

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

AUDIT REPORT

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

Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 247

105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5

PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2025

BOARD MEMBERS:

Roxanne Summerville, President
Dennis DeBoer
Travis Dyk
Tom Olsen
Mark Petersen
Tina Schuman
Jared Veurink

SUPERINTENDENT:

Joel Bailey

BUSINESS MANAGER:

Kathleen A. Holter

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TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Schedule of Prior Audit Findings.....	3
Schedule of Current Audit Findings.....	4
Independent Auditor's Report.....	5-7
Management's Discussion and Analysis (MD&A).....	8-18
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position.....	19
Statement of Activities.....	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	22
Statement of Revenues, Expenditures, and Changes In Fund Balance.....	23-24
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances to the Government-Wide Statement of Activities.....	25
Proprietary Funds:	
Statement of Net Position.....	26
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	27
Statement of Cash Flows.....	28
Fiduciary Funds:	
Statement of Net Position.....	29
Statement of Changes in Net Position.....	30
Notes to the Financial Statements.....	31-51

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TABLE OF CONTENTS
(Continued)

Required Supplementary Information Other than MD&A:

Budgetary Comparison Schedules – Budgetary Basis:

General Fund.....	52-53
Capital Outlay Fund.....	54-55
Special Education Fund.....	56
Notes to the Required Supplementary Information – Budgetary Comparison Schedules.....	57-58
Schedule of School District’s Proportionate Share Of the Net Pension Liability (Asset).....	59
Schedule of the School District Contributions.....	60
Notes to the Required Supplementary Information – Pension Schedules.....	61

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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, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated April 6, 2026, 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 2025-001 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, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
April 6, 2026

Schoenfish & Co., Inc.

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SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT FINDINGS:

Internal Control – Related Finding – Material Weakness

Finding Number 2024-001:

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

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

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This has been a continuing audit 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, Roxanne Summerville, 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, 2025, and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2025 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 April 6, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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
 April 6, 2026

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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, 2025. 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 \$19,079,126 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 \$529,455 more than the \$7,928,402 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 helped to stabilize total costs.
- The General Fund reported a \$95,657 current year gain primarily due the transfer of \$200,000 from the Capital Outlay Fund. Interest was also transferred to the General Fund from the Capital Outlay, Special Education, and Impact Aid Funds totaling \$296,303.
- The Food Service Fund realized a loss of \$10,364. The deficit was a result of decreased sales to students and decreased federal funding. Operating revenues were down, and expenditures also decreased slightly. The district received some donations from the community to cover operating costs and/or to assist with families needing financial assistance, but less than what was received in prior years.
- The district completed an elementary parking lot project which totaled \$872,928 which was funded by 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 remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide 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

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

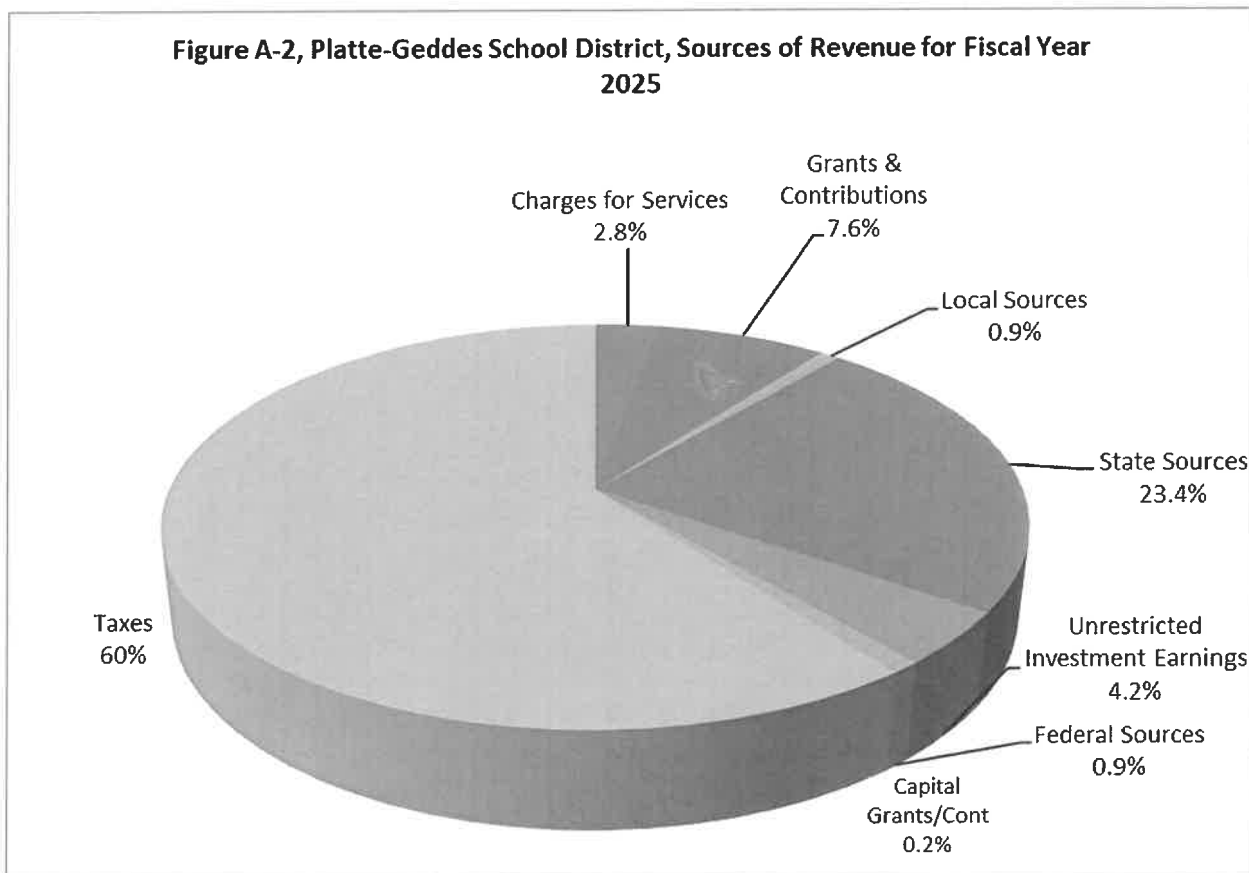
	Governmental Activities		Business-Type Activities		Total	
	23-24	24-25	23-24	24-25	23-24	24-25
Current and Other Assets	9,766,563	11,044,180	140,689	120,878	9,907,252	11,165,058
Net Pension Asset	12,058	5,016			12,058	5,016
Capital Assets	13,910,860	14,335,920	57,963	51,854	13,968,823	14,387,774
Total Assets	<u>24,689,481</u>	<u>25,385,116</u>	<u>198,652</u>	<u>172,732</u>	<u>24,888,133</u>	<u>25,557,848</u>
Pension Related Deferred Outflows	<u>1,070,227</u>	<u>975,143</u>			<u>1,070,227</u>	<u>975,143</u>
Long-Term Liabilities Outstanding	4,184,718	3,888,547			4,184,718	3,888,547
Other Liabilities	686,702	691,777	36,098	20,694	722,800	712,471
Total Liabilities	<u>4,871,420</u>	<u>4,580,324</u>	<u>36,098</u>	<u>20,694</u>	<u>4,907,518</u>	<u>4,601,018</u>
Property Taxes Levied for a Future Period	1,898,540	2,221,906			1,898,540	2,221,906
Pension Related Deferred Inflows	602,630	630,941			602,630	630,941
Total Deferred Inflows of Resources	<u>2,501,170</u>	<u>2,852,847</u>			<u>2,501,170</u>	<u>2,852,847</u>
Net Position:						
Net Investment in Capital Assets	9,775,860	10,600,920	57,963	51,854	9,833,823	10,652,774
Restricted	5,327,982	5,054,635			5,327,982	5,054,635
Unrestricted	3,283,276	3,271,533	104,590	100,184	3,387,866	3,371,717
Total Net Position	<u>18,387,118</u>	<u>18,927,088</u>	<u>162,553</u>	<u>152,038</u>	<u>18,549,671</u>	<u>19,079,126</u>
Beginning Net Position	17,614,156	18,387,118	147,860	162,553	17,762,016	18,549,671
Increase (Decrease) in Net Position	<u>772,962</u>	<u>539,970</u>	<u>14,693</u>	<u>(10,515)</u>	<u>787,655</u>	<u>529,455</u>
Percentage of Increase (Decrease) in Net Position	<u>4.1%</u>	<u>3.7%</u>	<u>9.9%</u>	<u>(6.5%)</u>	<u>4.4%</u>	<u>2.8%</u>

