

**PLANKINTON SCHOOL DISTRICT NO. 1-1
OF AURORA COUNTY**

AUDIT REPORT

FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024
AND
FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

PLANKINTON SCHOOL DISTRICT NO. 1-1

PLANKINTON SCHOOL DISTRICT NO. 1-1
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2025

BOARD MEMBERS:

Brian Reis – President
Whitney Bruinsma
Mike Erickson
Rodney Faulhaber
Colleen Ryan-Johnson
Lindsey Weich

SUPERINTENDENT:

Lezlie Larsen

BUSINESS MANAGER:

Amity Fox

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS

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 <i>Government Auditing Standards</i>	1-2
Schedule of Prior Audit Findings.....	3
Schedule of Current Audit Findings.....	4-7
Independent Auditor's Report	8-10
BASIC FINANCIAL STATEMENTS:	
As of and For the Year Ended June 30, 2025:	
Government-Wide Financial Statements:	
Statement of Net Position.....	11
Statement of Activities.....	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes In Fund Balance	15-16
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances to the Government-Wide Statement of Activities	17
Proprietary Funds:	
Statement of Net Position.....	18
Statement of Revenues, Expenses, and Changes in Fund Net Position	19
Statement of Cash Flows.....	20
Fiduciary Funds:	
Statement of Net Position.....	21
Statement of Changes in Net Position.....	22
As of and For the Year Ended June 30, 2024:	
Government-Wide Financial Statements:	
Statement of Net Position.....	23
Statement of Activities.....	24

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS
(Continued)

Fund Financial Statements:

 Governmental Funds:

 Balance Sheet..... 25

 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position 26

 Statement of Revenues, Expenditures, and Changes
 In Fund Balance..... 27-28

 Reconciliation of the Statement of Revenues, Expenditures,
 And Changes in Fund Balances to the Government-Wide
 Statement of Activities 29

 Proprietary Funds:

 Statement of Net Position..... 30

 Statement of Revenues, Expenses, and Changes
 in Fund Net Position..... 31

 Statement of Cash Flows..... 32

 Fiduciary Funds:

 Statement of Net Position..... 33

 Statement of Changes in Net Position..... 34

 Notes to the Financial Statements..... 35-59

Required Supplementary Information Other than MD&A:

As of and For the Year Ended June 30, 2025:

 Budgetary Comparison Schedules – Budgetary Basis:

 General Fund..... 60-61

 Capital Outlay Fund..... 62

 Special Education Fund..... 63-64

Required Supplementary Information Other than MD&A:

As of and For the Year Ended June 30, 2024:

 Budgetary Comparison Schedules – Budgetary Basis:

 General Fund..... 65-66

 Capital Outlay Fund..... 67

 Special Education Fund..... 68

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

TABLE OF CONTENTS
(Continued)

Notes to the Required Supplementary Information – Budgetary Comparison Schedules.....	69
Schedule of the School District’s Proportionate Share of the Net Pension Liability (Asset).....	70
Schedule of the School District Contributions – South Dakota Retirement System.....	71
Notes to the Required Supplementary Information – Pension Schedules.....	72

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

CERTIFIED PUBLIC ACCOUNTANTS
Phone: 605-928-7241
FAX No.: 605-928-6241
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

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
Plankinton School District No. 1-1
Aurora County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Plankinton School District No. 1-1, South Dakota (School District), as of June 30, 2025 and June 30, 2024, and for each of the years in the biennial period 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 April 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings as items 2025-001, 2025-002, and 2025-003 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Current Audit Findings as item 2025-004.

School District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the School District's responses to the findings identified in our audit. The School District's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings. The School District's responses were not subjected to the 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.



Schoenfish & Co., Inc.
Certified Public Accountants
April 16, 2026

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT FINDINGS:

Internal Control – Related Findings – Material Weakness:

Finding Number 2023-001:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2025-001.

Finding Number 2023-002:

Errors and omissions were noted in the annual financial statements prepared by school officials due to inadequate accounting records controls. This comment has not been corrected and is restated as current audit finding number 2025-002.

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

SCHEDULE OF CURRENT AUDIT FINDINGSCURRENT AUDIT FINDINGS:Internal Control – Related Findings – Material Weakness:Finding Number 2025-001:Condition:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This has been a continuing audit comment since fiscal year 1999.

Criteria:

Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets through the separation of key accounting and physical control functions.

The AICPA states that, "Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable."

Cause of Condition:

The Business Manager processes all revenue transactions from beginning to end. The business manager also receives money, issues receipts, records receipts, posts receipts in the accounting records, prepares bank deposits, reconciles bank statements, and prepares financial statements. A lack of proper segregation of duties existed for the revenues resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Potential Effect of Condition:

There is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation:

1. We recommend that the Plankinton School District officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical. In addition, we recommend that all necessary accounting records be established and properly maintained to provide some compensation for lack of proper segregation of duties.

Client's Response:

The Plankinton School District Board President, Brian Reis, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Plankinton School District which precludes staffing at a level sufficient to provide an ideal environment for internal controls. We are aware of this problem and are attempting to develop policies and provide compensating controls.

Finding Number 2025-002:Condition:

Errors and omissions were noted in the annual financial statements prepared by school officials due to inadequate accounting records controls. This has been a continuing audit comment since fiscal year 2021.

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

SCHEDULE OF CURRENT AUDIT FINDINGS
(Continued)

Criteria:

Accurate and complete financial information must be presented in accordance with the generally accepted accounting principles established by the *Governmental Accounting Standards Board* to be useful to the users of these financial statements.

Cause of Condition:

Some of the more significant errors and omissions noted in the annual financial statements and corrected in the audit report are as follows:

- a. The following were noted regarding cash:
 - i. Bank accounts were not reconciled to the software and differences were not resolved in a timely manner.
 - ii. Checks that were voided cleared the bank and many checks appeared as outstanding on the check reconciliation that had already cleared the bank.
 - iii. There were multiple ACH payments that were not recorded on the financial statements.
 - iv. Fund 61 cash transactions were recorded directly to fund balance instead of cash.
- b. The following were noted for expenditures and the related payroll liabilities:
 - i. Payroll tax deposits through EFTPS did not always match the bookkeeping records. Additionally, all payroll deposits recorded were not made to EFTPS for payroll expenditures. More care needs to be taken when filling out 941s to ensure that the payroll deposits match the amounts reported on the 941.
 - ii. Insurance Benefits payable (10-453, 22-453, 51-453) are not deducted from the account in which the benefits are paid. Such benefits need to be analyzed to ensure the deductions and payments are made into and out of the proper funds and accounts and for the correct amounts.
 - iii. Several errors were noted regarding the calculation of South Dakota Retirement. It was noted that one employee did not have retirement calculated for their teaching contract but rather only on extra duty and overtime pay and several other employees had deductions before the calculation of retirement.
- c. The financial records should be adjusted for changes in capital assets including additions, deletions and depreciation.
- d. The financial records should be adjusted for changes in inventory at year-end.

Potential Effect of Condition:

As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties, and improper records were maintained for the Plankinton School District No. 1-1.

Recommendation:

2. We recommend adequate accounting records controls be implemented and followed to ensure future annual financial statements be completely, accurately, and consistently prepared in accordance with generally accepted accounting principles.

Client's Response:

The Plankinton School District Board President, Brian Reis, is the contact person responsible for the corrective action plan for this comment. The School will be more careful to properly follow generally accepted accounting principles and resolve any discrepancies in accounting controls in accordance with the School's adopted internal control policy.

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

SCHEDULE OF CURRENT AUDIT FINDINGS
(Continued)

Finding Number 2025-003:

Condition:

Revenue from ESSER funds were improperly recorded across FY2022, FY2023, FY2024, and FY2025 and improperly recorded across the General Fund and Capital Outlay Fund. This is the first audit in which a similar comment has been made.

Criteria:

Governmental entities are required to record federal grant revenue in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board. These standards require revenues from reimbursement-based federal grants to be recognized in the period when the underlying allowable expenditures are incurred and to be reported in the appropriate fund consistent with the fund in which the allowable expenditures were made.

Cause of Condition:

The misstatements occurred due to inadequate procedures for tracking ESSER expenditures and recording related revenues. Additionally, controls were not a place to ensure that revenues were recorded in the correct fiscal year and assigned to the appropriate governmental fund.

Potential Effect of Condition:

As a result, there is an increased likelihood that revenue and cash between fiscal years and between the General Fund and Capital Outlay Fund are not recorded properly or presented properly on the financial statements.

Recommendation:

We recommend that appropriate controls be implemented and followed to ensure federal grant revenues are recorded in the correct fiscal period and the appropriate fund.

Client's Response:

The Plankinton School District Board President, Brian Reis, is the contact person responsible for the corrective action plan for this comment. The School will be more careful to properly follow generally accepted accounting principles to ensure revenues are recorded in the proper fiscal year and in the appropriate governmental fund.

Compliance – Related Finding:

Finding Number 2025-004:

Condition:

Expenditures exceeded the amounts budgeted in the General Fund in FY24 (SDCL 13-11-3.2). The General Fund was budgeted to spend more than available in FY25 (SDCL 13-11-2).

Criteria:

SDCL 13-11 states in part, "the school board shall prepare a proposed budget for the next fiscal year according to the budgeting standards prescribed by the auditor general for consideration not later than the regular meeting the month of May....Before October first, every school shall approve a budget for the anticipated obligations of each fund, except fiduciary funds, for the school fiscal year."

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

SCHEDULE OF CURRENT AUDIT FINDINGS
(Continued)

Cause of Condition:

The School District expended money in excess of amounts budgeted without amending the budget as allowed by SDCL 13-11-3.2. Also, the School District budgeted to spend more than available, which is not allowed as stated in SDCL 13-11-2.

Potential Effect of Condition:

Without amending the budget or limiting expenditures, expenditures are being made without proper authority. Also, budgets are not being properly adopted in accordance with budgetary guidelines.

Recommendation:

We recommend that the expenditures be limited to amounts budgeted or budget amendments be made in accordance with SDCL 13-11-3.2 to allow for expenditures and budgets be adopted in accordance with SDCL 13-11-2.

Client's Response:

The Plankinton School District Board President, Brian Reis, is the contact person responsible for the corrective action plan for this comment. The School District will be more careful to follow budgetary guidelines prescribed by law.

