

**PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
OF CHARLES MIX COUNTY**

AUDIT REPORT

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

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2024

BOARD MEMBERS:

Ross Varilek, President
Dennis DeBoer
Tom Olsen
Mark Petersen
Tina Schuman
Roxi Summerville
Jared Veurink

SUPERINTENDENT:

Joel Bailey

BUSINESS MANAGER:

Kathleen A. Holter

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

School Board
Platte-Geddes School District No. 11-5
Charles Mix 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 Platte-Geddes School District No. 11-5, South Dakota (School District), as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated June 30, 2025, which was qualified for the governmental activities because of not reporting other post-employment benefits liability.

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 item 2024-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on 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*.

School District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit. The School District's response to the findings identified in our audit is described in the accompanying Schedule of Current Audit Findings. The School District's response was 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
 June 30, 2025

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SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

PRIOR FEDERAL AUDIT FINDINGS:

There are no prior federal audit findings to report.

PRIOR OTHER AUDIT FINDINGS:

Internal Control – Related Finding – 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 2024-001.

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SCHEDULE OF CURRENT AUDIT FINDINGSCURRENT AUDIT FINDINGS:Internal Control – Related Finding – Material Weakness:Finding Number 2024-001: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 finding since 2008.

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. They also receive money, issue receipts, post receipts in the accounting records, prepare bank deposits, reconcile bank statements, and prepare 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 Platte-Geddes 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 Platte-Geddes School District Board President, Ross Varilek, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Platte-Geddes 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 developing policies and attempting to provide compensating controls.

CLOSING CONFERENCE

The audit was discussed with the officials during the course of the audit and with one Board Member, the Superintendent, and the Business Manager on January 21, 2025.

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INDEPENDENT AUDITOR'S REPORT

School Board
Platte-Geddes School District No. 11-5
Charles Mix County, South Dakota

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Platte-Geddes School District No. 11-5, South Dakota (School District), as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Qualified Opinions

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Platte-Geddes School District No. 11-5 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Platte-Geddes School District No. 11-5 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Basis for Qualified Opinion

The School District did not record the unfunded liability for other post-employment benefits in the governmental activities. The annual required contribution of the employer was not actuarially determined in accordance with GASB Statement 75, but the liability at June 30, 2024 is potentially a material amount.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), 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

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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.

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 June 30, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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Certified Public Accountants
June 30, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Platte-Geddes School District #11-5's annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year ended on June 30, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's net position from governmental and business-type activities total approximately \$18,549,671 primarily comprised of cash and capital assets.
- During the year, the School's revenues generated from taxes and other revenues of the governmental and business-type programs were \$787,655 more than the \$7,228,271 governmental and business-type program expenditures.
- The total cost of the School's programs increased slightly due to increased salaries and benefits and the addition and expansion of a few programs. However, conservative spending for supplies and equipment, and fewer maintenance projects due to the significant ventilation, renovation, and building addition projects helped to stabilize total costs.
- The General Fund reported a \$206,751 current year gain primarily due the transfer of \$100,000 from the Capital Outlay Fund. Interest was also transferred to the General Fund from the Capital Outlay, Special Education, and Impact Aid Funds totaling \$294,497.
- The Food Service Fund realized a gain of \$15,272. The increase was a result of securing a Food Service Equipment Grant in the amount of \$25,000. While operating revenue increased, expenditures also increased significantly. The district did, however, received numerous donations from the community to cover operating costs and/or to assist with families needing financial assistance.
- The district finalized a HVAC/Remodel/Secure Entrance addition project. Total cost of the project, including all professional services, totaled approximately \$8.7 million. The district funded the project with \$5.2 million in Capital Outlay Certificates and Capital Outlay reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School government, reporting the School's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
 - Proprietary fund statements offer short- and long-term financial information about the activities that the school operates like businesses. The proprietary funds operated by the school are the Food Service Operation and Driver's Education Funds.
 - Fiduciary fund statements provide information about the financial relationships - like scholarship plans for graduating students - in which the School acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the School's financial statements, including the portion of the School government covered and the types of information contained. The reminder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of Platte-Geddes School District's Government-wide and Fund Financial Statements				
	Government-wide Statements	Governmental Funds	Fund Statements Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs..	Activities the District operates similar to private businesses, the food service & driver's education operations.	Instances in which the District is the trustee or agent for someone else's resources.
Required Financial Statements	*Statement of Net Position *Statement of Net Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses, and Changes in Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position *Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School's net position and how it has changed. Net position – the difference between the School's assets and liabilities – is one way to measure the School's financial health or position.

- Increases or decreases in the School's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional nonfinancial factors such as changes in the School's property tax base and changes in the state school aid funding formula from the State of South Dakota.

The government-wide financial statements of the School are reported in two categories:

- **Governmental Activities** - This category includes the School's basic instructional services, such as elementary and high school educational programs, support services (guidance counselor, executive administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities (sports, drama, music, etc.) and capital equipment purchases. Property taxes, state grants, federal grants and interest earnings finance most of these activities.
- **Business-type Activities** - The school charges a fee to students to help cover the costs of providing hot lunch services to all students. The Food Service Fund and Driver's Education Fund are the only business-type activities of the School.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds – not the School as a whole. Funds are accounting devices that the School uses to keep track of specific sources of funding and spending for particular purposes.

- State Law requires some of the funds.
- The School Board establishes other funds to control and manage money for particular purposes (like the Scholarship Trust).

The School has three kinds of funds:

- **Governmental Funds** – Most of the School's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

- **Proprietary Funds** – Services for which the School charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The Food Service and Driver's Education Enterprise Funds are the proprietary funds maintained by the School.
- **Fiduciary Funds** – The School is the trustee, or fiduciary, for various external and internal parties. The School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the School's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the School's government-wide financial statements because the School cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's combined net position increased as follows:

Table A-1
PLATTE-GEDDES SCHOOL DISTRICT #11-5
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	22-23	23-24	22-23	23-24	22-23	23-24
Current and Other Assets	16,094,213	9,766,563	145,878	140,689	16,240,091	9,907,252
Net Pension Asset	12,396	12,058			12,396	12,058
Capital Assets	10,464,128	13,910,860	38,253	57,963	10,502,381	13,968,823
Total Assets	26,570,737	24,689,481	184,131	198,652	26,754,868	24,888,133
Pension Related						
Deferred Outflows	1,236,007	1,070,227			1,236,007	1,070,227
Long-Term Debt Outstanding	4,584,100	4,184,718			4,584,100	4,184,718
Other Liabilities	2,866,308	686,702	36,271	36,098	2,902,579	722,800
Total Liabilities	7,450,408	4,871,420	36,271	36,098	7,486,679	4,907,518
Property Taxes Levied for a Future Period	2,021,195	1,898,540			2,021,195	1,898,540
Pension Related Deferred Inflows	720,986	602,630			720,986	602,630
Total Deferred Inflows of Resources	2,742,181	2,501,170	0.00	0.00	2,742,181	2,501,170
Net Position:						
Net Investment in						
Capital Assets	8,789,073	9,775,860	38,253	57,963	8,827,326	9,833,823
Restricted	5,758,680	5,327,982			5,758,680	5,327,982
Unrestricted	3,066,403	3,283,276	109,607	104,590	3,176,010	3,387,866
Total Net Position	17,614,156	18,387,118	147,860	162,553	17,762,016	18,549,671
Beginning Net Position	16,207,885	17,614,156	134,267	147,860	16,342,152	17,762,016
Increase (Decrease) in Net Position	1,406,271	772,962	13,593	14,693	1,419,864	787,655
Percentage of Increase (Decrease) in Net Position	8.6%	4.1%	10.1%	9.9%	8.6%	4.4%