The Platte-Geddes School District increased their net position in the governmental activities by 3.7%. The District decreased their net position in the business-type activities by 6.5%.

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 \$8,457,856. (See Table A-2.) Approximately 60% of the School's revenue comes from property and other taxes, with another 23.4% coming from state sources. (See Figure A-2).



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

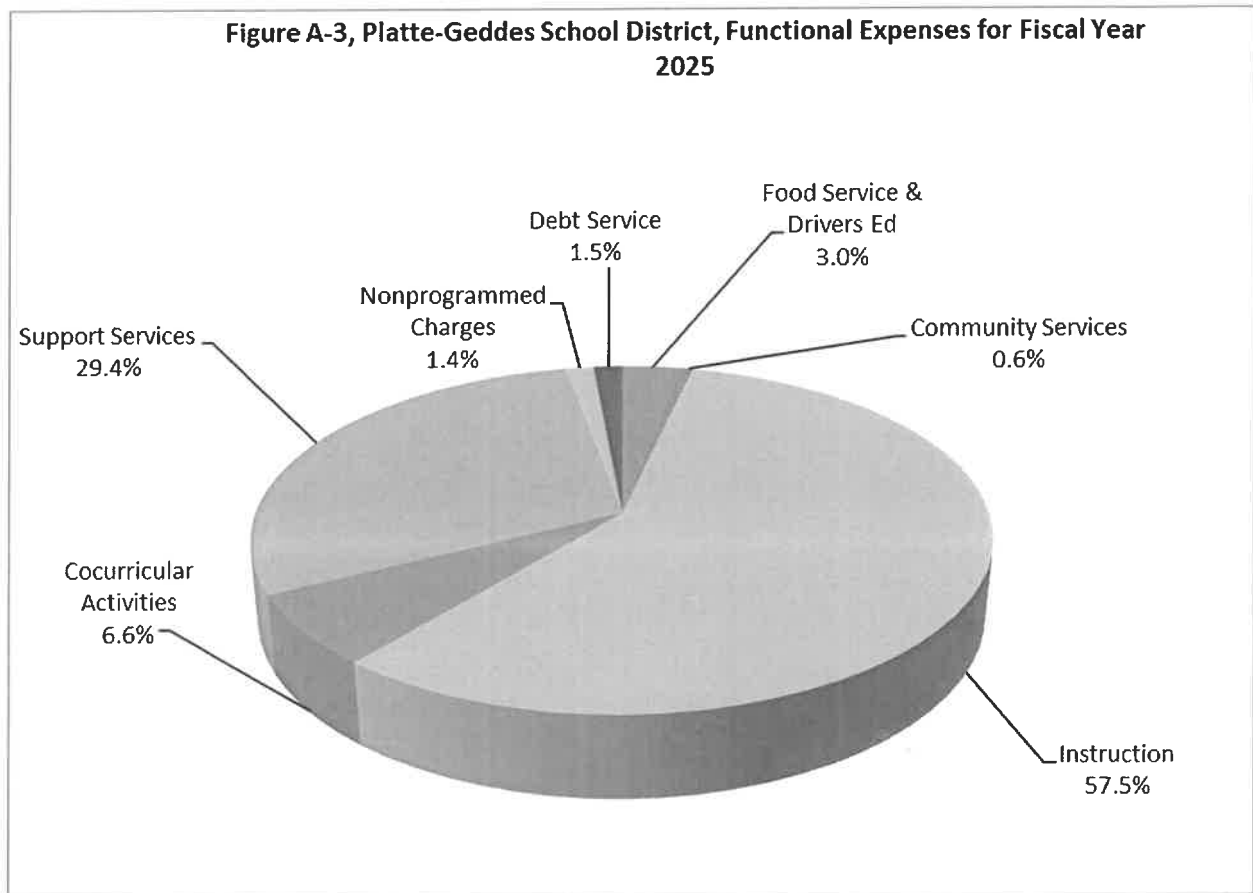


Table A-2 and the narrative that follows consider the operations of the governmental activities and business-type activities.