CLOSING CONFERENCE

The audit was discussed with the officials during the course of the audit and with the Superintendent and Business Manager at the conclusion of the audit.

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

CERTIFIED PUBLIC ACCOUNTANTS
Phone: 605-928-7241
FAX No.: 605-928-6241
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57368

INDEPENDENT AUDITOR'S REPORT

School Board
Plankinton School District No. 1-1
Aurora County, South Dakota

Report on the Audit of the Financial Statements

Adverse 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 Plankinton School District No. 1-1, South Dakota (School District), as of June 30, 2025 and June 30, 2024, and for each of the years in the biennial period 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.

Adverse Opinion on General Fund and Capital Outlay Fund

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the respective financial position of the General Fund, and Capital Outlay Fund of the Plankinton School District No. 1-1 as of June 30, 2025 and June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, and Each Major Fund Except the General Fund and Capital Outlay Fund

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund except the General Fund and Capital Outlay Fund, and the aggregate remaining fund information of Plankinton School District No. 1-1 as of June 30, 2025 and June 30, 2024, and the respective changes in financial position, 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 Adverse 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 audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities, General Fund, and Capital Outlay Fund

Revenue from ESSER funds was improperly recorded across different fiscal years and different funds, resulting in a misstatement of cash across fiscal years and different funds as well. Accounting principles

generally accepted in the United State of America require revenues from reimbursement-based federal grants to be recognized in the period when the underlying allowable expenditures are incurred and to be reported in the appropriate fund consistent with the fund in which the allowable expenditures were made. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenue, and expenses of the General Fund and Capital Outlay Fund were not presented fairly.

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

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

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

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

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the School District Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 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 School District's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
 Certified Public Accountants
 April 16, 2026

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
 P.O. Box 247
 105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF NET POSITION
As of June 30, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and Cash Equivalents	1,536,627.25		1,536,627.25
Investments	457,500.00		457,500.00
Taxes Receivable	914,851.47		914,851.47
Internal Balances	44,338.77	(44,338.77)	0.00
Other Assets	259,108.51	736.70	259,845.21
Inventories		3,850.92	3,850.92
Net Pension Asset	3,102.57		3,102.57
Capital Assets:			
Land	49,568.75		49,568.75
Other Capital Assets, Net of Depreciation/Amortization	5,146,037.61	16,214.34	5,162,251.95
TOTAL ASSETS	8,411,134.93	(23,536.81)	8,387,598.12
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	592,400.56		592,400.56
TOTAL DEFERRED OUTFLOWS OF RESOURCES	592,400.56	0.00	592,400.56
LIABILITIES :			
Other Current Liabilities	294,700.08		294,700.08
Unearned Revenue		15,010.71	15,010.71
Noncurrent Liabilities:			
Due Within One Year	37,036.00		37,036.00
Due in More than One Year	33,558.93		33,558.93
TOTAL LIABILITIES	365,295.01	15,010.71	380,305.72
DEFERRED INFLOWS OF RESOURCES:			
Taxes Levied for Future Period	914,851.47		914,851.47
Pension Related Deferred Inflows	391,881.73		391,881.73
TOTAL DEFERRED INFLOWS OF RESOURCES	1,306,733.20	0.00	1,306,733.20
NET POSITION:			
Net Investment in Capital Assets	5,138,958.84	16,214.34	5,155,173.18
Restricted for:			
Capital Outlay Purposes	1,493,735.56		1,493,735.56
Special Education Purposes	82,320.50		82,320.50
SDRS Pension Purposes	203,621.40		203,621.40
Unrestricted (Deficit)	412,870.98	(54,761.86)	358,109.12
TOTAL NET POSITION	7,331,507.28	(38,547.52)	7,292,959.76

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

**PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Governmental Activities	Primary Government	
		Charges for Services	Grants and Contributions		Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instruction	3,778,114.08	358,630.75	773,241.99	(2,646,241.34)		(2,646,241.34)
Support Services	1,513,899.85	13,426.50	59,069.75	(1,441,403.60)		(1,441,403.60)
Nonprogrammed Charges	54,276.51			(54,276.51)		(54,276.51)
*Interest on Long-Term Liabilities	4,125.64			(4,125.64)		(4,125.64)
Cocurricular Activities	199,237.69	19,832.43	11,357.00	(168,048.26)		(168,048.26)
Total Governmental Activities	5,549,653.77	391,889.68	843,668.74	(4,314,095.35)		(4,314,095.35)
Business-type Activities:						
Food Service	193,935.47	45,391.88	75,877.60		(72,665.99)	(72,665.99)
Driver's Education	6,329.07	3,500.00			(2,829.07)	(2,829.07)
Total Business-type Activities	200,264.54	48,891.88	75,877.60		(75,495.06)	(75,495.06)
Total Primary Government	5,749,918.31	440,781.56	919,546.34	(4,314,095.35)	(75,495.06)	(4,389,590.41)

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

General Revenues:

Taxes:						
Property Taxes				2,077,223.44		2,077,223.44
Utility Taxes				83,030.95		83,030.95
Revenue from State Sources:						
State Aid				1,789,095.61		1,789,095.61
Revenue from Federal Sources				4,964.86		4,964.86
Grants and Contributions not Restricted to Specific Programs				3,887.10		3,887.10
Unrestricted Investment Earnings				19,759.16		19,759.16
Other General Revenues				120,220.02		120,220.02
Transfers				(56,191.00)	56,191.00	0.00
Total General Revenues and Transfers				4,041,990.14	56,191.00	4,098,181.14
Change in Net Position				(272,105.21)	(19,304.06)	(291,409.27)
Net Position - Beginning				7,603,612.49	(19,243.46)	7,584,369.03
NET POSITION - ENDING				7,331,507.28	(38,547.52)	7,292,959.76

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

**PLANKINTON SCHOOL DISTRICT NO. 1-1
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2025**

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	51,699.17	1,424,396.79	60,531.29	1,536,627.25
Investments	432,500.00	25,000.00		457,500.00
Taxes Receivable--Current	274,971.02	385,062.82	235,012.42	895,046.26
Taxes Receivable--Delinquent	7,324.45	6,176.92	6,303.84	19,805.21
Accounts Receivable	29,276.80		51,179.76	80,456.56
Due from Food Service		44,294.23		44,294.23
Due from Driver's Education		44.54		44.54
Due from Other Government	174,225.95		4,426.00	178,651.95
TOTAL ASSETS	969,997.39	1,884,975.30	357,453.31	3,212,426.00

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:

Liabilities:				
Contracts Payable	189,052.91		26,606.99	215,659.90
Payroll Deductions and Withholdings and Employer Matching Payable	71,830.62		7,209.56	79,040.18
Total Liabilities	260,883.53	0.00	33,816.55	294,700.08
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	7,324.45	6,176.92	6,303.84	19,805.21
Taxes Levied for Future Period	274,971.02	385,062.82	235,012.42	895,046.26
Total Deferred Inflows of Resources	282,295.47	391,239.74	241,316.26	914,851.47
Fund Balances:				
Restricted:				
Capital Outlay		1,493,735.56		1,493,735.56
Special Education			82,320.50	82,320.50
Assigned for Recycling Fund	10,479.12			10,479.12
Assigned for Next Year's Budget	302,282.00			302,282.00
Unassigned	114,057.27			114,057.27
Total Fund Balances	426,818.39	1,493,735.56	82,320.50	2,002,874.45
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	969,997.39	1,884,975.30	357,453.31	3,212,426.00

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds	<u>2,002,874.45</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	<u>3,102.57</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>5,195,606.36</u>
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>592,400.56</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(70,594.93)</u>
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(391,881.73)</u>
Net Position - Governmental Activities	<u><u>7,331,507.28</u></u>

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund	Total Governmental Funds
Revenues:					
Revenue from Local Sources:					
Taxes:					
Ad Valorem Taxes	671,227.07	798,465.11	578,677.53		2,048,369.71
Prior Years' Ad Valorem Taxes	8,684.64	6,748.86	6,789.81		22,223.31
Utility Taxes	83,030.95				83,030.95
Penalties and Interest on Taxes	3,017.56	1,819.83	1,793.03		6,630.42
Tuition and Fees:					
Regular Day School Tuition			208,325.75		208,325.75
Earnings on Investments and Deposits	19,759.16				19,759.16
Cocurricular Activities:					
Admissions	19,832.43				19,832.43
Other Revenue from Local Sources:					
Contributions and Donations	3,887.10				3,887.10
Charges for Services	8,060.05		5,366.45		13,426.50
Other	51,182.27		40,491.08		91,673.35
Revenue from Intermediate Sources:					
County Sources:					
County Apportionment	28,546.67				28,546.67
Revenue from State Sources:					
Grants-in-Aid:					
Unrestricted Grants-in-Aid	1,713,160.61		75,935.00		1,789,095.61
Restricted Grants-in-Aid	110,789.29		165,231.45		276,020.74
Tuition:					
Regular	150,305.00				150,305.00
Revenue from Federal Sources:					
Grants-in-Aid:					
Restricted Grants-in-Aid Received from Federal Government Through the State	483,895.00		83,753.00		567,648.00
Revenue in Lieu of Taxes (PILT)	4,964.86				4,964.86
Total Revenue	3,360,342.66	807,033.80	1,166,363.10	0.00	5,333,739.56
Expenditures:					
Instruction:					
Regular Programs:					
Elementary	803,906.21	16,322.76			820,228.97
Middle/Junior High	218,353.94				218,353.94
High School	591,598.49	48,975.21			640,573.70
Preschool Services	54,033.97				54,033.97
Special Programs:					
Programs for Special Education			1,149,612.99		1,149,612.99
Culturally Different	101,466.98				101,466.98
Educationally Deprived	167,491.95				167,491.95
Other Special Programs	489,819.21				489,819.21