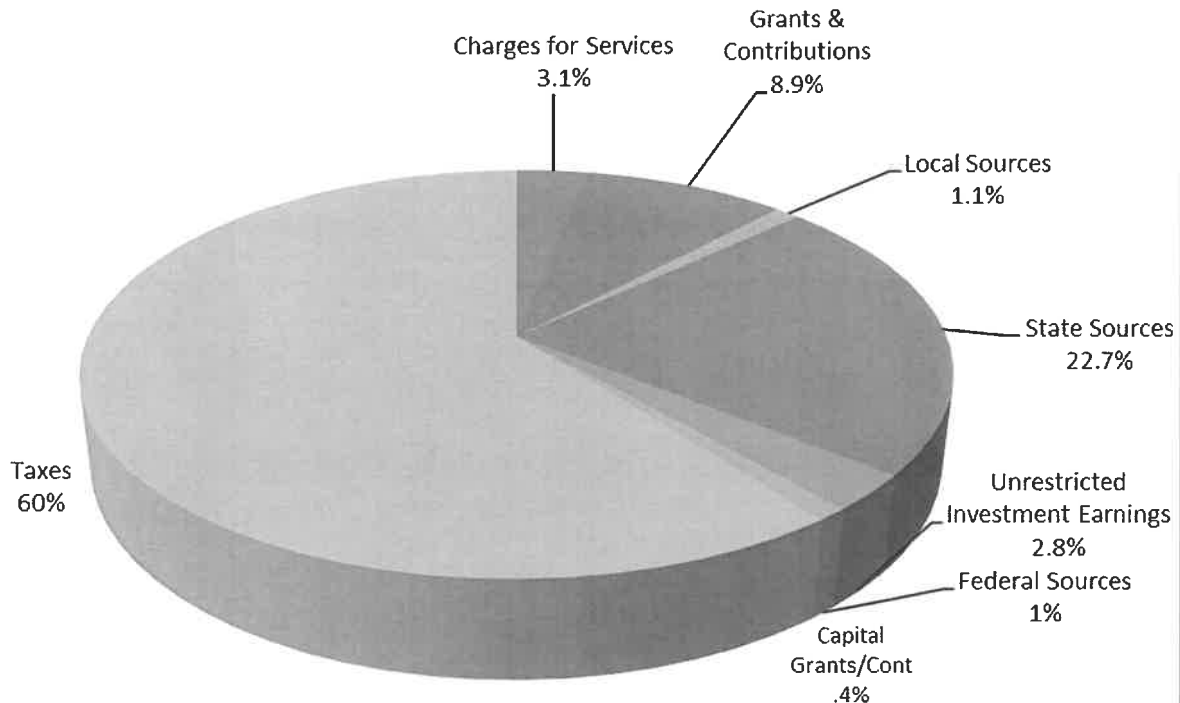
The Platte-Geddes School District increased their net position in the governmental activities by 4.1%. The District increased their net position in the business-type activities by 9.9%.

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the school, consisting of compensated absences payable, early retirement payable, and financing (capital acquisition) lease payable, have been reported in this manner on the Statement of Net Position. The difference between the school's assets and liabilities is its net position.

Changes in Net Position

The School's total revenues totaled \$8,015,925. (See Table A-2.) Approximately 60% of the School's revenue comes from property and other taxes, with another 22.7% coming from state sources. (See Figure A-2).

Figure A-2, Platte-Geddes School District, Sources of Revenue for Fiscal Year 2024



The School's expenses cover a range of services, encompassing instruction, support services, cocurricular activities and food services. (See Figure A-3)

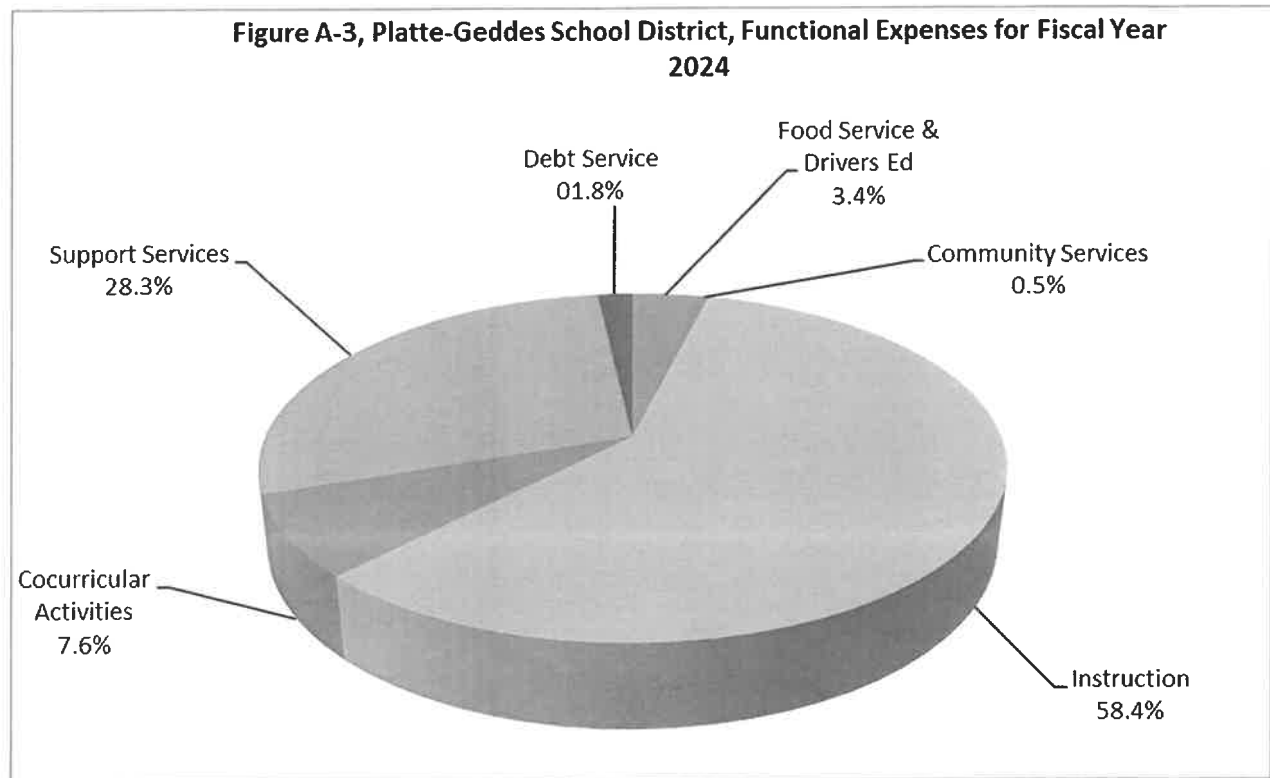


Table A-2 and the narrative that follows consider the operations of the governmental activities and business-type activities.

Table A-2
PLATTE-GEDDES SCHOOL DISTRICT 11-5
Changes in Net Position

Table A-2
PLATTE-GEDDES SCHOOL DISTRICT 11-5
Changes in Net Position

	Total Governmental Activities		Total Business-Type Activities		Total	
	22-23	23-24	22-23	23-24	22-23	23-24
Revenues						
Program Revenues						
Charges for Services	99,220	111,695	128,813	139,343	228,033	251,038
Operating Grants and Contributions	593,166	607,295	93,486	109,694	686,652	716,989
Capital Grants & Contributions	1,008,966	31,148			1,008,966	31,148
General Revenues					0	0
Taxes	3,985,566	4,805,358			3,985,566	4,805,358
Revenue State Sources	1,686,186	1,815,868			1,686,186	1,815,868
Revenue Federal Sources	78,973	79,292			78,973	79,292
Revenue Local Sources	74,191	83,197	2,555	6,448	76,746	89,645
Unrestricted Investment Earnings	120,988	222,900	2,408	3,687	123,396	226,587
Total Revenues	7,647,256	7,756,753	227,262	259,172	7,874,518	8,015,925
Expenses						
Instruction	3,642,491	4,224,577			3,642,491	4,224,577
Support Services	1,924,563	2,045,303			1,924,563	2,045,303
Community Services	19,483	38,333			19,483	38,333
Debt Service	141,350	129,950			141,350	129,950
Cocurricular Activities	513,099	545,628			513,099	545,628
Food Service			207,299	237,810	207,299	237,810
Driver's Education			6,369	6,669	6,369	6,669
Total Expenses	6,240,986	6,983,791	213,668	244,479	6,454,654	7,228,270
Increase (Decrease) in Net Position	1,406,270	772,962	13,594	14,693	1,419,864	787,655
Net Position - Ending	17,614,156	18,387,118	147,860	162,553	17,762,016	18,549,671

GOVERNMENTAL ACTIVITIES

The General Fund's position remained relatively stable compared the previous year. Local taxes, investment interest, and state revenues realized a slight increase while federal sources saw almost no change. Total expenditures increased mostly due to higher wage and salary increases.