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	
	23-24	24-25	23-24	24-25	23-24	24-25
Revenues						
Program Revenues						
Charges for Services	111,695	105,897	139,343	130,594	251,038	236,491
Operating Grants and Contributions	607,295	549,187	109,694	94,022	716,989	643,209
Capital Grants & Contributions	31,148	17,374			31,148	17,374
Taxes	4,805,358	5,075,898			4,805,358	5,075,898
Revenue State Sources	1,815,868	1,978,653			1,815,868	1,978,653
Revenue Federal Sources	79,292	78,802			79,292	78,802
Revenue Local Sources	83,197	73,586	6,448		89,645	73,586
Unrestricted Investment Earnings	222,900	348,864	3,687	4,979	226,587	353,843
Total Revenues	7,756,753	8,228,261	259,172	229,595	8,015,925	8,457,856
Expenses						
Instruction	4,224,577	4,554,600			4,224,577	4,554,600
Support Services	2,045,303	2,330,724			2,045,303	2,330,724
Community Services	38,333	46,500			38,333	46,500
Debt Service	129,950	118,250			129,950	118,250
Cocurricular Activities	545,628	525,959			545,628	525,959
Nonprogrammed Charges	0	112,258			0	112,258
Food Service			237,810	234,719	237,810	234,719
Driver's Education			6,669	5,391	6,669	5,391
Total Expenses	6,983,791	7,688,291	244,479	240,110	7,228,270	7,928,401
Increase (Decrease) in Net Position	772,962	539,970	14,693	(10,515)	787,655	529,455
Net Position - Ending	18,387,118	18,927,088	162,553	152,038	18,549,671	19,079,126

GOVERNMENTAL ACTIVITIES

The General Fund's position remained relatively stable compared to the previous year. Investment interest and state revenues realized a slight increase while local taxes, admissions, student activities, other local sources, and federal sources decreased almost equally. Total expenditures increased mostly due to higher wages to attract and retain classified staff and salary increases to comply with the new Teacher Compensation requirements.

The Capital Outlay Fund's expenses decreased due to the HVAC/Renovation/Elementary Addition project completion from the previous year. The district completed a new parking lot project totaling \$872,928. Capital Outlay reserves were used to fund the project. A Homeland Security Grant was awarded to the district in the amount of \$15,000 which was used to install additional and replace old security cameras in both school buildings. Steady local tax revenue and investment interest helped the fund maintain a stable fund balance.

The district did increase its mill levy request to keep up with higher needs in the Special Education Fund. Mill levy requests were kept low in previous years to reduce the fund balance in the Special Education Fund. However, additional property tax revenue was needed to support the growing expenses due to 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 \$229,595 and expenses totaled \$240,110. Factors contributing to the decrease in the food service and driver's education funds include:

- Revenue from pupil sales in the Food Service Fund was down \$8,320. A significant contributing factor to this deficit was the reduced number of meals served during the school year. School meal programs are heavily dependent on meal volume to maintain financial stability. Fewer meals directly impact revenue while many operational costs remain fixed.
- Certain expenses in food service—such as labor (kitchen staff), utilities, equipment maintenance, and administrative costs—remained constant.
- Funds received through donations were recorded at Unearned Revenue this year and not recorded as revenue. This will allow carryover contributions received from donations to be used next year.
- The percentage of full-pay students dropped (with more qualifying for free/reduced meals), and the district didn't see a proportional increase in federal reimbursement, thus net revenue was lower.
- The driver's education program had fewer students participating. Revenue generated from student fees was 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 \$5,240 while expenditures totaled \$5,391. The program did end the year with a \$151 shortfall.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The General and Special Education Funds increased their fund balance while the Capital Outlay Fund realized a decrease in fund balance. The General Fund's positive increase is due to the transfer of \$200,000 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. The final Coronavirus Relief Funds were used in the General Fund to support the retainage of a Reading Interventionist, the purchase of reading curriculum, and staffing for a summer school program.

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 Capital Outlay Flexibility transfer of \$200,000 to the General Fund and the \$197,450 interest transfer to the General Fund. In addition to the transfers, the district spent funds on textbooks, technology equipment, a warranty service agreement payment for the geothermal heating and cooling system, a bobcat mower, 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 requested an increased tax levy in the Special Education Fund due to an increase in student numbers and related expenses. The school did not receive any state aid in the Special Education Fund. The district did, however, directly receive their federal IDEA Flowthrough funds. Due to the increased revenue from local taxes, the Special Education Fund realized a gain of \$36, 585.

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.

	<u>General Fund Budget</u>	
	Original	Final
Revenue	\$5,312,980.00	\$5,331,104.00
Expenditures	<u>\$5,312,980.00</u>	<u>\$5,331,104.00</u>
Variance	<u>\$ 0.00</u>	<u>\$ 0.00</u>

CAPITAL ASSET ADMINISTRATION

By the end of 2025, the School had invested \$14,387,774 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 \$418,951 over last year resulting from the elementary parking lot Project.

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

	Governmental		Business-type		Total	Total
	Activities		Activities		Dollar	Percentage
	2024	2025	2024	2025	Change	Change
Land	\$ 164,266	164,266			\$ 0	0%
Construction Work in Progress	17,935	0			(17,935)	(100%)
Buildings	13,167,294	12,849,935			(317,359)	(2.4%)
Improvements	74,660	875,112			800,452	279.8%
Machinery & Equipment	486,705	446,607	57,963	51,854	(46,207)	(8.5%)
Totals	\$ 13,910,860	14,335,920	57,963	51,854	\$ 418,951	2.9%

LONG-TERM LIABILITIES

At year-end the School had \$3,888,547 in Early Retirement Payments, Compensated Absences Payable, and Government Lease-Purchase Agreements. Table A-4 below.