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund	Total Governmental Funds
Expenditures (Cont.):					
Support Services:					
Students:					
Attendance and Social Work			15,945.84		15,945.84
Guidance	84,533.42		12,599.64		97,133.06
Health	11,280.00				11,280.00
Psychological			54,767.52		54,767.52
Speech Pathology			98,226.75		98,226.75
Student Therapy Services			34,773.82		34,773.82
Instructional Staff:					
Improvement of Instruction	4,320.69				4,320.69
Educational Media	71,431.96	47,995.00			119,426.96
General Administration:					
Board of Education	31,426.05				31,426.05
Executive Administration	173,416.76				173,416.76
School Administration:					
Office of the Principal	135,724.12				135,724.12
Other	425.08				425.08
Business:					
Fiscal Services	85,776.71				85,776.71
Operation and Maintenance of Plant	329,018.19	25,351.57			354,369.76
Student Transportation	102,103.03				102,103.03
Special Education:					
Administrative Costs			54,294.72		54,294.72
Other Special Education Costs			5,969.20		5,969.20
Nonprogrammed Charges:					
Other Nonprogramed Costs	54,276.51				54,276.51
Debt Services		35,343.64			35,343.64
Cocurricular Activities:					
Male Activities	60,436.04				60,436.04
Female Activities	76,279.97				76,279.97
Transportation	2,303.53				2,303.53
Combined Activities	53,108.65				53,108.65
Capital Outlay		74,431.00			74,431.00
Total Expenditures	3,702,531.46	248,419.18	1,426,190.48	0.00	5,377,141.12
Excess of Revenue Over (Under) Expenditures	(342,188.80)	558,614.62	(259,827.38)	0.00	(43,401.56)
Other Financing Sources (Uses):					
Transfers In	307,516.71		45,458.00		352,974.71
Transfers Out	(101,649.00)	(148,150.00)		(159,366.71)	(409,165.71)
Total Other Financing Sources (Uses)	205,867.71	(148,150.00)	45,458.00	(159,366.71)	(56,191.00)
Net Change in Fund Balances	(136,321.09)	410,464.62	(214,369.38)	(159,366.71)	(99,592.56)
Fund Balance - Beginning	563,139.48	1,083,270.94	296,689.88	159,366.71	2,102,467.01
FUND BALANCE - ENDING	426,818.39	1,493,735.56	82,320.50	0.00	2,002,874.45

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	<u>(99,592.56)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	<u>74,431.00</u>
This amount represents the current year depreciation/amortization expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(196,112.93)</u>
Payment of principal on long-term liabilities is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.	<u>31,218.00</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>(1,083.22)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (Pension Expense)	<u>3,602.58</u>
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	<u>(84,568.08)</u>
Change in Net Position of Governmental Activities	<u><u>(272,105.21)</u></u>

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2025

	Enterprise Funds		
	Food Service Fund	Driver's Education Fund	Totals
ASSETS:			
Current Assets:			
Accounts Receivable, Net	736.70		736.70
Inventory of Stores Purchased for Resale	1,404.04		1,404.04
Inventory of Donated Food	2,446.88		2,446.88
Total Current Assets	4,587.62	0.00	4,587.62
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment--Local Funds	109,745.68		109,745.68
Less: Accumulated Depreciation	(93,531.34)		(93,531.34)
Total Noncurrent Assets	16,214.34	0.00	16,214.34
TOTAL ASSETS	20,801.96	0.00	20,801.96
LIABILITIES:			
Current Liabilities:			
Due to Capital Outlay	44,294.23	44.54	44,338.77
Unearned Revenue - Student Meals	5,709.06		5,709.06
Unearned Revenue - Supply Chain	9,301.65		9,301.65
TOTAL LIABILITIES	59,304.94	44.54	59,349.48
NET POSITION:			
Net Investment in Capital Assets	16,214.34		16,214.34
Unrestricted Net Position	(54,717.32)	(44.54)	(54,761.86)
TOTAL NET POSITION	(38,502.98)	(44.54)	(38,547.52)

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Fund		
	Food Service Fund	Driver's Education Fund	Totals
Operating Revenue:			
Food Sales:			
Students & Adults	41,325.66	3,500.00	44,825.66
Ala Carte	1,164.00		1,164.00
Other Charges for Goods and Services	2,902.22		2,902.22
Total Operating Revenue	45,391.88	3,500.00	48,891.88
Operating Expenses:			
Salaries	79,858.02	5,525.00	85,383.02
Employee Benefits	19,960.33	754.07	20,714.40
Purchased Services	6,803.65		6,803.65
Supplies	7,385.04		7,385.04
Cost of Sales - Purchased	62,584.84		62,584.84
Cost of Sales - Donated	12,299.47		12,299.47
Other	729.50	50.00	779.50
Depreciation	4,314.62		4,314.62
Total Operating Expenses	193,935.47	6,329.07	200,264.54
Operating Income (Loss)	(148,543.59)	(2,829.07)	(151,372.66)
Nonoperating Revenue:			
State Grants	359.57		359.57
Federal Grants	62,197.67		62,197.67
Donated Food	13,320.36		13,320.36
Total Nonoperating Revenue (Expense)	75,877.60	0.00	75,877.60
Income (Loss) Before Transfers	(72,665.99)	(2,829.07)	(75,495.06)
Transfers In	49,213.00	6,978.00	56,191.00
Change in Net Position	(23,452.99)	4,148.93	(19,304.06)
Net Position - Beginning	(15,049.99)	(4,193.47)	(19,243.46)
NET POSITION - ENDING	(38,502.98)	(44.54)	(38,547.52)

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Fund		
	Food Service Fund	Driver's Education Fund	Totals
Cash Flows from Operating Activities:			
Cash Receipts from Customers	44,504.62	3,500.00	48,004.62
Cash Payments to Employees for Services	(98,194.73)	(6,279.07)	(104,473.80)
Cash Payments to Suppliers for Goods or Services	(77,774.73)	(225.00)	(77,999.73)
Net Cash Provided (Used) by Operating Activities	<u>(131,464.84)</u>	<u>(3,004.07)</u>	<u>(134,468.91)</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Loan	27,359.11	(3,973.93)	23,385.18
Transfers from General Fund	49,213.00	6,978.00	56,191.00
Operating Grants	54,892.73		54,892.73
Net Cash Provided (Used) from Noncapital Financing Activities	<u>131,464.84</u>	<u>3,004.07</u>	<u>134,468.91</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash and Cash Equivalents at Beginning of Year	0.00	0.00	0.00
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	(148,543.59)	(2,829.07)	(151,372.66)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	4,314.62		4,314.62
Value of Donated Commodities Used	12,299.47		12,299.47
(Increase) decrease in Accounts Receivable	(446.26)		(446.26)
(Increase) decrease in Inventories	375.81		375.81
(Increase) decrease in Prepaid Items	1,623.62		1,623.62
(Decrease) increase in Accounts and Other Payables	(647.51)	(175.00)	(822.51)
(Decrease) increase in Unearned Revenue	(441.00)		(441.00)
Net Cash Provided (Used) by Operating Activities	<u>(131,464.84)</u>	<u>(3,004.07)</u>	<u>(134,468.91)</u>
Noncash Investing, Capital and Financing Activities:			
Value of Commodities Received	13,320.36		13,320.36

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of June 30, 2025

	Private-Purpose Trust Funds	Custodial Funds
ASSETS:		
Cash and Cash Equivalents	32,976.12	
Investments in Certificates of Deposit	103,004.11	
TOTAL ASSETS	135,980.23	0.00
LIABILITIES:		
Accounts Payable and Other Payables		28,362.69
TOTAL LIABILITIES	0.00	28,362.69
NET POSITION:		
Restricted for:		
Organizations		(28,362.69)
Held in Trust for Scholarships	135,980.23	
TOTAL NET POSITION	135,980.23	(28,362.69)

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF CHANGES IN NET POSITON
FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions and Donations	21,626.97	
Net Investment Earnings		113.64
Collections for Student Activities		38,006.00
Other Additions		2,938.33
Total Additions	21,626.97	41,057.97
DEDUCTIONS:		
Trust Deductions for Scholarships	7,900.00	
Payments for Student Activities		46,393.34
Other Deductions		4,211.19
Total Deductions	7,900.00	50,604.53
 Change in Net Position	 13,726.97	 (9,546.56)
 Net Position - Beginning	 122,253.26	 (18,816.13)
 NET POSITON - ENDING	 135,980.23	 (28,362.69)

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF NET POSITION
As of June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and Cash Equivalents	1,768,629.86		1,768,629.86
Investments	457,500.00		457,500.00
Taxes Receivable	1,076,510.61		1,076,510.61
Internal Balances	20,953.59	(20,953.59)	0.00
Other Assets	171,131.19	1,914.06	173,045.25
Inventories		3,205.84	3,205.84
Net Pension Asset	7,353.72		7,353.72
Capital Assets:			
Land	49,568.75		49,568.75
Other Capital Assets, Net of Depreciation/Amortization	5,267,719.54	20,528.96	5,288,248.50
TOTAL ASSETS	8,819,367.26	4,695.27	8,824,062.53
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	644,859.14		644,859.14
TOTAL DEFERRED OUTFLOWS OF RESOURCES	644,859.14	0.00	644,859.14
LIABILITIES :			
Other Current Liabilities	315,747.63	822.51	316,570.14
Unearned Revenue		23,116.22	23,116.22
Noncurrent Liabilities:			
Due Within One Year	36,218.00		36,218.00
Due in More than One Year	64,511.71		64,511.71
TOTAL LIABILITIES	416,477.34	23,938.73	440,416.07
DEFERRED INFLOWS OF RESOURCES:			
Taxes Levied for Future Period	1,076,510.61		1,076,510.61
Pension Related Deferred Inflows	367,625.96		367,625.96
TOTAL DEFERRED INFLOWS OF RESOURCES	1,444,136.57	0.00	1,444,136.57
NET POSITION:			
Net Investment in Capital Assets	5,229,422.77	20,528.96	5,249,951.73
Restricted for:			
Capital Outlay Purposes	1,083,270.94		1,083,270.94
Special Education Purposes	296,689.88		296,689.88
Debt Service Purposes	159,366.71		159,366.71
SDRS Pension Purposes	284,586.90		284,586.90
Unrestricted (Deficit)	550,275.29	(39,772.42)	510,502.87
TOTAL NET POSITION	7,603,612.49	(19,243.46)	7,584,369.03