The Capital Outlay Fund's expenses realized a slight increase due to the HVAC/Renovation/Elementary Addition project. ESSER III Funds in the amount of \$815,518.00, approximately \$5.2 million in Capital Outlay Certificates, and reserves were used to fund the project. The project was completed in December 2023. Increases in local tax and investment revenue helped the fund maintain a stable post-construction fund balance.

Increased property tax and investment interest also helped support the Special Education Fund. Expenses increased due to a higher demand for staffing needs and costs related to students placed in alternative settings.

BUSINESS-TYPE ACTIVITIES

Revenues of the School's business-type activities totaled \$259,172 and expenses totaled \$244,479. Factors contributing to the increase in the food service and driver's education funds include:

- The district received another round of Supply Chain Assistance Funding in the amount of \$14,236.80. The district did use \$14,330.56 of those funds this year which leaves \$25,514.36 available for future years.
- The district also received a \$25,000.00 Food Service Equipment Grant. A convection steamer was purchased with those funds.
- Increased participation in the Food Service Program helped generate additional local and federal revenue.
- Wages and benefit expenses also increased in the Food Service program due to higher increases given.
- The driver's education program remained stable. Revenue generated from student fees were just shy of supporting the program this year.

The primary funding source for the Food Service Program is sales for student meals. The district does not have a high percentage of families completing the Application for Free and/or Reduced Meals so revenue from federal sources is not as high as it potentially could be. The district does stress the importance of completing the applications, however the return continues to be low.

The district operated a Driver's Education Fund as a separate business-type activity. Revenues received through tuition totaled \$6,090 while expenditures totaled \$6,669. The program did end the year with a \$579 shortfall.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The General Fund increased its fund balance while the Capital Outlay and Special Education Funds realized a decrease in fund balance. The General Fund's positive increase is due to the transfer of \$100,000 from the Capital Outlay Fund and the transfer of interest income from the Capital Outlay, Special Education, and Impact Aid Funds. Higher interest rates on investments generated more revenue and decreased the amount needed to be transferred from the Capital Outlay Fund. Coronavirus Relief Funds were used in the General Fund to support the retainage of a Reading Interventionist, the purchase of curriculum, staffing for a summer school program, and bringing in speakers to provide student and staff support services.

The district did serve as the fiscal agent for the Perkins Grant Paragon Ridge Consortium. All purchases for this grant were made by the Platte-Geddes School District and distributed to each member school. The Paragon Ridge Consortium consists of nine schools which includes: Armour, Corsica-Stickney, Kimball, Plankinton, Platte-Geddes, Sanborn Central, Wessington Springs, White Lake, and Woonsocket.

The decrease in the Capital Outlay Fund Balance is due to the HVAC/Renovation/Secure Elementary Building Entrance Project. The district did secure Capital Outlay Certificates in 2021 however construction/renovation did not start until spring of 2023. The project was completed in December of 2023. In addition to the construction/renovation project, the district spent funds on textbooks, technology equipment, a warranty service agreement payment for the geothermal heating and cooling system, a suburban, mini bus, band instruments, a debt payment on the Capital Outlay Certificates, and various other building maintenance projects. The district also expensed 15% of mileage paid to parents in lieu of busing and 15% of its busing contracts from the Capital Outlay Fund.

The district continued to strategically lower the Special Education Fund balance by requesting a lower tax levy. The school did not receive any state aid in the Special Education Fund due to the high fund balance. However, the district did directly receive their federal IDEA Flowthrough funds. Increased expenses in salaries and benefits, payments to the Core Educational Cooperative, and out of district placement centers resulted in a deficit of \$378,495 in the Special Education Fund.

BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revised the School budget once. This amendment was made to increase appropriations to prevent budget overruns.

General Fund Budget

	Original	Final
Revenue	\$5,064,616.00	\$5,106,036.00
Expenditures	<u>\$5,064,616.00</u>	<u>\$5,086,401.00</u>
Variance	<u>\$ 0.00</u>	<u>\$ 19,635.00</u>

CAPITAL ASSET ADMINISTRATION

By the end of 2024, the School had invested \$13,968,823 in a broad range of capital assets, including, land, buildings, improvements and various machinery and equipment. (See Table A-3.) This amount represents a net increase (including additions and deletions) of \$3,466,442 over last year resulting from the HVAC/Renovation/Secure Elementary Building Entrance Project.

Table A-3
PLATTE-GEDDES SCHOOL DISTRICT 11-5 - Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Dollar Change	Total Percentage Change
	2023	2024	2023	2024	2023-2024	2023-2024
Land	\$ 164,266	164,266			\$ 0	0%
Construction Work in Progress	5,007,133	17,935			(4,989,198)	(99.6%)
Buildings	4,705,722	13,167,294			8,461,572	179.8%
Improvements	128,997	74,660			(54,337)	(42.1%)
Machinery & Equipment	458,010	486,705	38,253	57,963	48,405	10.5%
Totals	\$ 10,464,128	13,910,860	38,253	57,963	\$ 3,466,442	33.1%

LONG-TERM LIABILITIES

At year-end the School had \$4,184,718 in Early Retirement Payments, Compensated Absences Payable, and Limited Tax Capital Outlay Certificates. Table A-4 below.

Table A-4
PLATTE-GEDDES SCHOOL DISTRICT 11-5
Outstanding Liabilities and Obligations

	Governmental Activities		Business-type Activities		Total Dollar Change	Total Percentage Change
	2023	2024	2023	2024	2023-2024	2023-2024
Early Retirement Benefits	26,770	18,408			(8,362)	(31.2%)
Compensated Absences	32,330	31,310			(1,020)	(3.1%)
Limited Tax Capital Outlay Certificates	4,525,000	4,135,000			(390,000)	(8.6%)
Total Outstanding Liabilities and Obligations	4,584,100	4,184,718	0	0	(399,382)	(8.7%)

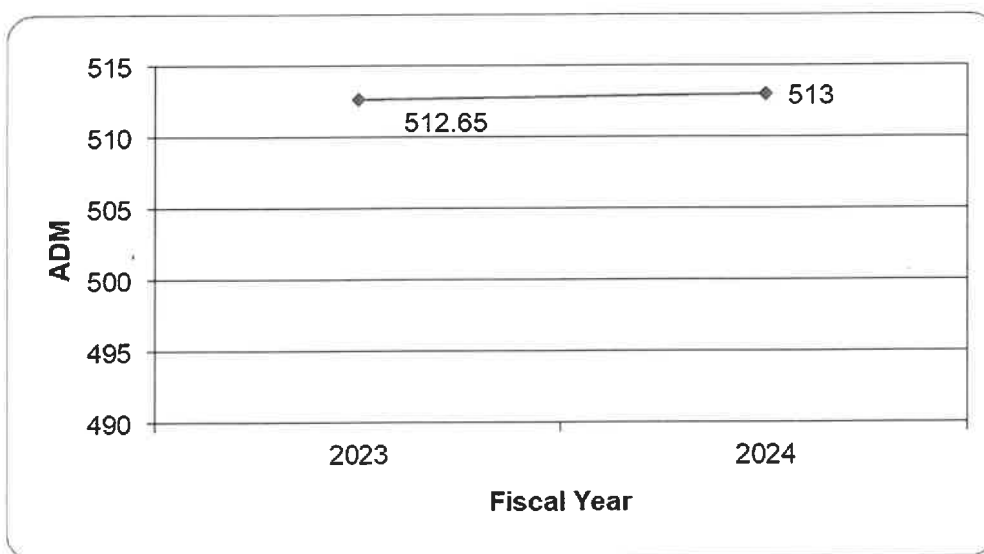
The School maintains an early retirement plan, which allows those meeting certain qualifications, to retire early and receive 3% of their last year's salary times years of service, not to exceed 20 years, in equal payments spread over the next three years or may be kept within the school district and used to pay dental and health insurance premiums as fringe benefit until the available amount is exhausted.

ECONOMIC FACTORS

The School's current economic position has shown a slight change. The school did experience an increase in property valuation of \$49,025,607 or 6% from the prior year. The steady property valuation allows the School the ability to maintain a stable amount of revenue generated from property taxes, however, the total amount which can be levied is limited by the State of South Dakota.