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

	Governmental		Business-type		Total	Total
	Activities		Activities		Dollar	Percentage
	2024	2025	2024	2025	Change	Change
Early Retirement Benefits	18,408	123,203			104,795	569.2%
Compensated Absences	31,310	30,344			(966)	(3.1%)
Gov't Lease-Purchase Agreement	4,135,000	3,735,000			(400,000)	(9.7%)
Total Outstanding Liabilities and Obligations	4,184,718	3,888,547	0	0	(296,171)	(7.1%)

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

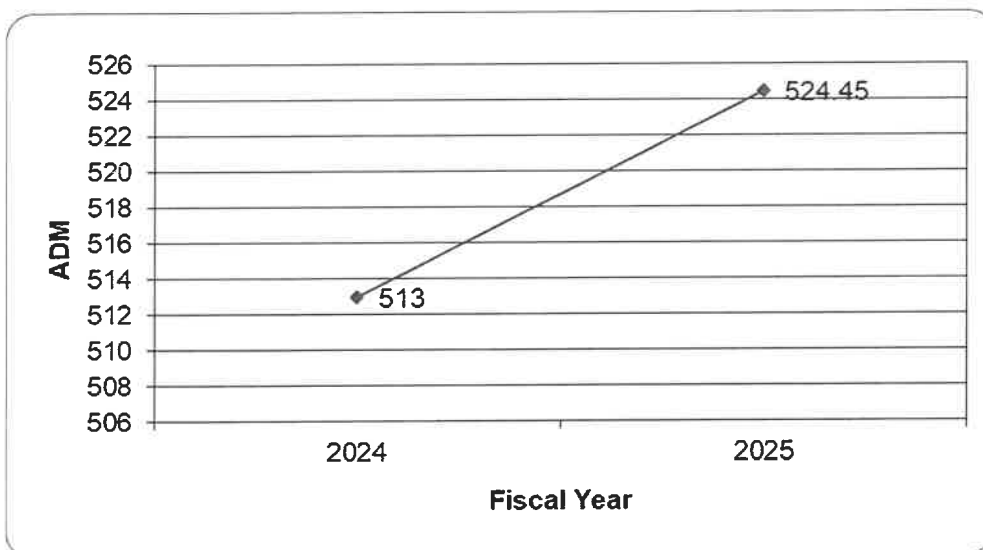
and used to pay dental and health insurance premiums as fringe benefit until the available amount is exhausted.

ECONOMIC FACTORS

The School's current economic position has shown a slight change. The school did experience an increase in property valuation of \$55,859,553 or 6.4% 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 2024-2025 school year, the legislature increased the state funding formula by 4%. Due to the increase in property valuation, local property tax revenue contributed \$42,395 to the increase while the increase in state funding was \$155,933. Revenue from federal sources remained relatively stable but did decline slightly. All Coronavirus Relief Funds have been spent. During the Legislative Session, two new accountabilities will need to be considered and closely monitored: the Average Teacher Compensation and General Fund Cash Balance. The district was in compliance with both of these accountabilities this year, however the penalties were waived. 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 2024 and 2025 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, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and Cash Equivalents	4,402,786.91	70,232.72	4,473,019.63
Investments	4,200,000.00	50,000.00	4,250,000.00
Taxes Receivable	2,229,338.69		2,229,338.69
Other Assets	212,054.21		212,054.21
Inventories		645.54	645.54
Net Pension Asset	5,016.01		5,016.01
Capital Assets:			
Land	164,266.00		164,266.00
Other Capital Assets, Net of Depreciation	14,171,654.42	51,853.72	14,223,508.14
TOTAL ASSETS	25,385,116.24	172,731.98	25,557,848.22
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	975,143.21		975,143.21
TOTAL DEFERRED OUTFLOWS OF RESOURCES	975,143.21	0.00	975,143.21
LIABILITIES:			
Accounts Payable	133,689.57	3,801.94	137,491.51
Other Current Liabilities	558,087.05		558,087.05
Unearned Revenue		16,892.28	16,892.28
Noncurrent Liabilities:			
Due Within One Year	465,993.04		465,993.04
Due in More than One Year	3,422,554.12		3,422,554.12
TOTAL LIABILITIES	4,580,323.78	20,694.22	4,601,018.00
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes Levied for a Future Period	2,221,906.31		2,221,906.31
Pension Related Deferred Inflows	630,941.13		630,941.13
TOTAL DEFERRED INFLOWS OF RESOURCES	2,852,847.44	0.00	2,852,847.44
NET POSITION:			
Net Investment in Capital Assets	10,600,920.42	51,853.72	10,652,774.14
Restricted for:			
Capital Outlay Purposes	4,259,967.03		4,259,967.03
Special Education Purposes	445,449.49		445,449.49
SDRS Pension Purposes	349,218.09		349,218.09
Unrestricted (Deficit)	3,271,533.20	100,184.04	3,371,717.24
TOTAL NET POSITION	18,927,088.23	152,037.76	19,079,125.99

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, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instruction	4,554,599.86		495,198.00	152.28	(4,059,249.58)		(4,059,249.58)
Support Services	2,330,724.48	18,908.54	53,989.00	1,886.00	(2,255,940.94)		(2,255,940.94)
Community Services	46,500.35				(46,500.35)		(46,500.35)
Nonprogrammed Charges	112,258.21				(112,258.21)		(112,258.21)
*Interest on Long-term Liabilities	118,250.00				(118,250.00)		(118,250.00)
Cocurricular Activities	525,958.58	86,988.88		15,336.05	(423,633.65)		(423,633.65)
Total Governmental Activities	7,688,291.48	105,897.42	549,187.00	17,374.33	(7,015,832.73)		(7,015,832.73)
Business-type Activities:							
Food Service Fund	234,718.98	125,353.85	94,022.03		(15,343.10)		(15,343.10)
Driver's Education Fund	5,391.07	5,240.00			(151.07)		(151.07)
Total Business-type Activities	240,110.05	130,593.85	94,022.03	0.00	(15,494.17)		(15,494.17)
Total Primary Government	7,928,401.53	236,491.27	643,209.03	17,374.33	(7,031,326.90)		(7,031,326.90)

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

General Revenues:

Taxes:	
Property Taxes	4,878,147.40
Utility Taxes	197,750.21
Revenue from State Sources:	
State Aid	1,978,652.84
Revenue from Federal Sources	78,801.89
Unrestricted Investment Earnings	348,864.06
Other General Revenues	73,586.60
Total General Revenues	7,555,803.00
Change in Net Position	539,970.27
Net Position - Beginning	18,387,117.96
NET POSITION - ENDING	18,927,088.23