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

**PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government Business-Type Activities		Total
			Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
Primary Government:								
Governmental Activities:								
Instruction	3,538,875.92	583,909.13	290,030.87		(2,664,935.92)			(2,664,935.92)
Support Services	1,514,233.27	11,899.26	8,947.00	170,674.00	(1,322,713.01)			(1,322,713.01)
*Interest on Long-Term Liabilities	10,591.19				(10,591.19)			(10,591.19)
Cocurricular Activities	194,160.28	9,207.42			(184,952.86)			(184,952.86)
Total Governmental Activities	5,257,860.66	605,015.81	298,977.87	170,674.00	(4,183,192.98)			(4,183,192.98)
Business-type Activities:								
Food Service	215,101.49	51,287.68	93,423.18			(70,390.63)		(70,390.63)
Driver's Education	225.00					(225.00)		(225.00)
Total Business-type Activities	215,326.49	51,287.68	93,423.18	0.00		(70,615.63)		(70,615.63)
Total Primary Government	5,473,187.15	656,303.49	392,401.05	170,674.00	(4,183,192.98)	(70,615.63)		(4,253,808.61)
General Revenues:								
Taxes:								
Property Taxes					1,833,523.95			1,833,523.95
Utility Taxes					83,381.06			83,381.06
Revenue from State Sources:								
State Aid					1,729,325.21			1,729,325.21
Revenue from Federal Sources					5,363.48			5,363.48
Unrestricted Investment Earnings					18,039.20			18,039.20
Other General Revenues					163,710.23			163,710.23
Total General Revenues					3,833,343.13	0.00		3,833,343.13
Change in Net Position					(349,849.85)	(70,615.63)		(420,465.48)
Net Position - Beginning					7,953,462.34	51,372.17		8,004,834.51
NET POSITION - ENDING					7,603,612.49	(19,243.46)		7,584,369.03

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

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

**PLANKINTON SCHOOL DISTRICT NO. 1-1
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2024**

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	273,759.20	1,043,393.76	292,110.19	159,366.71	1,768,629.86
Investments	432,500.00	25,000.00			457,500.00
Taxes Receivable--Current	363,503.76	366,431.07	282,599.68		1,012,534.51
Taxes Receivable--Delinquent	38,773.15	8,082.57	4,030.86	13,089.52	63,976.10
Accounts Receivable	18,816.13				18,816.13
Due from Food Service		16,935.12			16,935.12
Due from Driver's Education		4,018.47			4,018.47
Due from Other Government	87,881.06		64,434.00		152,315.06
TOTAL ASSETS	1,215,233.30	1,463,860.99	643,174.73	172,456.23	3,494,725.25
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	21,809.58	6,076.41	25,707.71		53,593.70
Contracts Payable	164,429.76		27,307.34		191,737.10
Payroll Deductions and Withholdings and Employer Matching Payable	63,577.57		6,839.26		70,416.83
Total Liabilities	249,816.91	6,076.41	59,854.31	0.00	315,747.63
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	38,773.15	8,082.57	4,030.86	13,089.52	63,976.10
Taxes Levied for Future Period	363,503.76	366,431.07	282,599.68		1,012,534.51
Total Deferred Inflows of Resources	402,276.91	374,513.64	286,630.54	13,089.52	1,076,510.61
Fund Balances:					
Restricted:					
Capital Outlay		1,083,270.94			1,083,270.94
Special Education			296,689.88		296,689.88
Debt Service				159,366.71	159,366.71
Assigned for Recycling Fund	10,416.45				10,416.45
Assigned for Next Year's Budget	475,040.00				475,040.00
Unassigned	77,683.03				77,683.03
Total Fund Balances	563,139.48	1,083,270.94	296,689.88	159,366.71	2,102,467.01
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	1,215,233.30	1,463,860.99	643,174.73	172,456.23	3,494,725.25

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds	<u>2,102,467.01</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	<u>7,353.72</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>5,317,288.29</u>
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>644,859.14</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(100,729.71)</u>
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(367,625.96)</u>
Net Position - Governmental Activities	<u><u>7,603,612.49</u></u>

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Special Education Fund</u>	<u>Bond Redemption Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Revenue from Local Sources:					
Taxes:					
Ad Valorem Taxes	678,520.75	561,599.83	574,326.17		1,814,446.75
Prior Years' Ad Valorem Taxes	5,811.03	4,132.93	4,161.97		14,105.93
Tax Deed Revenue	994.50	249.58	252.09		1,496.17
Utility Taxes	83,381.06				83,381.06
Penalties and Interest on Taxes	1,403.82	1,031.26	1,040.02		3,475.10
Tuition and Fees:					
Regular Day School Tuition	104,176.82		336,577.31		440,754.13
Earnings on Investments and Deposits	18,039.20				18,039.20
Cocurricular Activities:					
Admissions	9,207.42				9,207.42
Other Revenue from Local Sources:					
Charges for Services	5,280.61		6,618.65		11,899.26
Other	117,044.87				117,044.87
Revenue from Intermediate Sources:					
County Sources:					
County Apportionment	25,621.51				25,621.51
Revenue from State Sources:					
Grants-in-Aid:					
Unrestricted Grants-in-Aid	1,729,325.21				1,729,325.21
Restricted Grants-in-Aid	20,702.76		69,014.11		89,716.87
Tuition:					
Regular	143,155.00				143,155.00
Revenue from Federal Sources:					
Grants-in-Aid:					
Restricted Grants-in-Aid Received from Federal Government Through the State	315,501.00		64,434.00		379,935.00
Revenue in Lieu of Taxes (PILT)	5,363.48				5,363.48
Total Revenue	3,263,529.04	567,013.60	1,056,424.32	0.00	4,886,966.96
Expenditures:					
Instruction:					
Regular Programs:					
Elementary	982,340.90	29,310.23			1,011,651.13
Middle/Junior High	163,939.13				163,939.13
High School	629,144.75	43,287.40			672,432.15
Preschool Services	52,241.17				52,241.17
Special Programs:					
Programs for Special Education			865,485.47		865,485.47
Culturally Different	118,029.61				118,029.61
Educationally Deprived	126,862.94				126,862.94
Other Special Programs	438,200.12				438,200.12

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General Fund	Capital Outlay Fund	Special Education Fund	Bond Redemption Fund	Total Governmental Funds
Expenditures (Cont.):					
Support Services:					
Students:					
Attendance and Social Work			13,856.03		13,856.03
Guidance	81,775.87		10,285.69		92,061.56
Health	624.00				624.00
Psychological			38,481.12		38,481.12
Speech Pathology			82,193.83		82,193.83
Student Therapy Services			28,142.45		28,142.45
Instructional Staff:					
Educational Media	60,382.95	6,076.41			66,459.36
General Administration:					
Board of Education	51,615.83				51,615.83
Executive Administration	171,327.30				171,327.30
School Administration:					
Office of the Principal	133,158.69				133,158.69
Other	13,361.79				13,361.79
Business:					
Fiscal Services	78,684.79				78,684.79
Facilities Acquisition and Construction		35,907.28			35,907.28
Operation and Maintenance of Plant	327,812.31	59,656.41			387,468.72
Student Transportation	96,738.13	6,180.00			102,918.13
Special Education:					
Administrative Costs			40,001.52		40,001.52
Debt Services		41,035.19			41,035.19
Cocurricular Activities:					
Male Activities	59,280.60				59,280.60
Female Activities	60,695.96				60,695.96
Transportation	9,547.54				9,547.54
Combined Activities	59,920.40				59,920.40
Capital Outlay		157,753.04			157,753.04
Total Expenditures	3,715,684.78	379,205.96	1,078,446.11	0.00	5,173,336.85
Excess of Revenue Over (Under) Expenditures	(452,155.74)	187,807.64	(22,021.79)	0.00	(286,369.89)
Other Financing Sources (Uses):					
Sale of Surplus Property		7,500.00			7,500.00
Compensation for Loss of General Fixed Assets	13,543.85				13,543.85
Total Other Financing Sources (Uses)	13,543.85	7,500.00	0.00	0.00	21,043.85
Net Change in Fund Balances	(438,611.89)	195,307.64	(22,021.79)	0.00	(265,326.04)
Fund Balance - Beginning	1,001,751.37	887,963.30	318,711.67	159,366.71	2,367,793.05
FUND BALANCE - ENDING	563,139.48	1,083,270.94	296,689.88	159,366.71	2,102,467.01

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	<u>(265,326.04)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	<u>157,753.04</u>
This amount represents the current year depreciation/amortization expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(199,058.17)</u>
In the statement of activities, gains and losses on disposal of capita 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.	<u>(48,176.10)</u>
Payment of principal on long-term liabilities is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.	<u>30,444.00</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>3,956.13</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (Pension Expense)	<u>6,110.36</u>
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	<u>(35,553.07)</u>
Change in Net Position of Governmental Activities	<u><u>(349,849.85)</u></u>

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2024

	Enterprise Funds		
	Food Service Fund	Driver's Education Fund	Totals
ASSETS:			
Current Assets:			
Accounts Receivable, Net	290.44		290.44
Inventory of Stores Purchased for Resale	1,779.85		1,779.85
Inventory of Donated Food	1,425.99		1,425.99
Prepaid Items	1,623.62		1,623.62
Total Current Assets	5,119.90	0.00	5,119.90
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment--Local Funds	109,745.68		109,745.68
Less: Accumulated Depreciation	(89,216.72)		(89,216.72)
Total Noncurrent Assets	20,528.96	0.00	20,528.96
TOTAL ASSETS	25,648.86	0.00	25,648.86
LIABILITIES:			
Current Liabilities:			
Accounts Payable	647.51	175.00	822.51
Due to Capital Outlay	16,935.12	4,018.47	20,953.59
Unearned Revenue - Student Meals	6,150.06		6,150.06
Unearned Revenue - Supply Chain	16,966.16		16,966.16
TOTAL LIABILITIES	40,698.85	4,193.47	44,892.32
NET POSITION:			
Net Investment in Capital Assets	20,528.96		20,528.96
Unrestricted Net Position	(35,578.95)	(4,193.47)	(39,772.42)
TOTAL NET POSITION	(15,049.99)	(4,193.47)	(19,243.46)