One of the primary sources of revenue to the School is based on a target student to teacher ratio set by the state of South Dakota Legislature. For the 2023-2024 school year, the legislature increased the state funding formula by 7%. Due to the 6% increase in property valuation, local property tax revenue contributed \$381,361 to the increase while the increase in state funding was \$110,103. Revenue from federal sources remained stable. Most of the Coronavirus Relief Funds have been spent. The remaining \$28,833 must be spent by September 30, 2024. Although there were no targets set to increase teacher salaries, the district did meet and exceed the target by \$9,973. The accountability for cash balance was waived for the 2023-2024 year, however the district did meet that target as well. Sound fiscal management along with stable enrollment will help ensure that the school district remains financially sound for the next year.

The school's enrollment for 2023 and 2024 are as follows:



CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Platte-Geddes School's Business Office, 400 Illinois Ave., Platte, SD 57369.

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
STATEMENT OF NET POSITION
As of June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	3,665,138.06	88,699.34	3,753,837.40
Investments	4,800,000.00	50,000.00	4,850,000.00
Taxes Receivable	1,911,422.88		1,911,422.88
Other Assets	390,001.86		390,001.86
Inventories		1,989.29	1,989.29
Net Pension Asset	12,058.35		12,058.35
Capital Assets:			
Land and Construction Work in Progress	182,201.00		182,201.00
Other Capital Assets, Net of Depreciation	13,728,658.65	57,963.02	13,786,621.67
TOTAL ASSETS	24,689,480.80	198,651.65	24,888,132.45
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	1,070,227.09		1,070,227.09
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,070,227.09	0.00	1,070,227.09
LIABILITIES:			
Accounts Payable	150,972.94	3,295.19	154,268.13
Other Current Liabilities	535,729.45		535,729.45
Unearned Revenue		32,803.25	32,803.25
Noncurrent Liabilities:			
Due Within One Year	413,413.66		413,413.66
Due in More than One Year	3,771,304.25		3,771,304.25
TOTAL LIABILITIES	4,871,420.30	36,098.44	4,907,518.74
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes Levied for a Future Period	1,898,539.99		1,898,539.99
Pension Related Deferred Inflows	602,629.64		602,629.64
TOTAL DEFERRED INFLOWS OF RESOURCES	2,501,169.63	0.00	2,501,169.63
NET POSITION:			
Net Investment in Capital Assets	9,775,859.65	57,963.02	9,833,822.67
Restricted for:			
Capital Outlay Purposes	4,439,214.37		4,439,214.37
Special Education Purposes	409,111.71		409,111.71
SDRS Pension Purposes	479,655.80		479,655.80
Unrestricted (Deficit)	3,283,276.43	104,590.19	3,387,866.62
TOTAL NET POSITION	18,387,117.96	162,553.21	18,549,671.17

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
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	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instruction	4,224,577.49		556,463.57	17,748.35	(3,650,365.57)		(3,650,365.57)
Support Services	2,045,302.89	12,707.33	50,831.17		(1,981,764.39)		(1,981,764.39)
Community Services	38,333.11				(38,333.11)		(38,333.11)
*Interest on Long-term Liabilities	129,950.00				(129,950.00)		(129,950.00)
Cocurricular Activities	545,628.17	98,987.89		13,400.00	(433,240.28)		(433,240.28)
Total Governmental Activities	6,983,791.66	111,695.22	607,294.74	31,148.35	(6,233,653.35)		(6,233,653.35)
Business-type Activities:							
Food Service Fund	237,809.84	133,253.62	109,693.75			5,137.53	5,137.53
Driver's Education Fund	6,669.30	6,090.00				(579.30)	(579.30)
Total Business-type Activities	244,479.14	139,343.62	109,693.75	0.00		4,558.23	4,558.23
Total Primary Government	7,228,270.80	251,038.84	716,988.49	31,148.35	(6,233,653.35)	4,558.23	(6,229,095.12)
General Revenues:							
Taxes:							
Property Taxes					4,597,112.06		4,597,112.06
Utility Taxes					208,246.30		208,246.30
Revenue from State Sources:							
State Aid					1,815,868.16		1,815,868.16
Revenue from Federal Sources					79,292.23		79,292.23
Unrestricted Investment Earnings					222,899.90	3,687.15	226,587.05
Other General Revenues					83,196.81	6,447.65	89,644.46
Total General Revenues					7,006,615.46	10,134.80	7,016,750.26
Change in Net Position					772,962.11	14,693.03	787,655.14
Net Position - Beginning					17,614,155.85	147,860.18	17,762,016.03
NET POSITION - ENDING					18,387,117.96	162,553.21	18,549,671.17

* 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.

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
BALANCE SHEET
GOVERNMENTAL FUNDS
 As of June 30, 2024

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	2,780,899.25	739,222.11	145,016.70	3,665,138.06
Investments	800,000.00	3,700,000.00	300,000.00	4,800,000.00
Taxes Receivable--Current	815,819.19	805,196.69	277,524.11	1,898,539.99
Taxes Receivable--Delinquent	7,786.48	3,844.26	1,252.15	12,882.89
Due from Other Government	335,641.86		54,360.00	390,001.86
TOTAL ASSETS	4,740,146.78	5,248,263.06	778,152.96	10,766,562.80
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts Payable	114,800.63	3,852.00	32,320.31	150,972.94
Contracts Payable	372,383.50		43,462.19	415,845.69
Payroll Deductions and Withholdings and Employer Matching Payable	109,233.29		10,650.47	119,883.76
Total Liabilities	596,417.42	3,852.00	86,432.97	686,702.39
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	823,605.67	809,040.95	278,776.26	1,911,422.88
Total Deferred Inflows of Resources	823,605.67	809,040.95	278,776.26	1,911,422.88
Fund Balances:				
Restricted:				
Capital Outlay		4,435,370.11		4,435,370.11
Special Education			412,943.73	412,943.73
Unassigned	3,320,123.69			3,320,123.69
Total Fund Balances	3,320,123.69	4,435,370.11	412,943.73	8,168,437.53
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	4,740,146.78	5,248,263.06	778,152.96	10,766,562.80

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds	<u>8,168,437.53</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>12,058.35</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>13,910,859.65</u>
Pension related deferred outflows are components of pension liability and therefore are not reported in the funds.	<u>1,070,227.09</u>
Long-term liabilities, including lease purchase payable, early retirement payable, and accrued leave payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,184,717.91)</u>
Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>12,882.89</u>
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(602,629.64)</u>
Net Position - Governmental Activities	<u><u>18,387,117.96</u></u>

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
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	Total Governmental Funds
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,968,975.84	1,940,014.80	667,018.41	4,576,009.05
Prior Years' Ad Valorem Taxes	4,275.72	3,807.04	1,279.15	9,361.91
Utility Taxes	208,246.30			208,246.30
Penalties and Interest on Taxes	4,975.05	5,157.39	925.26	11,057.70
Earnings on Investments and Deposits	113,804.39	96,586.15	12,509.36	222,899.90
Cocurricular Activities:				
Admissions	45,693.29			45,693.29
Other Student Activity Income	53,294.60			53,294.60
Other Revenue from Local Sources:				
Rentals	2,200.00			2,200.00
Contributions and Donations	4,578.35	26,570.00		31,148.35
Charges for Services	2,479.20		10,228.13	12,707.33
Other	48,079.28		240.00	48,319.28
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	24,400.13			24,400.13
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,815,868.16			1,815,868.16
Restricted Grants-in-Aid	2,565.17			2,565.17
Other State Revenue	3,000.00			3,000.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received				
Directly from Federal Government	76,397.00			76,397.00
Unrestricted Grants-in-Aid Received from Federal				
Government Through an Intermediate Source	2,735.20	160.03		2,895.23
Restricted Grants-in-Aid Received from				
Directly from Federal Government	9,189.00			9,189.00
Restricted Grants-in-Aid Received from				
Federal Government Through the State	432,998.57		159,542.00	592,540.57
Total Revenue	4,823,755.25	2,072,295.41	851,742.31	7,747,792.97
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	1,487,593.31	81,879.31		1,569,472.62
Middle/Junior High	442,555.05	8,824.17		451,379.22
High School	835,330.79	45,213.49		880,544.28
Special Programs:				
Gifted and Talented	2,481.09			2,481.09
Programs for Special Education			812,016.99	812,016.99
Educationally Deprived	167,561.28			167,561.28
Support Services:				
Students:				
Attendance and Social Work	22,174.00		16,906.20	39,080.20
Guidance	112,133.77		13,756.62	125,890.39
Health	2,438.00			2,438.00
Psychological			48,875.64	48,875.64
Speech Pathology			105,388.96	105,388.96
Student Therapy Services			36,393.76	36,393.76