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, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	3,327,057.31	568,031.27	507,698.33	4,402,786.91
Investments	500,000.00	3,700,000.00		4,200,000.00
Taxes Receivable--Current	796,089.49	835,495.50	590,321.32	2,221,906.31
Taxes Receivable--Delinquent	4,464.77	2,212.46	755.15	7,432.38
Due from Other Government	197,750.21		14,304.00	212,054.21
TOTAL ASSETS	4,825,361.78	5,105,739.23	1,113,078.80	11,044,179.81
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts Payable	108,909.53	10,276.70	14,503.34	133,689.57
Contracts Payable	384,509.38		46,502.98	431,012.36
Payroll Deductions and Withholdings and Employer Matching Payable	115,607.85		11,466.84	127,074.69
Total Liabilities	609,026.76	10,276.70	72,473.16	691,776.62
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	800,554.26	837,707.96	591,076.47	2,229,338.69
Total Deferred Inflows of Resources	800,554.26	837,707.96	591,076.47	2,229,338.69
Fund Balances:				
Restricted:				
Capital Outlay		4,257,754.57		4,257,754.57
Special Education			449,529.17	449,529.17
Unassigned	3,415,780.76			3,415,780.76
Total Fund Balances	3,415,780.76	4,257,754.57	449,529.17	8,123,064.50
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	4,825,361.78	5,105,739.23	1,113,078.80	11,044,179.81

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, 2025

Total Fund Balances - Governmental Funds	<u>8,123,064.50</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>5,016.01</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>14,335,920.42</u>
Pension related deferred outflows are components of pension liability and therefore are not reported in the funds.	<u>975,143.21</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>(3,888,547.16)</u>
Assets such as taxes receivable (delinquent) are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>7,432.38</u>
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	<u>(630,941.13)</u>
Net Position - Governmental Activities	<u><u>18,927,088.23</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, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,882,114.58	1,903,679.17	1,055,375.04	4,841,168.79
Prior Years' Ad Valorem Taxes	16,716.47	9,236.24	3,139.72	29,092.43
Utility Taxes	197,750.21			197,750.21
Penalties and Interest on Taxes	8,584.66	3,551.91	1,200.12	13,336.69
Earnings on Investments and Deposits	133,388.54	197,449.64	18,025.88	348,864.06
Cocurricular Activities:				
Admissions	40,436.99			40,436.99
Other Student Activity Income	46,551.89			46,551.89
Other Revenue from Local Sources:				
Rentals	2,415.00			2,415.00
Contributions and Donations	3,633.74	13,740.59		17,374.33
Charges for Services	3,282.84		15,625.70	18,908.54
Other	42,575.12	923.52	537.28	44,035.92
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	26,185.68			26,185.68
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,978,652.84			1,978,652.84
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	2,404.89			2,404.89
Restricted Grants-in-Aid Received from Directly from Federal Government	8,172.00			8,172.00
Restricted Grants-in-Aid Received from Federal Government Through the State	359,706.00	15,000.00	166,309.00	541,015.00
Total Revenue	4,828,968.45	2,143,581.07	1,260,212.74	8,232,762.26
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	1,530,217.28	35,459.22		1,565,676.50
Middle/Junior High	462,984.92	80,893.12		543,878.04
High School	907,186.47	82,474.16		989,660.63
Special Programs:				
Gifted and Talented	2,785.62			2,785.62
Programs for Special Education			882,348.80	882,348.80
Educationally Deprived	171,314.47			171,314.47
Support Services:				
Students:				
Attendance and Social Work	52,896.61		15,331.20	68,227.81
Guidance	119,328.39		12,114.00	131,442.39
Health	1,430.00			1,430.00
Psychological			52,656.60	52,656.60
Speech Pathology			95,253.81	95,253.81
Student Therapy Services			33,276.86	33,276.86

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, 2025

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Expenditures (Cont.):				
Instructional Staff:				
Improvement of Instruction	13,351.45			13,351.45
Educational Media	156,192.94	11,788.09		167,981.03
General Administration:				
Board of Education	49,459.37			49,459.37
Executive Administration	191,208.62	14,163.66		205,372.28
School Administration:				
Office of the Principal	274,887.25	21,059.39		295,946.64
Other	735.65			735.65
Business:				
Fiscal Services	123,905.85	6,849.98		130,755.83
Facilities Acquisition and Construction		15,000.00		15,000.00
Operation and Maintenance of Plant	566,609.84	166,161.27		732,771.11
Student Transportation	94,948.85	12,427.89		107,376.74
Central:				
Staff	3,652.52			3,652.52
Support Services:				
Special Education:				
Administrative Costs			77,668.51	77,668.51
Transportation Costs			29,252.00	29,252.00
Other Special Education Costs			7,699.64	7,699.64
Community Services:				
Nonpublic School	45,587.29			45,587.29
Nonprogrammed Charges:				
Early Retirement Payments	7,462.80			7,462.80
Debt Services		518,250.00		518,250.00
Cocurricular Activities:				
Male Activities	55,635.33			55,635.33
Female Activities	46,419.75			46,419.75
Transportation	74,811.17	11,261.01		86,072.18
Combined Activities	195,774.46	75,594.41		271,368.87
Capital Outlay		873,314.77		873,314.77
Total Expenditures	5,148,786.90	1,924,696.97	1,205,601.42	8,279,085.29
Excess of Revenue Over (Under) Expenditures	(319,818.45)	218,884.10	54,611.32	(46,323.03)
Other Financing Sources (Uses):				
Transfers In	415,475.52			415,475.52
Transfers Out		(397,449.64)	(18,025.88)	(415,475.52)
Sale of Surplus Property		950.00		950.00
Total Other Financing Sources (Uses)	415,475.52	(396,499.64)	(18,025.88)	950.00
Net Change in Fund Balances	95,657.07	(177,615.54)	36,585.44	(45,373.03)
Fund Balance - Beginning	3,320,123.69	4,435,370.11	412,943.73	8,168,437.53
FUND BALANCE - ENDING	3,415,780.76	4,257,754.57	449,529.17	8,123,064.50

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

PLATTE-GEDES 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, 2025

Net Change in Fund Balances - Total Governmental Funds	<u>(45,373.03)</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>425,060.77</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>(104,795.41)</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>400,000.00</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>(5,450.51)</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>966.16</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>(143,623.52)</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>13,185.81</u>
Change in Net Position of Governmental Activities	<u><u>539,970.27</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, 2025