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Enterprise Fund		Totals
	Food Service Fund	Driver's Education Fund	
Operating Revenue:			
Food Sales:			
Students & Adults	49,194.88		49,194.88
Ala Carte	2,092.80		2,092.80
Total Operating Revenue	51,287.68	0.00	51,287.68
Operating Expenses:			
Salaries	89,510.03		89,510.03
Employee Benefits	23,844.64		23,844.64
Purchased Services	2,974.56		2,974.56
Supplies	1,338.18		1,338.18
Cost of Sales - Purchased	77,231.72		77,231.72
Cost of Sales - Donated	15,153.29		15,153.29
Other	734.45	225.00	959.45
Depreciation	4,314.62		4,314.62
Total Operating Expenses	215,101.49	225.00	215,326.49
Operating Income (Loss)	(163,813.81)	(225.00)	(164,038.81)
Nonoperating Revenue:			
State Grants	380.80		380.80
Federal Grants	80,130.20		80,130.20
Donated Food	12,912.18		12,912.18
Total Nonoperating Revenue (Expense)	93,423.18	0.00	93,423.18
Change in Net Position	(70,390.63)	(225.00)	(70,615.63)
Net Position - Beginning	55,340.64	(3,968.47)	51,372.17
NET POSITION - ENDING	(15,049.99)	(4,193.47)	(19,243.46)

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Enterprise Fund		
	Food Service Fund	Driver's Education Fund	Totals
Cash Flows from Operating Activities:			
Cash Receipts from Customers	78,615.98		78,615.98
Cash Payments to Employees for Services	(114,978.29)	(486.43)	(115,464.72)
Cash Payments to Suppliers for Goods or Services	(82,848.32)	(50.00)	(82,898.32)
Net Cash Provided (Used) by Operating Activities	<u>(119,210.63)</u>	<u>(536.43)</u>	<u>(119,747.06)</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Loan	20,417.16	536.43	20,953.59
Operating Grants	97,477.16		97,477.16
Net Cash Provided (Used) from Noncapital Financing Activities	<u>117,894.32</u>	<u>536.43</u>	<u>118,430.75</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,316.31)</u>	<u>(0.00)</u>	<u>(1,316.31)</u>
Cash and Cash Equivalents at Beginning of Year	1,316.31	0.00	1,316.31
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>0.00</u>	<u>(0.00)</u>	<u>0.00</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	(163,813.81)	(225.00)	(164,038.81)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	4,314.62		4,314.62
Value of Donated Commodities Used	15,153.29		15,153.29
(Increase) decrease in Accounts Receivable	28,626.29		28,626.29
(Increase) decrease in Inventories	(1,216.92)		(1,216.92)
(Increase) decrease in Prepaid Items	(1,623.62)		(1,623.62)
(Decrease) increase in Accounts and Other Payables	647.51	175.00	822.51
(Decrease) increase in Accrued Wages Payable		(486.43)	(486.43)
(Decrease) increase in Unearned Revenue	(1,297.99)		(1,297.99)
Net Cash Provided (Used) by Operating Activities	<u>(119,210.63)</u>	<u>(536.43)</u>	<u>(119,747.06)</u>
Noncash Investing, Capital and Financing Activities:			
Value of Commodities Received	12,912.18		12,912.18

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of June 30, 2024

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS:		
Cash and Cash Equivalents	<u>122,253.26</u>	
TOTAL ASSETS	<u><u>122,253.26</u></u>	<u><u>0.00</u></u>
LIABILITIES:		
Accounts Payable and Other Payables		<u>18,816.13</u>
TOTAL LIABILITIES	<u>0.00</u>	<u>18,816.13</u>
NET POSITION:		
Restricted for:		
Organizations		<u>(18,816.13)</u>
Held in Trust for Scholarships	<u>122,253.26</u>	
TOTAL NET POSITION	<u><u>122,253.26</u></u>	<u><u>(18,816.13)</u></u>

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

PLANKINTON SCHOOL DISTRICT NO. 1-1
STATEMENT OF CHANGES IN NET POSITON
FIDUCIARY FUNDS
For the Year Ended June 30, 2024

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions and Donations	110,916.59	
Net Investment Earnings		477.09
Collections for Student Activities		43,440.49
Other Additions		3,783.99
Total Additions	110,916.59	47,701.57
DEDUCTIONS:		
Trust Deductions for Scholarships	5,800.00	
Payments for Student Activities		52,822.53
Other Deductions		3,677.88
Total Deductions	5,800.00	56,500.41
Change in Net Position	105,116.59	(8,798.84)
Net Position - Beginning	17,136.67	(10,017.29)
NET POSITON - ENDING	122,253.26	(18,816.13)

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

The reporting entity of Plankinton School District No. 1-1 (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.

The School District participates in the Mid-Central Educational Cooperative with twelve other school districts and the Core Educational Cooperative with twelve 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 Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, 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
- c. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

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

Governmental Funds:

General Fund – A fund established by South Dakota Codified Laws (SDCL) 13-16-3 to meet all the general operational costs of the school district, excluding capital outlay fund and special education fund expenditures. The General Fund is always a major fund.

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

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

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

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

The Bond Redemption Fund – A fund established by SDCL 13-16-13 to account for the proceeds of a special property tax restricted to use for the payment of principal and interest on general obligation bonded debt. The Refunding Bond Fund is the only debt service fund maintained by the School District. This is a major fund. This fund was closed in FY2025.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Proprietary Funds:

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

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

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

Driver's Education Fund – A fund used to record the financial transactions of the driver's education program. This fund is financed by user charges. This is a major fund.

Fiduciary Funds:

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

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

Scholarship funds for the benefit of students.

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

c. Measurement Focus and Basis of Accounting:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-wide Financial Statements:

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

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Plankinton School District No. 1-1, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2025, and June 30, 2024 are grants from other governments and utility taxes.

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

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

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances, if any.

e. Deposits and Investments:

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

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

f. Capital Assets:

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

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

Government-wide Financial Statements

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

The total June 30, 2025, and June 30, 2024 balances of capital assets for governmental and business-type activities are all valued at original cost.

Depreciation/amortization 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. Accumulated depreciation/amortization is reported on the government-wide Statement of Net Position and on the proprietary fund's Statement of Net Position.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	\$ 1.00	----N/A----	----N/A----
Improvements	\$ 5,000.00	Straight-line	15-20 yrs.
Buildings	\$ 5,000.00	Straight-line	70 yrs.
Machinery & Equipment	\$ 5,000.00	Straight-line	10-25 yrs.
Food Service Equipment	\$ 5,000.00	Straight-line	10-25 yrs.

Land is an inexhaustible capital asset and is not depreciated. Intangible leased assets do not have a capitalization threshold but the District’s policy is to amortize over the life of the lease.

Fund Financial Statements:

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

g. Leases

The School District is a lessee for a noncancellable lease of copiers. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities that are deemed material.

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.

NOTES TO THE FINANCIAL STATEMENTS
(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 intangible assets and lease liabilities are reported with long-term liabilities on the statement of net position.

h. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide statements, 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, energy efficiency loans payable, and right-to-use lease payable.

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

i. Program Revenues:

In the government-wide Statement of Activities, reported program revenues derive directly from the program itself or from parties other than the 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, applications, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

j. Deferred Inflows and Deferred Outflows of Resources:

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

k. Proprietary Funds Revenue and Expense Classifications:

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

l. Cash and Cash Equivalents:

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

m. 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/amortization (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 does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

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

n. 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 is available.

o. Fund Balance Classification Policies and Procedures:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

<u>Major Special Revenue Fund:</u>	<u>Revenue Source:</u>
Capital Outlay Fund	Real Estate Taxes
Special Education Fund	Real Estate Taxes and Grants

p. Pensions:

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS'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 statute from spending in excess of appropriated amounts at the fund level. The following represents the signification overdrafts of the expenditures compared to appropriations.

	Year Ended
	<u>06/30/2024</u>
General Fund	\$111,034.78

The Governing Board plans to take the following actions to address these violations: Supplement the budget when legal authority allows.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. DEFICIT NET POSITION

As of June 30, 2025, and June 30, 2024, the following individual fund had a deficit net position in the amount shown:

<u>FUND</u>	<u>Year Ended June 30, 2025</u>	<u>Year Ended June 30, 2024</u>
Food Service Fund	38,502.98	15,049.99
Driver's Education Fund	44.54	4,193.47
Custodial Funds	28,362.69	18,816.13
Total Deficit Net Position	<u>66,910.21</u>	<u>38,059.59</u>

The Governing Board plans to transfer when authority allows to address this violation.

4. DEPOSITS AND INVESTMENTS, FAIR VALUE MEASUREMENT, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

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

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

As of June 30, 2025, and June 30, 2024, the School District did not have any investments. The investments reported in the financial statements consist of only certificates of deposit.

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 investments to the fund making the investment.

5. 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.

6. INVENTORY

Inventory held for consumption is stated at cost. Inventory for Resale is stated at the lower of cost or market. The cost valuation method is first-in, first-out. 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 purchased. No material supplies inventories existed at June 30, 2025, and June 30, 2024, in the General Fund or special revenue funds.

7. 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 unavailable revenue in both the fund financial statements and the government-wide financial statements. Additionally, in the fund financial statements, revenue from property taxes may be limited by any amount not collected during the current fiscal period or within the "availability period."

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. CHANGES IN CAPITAL ASSETS

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

Primary Government

	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2025
Primary Government:				
Governmental Activities:				
Capital Assets, not being depreciated/amortized:				
Land	49,568.75			49,568.75
Total, not being depreciated/amortized	49,568.75	0.00	0.00	49,568.75
Capital Assets, being depreciated/amortized:				
Buildings	6,316,322.40	86,275.00		6,402,597.40
Improvements	925,478.74			925,478.74
Machinery & Equipment	932,713.25	145,909.04	(171,297.25)	907,325.04
Intangible Lease Asset	72,366.00			72,366.00
Total, being depreciated/amortized	8,246,880.39	232,184.04	(171,297.25)	8,307,767.18
Less Accumulated Depreciation for:				
Buildings	(1,697,007.46)	(203,579.10)		(1,900,586.56)
Improvements	(387,757.32)	(86,366.24)		(474,123.56)
Machinery & Equipment	(783,314.19)	(76,216.98)	123,121.15	(736,410.02)
Intangible Lease Asset	(21,600.65)	(29,008.78)		(50,609.43)
Total Accumulated Depreciation/Amortized	(2,889,679.62)	(395,171.10)	123,121.15	(3,161,729.57)
Total Capital Assets, being depreciated/amortized, net	5,357,200.77	(162,987.06)	(48,176.10)	5,146,037.61
Governmental Activity Capital Assets, Net	5,406,769.52	(162,987.06)	(48,176.10)	5,195,606.36

Depreciation/Amortization expense was charged to functions as follows:

	FY2024	FY2025
Governmental Activities:		
Instruction	71,472.90	71,472.90
Support Services	123,823.83	120,878.59
Co-curricular Activities	3,761.44	3,761.44
Total Depr./Amort. Expense - Governmental Activities	199,058.17	196,112.93

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Balance 07/01/23	Increases	Decreases	Balance 06/30/25
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery & Equipment	109,745.68			109,745.68
Total, being depreciated	109,745.68	0.00	0.00	109,745.68
Less Accumulated Depreciation for:				
Machinery & Equipment	(84,902.10)	(8,629.24)		(93,531.34)
Total Accumulated Depreciation	(84,902.10)	(8,629.24)	0.00	(93,531.34)
Business-Type Activity Capital Assets, Net	24,843.58	(8,629.24)	0.00	16,214.34

Depreciation expense was charged to functions as follows:

Business-Type Activities:	FY2024	FY2025
Food Services	4,314.62	4,314.62
Total Depreciation Expense - Business-Type Activities	4,314.62	4,314.62

9. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Energy Efficiency Conservation Block Grant Loan Agreement	65,761.52		32,900.00	32,861.52	16,450.00
Right to Use Lease Payable:					
Right to Use Lease Payable Agreement	49,152.00		26,948.00	22,204.00	14,602.00
Right to Use Lease Payable Supplemental Agreement	3,396.00		1,814.00	1,582.00	984.00
Total Liabilities	118,309.52	0.00	61,662.00	56,647.52	32,036.00
Accrued Compensated Absences - Governmental Funds	16,820.32		2,872.91	13,947.41	5,000.00
Total Governmental Activities	135,129.84	0.00	64,534.91	70,594.93	37,036.00
Total Primary Government	135,129.84	0.00	64,534.91	70,594.93	37,036.00

Compensated absences for governmental activities typically have been liquidated from the General Fund and the Special Education Fund.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Long Term Liabilities Payable at June 30, 2025 is comprised of the following:

PRIMARY GOVERNMENT

Governmental Activities:

Energy Efficiency Conservation Block Grant

Loan Agreement:	\$ 32,861.52
Maturity Date: July 1, 2027	
Interest Rate: 0.00%	
Paid by Capital Outlay Fund	

Right-to-Use Lease Payable:

Right-to-Use Lease Payable Agreement	\$ 22,204.00
--------------------------------------	--------------

The District entered into an agreement for copiers and printers with Xerox. The lease includes a clause in the event of default in addition to other remedies (including disabling or repossessing), immediately require one or more of the following: a) as liquidated damages for loss of bargain and not as a penalty, pay the sum of i) all amounts past due, plus interest at rate of 1.5% per month; ii) the payments remaining in the term discounted to the date of default; iii) the equipment's booked residual, and iv) taxes; and b) require return of equipment. The lease is paid out of the Capital Outlay Fund.

Right-to-Use Lease Payable Supplemental Agreement	\$ 1,582.00
---	-------------

The District entered into an agreement for a professional booklet finisher bundle with Xerox. The lease includes a clause in the event of default in addition to other remedies (including disabling or repossessing), immediately require one or more of the following: a) as liquidated damages for loss of bargain and not as a penalty, pay the sum of i) all amounts past due, plus interest at rate of 1.5% per month; ii) the payments remaining in the term discounted to the date of default; iii) the equipment's booked residual, and iv) taxes; and b) require return of equipment. The lease is paid out of the Capital Outlay Fund.

Compensated Absences:

Accrued Sick Leave – General Fund	\$ 13,947.41
Payment to be made by the fund that the payroll expenditures are charged to.	

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Annual Requirements to Maturity for Long-Term Liabilities
June 30, 2025

Year Ending June 30,	Energy Efficiency Conservation Block Grant Loan Agreement		Right-to-Use Lease Payable Agreement	
	Principal	Interest	Principal	Interest
2026	16,450.00		14,602.00	842.00
2027	16,411.52		7,602.00	120.00
Totals	<u>32,861.52</u>	<u>0.00</u>	<u>22,204.00</u>	<u>962.00</u>

Year Ending June 30,	Right-to-Use Lease Payable Supplemental Agreement		Totals	
	Principal	Interest	Principal	Interest
2026	984.00	60.00	32,036.00	902.00
2027	598.00	11.00	24,611.52	131.00
Totals	<u>1,582.00</u>	<u>71.00</u>	<u>56,647.52</u>	<u>1,033.00</u>

10. INDIVIDUAL FUND INTERFUND BALANCES AND TRANSACTIONS

Interfund receivable and payable balances at June 30, 2025 were:

Fund	Interfund Receivables	Interfund Payables
Capital Outlay Fund	44,338.77	
Food Service Fund		44,294.23
Driver's Education Fund		44.54

Interfund receivable and payable balances at June 30, 2024 were:

Fund	Interfund Receivables	Interfund Payables
Capital Outlay Fund	20,953.59	
Food Service Fund		16,935.12
Driver's Education Fund		4,018.47

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. RESTRICTED NET POSITION

Restricted Net Position for the fiscal year ended June 30, 2025, and June 30, 2024 were as follows:

Fund	Restricted By:	Year Ended 2025	Year Ended 2024
Capital Outlay Fund	Law	1,493,735.56	1,083,270.94
Special Education Fund	Law	82,320.50	296,689.88
	Governmental Accounting		
SDRS Pension	Standards	203,621.40	284,586.90
Bond Redemption	Debt Covenants		159,366.71
Total Restricted Net Position		1,779,677.46	1,823,914.43

12. INTERFUND TRANSFERS

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

Transfers From:	Transfers To:				Totals
	General Fund	Special Education Fund	Food Service Fund	Driver's Education Fund	
Major Funds:					
General Fund		45,458.00	49,213.00	6,978.00	101,649.00
Capital Outlay Fund	148,150.00				148,150.00
Bond Redemption Fund	159,366.71				159,366.71
Totals	307,516.71	45,458.00	49,213.00	6,978.00	409,165.71

Transfers were made as allowed by law to conduct the indispensable functions of the School District.

13. PENSION PLAN

Plan Information:

All employees, working more than 20 hours per week during the 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. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation 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. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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

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

Contributions:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2023 were \$132,619.27, \$129,016.69, and \$122,906.33, respectively, equal to the required contributions each year.

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

At June 30, 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	\$ 11,434,101.54
Less proportionate share of net pension restricted for pension benefits	<u>\$ 11,437,204.11</u>
Proportionate share of net pension liability (asset)	<u>\$ (3,102.57)</u>

At June 30, 2025, the School District reported a liability (asset) of \$(3,102.57) 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 0.07664500%, which is an increase (decrease) of 0.0013030% from its proportion measured as of June 30, 2023.

At June 30, 2023, SDRS is 100.1% 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, 2023 and reported by the School District as of June 30, 2024 are as follows:

Proportionate share of pension liability	\$ 10,917,577.66
Less proportionate share of net pension restricted for pension benefits	<u>\$ 10,924,931.38</u>
Proportionate share of net pension liability (asset)	<u>\$ (7,353.72)</u>

At June 30, 2024, the School District reported a liability (asset) of \$(7,353.72) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the School District's proportion was 0.07534200%, which is an increase (decrease) of (0.0017460%) from its proportion measured as of June 30, 2022.

For the year ended June 30, 2025, the School District recognized pension expense (reduction of pension expense) of \$80,965.50. At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience.	\$ 287,300.07	
Changes in assumption.	\$ 51,152.27	\$ 389,911.43
Net difference between projected and actual earnings on pension plan investments.	\$ 116,865.78	
Changes in proportion and difference between School District contributions and proportionate share of contributions.	\$ 4,463.17	\$ 1,970.30
School District contributions subsequent to the measurement date.	\$ 132,619.27	
TOTAL	\$ 592,400.56	\$ 391,881.73

\$132,619.27 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	(106,751.05)
2027	150,509.98
2028	14,973.99
2029	9,166.64
TOTAL	67,899.56

For the year ended June 30, 2024, the School District recognized pension expense (reduction of pension expense) of \$29,442.71. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience.	\$ 208,444.68	
Changes in assumption.	\$ 251,413.30	\$ 367,510.28
Net difference between projected and actual earnings on pension plan investments.	\$ 48,958.51	
Changes in proportion and difference between School District contributions and proportionate share of contributions.	\$ 7,025.96	\$ 115.68
School District contributions subsequent to the measurement date.	\$ 129,016.69	
TOTAL	\$ 644,859.14	\$ 367,625.96

\$129,016.69 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30:

2025	102,592.08
2026	(108,954.74)
2027	143,916.26
2028	10,662.89
TOTAL	148,216.49

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2024, and June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service.
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.71% for 2025 1.91% for 2024

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

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

- Other Class A Members: PubG-2010
- Public Safety Members: PubS-2010
- Retired Members:
 - Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
 - Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above.
 - Public Safety Retirees: PubS-2010, 102% of rates at all ages.
- Beneficiaries:
 - PubG-2010 contingent survivor mortality table
- Disabled Members:
 - Public Safety: PubS-2010 disabled member mortality table
 - Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%	

Best estimates of real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2023 (see the discussion of the pension plan’s investment policy) are summarized in the following table using geometric means:

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

See Independent Auditor’s Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Cash	1.9%	0.8%
Total	100%	

Discount Rate:

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

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

As of June 30, 2025, 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District’s proportionate share of the net pension liability (asset)	\$1,576,558.40	\$(3,102.57)	\$(1,295,757.31)

As of June 30, 2024, 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District’s proportionate share of the net pension liability (asset)	\$1,507,253.61	\$(7,353.72)	\$(1,246,013.58)

Pension Plan Fiduciary Net Position

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

14. JOINT VENTURES

The School District participates in the Mid-Central Cooperative, a cooperative service unit (co-op) formed for the purpose of providing equal educational opportunity services to the member school districts.

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

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Armour School District No. 21-1	4.68%
Burke School District No. 26-2	6.03%
Colome Consolidated School District No. 59-3	6.45%
Corsica-Stickney School District No. 21-3	6.36%
Ethan School District No. 17-1	6.61%
Gregory School District No. 26-4	10.80%
Kimball School District No. 7-2	8.49%
Mt. Vernon School District No. 17-3	5.64%
Plankinton School District No. 1-1	9.55%
Platte-Geddes School District No. 11-5	13.40%
Wessington Springs School District No. 32-6	9.32%
White Lake School District No. 1-3	3.04%
Wolsey-Wessington School District No. 2-6	9.63%

The co-op's governing board is composed of two representatives from each member school district, who are one administrator of the school on the advisory board and one school board member on the governing board. The board is responsible for adopting the co-op's budget and setting service fees at a level adequate to fund the adopted budget.