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
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	Total Governmental Funds
Expenditures (Cont.):				
Instructional Staff:				
Improvement of Instruction	34,941.07			34,941.07
Educational Media	152,583.44	13,344.60		165,928.04
General Administration:				
Board of Education	51,536.64			51,536.64
Executive Administration	181,368.04	6,969.66		188,337.70
School Administration:				
Office of the Principal	255,621.61	31,151.50		286,773.11
Other	609.82			609.82
Business:				
Fiscal Services	124,220.38	64.98		124,285.36
Facilities Acquisition and Construction		4,204.40		4,204.40
Operation and Maintenance of Plant	464,433.11	55,863.38		520,296.49
Student Transportation	76,880.25	9,387.38		86,267.63
Central:				
Staff	695.75			695.75
Support Services:				
Special Education:				
Administrative Costs			125,490.00	125,490.00
Transportation Costs			16,068.06	16,068.06
Other Special Education Costs			42,832.15	42,832.15
Community Services:				
Nonpublic School	37,994.00			37,994.00
Nonprogrammed Charges:				
Early Retirement Payments	8,361.79			8,361.79
Debt Services		519,950.00		519,950.00
Cocurricular Activities:				
Male Activities	53,822.45			53,822.45
Female Activities	53,324.19			53,324.19
Transportation	72,081.14	10,802.44		82,883.58
Combined Activities	185,358.33	66,308.98		251,667.31
Capital Outlay		3,884,351.28		3,884,351.28
Total Expenditures	4,826,099.30	4,738,315.57	1,217,728.38	10,782,143.25
Excess of Revenue Over (Under)				
Expenditures	(2,344.05)	(2,666,020.16)	(365,986.07)	(3,034,350.28)
Other Financing Sources (Uses):				
Transfers In	209,095.51			209,095.51
Transfers Out		(196,586.15)	(12,509.36)	(209,095.51)
Sale of Surplus Property		4,573.00		4,573.00
Compensation for Loss of				
General Capital Assets		3,704.40		3,704.40
Total Other Financing Sources (Uses)	209,095.51	(188,308.75)	(12,509.36)	8,277.40
Net Change in Fund Balances	206,751.46	(2,854,328.91)	(378,495.43)	(3,026,072.88)
Fund Balance - Beginning	3,113,372.23	7,289,699.02	791,439.16	11,194,510.41
FUND BALANCE - ENDING	3,320,123.69	4,435,370.11	412,943.73	8,168,437.53

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
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>(3,026,072.88)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	<u>3,446,731.28</u>
Early Retirements are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	<u>8,361.79</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>390,000.00</u>
The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in the fund financial statements require the amounts to be "available".	<u>683.40</u>
Governmental funds do not reflect the change in accrued leave, but the statement of activities reflects the change in accrued leave through expenditures.	<u>1,020.04</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>(65,148.25)</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 governmental funds. (Pension Expense)	<u>17,386.73</u>
Change in Net Position of Governmental Activities	<u><u>772,962.11</u></u>

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2024

	Enterprise Funds		
	Food Service Fund	Driver's Education Fund	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	82,315.23	6,384.11	88,699.34
Investments	50,000.00		50,000.00
Inventory of Supplies	673.77		673.77
Inventory - Stores for Resale	849.51		849.51
Inventory of Donated Food	466.01		466.01
Total Current Assets	134,304.52	6,384.11	140,688.63
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment--Local Funds	125,792.11		125,792.11
Machinery and Equipment--Federal Assistance	25,000.00		25,000.00
Less: Accumulated Depreciation	(92,829.09)		(92,829.09)
Total Noncurrent Assets	57,963.02	0.00	57,963.02
TOTAL ASSETS	192,267.54	6,384.11	198,651.65
LIABILITIES:			
Current Liabilities:			
Accounts Payable	2,409.03	886.16	3,295.19
Unearned Revenue:			
Students	7,288.89		7,288.89
Grants	25,514.36		25,514.36
TOTAL LIABILITIES	35,212.28	886.16	36,098.44
NET POSITION:			
Net Investment in Capital Assets	57,963.02		57,963.02
Unrestricted Net Position	99,092.24	5,497.95	104,590.19
TOTAL NET POSITION	157,055.26	5,497.95	162,553.21

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Enterprise Fund		
	Food Service Fund	Driver's Education Fund	Totals
Operating Revenue:			
Food Sales:			
Students	127,576.62		127,576.62
Adults	5,677.00		5,677.00
Other Charges for Goods and Services		6,090.00	6,090.00
Total Operating Revenue	133,253.62	6,090.00	139,343.62
Operating Expenses:			
Salaries	78,917.98	4,872.00	83,789.98
Employee Benefits	28,939.55	665.02	29,604.57
Purchased Services	8,425.69	82.19	8,507.88
Supplies	9,755.56	1,050.09	10,805.65
Cost of Sales - Purchased	83,595.61		83,595.61
Cost of Sales - Donated	18,329.31		18,329.31
Other	2,731.53		2,731.53
Depreciation/Amortization	7,114.61		7,114.61
Total Operating Expenses	237,809.84	6,669.30	244,479.14
Operating Income (Loss)	(104,556.22)	(579.30)	(105,135.52)
Nonoperating Revenue:			
Investment Earnings	3,687.15		3,687.15
Other Local Revenues	6,447.65		6,447.65
State Grants	440.02		440.02
Federal Grants	90,613.89		90,613.89
Donated Food	18,639.84		18,639.84
Total Nonoperating Revenue (Expense)	119,828.55	0.00	119,828.55
Change in Net Position	15,272.33	(579.30)	14,693.03
Net Position - Beginning	141,782.93	6,077.25	147,860.18
NET POSITION - ENDING	157,055.26	5,497.95	162,553.21

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

PLATTE-GEDDES SCHOOL DISTRICT 11-5
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	132,517.87	6,090.00
Cash Payments to Employees for Services	(107,857.53)	(5,537.02)
Cash Payments to Suppliers for Goods or Services	(103,596.46)	(600.06)
Net Cash Provided (Used) by Operating Activities	(78,936.12)	(47.08)
Cash Flows from Noncapital Financing Activities:		
Local Donations	6,447.65	
Operating Grants	90,960.15	
Net Cash Provided (Used) from Noncapital Financing Activities	97,407.80	0.00
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(26,825.00)	
Net Cash Provided (Used) from Capital and Related Financing Activities	(26,825.00)	0.00
Cash Flows from Investing Activities:		
Cash Received for Interest	3,687.15	
Net Cash Provided (Used) from Investing Activities	3,687.15	0.00
Net Increase (Decrease) in Cash and Cash Equivalents	(4,666.17)	(47.08)
Cash and Cash Equivalents at Beginning of Year	136,981.40	6,431.19
CASH AND CASH EQUIVALENTS AT END OF YEAR	132,315.23	6,384.11
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(104,556.22)	(579.30)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	7,114.61	
Value of Donated Commodities Used	18,329.31	
(Increase) decrease in Inventories	787.06	
(Decrease) increase in Accounts and Other Payables	124.87	532.22
(Decrease) increase in Unearned Revenue	(735.75)	
Net Cash Provided (Used) by Operating Activities	(78,936.12)	(47.08)
Noncash Investing, Capital and Financing Activities:		
Value of Commodities Received	18,639.84	

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of June 30, 2024

	Private- Purpose Trust Funds	Custodial Funds
ASSETS:		
Cash and Cash Equivalents		34,968.28
Investments	136,979.52	
TOTAL ASSETS	136,979.52	34,968.28
NET POSITION:		
Restricted for:		
Scholarships	136,979.52	
Organizations		34,968.28
TOTAL NET POSITION	136,979.52	34,968.28

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

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
STATEMENT OF CHANGES IN FIDUCIARY NET POSITON
FIDUCIARY FUNDS
For the Year Ended June 30, 2024

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions and Donations	58,907.00	
Interest and Dividends	2,489.25	5.08
Collections for Student Activities		181,004.78
Total Additions	61,396.25	181,009.86
DEDUCTIONS:		
Trust Deductions for Scholarships	28,524.00	
Payments for Student Activities		178,911.83
Total Deductions	28,524.00	178,911.83
Change in Net Position	32,872.25	2,098.03
Net Position - Beginning	104,107.27	32,870.25
NET POSITON - ENDING	136,979.52	34,968.28

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

NOTES TO THE FINANCIAL STATEMENTS1. 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 Platte-Geddes School District No. 11-5 (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.

