Administration:				
Board of education	74,383	74,383	82,035	(7,652)
Executive administration	359,695	359,695	257,828	101,867
School Administration:				
Office of the principal	92,366	92,366	104,440	(12,074)
Other	--	--	67	(67)
Business:				
Fiscal services	--	--	92,456	(92,456)
Operation and maintenance of plant	402,943	402,943	300,871	102,072
Student transportation	193,782	193,782	213,316	(19,534)
Cocurricular Activities:				
Male activities	46,227	46,227	45,346	881
Female activities	49,197	49,197	53,013	(3,816)
Transportation	11,365	11,365	7,579	3,786
Combined activities	127,026	127,026	124,946	2,080
Total Expenditures	3,641,322	3,671,212	3,557,261	113,951
Excess of Revenues Over Expenditures	(85,000)	(105,564)	(62,637)	42,927
Other Financing Sources:				
Operating transfers out	(15,000)	(15,000)	(26,000)	(11,000)
Operating transfers in	100,000	375,000	--	(375,000)
Total Other Financing Sources:	85,000	360,000	(26,000)	(386,000)
Net Change in Fund Balances	--	254,436	(88,637)	(343,073)
Fund Balance, Beginning of Year	1,267,540	1,267,540	1,267,540	--
Fund Balance, End of Year	$ 1,267,540	$ 1,521,976	$ 1,178,903	$ (343,073)

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Oldham-Ramona-Rutland School District 39-6

Required Supplementary Information – Budgetary Comparison Schedule – Capital Outlay Fund – Budgetary Basis
June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	$ 1,300,000	$ 1,600,000	$ 1,592,808	$ (7,192)
Prior years' ad valorem taxes	6,500	6,500	10,061	3,561
Tax deed revenue	10	10	--	(10)
Penalties and interest on taxes	2,000	2,000	2,725	725
Other Revenue from Local Sources:				
Contributions and Donations	500	500	540	40
Other	3,000	3,000	2,768	(232)
Revenue from Intermediate Sources:				
Revenue in lieu of taxes	--	--	591	591
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted grants-in-aid received directly from federal government	--	--	27,831	27,831
Restricted grants-in-aid received from federal government through the state	222,375	285,055	188,103	(96,952)
Total Revenues	1,534,385	1,897,065	1,825,427	(71,638)
Expenditures				
Support Services:				
Regular Programs:				
Elementary	261,743	271,734	141,270	130,464
Middle/junior high	129,850	149,397	43,748	105,649
High school	165,400	166,417	45,267	121,150
Instructional Staff:				
Educational media	--	--	6,000	(6,000)
Business:				
Fiscal services	10,000	10,000	3,654	6,346
Facilities acquisition and construction	496,585	496,585	1,340,431	(843,846)
Operation and maintenance of plant	125,000	125,000	83,964	41,036
Student transportation	180,807	237,932	155,746	82,186
Debt Services	15,000	15,000	16,162	(1,162)
Cocurricular Activities:				
Combined Activities	50,000	50,000	11,821	38,179
Total Expenditures	1,434,385	1,522,065	1,848,063	(325,998)
Excess of Revenue Over (Under) Expenditures	100,000	375,000	(22,636)	(397,636)
Other Financing Sources (Uses):				
Transfers out	(100,000)	(375,000)	--	375,000
Sale of surplus property	--	--	6,943	6,943
Total Other Financing Sources (Uses)	(100,000)	(375,000)	6,943	381,943
Net Change in Fund Balances	--	--	(15,693)	(15,693)
Fund Balance, Beginning of Year	4,369,342	4,369,342	4,369,342	--
Fund Balance, End of Year	$ 4,369,342	$ 4,369,342	$ 4,353,649	$ (15,693)