	Enterprise Funds		Totals
	Food Service Fund	Driver's Education Fund	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	64,571.07	5,661.65	70,232.72
Investments	50,000.00		50,000.00
Inventory of Supplies	208.79		208.79
Inventory - Stores for Resale	351.67		351.67
Inventory of Donated Food	85.08		85.08
Total Current Assets	115,216.61	5,661.65	120,878.26
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment--Local Funds	126,892.11		126,892.11
Machinery and Equipment--Federal Assistance	25,000.00		25,000.00
Less: Accumulated Depreciation	(100,038.39)		(100,038.39)
Total Noncurrent Assets	51,853.72	0.00	51,853.72
TOTAL ASSETS	167,070.33	5,661.65	172,731.98
LIABILITIES:			
Current Liabilities:			
Accounts Payable	3,487.17	314.77	3,801.94
Unearned Revenue:			
Students	7,838.49		7,838.49
Angel Fund	383.63		383.63
Grants	8,670.16		8,670.16
TOTAL LIABILITIES	20,379.45	314.77	20,694.22
NET POSITION:			
Net Investment in Capital Assets	51,853.72		51,853.72
Unrestricted Net Position	94,837.16	5,346.88	100,184.04
TOTAL NET POSITION	146,690.88	5,346.88	152,037.76

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, 2025

	Enterprise Fund		Totals
	Food Service Fund	Driver's Education Fund	
Operating Revenue:			
Food Sales:			
Students	119,256.35		119,256.35
Adults	6,097.50		6,097.50
Other Charges for Goods and Services		5,240.00	5,240.00
Total Operating Revenue	125,353.85	5,240.00	130,593.85
Operating Expenses:			
Salaries	78,447.34	4,292.50	82,739.84
Employee Benefits	28,451.53	585.93	29,037.46
Purchased Services	10,864.82		10,864.82
Supplies	4,562.20	512.64	5,074.84
Cost of Sales - Purchased	84,413.61		84,413.61
Cost of Sales - Donated	16,737.44		16,737.44
Other	4,032.74		4,032.74
Depreciation/Amortization	7,209.30		7,209.30
Total Operating Expenses	234,718.98	5,391.07	240,110.05
Operating Income (Loss)	(109,365.13)	(151.07)	(109,516.20)
Nonoperating Revenue:			
Investment Earnings	4,978.72		4,978.72
State Grants	463.48		463.48
Federal Grants	77,202.04		77,202.04
Donated Food	16,356.51		16,356.51
Total Nonoperating Revenue (Expense)	99,000.75	0.00	99,000.75
Change in Net Position	(10,364.38)	(151.07)	(10,515.45)
Net Position - Beginning	157,055.26	5,497.95	162,553.21
NET POSITION - ENDING	146,690.88	5,346.88	152,037.76

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

PLATTE-GEDES SCHOOL DISTRICT 11-5
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Enterprise Fund		Totals
	Food Service Fund	Driver's Education Fund	
Cash Flows from Operating Activities:			
Cash Receipts from Customers	125,903.45	5,240.00	131,143.45
Cash Payments to Employees for Services	(106,898.87)	(4,878.43)	(111,777.30)
Cash Payments to Suppliers for Goods or Services	(101,832.41)	(1,084.03)	(102,916.44)
Net Cash Provided (Used) by Operating Activities	<u>(82,827.83)</u>	<u>(722.46)</u>	<u>(83,550.29)</u>
Cash Flows from Noncapital Financing Activities:			
Local Donations	383.63		383.63
Operating Grants	60,821.32		60,821.32
Net Cash Provided (Used) from Noncapital Financing Activities	<u>61,204.95</u>	<u>0.00</u>	<u>61,204.95</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(1,100.00)		(1,100.00)
Net Cash Provided (Used) from Capital and Related Financing Activities	<u>(1,100.00)</u>	<u>0.00</u>	<u>(1,100.00)</u>
Cash Flows from Investing Activities:			
Cash Received for Interest	4,978.72		4,978.72
Cash Received for Interest	4,978.72		4,978.72
Net Cash Provided (Used) from Investing Activities	<u>4,978.72</u>	<u>0.00</u>	<u>4,978.72</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(17,744.16)</u>	<u>(722.46)</u>	<u>(18,466.62)</u>
Cash and Cash Equivalents at Beginning of Year	132,315.23	6,384.11	138,699.34
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>114,571.07</u>	<u>5,661.65</u>	<u>120,232.72</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	(109,365.13)	(151.07)	(109,516.20)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	7,209.30		7,209.30
Value of Donated Commodities Used	16,737.44		16,737.44
(Increase) decrease in Inventories	962.82		962.82
(Decrease) increase in Accounts and Other Payables	1,078.14	(571.39)	506.75
(Decrease) increase in Unearned Revenue	549.60		549.60
Net Cash Provided (Used) by Operating Activities	<u>(82,827.83)</u>	<u>(722.46)</u>	<u>(83,550.29)</u>
Noncash Investing, Capital and Financing Activities:			
Value of Commodities Received	16,356.51		16,356.51

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, 2025

	<u>Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS:		
Cash and Cash Equivalents		40,108.23
Investments	<u>135,132.09</u>	
TOTAL ASSETS	<u>135,132.09</u>	<u>40,108.23</u>
NET POSITION:		
Restricted for:		
Scholarships	<u>135,132.09</u>	
Organizations		<u>40,108.23</u>
TOTAL NET POSITION	<u>135,132.09</u>	<u>40,108.23</u>

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, 2025

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS:		
Contributions and Donations	53,173.87	
Interest and Dividends	2,933.57	5.00
Collections for Student Activities		203,864.23
Total Additions	56,107.44	203,869.23
DEDUCTIONS:		
Trust Deductions for Scholarships	57,954.87	
Payments for Student Activities		198,729.28
Total Deductions	57,954.87	198,729.28
Change in Net Position	(1,847.43)	5,139.95
Net Position - Beginning	136,979.52	34,968.28
NET POSITON - ENDING	135,132.09	40,108.23

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, 2025 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. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

e. Deposits and Investments:

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

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

f. Capital Assets:

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

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

Government-wide Financial Statements

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

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

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	\$ 10,000.00	Straight-line	10-25 yrs.
Food Service Equipment	\$ 1,000.00	Straight-line	12-20 yrs.