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

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

Governmental Funds:

General Fund – A fund established by South Dakota Codified Laws (SDCL) 13-16-3 to meet all the general operational costs of the school district, excluding 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 property taxes. This is a major fund.

Proprietary Funds:

Enterprise Funds – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

- 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 financial transactions related to driver's education operations. This fund is financed by user charges. This is a major fund.

Fiduciary Funds:

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

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

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

c. Measurement Focus and Basis of Accounting:

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

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 Platte-Geddes School District No. 11-5, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2024 include grants, utility taxes, and food service patron receivable.

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.

d. Deposits and Investments:

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

Investments Classified in the financial statements consist 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

e. Capital Assets:

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

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

Government-wide Financial Statements

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

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

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on the proprietary fund's Statement of Net Position.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 0.00	----N/A----	-----N/A-----
Improvements	\$ 25,000.00	Straight-line	33-100 yrs.
Buildings	\$ 25,000.00	Straight-line	10-20 yrs.
Machinery & Equipment	\$ 5,000.00	Straight-line	10-25 yrs.
Food Service Equipment	\$ 1,000.00	Straight-line	12-20 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

f. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide 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 early retirement payable, compensated absences, and limited tax capital outlay certificates.

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.

g. Program Revenues:

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

1. Charges for services – These arise from charges to customers, 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.

h. Deferred Inflows and Deferred Outflows of Resources:

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

i. 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.

j. 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.

k. Equity Classifications:

Government-wide Financial Statements:

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

1. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – All other net position that 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.

l. 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.

m. 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:

See Independent Auditor's Report.

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	Real Estate Taxes and Grants
Special Education	Real Estate Taxes and Grants

n. 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 the accrual basis of accounting.

2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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, 2024, the School District did have funds deposited with SDFIT, as shown below, which is reported as a cash and cash equivalent. 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.

As of June 30, 2024, the School District had the following investments. Except for the investment in SD FIT, for the General and Scholarship funds, all investments are in an internal deposit and investment pool.

	<u>Credit Rating</u>	<u>Fair Value</u>
External Investment Pools:		
SD FIT	Unrated	<u>\$ 1,795,510.61</u>

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

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk.

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

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The School District's policy is to credit all income from deposits and investments to the General Fund except for the Food Service Fund and private-purpose trust funds. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

3. 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.

4. INVENTORY

Inventory held for consumption is stated at cost. Inventory held 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 fund financial statements, inventories in the General Fund, special revenue funds, and proprietary funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed in the General Fund, special revenue funds, and the proprietary funds. At June 30, 2024, the supplies inventory on hand was not material in the General Fund and special revenue funds.

5. 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 the fund financial statements. Property tax revenues intended to finance the current year's appropriations, and therefore susceptible to accrual, have been reported as revenue in the government-wide financial statements, even though collection will occur in a future fiscal year.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CHANGES IN CAPITAL ASSETS

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

	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2024
Primary Government:				
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	164,266.00			164,266.00
Construction in Progress	5,007,133.43	3,790,332.19	(8,779,530.62)	17,935.00
Total, not being depreciated	5,171,399.43	3,790,332.19	(8,779,530.62)	182,201.00
Capital Assets, being depreciated:				
Improvements	1,090,501.00			1,090,501.00
Buildings	7,483,497.95	8,779,530.62		16,263,028.57
Machinery & Equipment	964,039.36	94,019.09		1,058,058.45
Total, being depreciated	9,538,038.31	8,873,549.71	0.00	18,411,588.02
Less Accumulated Depreciation for:				
Improvements	(961,504.00)	(54,337.00)		(1,015,841.00)
Buildings	(2,777,776.00)	(317,959.00)		(3,095,735.00)
Machinery & Equipment	(506,029.37)	(65,324.00)		(571,353.37)
Total Accumulated Depreciation	(4,245,309.37)	(437,620.00)	0.00	(4,682,929.37)
Total Capital Assets, being depreciated, net	5,292,728.94	8,435,929.71	0.00	13,728,658.65
Governmental Activity Capital Assets, Net	10,464,128.37	12,226,261.90	(8,779,530.62)	13,910,859.65

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	280,471.00
Support Services	30,641.00
Co-curricular Activities	126,508.00
Total Depreciation Expense - Governmental Activities	437,620.00

	Balance 07/01/2023	Increases	Decreases	Balance 06/30/2024
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery & Equipment	123,967.11	26,825.00		150,792.11
Total, being depreciated	123,967.11	26,825.00	0.00	150,792.11
Less Accumulated Depreciation for:				
Machinery & Equipment	(85,714.48)	(7,114.61)		(92,829.09)
Total Accumulated Depreciation	(85,714.48)	(7,114.61)	0.00	(92,829.09)
Total Capital Assets, being depreciated, net	38,252.63	19,710.39	0.00	57,963.02
Business-Type Activity Capital Assets, Net	38,252.63	19,710.39	0.00	57,963.02

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Food Services	<u>7,114.61</u>
Total Depreciation Expense - Business-Type Activities	<u><u>7,114.61</u></u>

Construction Work in Progress at June 30, 2024 is composed of the following:

Project Name	Project Authorization	Expended Thru 6/30/24	Committed	Required Future Financing
Elementary Parking Lot	834,854.77	17,935.00	816,919.71	0.00
Total Construction Work in Progress	<u><u>834,854.77</u></u>	<u><u>17,935.00</u></u>	<u><u>816,919.71</u></u>	<u><u>0.00</u></u>

7. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Limited Tax Capital Outlay					
Certificates, Series 2021	4,525,000.00		390,000.00	4,135,000.00	400,000.00
Total Debt	<u>4,525,000.00</u>	<u>0.00</u>	<u>390,000.00</u>	<u>4,135,000.00</u>	<u>400,000.00</u>
Early Retirement Payable	26,769.86		8,361.79	18,408.07	7,398.72
Accrued Compensated Absences	32,329.88		1,020.04	31,309.84	6,014.94
Total Governmental Activities	<u>4,584,099.74</u>	<u>0.00</u>	<u>399,381.83</u>	<u>4,184,717.91</u>	<u>413,413.66</u>
TOTAL PRIMARY GOVERNMENT	<u><u>4,584,099.74</u></u>	<u><u>0.00</u></u>	<u><u>399,381.83</u></u>	<u><u>4,184,717.91</u></u>	<u><u>413,413.66</u></u>

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

Liabilities Payable at June 30, 2024, is comprised of the following:

PRIMARY GOVERNMENT

Governmental Activities:

Limited Tax Capital Outlay Certificates, Series 2021:

Fixed Interest Rate 2.00% to 4.00%, Final Maturity
Date June 30, 2034

Paid by the Capital Outlay Fund \$ 4,135,000.00

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Early Retirement Payable:

This liability for early retirement represents four retirement payoff agreements with former employees.

Paid by the General Fund \$ 18,408.07

Compensated Absences:

Sick Leave to be Paid from General Fund \$ 26,225.67

Sick Leave to be Paid from Special Education Fund \$ 5,084.17

Payment to be made by the fund that the payroll expenditures are charged to.