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

Audited financial information is not available for periods after June 30, 2015.

The School District participates in the Core Educational Cooperative, a cooperative service unit (Co-op) formed for the purpose of providing equal educational opportunity services to the member school districts.

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

Armour School District No. 21-1	6.62%
Burke School District No. 26-2	6.11%
Colome School District No. 59-3	4.41%
Corsica-Stickney School District No. 21-3	5.09%
Gregory School District No. 26-4	7.47%
Lyman School District No. 26-4	6.79%
Kimball School District No. 7-2	11.21%
Mt. Vernon School District No. 17-3	7.81%
Plankinton School District No. 1-1	10.87%
Platte-Geddes School District No. 11-5	10.36%
Wessington Springs School District No. 32-6	9.17%
White Lake School District No. 1-3	2.38%
Wolsey-Wessington School District No. 2-6	11.71%

The co-op's governing board is composed of two representatives from each member school district, who are one administrator of the school on the advisory board and one school board member on the

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

governing board. The board is responsible for adopting the Co-op's budget and setting service fees at a level adequate to fund the adopted budget.

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

Separate financial statements for this joint venture are available from the Core Educational Cooperative.

At June 30, 2025, this joint venture had total assets and deferred outflows of resources of \$3,182,728.56, total liabilities and deferred inflows of resources of \$646,728.56, and net position of \$2,536,000.00.

15. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2025, and June 30, 2024, the School District managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

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

Worker's Compensation:

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

Unemployment Benefits:

The School District provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

16. RELATED ORGANIZATIONS

The Plankinton School has an arrangement with Aurora Plains Academy which provides for some billing of auxiliary placement students in return for an administrative fee as well as the Special Education director attending IEP meetings of students.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

17. SIGNIFICANT CONTINGENCIES – LITIGATION

At June 30, 2025, the School District was not involved in any significant litigation.

18. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through April 16, 2026, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	857,000.00	857,000.00	671,227.07	(185,772.93)
Prior Years' Ad Valorem Taxes	16,500.00	16,500.00	8,684.64	(7,815.36)
Utility Taxes	85,000.00	85,000.00	83,030.95	(1,969.05)
Penalties and Interest on Taxes	2,000.00	2,000.00	3,017.56	1,017.56
Earnings on Investments and Deposits	6,000.00	6,000.00	19,759.16	13,759.16
Cocurricular Activities:				
Admissions	10,000.00	10,000.00	19,832.43	9,832.43
Other Revenue from Local Sources:				
Contributions and Donations	0.00	0.00	3,887.10	3,887.10
Charges for Services	5,000.00	5,000.00	8,060.05	3,060.05
Other	65,000.00	65,000.00	51,182.27	(13,817.73)
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	19,500.00	19,500.00	28,546.67	9,046.67
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,752,575.00	1,752,575.00	1,713,160.61	(39,414.39)
Restricted Grants-in-Aid	122,734.00	122,734.00	110,789.29	(11,944.71)
Tuition:				
Regular	0.00	0.00	150,305.00	150,305.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	243,589.00	243,589.00	483,895.00	240,306.00
Revenue in Lieu of Taxes (PILT)	0.00	0.00	4,964.86	4,964.86
Other Federal Revenue	30,000.00	30,000.00	0.00	(30,000.00)
Total Revenue	3,214,898.00	3,214,898.00	3,360,342.66	145,444.66
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	858,768.00	858,768.00	803,906.21	54,861.79
Middle/Junior High	258,469.00	258,469.00	218,353.94	40,115.06
High School	570,965.00	570,965.00	591,598.49	(20,633.49)
Preschool Services	54,900.00	54,900.00	54,033.97	866.03
Special Programs:				
Culturally Different	117,900.00	117,900.00	101,466.98	16,433.02
Educationally Deprived	171,850.00	171,850.00	167,491.95	4,358.05
Other Special Programs	497,734.00	497,734.00	489,819.21	7,914.79

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Cont.):				
Support Services:				
Students:				
Guidance	89,000.00	89,000.00	84,533.42	4,466.58
Health	11,280.00	11,280.00	11,280.00	0.00
Instructional Staff:				
Improvement of Instruction	4,165.00	4,165.00	4,320.69	(155.69)
Educational Media	84,648.00	84,648.00	71,431.96	13,216.04
General Administration:				
Board of Education	62,600.00	62,600.00	31,426.05	31,173.95
Executive Administration	170,400.00	170,400.00	173,416.76	(3,016.76)
School Administration:				
Office of the Principal	132,400.00	132,400.00	135,724.12	(3,324.12)
Other	600.00	600.00	425.08	174.92
Business:				
Fiscal Services	89,650.00	89,650.00	85,776.71	3,873.29
Operation and Maintenance of Plant	305,458.00	305,458.00	329,018.19	(23,560.19)
Student Transportation	107,600.00	107,600.00	102,103.03	5,496.97
Nonprogrammed Charges:				
Other Nonprogrammed Costs	0.00	0.00	54,276.51	(54,276.51)
Cocurricular Activities:				
Male Activities	60,437.00	60,437.00	60,436.04	0.96
Female Activities	76,280.00	76,280.00	76,279.97	0.03
Transportation	24,700.00	24,700.00	2,303.53	22,396.47
Combined Activities	52,859.00	52,859.00	53,108.65	(249.65)
Total Expenditures	3,802,663.00	3,802,663.00	3,702,531.46	100,131.54
Excess of Revenue Over (Under) Expenditures	(587,765.00)	(587,765.00)	(342,188.80)	245,576.20
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	307,516.71	307,516.71
Transfers Out	0.00	0.00	(101,649.00)	(101,649.00)
Total Other Financing Sources (Uses)	0.00	0.00	205,867.71	205,867.71
Net Change in Fund Balances	(587,765.00)	(587,765.00)	(136,321.09)	451,443.91
Fund Balance - Beginning	563,139.48	563,139.48	563,139.48	0.00
FUND BALANCE - ENDING	(24,625.52)	(24,625.52)	426,818.39	451,443.91

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	562,000.00	562,000.00	798,465.11	236,465.11
Prior Years' Ad Valorem Taxes	1,000.00	1,000.00	6,748.86	5,748.86
Penalties and Interest on Taxes	1,000.00	1,000.00	1,819.83	819.83
Total Revenue	564,000.00	564,000.00	807,033.80	243,033.80
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	75,000.00	75,000.00	16,322.76	58,677.24
High School	75,000.00	75,000.00	48,975.21	26,024.79
Support Services:				
Instructional Staff:				
Educational Media	82,000.00	82,000.00	47,995.00	34,005.00
Business:				
Operation and Maintenance of Plant	200,000.00	200,000.00	50,657.57	149,342.43
Student Transportation Service	100,000.00	100,000.00	49,125.00	50,875.00
Debt Services	16,500.00	16,500.00	35,343.64	(18,843.64)
Cocurricular Activities:				
Female Activities	17,500.00	17,500.00	0.00	17,500.00
Total Expenditures	566,000.00	566,000.00	248,419.18	317,580.82
Excess of Revenue Over (Under) Expenditures	(2,000.00)	(2,000.00)	558,614.62	560,614.62
Other Financing Sources (Uses):				
Transfers Out	0.00	0.00	(148,150.00)	(148,150.00)
Total Other Financing Sources (Uses)	0.00	0.00	(148,150.00)	(148,150.00)
Net Change in Fund Balances	(2,000.00)	(2,000.00)	410,464.62	412,464.62
Fund Balance - Beginning	1,083,270.94	1,083,270.94	1,083,270.94	0.00
FUND BALANCE - ENDING	1,081,270.94	1,081,270.94	1,493,735.56	412,464.62

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	501,500.00	501,500.00	578,677.53	77,177.53
Prior Years' Ad Valorem Taxes	1,000.00	1,000.00	6,789.81	5,789.81
Penalties and Interest on Taxes	1,000.00	1,000.00	1,793.03	793.03
Tuition and Fees:				
Regular Day School Tuition	200,000.00	200,000.00	208,325.75	8,325.75
Other Revenue from Local Sources:				
Charges for Services	3,000.00	3,000.00	5,366.45	2,366.45
Other	252,953.00	252,953.00	40,491.08	(212,461.92)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	0.00	0.00	75,935.00	75,935.00
Restricted Grants-in-Aid	225,000.00	225,000.00	165,231.45	(59,768.55)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	70,000.00	70,000.00	83,753.00	13,753.00
Total Revenue	1,254,453.00	1,254,453.00	1,166,363.10	(88,089.90)
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	1,202,973.00	1,202,973.00	1,149,612.99	53,360.01
Support Services:				
Students:				
Attendance and Social Work	15,946.00	15,946.00	15,945.84	0.16
Guidance	12,800.00	12,800.00	12,599.64	200.36
Psychological	55,500.00	55,500.00	54,767.52	732.48
Speech Pathology	99,000.00	99,000.00	98,226.75	773.25
Student Therapy Services	34,800.00	34,800.00	34,773.82	26.18
Special Education:				
Administrative Costs	54,295.00	54,295.00	54,294.72	0.28
Other Special Education Costs	5,970.00	5,970.00	5,969.20	0.80
Total Expenditures	1,481,284.00	1,481,284.00	1,426,190.48	55,093.52
Excess of Revenue Over (Under) Expenditures	(226,831.00)	(226,831.00)	(259,827.38)	(32,996.38)

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	45,458.00	45,458.00
Total Other Financing Sources (Uses)	0.00	0.00	45,458.00	45,458.00
Net Change in Fund Balances	(226,831.00)	(226,831.00)	(214,369.38)	12,461.62
Fund Balance - Beginning	296,689.88	296,689.88	296,689.88	0.00
FUND BALANCE - ENDING	69,858.88	69,858.88	82,320.50	12,461.62