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

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

g. Long-Term Liabilities:

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

h. Program Revenues:

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

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

i. 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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.

j. Proprietary Funds Revenue and Expense Classifications:

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

k. 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.

l. Equity Classifications:

Government-wide Financial Statements:

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

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

m. Application of Net Position:

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

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

n. Fund Balance Classification Policies and Procedures:

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

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

o. Pensions:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank’s public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

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

As of June 30, 2025, 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, 2025, 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>\$ 1,952,735.00</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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 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 governmental 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, 2025, 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.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

6. CHANGES IN CAPITAL ASSETS

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

	<u>Balance</u> <u>07/01/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/2025</u>
Primary Government:				
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	164,266.00			164,266.00
Construction in Progress	17,935.00	854,993.00	(872,928.00)	0.00
Total, not being depreciated	<u>182,201.00</u>	<u>854,993.00</u>	<u>(872,928.00)</u>	<u>164,266.00</u>
Capital Assets, being depreciated:				
Improvements	1,090,501.00	872,927.53		1,963,428.53
Buildings	16,263,028.57			16,263,028.57
Machinery & Equipment	1,058,058.45	18,322.24		1,076,380.69
Total, being depreciated	<u>18,411,588.02</u>	<u>891,249.77</u>	<u>0.00</u>	<u>19,302,837.79</u>
Less Accumulated Depreciation for:				
Improvements	(1,015,841.00)	(72,475.00)		(1,088,316.00)
Buildings	(3,095,735.00)	(317,359.00)		(3,413,094.00)
Machinery & Equipment	(571,353.37)	(58,420.00)		(629,773.37)
Total Accumulated Depreciation	<u>(4,682,929.37)</u>	<u>(448,254.00)</u>	<u>0.00</u>	<u>(5,131,183.37)</u>
Total Capital Assets, being depreciated, net	<u>13,728,658.65</u>	<u>442,995.77</u>	<u>0.00</u>	<u>14,171,654.42</u>
Governmental Activity Capital Assets, Net	<u>13,910,859.65</u>	<u>1,297,988.77</u>	<u>(872,928.00)</u>	<u>14,335,920.42</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	306,639.00
Support Services	79,457.00
Co-curricular Activities	<u>62,158.00</u>
Total Depreciation Expense - Governmental Activities	<u>448,254.00</u>

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

	Balance 07/01/2024	Increases	Decreases	Balance 06/30/2025
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery & Equipment	150,792.11	1,100.00		151,892.11
Total, being depreciated	150,792.11	1,100.00	0.00	151,892.11
Less Accumulated Depreciation for:				
Machinery & Equipment	(92,829.09)	(7,209.30)		(100,038.39)
Total Accumulated Depreciation	(92,829.09)	(7,209.30)	0.00	(100,038.39)
Business-Type Activity Capital Assets, Net	57,963.02	(6,109.30)	0.00	51,853.72

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Food Services	7,209.30
Total Depreciation Expense - Business-Type Activities	<u>7,209.30</u>

7. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Limited Tax Capital Outlay Certificates, Series 2021	4,135,000.00		400,000.00	3,735,000.00	425,000.00
Total Liabilities	4,135,000.00	0.00	400,000.00	3,735,000.00	425,000.00
Early Retirement Payable	18,408.07	112,258.21	7,462.80	123,203.48	36,391.00
Accrued Compensated Absences	31,309.84	2,967.78	3,933.94	30,343.68	4,602.04
Total Governmental Activities	4,184,717.91	115,225.99	411,396.74	3,888,547.16	465,993.04
TOTAL PRIMARY GOVERNMENT	4,184,717.91	115,225.99	411,396.74	3,888,547.16	465,993.04

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, 2025, 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 August 1, 2033

Paid by the Capital Outlay Fund

\$ 3,735,000.00

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

\$ 123,203.48

Compensated Absences:

Sick Leave to be Paid from General Fund
Sick Leave to be Paid from Special Education Fund
Payment to be made by the fund that the payroll expenditures are charged to.

\$ 25,508.85
\$ 4,834.83

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

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

Year Ending June 30,	Early Retirement Benefits Payable		Limited Tax Capital Outlay Certificates, Series 2021		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	36,391.00		425,000.00	105,550.00	461,391.00	105,550.00
2027	29,836.67		425,000.00	88,550.00	454,836.67	88,550.00
2028	27,641.21		450,000.00	70,550.00	477,641.21	70,550.00
2029	15,501.00		460,000.00	58,050.00	475,501.00	58,050.00
2030	12,086.11		475,000.00	44,250.00	487,086.11	44,250.00
2031-2035	1,747.49		1,500,000.00	60,400.00	1,501,747.49	60,400.00
Totals	123,203.48	0.00	3,735,000.00	427,350.00	3,858,203.48	427,350.00

8. RESTRICTED NET POSITION

Restricted net position for the year ended June 30, 2025 are as follows:

Purpose	Restricted By	Amount
Major Funds:		
Capital Outlay	Law	\$ 4,259,967.03
Special Education	Law	445,449.49
SDRS Pension	Governmental Accounting Standards	349,218.09
Total Restricted Net Position		<u>\$ 5,054,634.61</u>

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9. INTERFUND TRANSFERS

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

<u>Transfers From:</u>	<u>Transfers To:</u>
	<u>General</u>
	<u>Fund</u>
Major Funds:	
Capital Outlay Fund	\$ 397,449.64
Special Education Fund	18,025.88
TOTALS	<u>\$ 415,475.52</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. 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 classes of members: Class A general members, Class B public safety and judicial members, Class C Cement Plant Retirement Fund members, and Class D Department of Labor and Regulation members.