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Oldham-Ramona-Rutland School District 39-6
Required Supplementary Information – Budgetary Comparison
Schedule – Special Education Fund – Budgetary Basis
June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Revenue from Local Sources:				
Taxes				
Ad valorem taxes	$ 663,285	$ 663,285	$ 705,015	$ 41,730
Prior years' ad valorem taxes	4,000	4,000	5,423	1,423
Penalties and interest on taxes	500	500	1,335	835
Other Revenue from Local Sources:				
Charges for services	3,000	3,000	1,118	(1,882)
Revenue from Intermediate Sources:				
Revenue in lieu of taxes	--	--	248	248
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted grants-in-aid received from federal government through the state	2,400	2,400	861	(1,539)
Total Revenues	673,185	673,185	714,000	40,815
Expenditures				
Instructional Services:				
Programs for special education	547,253	592,026	516,957	75,069
Support Services:				
Students:				
Psychological services	14,471	14,471	13,655	816
Speech pathology	18,825	18,825	20,914	(2,089)
Student therapy services	12,636	12,636	17,984	(5,348)
Special Education:				
Administrative costs	--	--	41,115	(41,115)
Other special education costs	80,000	88,000	99,484	(11,484)
Total Expenditures	673,185	725,958	710,109	15,849
Net Change in Fund Balance	--	(52,773)	3,891	56,664
Fund Balance, Beginning of Year	533,275	533,275	533,275	--
Fund Balance, End of Year	$ 533,275	$ 480,502	$ 537,166	$ 56,664

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

1. Budgets and Budgetary Accounting:

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

a. 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.

b. The proposed budget is considered by the School Board at the first regular meeting held in the month of May of each year.

c. The proposed budget is published for public review no later than July 15 each year.

d. Public hearings are held to solicit taxpayer input prior to the approval of the budget.

e. Before October 1 of each year, the School Board must approve the budget for the ensuing fiscal year for each fund, except fiduciary funds.

f. 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 Item (h).

g. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total School District budget and may be transferred by resolution of the School Board to any other budget category, except for capital outlay, that is deemed insufficient during the year. No number of expenditures may be charged directly to the contingency line item in the budget.

h. 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.

i. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.

j. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

k. Budgets for the General Fund and each major special revenue fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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.

Oldham-Ramona-Rutland School District 39-6

Schedule of the School District Contributions and Proportionate Share of the Net Pension Liability (Asset) to the South Dakota Retirement System

Fiscal Year	District's Proportion of the Net Pension Liability/Asset	District's Proportionate Share of the Net Pension Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2025	0.092209%	$ (3,733)	$ 2,588,240	0.14%	100.00%
2024	0.122387%	$ (11,946)	$ 3,156,785	0.38%	100.10%
2023	0.124756%	$ (11,790)	$ 3,017,534	0.39%	100.10%
2022	0.115437%	$ (884,050)	$ 2,617,076	33.78%	105.52%
2021	0.113388%	$ (4,924)	$ 2,487,538	0.20%	100.04%
2020	0.115387%	$ (12,228)	$ 2,454,331	0.50%	100.09%
2019	0.114564%	$ (2,672)	$ 2,381,666	0.11%	100.02%
2018	0.106073%	$ (9,626)	$ 2,090,452	0.46%	100.10%
2017	0.086517%	$ 292,245	$ 1,593,627	18.34%	96.89%
2016	0.085031%	$ (360,639)	$ 1,552,414	23.23%	104.10%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net pension liability (asset) which is June 30 of the preceding year.

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 158,424	$ 158,424	$ --	$ 2,640,405	6.00%
2024	$ 155,291	$ 155,291	$ --	$ 2,588,240	6.00%
2023	$ 189,407	$ 189,407	$ --	$ 3,156,785	6.00%
2022	$ 181,036	$ 181,036	$ --	$ 3,017,534	6.00%
2021	$ 157,007	$ 157,007	$ --	$ 2,617,076	6.00%
2020	$ 149,169	$ 149,169	$ --	$ 2,487,538	6.00%
2019	$ 147,130	$ 147,130	$ --	$ 2,454,331	5.99%
2018	$ 143,931	$ 143,931	$ --	$ 2,381,666	6.04%
2017	$ 125,428	$ 125,428	$ --	$ 2,090,452	6.00%
2016	$ 95,618	$ 95,618	$ --	$ 1,593,627	6.00%

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

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

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

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