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	859,000.00	859,000.00	678,520.75	(180,479.25)
Prior Years' Ad Valorem Taxes	16,500.00	16,500.00	5,811.03	(10,688.97)
Tax Deed Revenue	0.00	0.00	994.50	994.50
Utility Taxes	88,000.00	88,000.00	83,381.06	(4,618.94)
Penalties and Interest on Taxes	2,000.00	2,000.00	1,403.82	(596.18)
Tuition and Fees:				
Regular Day School Tuition	0.00	0.00	104,176.82	104,176.82
Earnings on Investments and Deposits	4,500.00	4,500.00	18,039.20	13,539.20
Cocurricular Activities:				
Admissions	14,000.00	14,000.00	9,207.42	(4,792.58)
Other Revenue from Local Sources:				
Charges for Services	4,800.00	4,800.00	5,280.61	480.61
Other	55,000.00	55,000.00	117,044.87	62,044.87
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	18,000.00	18,000.00	25,621.51	7,621.51
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,533,866.00	1,533,866.00	1,729,325.21	195,459.21
Restricted Grants-in-Aid	0.00	0.00	20,702.76	20,702.76
Tuition:				
Regular	0.00	0.00	143,155.00	143,155.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	208,775.00	208,775.00	315,501.00	106,726.00
Revenue in Lieu of Taxes (PILT)	0.00	0.00	5,363.48	5,363.48
Other Federal Revenue	30,000.00	30,000.00	0.00	(30,000.00)
Total Revenue	2,834,441.00	2,834,441.00	3,263,529.04	429,088.04
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	900,000.00	900,000.00	982,340.90	(82,340.90)
Middle/Junior High	104,300.00	104,300.00	163,939.13	(59,639.13)
High School	589,350.00	589,350.00	629,144.75	(39,794.75)
Preschool Services	53,200.00	53,200.00	52,241.17	958.83
Special Programs:				
Culturally Different	115,530.00	115,530.00	118,029.61	(2,499.61)
Educationally Deprived	181,950.00	181,950.00	126,862.94	55,087.06
Other Special Programs	375,000.00	431,700.00	438,200.12	(6,500.12)

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Cont.):				
Support Services:				
Students:				
Guidance	82,000.00	82,000.00	81,775.87	224.13
Health	1,800.00	1,800.00	624.00	1,176.00
Instructional Staff:				
Improvement of Instruction	4,165.00	4,165.00	0.00	4,165.00
Educational Media	84,000.00	156,000.00	60,382.95	95,617.05
General Administration:				
Board of Education	48,300.00	48,300.00	51,615.83	(3,315.83)
Executive Administration	158,400.00	158,400.00	171,327.30	(12,927.30)
School Administration:				
Office of the Principal	120,100.00	120,100.00	133,158.69	(13,058.69)
Other	600.00	600.00	13,361.79	(12,761.79)
Business:				
Fiscal Services	85,900.00	85,900.00	78,684.79	7,215.21
Operation and Maintenance of Plant	260,500.00	260,500.00	327,812.31	(67,312.31)
Student Transportation	106,250.00	106,250.00	96,738.13	9,511.87
Cocurricular Activities:				
Male Activities	58,870.00	58,870.00	59,280.60	(410.60)
Female Activities	21,085.00	61,085.00	60,695.96	389.04
Transportation	24,700.00	24,700.00	9,547.54	15,152.46
Combined Activities	37,400.00	59,950.00	59,920.40	29.60
Total Expenditures	3,413,400.00	3,604,650.00	3,715,684.78	(111,034.78)
Excess of Revenue Over (Under)				
Expenditures	(578,959.00)	(770,209.00)	(452,155.74)	318,053.26
Other Financing Sources (Uses):				
Compensation for Loss of General Capital Assets	0.00	0.00	13,543.85	13,543.85
Total Other Financing Sources (Uses)	0.00	0.00	13,543.85	13,543.85
Net Change in Fund Balances	(578,959.00)	(770,209.00)	(438,611.89)	331,597.11
Fund Balance - Beginning	1,001,751.37	1,001,751.37	1,001,751.37	0.00
FUND BALANCE - ENDING	422,792.37	231,542.37	563,139.48	331,597.11

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	561,200.00	561,200.00	561,599.83	399.83
Prior Years' Ad Valorem Taxes	1,500.00	1,500.00	4,132.93	2,632.93
Tax Deed Revenue	0.00	0.00	249.58	249.58
Penalties and Interest on Taxes	1,000.00	1,000.00	1,031.26	31.26
Earnings on Investments and Deposits	100.00	100.00	0.00	(100.00)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	191,122.00	191,122.00	0.00	(191,122.00)
Total Revenue	754,922.00	754,922.00	567,013.60	(187,908.40)
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	90,000.00	90,000.00	29,986.15	60,013.85
High School	90,000.00	90,000.00	43,287.40	46,712.60
Support Services:				
Instructional Staff:				
Educational Media	15,000.00	15,000.00	23,284.53	(8,284.53)
Business:				
Facilities Acquisition and Construction	0.00	0.00	35,907.28	(35,907.28)
Operation and Maintenance of Plant	250,000.00	250,000.00	134,525.41	115,474.59
Student Transportation Service	156,000.00	156,000.00	71,180.00	84,820.00
Debt Services	174,510.00	174,510.00	41,035.19	133,474.81
Total Expenditures	775,510.00	775,510.00	379,205.96	396,304.04
Excess of Revenue Over (Under) Expenditures	(20,588.00)	(20,588.00)	187,807.64	208,395.64
Other Financing Sources (Uses):				
Sale of Surplus Property	0.00	0.00	7,500.00	7,500.00
Total Other Financing Sources (Uses)	0.00	0.00	7,500.00	7,500.00
Net Change in Fund Balances	(20,588.00)	(20,588.00)	195,307.64	215,895.64
Fund Balance - Beginning	887,963.30	887,963.30	887,963.30	0.00
FUND BALANCE - ENDING	867,375.30	867,375.30	1,083,270.94	215,895.64

REQUIRED SUPPLEMENTARY INFORMATION
PLANKINTON SCHOOL DISTRICT NO. 1-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	501,200.00	501,200.00	574,326.17	73,126.17
Prior Years' Ad Valorem Taxes	1,000.00	1,000.00	4,161.97	3,161.97
Tax Deed Revenue	0.00	0.00	252.09	252.09
Penalties and Interest on Taxes	1,000.00	1,000.00	1,040.02	40.02
Tuition and Fees:				
Regular Day School Tuition	150,000.00	150,000.00	336,577.31	186,577.31
Other Revenue from Local Sources:				
Charges for Services	3,000.00	3,000.00	6,618.65	3,618.65
Revenue from State Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid	225,000.00	225,000.00	69,014.11	(155,985.89)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	70,000.00	90,500.00	64,434.00	(26,066.00)
Total Revenue	951,200.00	971,700.00	1,056,424.32	84,724.32
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	789,050.00	843,550.00	865,485.47	(21,935.47)
Support Services:				
Students:				
Attendance and Social Work	12,000.00	12,000.00	13,856.03	(1,856.03)
Guidance	12,500.00	12,500.00	10,285.69	2,214.31
Psychological	39,000.00	39,000.00	38,481.12	518.88
Speech Pathology	88,000.00	108,500.00	82,193.83	26,306.17
Student Therapy Services	28,300.00	28,300.00	28,142.45	157.55
Special Education:				
Administrative Costs	42,000.00	42,000.00	40,001.52	1,998.48
Total Expenditures	1,010,850.00	1,085,850.00	1,078,446.11	7,403.89
Net Change in Fund Balances	(59,650.00)	(114,150.00)	(22,021.79)	92,128.21
Fund Balance - Beginning	318,711.67	318,711.67	318,711.67	0.00
FUND BALANCE - ENDING	259,061.67	204,561.67	296,689.88	92,128.21

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.

Note 1. Budgets and Budgetary Accounting:

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

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

Note 2. GAAP/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.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

Last Ten Fiscal Years *

	<u>District's proportion of the net pension liability/asset</u>	<u>District's proportionate share of net pension liability (asset)</u>	<u>District's covered-employee payroll</u>	<u>District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability (asset)</u>
2025	0.0766450%	\$ (3,102.57)	\$ 2,150,274.57	0.14%	100.00%
2024	0.0753420%	\$ (7,353.72)	\$ 2,073,577.17	0.35%	100.10%
2023	0.0770880%	\$ (7,285.30)	\$ 1,824,552.17	0.40%	100.10%
2022	0.0806650%	\$ (617,755.85)	\$ 1,830,563.52	33.75%	105.52%
2021	0.0794426%	\$ (3,450.18)	\$ 1,743,528.16	0.20%	100.04%
2020	0.0787127%	\$ (8,341.39)	\$ 1,673,592.96	0.50%	100.09%
2019	0.0805184%	\$ (1,877.88)	\$ 1,689,898.80	0.11%	100.02%
2018	0.0814206%	\$ (7,389.00)	\$ 1,654,314.74	0.45%	100.10%
2017	0.0777066%	\$ 262,485.26	\$ 1,499,214.52	17.51%	96.89%
2016	0.0791507%	\$ (335,700.74)	\$ 1,445,062.70	23.23%	104.10%

* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30 of the previous fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT PENSION CONTRIBUTIONS

South Dakota Retirement System

Last Ten Fiscal Years

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2025	\$ 132,619.27	\$ 132,619.27	\$ -	\$ 2,210,315.03	6.00%
2024	\$ 129,016.69	\$ 129,016.69	\$ -	\$ 2,150,274.57	6.00%
2023	\$ 122,906.33	\$ 122,906.33	\$ -	\$ 2,073,577.17	5.93%
2022	\$ 109,474.77	\$ 109,474.77	\$ -	\$ 1,824,552.17	6.00%
2021	\$ 109,404.48	\$ 109,404.48	\$ -	\$ 1,830,563.52	5.98%
2020	\$ 104,611.54	\$ 104,611.54	\$ -	\$ 1,743,528.16	6.00%
2019	\$ 100,415.65	\$ 100,415.65	\$ -	\$ 1,673,592.96	6.00%
2018	\$ 100,433.93	\$ 100,433.93	\$ -	\$ 1,689,898.80	5.94%
2017	\$ 99,258.28	\$ 99,258.28	\$ -	\$ 1,654,314.74	6.00%
2016	\$ 89,952.48	\$ 89,952.48	\$ -	\$ 1,499,214.52	6.00%

**NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions

Changes from Prior Valuation

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change in 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 the long-term COLA is equal to the baseline COLA assumption (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 assumption of 1.91%.

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

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