The annual debt service requirements to maturity for all debt outstanding, except for compensated absences, as of June 30, 2024, are as follows:

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

Year Ending June 30,	Early Retirement Benefits Payable		Limited Tax Capital Outlay Certificates, Series 2021		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	7,398.72		400,000.00	117,550.00	407,398.72	117,550.00
2026	7,398.72		425,000.00	105,550.00	432,398.72	105,550.00
2027	3,610.63		425,000.00	88,550.00	428,610.63	88,550.00
2028			450,000.00	70,550.00	450,000.00	70,550.00
2029			460,000.00	58,050.00	460,000.00	58,050.00
2030-2035			1,975,000.00	104,650.00	1,975,000.00	104,650.00
Totals	<u>18,408.07</u>	<u>0.00</u>	<u>4,135,000.00</u>	<u>544,900.00</u>	<u>4,153,408.07</u>	<u>544,900.00</u>

8. RESTRICTED NET POSITION

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

Purpose	Restricted By	Amount
Major Funds:		
Capital Outlay	Law	\$ 4,439,214.37
Special Education	Law	409,111.71
SDRS Pension	Governmental Accounting Standards	<u>479,655.80</u>
Total Restricted Net Position		<u>\$ 5,327,981.88</u>

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9. INTERFUND TRANSFERS

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

<u>Transfers From:</u>	<u>Transfers To:</u>
	<u>General</u>
	<u>Fund</u>
Major Funds:	
Capital Outlay Fund	\$ 196,586.15
Special Education Fund	12,509.36
TOTALS	<u>\$ 209,095.51</u>

The School District uses transfers to transfer interest earned in other funds to the General Fund. SDCL 4-5-9 and 13-16-18 give the school board the authority to designate whether all such earnings should be retained by any individual funds or credited the General Fund. These interfund transfers are not violations of the statutory restrictions on interfund transfers. A transfer was made from the Capital Outlay Fund to the General Fund to cover allowable expenditures per SDCL 13-16-6.

10. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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, 2024, 2023, and 2022 were \$208,584.44, \$191,197.71, and \$187,928.58, respectively, equal to the required contributions each year.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

At June 30, 2023, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate 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	\$ 17,902,236.43
Less proportionate share of net pension restricted for pension benefits	<u>\$ 17,914,294.78</u>
Proportionate share of net pension liability (asset)	<u>\$ (12,058.35)</u>

At June 30, 2024, the School District reported a liability (asset) of \$(12,058.35) 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 0.12354300%, which is an increase (decrease) of (0.0076280%) from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense (reduction of pension expense) of \$47,761.51. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience.	\$ 341,799.80	
Changes in assumption.	\$ 412,258.15	\$ 602,629.64
Net Difference between projected and actual earnings on pension plan investments.	\$ 80,280.34	
Changes in proportion and difference between School district contributions and proportionate share of contributions.	\$ 27,304.37	
School District contributions subsequent to the measurement date.	<u>\$ 208,584.43</u>	
TOTAL	<u>\$ 1,070,227.09</u>	<u>\$ 602,629.64</u>

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

\$208,584.44 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	\$ 174,270.23
2026	\$ (173,302.19)
2027	\$ 239,687.53
2028	\$ 18,357.44
TOTAL	<u>\$ 259,013.01</u>

Actuarial Assumptions:

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

Inflation	2.50 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	1.91%

Mortality Rates

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net pension liability (asset)	\$2,471,538.22	\$(12,058.35)	\$(2,043,166.56)

Pension Plan Fiduciary Net Position:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. 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:

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:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Armour School District No. 21-1	6.65%
Burke School District No. 26-2	6.00%
Colome Consolidated School District No. 59-3	5.08%
Corsica-Stickney School District No. 21-3	5.60%
Gregory School District No. 26-4	8.48%
Kimball School District No. 7-2	7.17%
Lyman School District No. 26-4	9.65%
Mt. Vernon School District No. 17-3	7.69%
Plankinton School District No. 1-1	8.21%
Platte-Geddes School District No. 11-5	10.43%
Wessington Springs School District No. 32-6	9.26%
White Lake School District No. 1-3	4.17%
Wolsey-Wessington School District No. 2-6	11.61%

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.

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

At June 30, 2024, this joint venture had total assets and deferred outflows of resources of \$2,719,793.87, total liabilities and deferred inflows of resources of \$567,588.03, and net position of \$2,152,205.84.

12. RISK MANAGEMENT

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

Employee Health Insurance:

The School District 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 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Worker's Compensation:

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

Unemployment Benefits:

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

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

13. EARLY RETIREMENT BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS

Any certified staff member who has reached the age of fifty but has not reached the age of sixty-three on the first day of the school term and has at least fifteen years of service with the School District or any other district organized into the School District may elect voluntary separation. Employees may elect a cash payment in three installments beginning July 1 following retirement and each July 1 thereafter, or to pay dental and health insurance premiums until the amount is exhausted. The payment is based on three percent of the employee's current salary, or average of the past five years, if greater, times the years of service with a maximum of 20 years. The total employees eligible may not exceed two in any fiscal year, but the board has the right to waive the maximum. During fiscal year 2024, the Platte-Geddes School District paid benefits in the amount of \$8,361.79. Currently one former employee is receiving benefits.

14. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events occurred through June 30, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,770,000.00	1,770,000.00	1,968,975.84	198,975.84
Prior Years' Ad Valorem Taxes	7,500.00	7,500.00	4,275.72	(3,224.28)
Tax Deed Revenue	500.00	500.00	0.00	(500.00)
Utility Taxes	205,000.00	205,000.00	208,246.30	3,246.30
Penalties and Interest on Taxes	6,000.00	6,000.00	4,975.05	(1,024.95)
Earnings on Investments and Deposits	14,075.00	14,075.00	28,402.70	14,327.70
Cocurricular Activities:				
Admissions	36,650.00	36,650.00	45,693.29	9,043.29
Other Student Activity Income	48,700.00	48,700.00	53,294.60	4,594.60
Other Revenue from Local Sources:				
Rentals	1,500.00	1,500.00	2,200.00	700.00
Contributions and Donations	0.00	0.00	4,578.35	4,578.35
Charges for Services	3,500.00	3,500.00	2,479.20	(1,020.80)
Other	25,000.00	25,000.00	48,079.28	23,079.28
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	22,000.00	22,000.00	24,400.13	2,400.13
Revenue in Lieu of Taxes	4,000.00	4,000.00	0.00	(4,000.00)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,880,000.00	1,880,000.00	1,815,868.16	(64,131.84)
Restricted Grants-in-Aid	4,500.00	4,500.00	2,565.17	(1,934.83)
Other State Revenue	0.00	0.00	3,000.00	3,000.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received from Federal Government through an Intermediate Source	2,500.00	2,500.00	2,735.20	235.20
Restricted Grants-in-Aid Received Directly from the Federal Government	9,189.00	9,189.00	9,189.00	0.00
Restricted Grants-in-Aid Received from Federal Government Through the State	442,732.00	442,732.00	432,998.57	(9,733.43)
Total Revenue	4,483,346.00	4,483,346.00	4,661,956.56	178,610.56
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	1,507,111.00	1,507,111.00	1,487,593.31	19,517.69
Middle/Junior High	488,460.00	488,460.00	442,555.05	45,904.95
High School	859,795.00	859,795.00	835,330.79	24,464.21
Special Programs:				
Gifted and Talented	3,825.00	3,825.00	2,481.09	1,343.91
Educationally Deprived	166,766.00	167,566.00	167,561.28	4.72

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget -
				Positive (Negative)
Expenditures (cont.):				
Support Services:				
Students:				
Attendance and Social Work	26,174.00	26,174.00	22,174.00	4,000.00
Guidance	138,160.00	138,160.00	112,133.77	26,026.23
Health	3,700.00	3,850.00	2,438.00	1,412.00
Instructional Staff:				
Improvement of Instruction	34,365.00	41,790.00	34,941.07	6,848.93
Educational Media	161,096.00	161,096.00	152,583.44	8,512.56
General Administration:				
Board of Education	57,515.00	57,515.00	51,536.64	5,978.36
Executive Administration	187,410.00	187,410.00	181,368.04	6,041.96
School Administration:				
Office of the Principal	275,495.00	275,495.00	255,621.61	19,873.39
Other	900.00	900.00	609.82	290.18
Business:				
Fiscal Services	128,345.00	128,345.00	124,220.38	4,124.62
Operation and Maintenance of Plant	503,790.00	503,790.00	464,433.11	39,356.89
Student Transportation Services	94,630.00	94,630.00	76,880.25	17,749.75
Central:				
Staff	1,000.00	1,000.00	695.75	304.25
Community Services:				
Nonpublic School	37,994.00	37,994.00	37,994.00	0.00
Nonprogrammed Charges:				
Early Retirement Payments	25,000.00	25,000.00	8,361.79	16,638.21
Cocurricular Activities:				
Male Activities	50,875.00	53,875.00	53,822.45	52.55
Female Activities	52,355.00	53,355.00	53,324.19	30.81
Transportation	83,900.00	83,900.00	72,081.14	11,818.86
Combined Activities	175,955.00	185,365.00	185,358.33	6.67
Total Expenditures	5,064,616.00	5,086,401.00	4,826,099.30	260,301.70
Excess of Revenue Over (Under)				
Expenditures	(581,270.00)	(603,055.00)	(164,142.74)	438,912.26
Other Financing Sources (Uses):				
Transfers In	581,270.00	622,690.00	294,497.20	(328,192.80)
Total Other Financing Sources (Uses)	581,270.00	622,690.00	294,497.20	(328,192.80)
Net Change in Fund Balances	0.00	19,635.00	130,354.46	110,719.46
Fund Balance - Beginning	1,663,258.40	1,663,258.40	1,663,258.40	0.00
FUND BALANCE - ENDING	1,663,258.40	1,682,893.40	1,793,612.86	110,719.46

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,804,500.00	1,804,500.00	1,940,014.80	135,514.80
Prior Years' Ad Valorem Taxes	3,500.00	3,500.00	3,807.04	307.04
Penalties and Interest on Taxes	3,000.00	3,000.00	5,157.39	2,157.39
Earnings on Investments and Deposits	25,000.00	25,000.00	96,586.15	71,586.15
Other Revenue from Local Sources:				
Contributions and Donations	0.00	0.00	26,570.00	26,570.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received from Federal Government Through an Intermediate Source	0.00	0.00	160.03	160.03
Total Revenue	1,836,000.00	1,836,000.00	2,072,295.41	236,295.41
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	78,000.00	81,880.00	81,879.31	0.69
Middle/Junior High	30,000.00	30,000.00	8,824.17	21,175.83
High School	45,000.00	45,215.00	45,213.49	1.51
Special Programs:				
Programs for Special Education	2,500.00	2,500.00	0.00	2,500.00
Support Services:				
Instructional Staff:				
Educational Media	42,750.00	42,750.00	17,244.29	25,505.71
General Administration:				
Executive Administration	13,500.00	13,500.00	6,969.66	6,530.34
School Administration:				
Office of the Principal	3,500.00	33,500.00	31,151.50	2,348.50
Business:				
Fiscal Services	5,000.00	5,000.00	64.98	4,935.02
Facilities Acquisition and Construction	4,025,000.00	3,987,085.00	3,776,601.59	210,483.41
Operation and Maintenance of Plant	202,000.00	205,820.00	154,667.78	51,152.22
Student Transportation Services	11,310.00	11,310.00	9,387.38	1,922.62
Debt Services	520,250.00	520,250.00	519,950.00	300.00
Cocurricular Activities:				
Transportation	11,500.00	11,500.00	10,802.44	697.56
Combined Activities	76,000.00	76,000.00	75,558.98	441.02
Total Expenditures	5,066,310.00	5,066,310.00	4,738,315.57	327,994.43
Excess of Revenue Over (Under) Expenditures	(3,230,310.00)	(3,230,310.00)	(2,666,020.16)	564,289.84

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(524,770.00)	(524,770.00)	(196,586.15)	328,183.85
Sale of Surplus Property	0.00	0.00	4,573.00	4,573.00
Compensation for Loss of General Capital Assets	0.00	0.00	3,704.40	3,704.40
Total Other Financing Sources (Uses)	(524,770.00)	(524,770.00)	(188,308.75)	336,461.25
Net Change in Fund Balances	(3,755,080.00)	(3,755,080.00)	(2,854,328.91)	900,751.09
Fund Balance - Beginning	7,289,699.02	7,289,699.02	7,289,699.02	0.00
FUND BALANCE - ENDING	3,534,619.02	3,534,619.02	4,435,370.11	900,751.09

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	602,000.00	634,800.00	667,018.41	32,218.41
Prior Years' Ad Valorem Taxes	1,000.00	1,000.00	1,279.15	279.15
Penalties and Interest on Taxes	750.00	750.00	925.26	175.26
Earnings on Investments and Deposits	6,500.00	12,510.00	12,509.36	(0.64)
Other Revenue from Local Sources:				
Charges for Services	7,800.00	7,800.00	10,228.13	2,428.13
Other	0.00	0.00	240.00	240.00
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	159,542.00	159,542.00	159,542.00	0.00
Total Revenue	777,592.00	816,402.00	851,742.31	35,340.31
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	776,072.00	812,047.00	812,016.99	30.01
Support Services:				
Students:				
Attendance and Social Work	15,500.00	16,950.00	16,906.20	43.80
Guidance	16,500.00	13,800.00	13,756.62	43.38
Psychological	51,000.00	49,000.00	48,875.64	124.36
Speech Pathology	110,000.00	105,400.00	105,388.96	11.04
Student Therapy Services	40,000.00	36,400.00	36,393.76	6.24
Special Education:				
Administrative Costs	132,625.00	125,625.00	125,490.00	135.00
Transportation Costs	16,700.00	16,525.00	16,068.06	456.94
Other Special Education Costs	27,400.00	42,850.00	42,832.15	17.85
Total Expenditures	1,185,797.00	1,218,597.00	1,217,728.38	868.62
Excess of Revenue Over (Under) Expenditures	(408,205.00)	(402,195.00)	(365,986.07)	36,208.93
Other Financing Sources (Uses):				
Transfers Out	(6,500.00)	(12,510.00)	(12,509.36)	0.64
Net Change in Fund Balances	(414,705.00)	(414,705.00)	(378,495.43)	36,209.57
Fund Balance - Beginning	791,439.16	791,439.16	791,439.16	0.00
FUND BALANCE - ENDING	376,734.16	376,734.16	412,943.73	36,209.57

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATIONJune 30, 2024

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

12. The following reconciles the USGAAP Basis fund balance to the Budgetary Basis fund balance:

	<u>Year Ended 6/30/2024</u>
General Fund:	
USGAAP Basis Fund Balance	\$ 3,320,123.69
(Deduct) Impact Aid Revenue	(161,798.69)
Impact Aid Beginning Balance	(1,450,113.83)
Impact Aid Transfer Out	<u>85,401.69</u>
Net Adjustment to GAAP Basis Fund Balance	<u>(1,526,510.83)</u>
Budgetary Basis Fund Balance	<u><u>\$ 1,793,612.86</u></u>

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

South Dakota Retirement System

* Last 10 Fiscal Years

	District's proportion of the net pension liability/asset	District's proportionate share of net pension liability (asset)	District's covered- employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.1235430%	\$ (12,058)	\$ 3,187,947	0.38%	100.10%
2023	0.1311710%	\$ (12,396)	\$ 3,132,139	0.40%	100.10%
2022	0.1431370%	\$ (1,096,184)	\$ 3,248,238	33.75%	105.52%
2021	0.1356292%	\$ (5,890)	\$ 2,976,652	0.20%	100.04%
2020	0.1385714%	\$ (14,685)	\$ 2,946,311	0.50%	100.09%
2019	0.1406013%	\$ (3,279)	\$ 2,922,966	0.11%	100.02%
2018	0.1437506%	\$ (13,046)	\$ 2,910,705	0.45%	100.10%
2017	0.1392735%	\$ 470,452	\$ 2,648,274	17.76%	96.89%
2016	0.1409693%	\$ (597,891)	\$ 2,573,699	23.23%	104.10%
2015	0.1410080%	\$ (1,015,905)	\$ 2,465,834	41.20%	107.30%

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS

South Dakota Retirement System

Last 10 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>
2024	\$ 208,584	\$ 208,584	\$ -	\$ 3,476,414	6.00%
2023	\$ 191,198	\$ 191,198	\$ -	\$ 3,187,947	6.00%
2022	\$ 187,929	\$ 187,929	\$ -	\$ 3,132,139	6.00%
2021	\$ 194,894	\$ 194,894	\$ -	\$ 3,248,238	6.00%
2020	\$ 178,599	\$ 178,599	\$ -	\$ 2,976,652	6.00%
2019	\$ 176,779	\$ 176,779	\$ -	\$ 2,946,311	6.00%
2018	\$ 175,378	\$ 175,378	\$ -	\$ 2,922,966	6.00%
2017	\$ 175,243	\$ 175,243	\$ -	\$ 2,910,705	6.02%
2016	\$ 158,897	\$ 158,897	\$ -	\$ 2,648,274	6.00%
2015	\$ 154,422	\$ 154,422	\$ -	\$ 2,573,699	6.00%

**NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

Actuarial Method Changes

No changes in actuarial methods were made since the prior valuation

Actuarial Assumption Changes

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

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

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

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