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation 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, 2025, 2024, and 2023, equal to the required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 221,770.25
2024	\$ 208,584.44
2023	\$ 191,197.71

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

Proportionate share of pension liability	\$ 18,485,814.57
Less proportionate share of net pension restricted for pension benefits	<u>\$ 18,490,830.58</u>
Proportionate share of net pension liability (asset)	<u>\$ (5,016.01)</u>

At June 30, 2025, the School District reported a liability (asset) of \$(5,016.01) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the School District's proportion was 0.12391400%, which is an increase (decrease) of 0.0003710% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense (reduction of pension expense) of \$130,437.71. At June 30, 2025, 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.	\$ 464,485.62	
Changes in assumption.	\$ 82,699.24	\$ 630,380.13
Net Difference between projected and actual earnings on pension plan investments.	\$ 188,939.99	
Changes in proportion and difference between School district contributions and proportionate share of contributions.	\$ 17,248.11	\$ 561.00
School District contributions subsequent to the measurement date.	<u>\$ 221,770.25</u>	
TOTAL	<u>\$ 975,143.21</u>	<u>\$ 630,941.13</u>

See Independent Auditor's Report.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

\$221,770.25 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended	
June 30:	
2026	\$ (166,370.52)
2027	\$ 247,869.19
2028	\$ 25,889.18
2029	<u>\$ 15,043.98</u>
TOTAL	<u>\$ 122,431.83</u>

Actuarial Assumptions:

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

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

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

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%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	<u>100%</u>	

Discount Rate:

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

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

The following presents the School District’s proportionate share of net pension 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)	\$2,548,863.70	\$(5,016.01)	\$(2,094,885.13)

Pension Plan Fiduciary Net Position:

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

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

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

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

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

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

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, 2025, 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, 2025, no claims were filed for unemployment benefits. At June 30, 2025, 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 2025, the Platte-Geddes School District paid benefits in the amount of \$7,462.80. Currently four former employees are receiving benefits.

14. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events occurred through April 6, 2026, 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, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,960,000.00	1,960,000.00	1,882,114.58	(77,885.42)
Prior Years' Ad Valorem Taxes	5,000.00	5,000.00	16,716.47	11,716.47
Tax Deed Revenue	500.00	500.00	0.00	(500.00)
Utility Taxes	205,000.00	205,000.00	197,750.21	(7,249.79)
Penalties and Interest on Taxes	5,000.00	5,000.00	8,584.66	3,584.66
Earnings on Investments and Deposits	30,000.00	30,000.00	52,561.15	22,561.15
Cocurricular Activities:				
Admissions	40,450.00	40,450.00	40,436.99	(13.01)
Other Student Activity Income	49,750.00	49,750.00	46,551.89	(3,198.11)
Other Revenue from Local Sources:				
Rentals	1,500.00	1,500.00	2,415.00	915.00
Contributions and Donations	2,000.00	2,000.00	3,633.74	1,633.74
Charges for Services	2,000.00	2,000.00	3,282.84	1,282.84
Other	25,000.00	25,000.00	42,575.12	17,575.12
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	22,000.00	22,000.00	26,185.68	4,185.68
Revenue in Lieu of Taxes	2,500.00	2,500.00	0.00	(2,500.00)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	1,870,000.00	1,870,000.00	1,978,652.84	108,652.84
Restricted Grants-in-Aid	2,250.00	2,250.00	0.00	(2,250.00)
Other State Revenue	3,000.00	3,000.00	0.00	(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	2,404.89	(95.11)
Directly from the Federal Government	5,988.00	5,988.00	8,172.00	2,184.00
Restricted Grants-in-Aid Received from Federal Government Through the State	333,723.00	340,847.00	359,706.00	18,859.00
Total Revenue	4,568,161.00	4,575,285.00	4,671,744.06	96,459.06
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	1,588,372.00	1,576,372.00	1,530,217.28	46,154.72
Middle/Junior High	456,280.00	463,280.00	462,984.92	295.08
High School	924,420.00	909,420.00	907,186.47	2,233.53
Special Programs:				
Gifted and Talented	3,125.00	3,125.00	2,785.62	339.38
Educationally Deprived	166,343.00	171,529.00	171,314.47	214.53

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (cont.):				
Support Services:				
Students:				
Attendance and Social Work	73,049.00	58,972.00	52,896.61	6,075.39
Guidance	146,555.00	142,790.00	119,328.39	23,461.61
Health	2,500.00	2,500.00	1,430.00	1,070.00
Instructional Staff:				
Improvement of Instruction	25,245.00	19,995.00	13,351.45	6,643.55
Educational Media	157,378.00	159,578.00	156,192.94	3,385.06
General Administration:				
Board of Education	60,615.00	60,615.00	49,459.37	11,155.63
Executive Administration	206,445.00	206,445.00	191,208.62	15,236.38
School Administration:				
Office of the Principal	281,875.00	281,875.00	274,887.25	6,987.75
Other	1,170.00	1,170.00	735.65	434.35
Business:				
Fiscal Services	135,050.00	126,050.00	123,905.85	2,144.15
Operation and Maintenance of Plant	510,980.00	571,110.00	566,609.84	4,500.16
Student Transportation Services	98,035.00	98,035.00	94,948.85	3,086.15
Central:				
Staff	1,000.00	3,700.00	3,652.52	47.48
Community Services:				
Nonpublic School	45,948.00	45,948.00	45,587.29	360.71
Nonprogrammed Charges:				
Early Retirement Payments	7,500.00	7,500.00	7,462.80	37.20
Cocurricular Activities:				
Male Activities	70,025.00	70,025.00	55,635.33	14,389.67
Female Activities	53,910.00	53,910.00	46,419.75	7,490.25
Transportation	93,780.00	93,780.00	74,811.17	18,968.83
Combined Activities	203,380.00	203,380.00	195,774.46	7,605.54
Total Expenditures	5,312,980.00	5,331,104.00	5,148,786.90	182,317.10
Excess of Revenue Over (Under) Expenditures	(744,819.00)	(755,819.00)	(477,042.84)	278,776.16
Other Financing Sources (Uses):				
Transfers In	744,819.00	755,819.00	496,302.91	(259,516.09)
Total Other Financing Sources (Uses)	744,819.00	755,819.00	496,302.91	(259,516.09)
Net Change in Fund Balances	0.00	0.00	19,260.07	19,260.07
Fund Balance - Beginning	1,793,612.86	1,793,612.86	1,793,612.86	0.00
FUND BALANCE - ENDING	1,793,612.86	1,793,612.86	1,812,872.93	19,260.07

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	1,880,000.00	1,880,000.00	1,903,679.17	23,679.17
Prior Years' Ad Valorem Taxes	3,000.00	3,000.00	9,236.24	6,236.24
Penalties and Interest on Taxes	4,500.00	4,500.00	3,551.91	(948.09)
Earnings on Investments and Deposits	150,000.00	150,000.00	197,449.64	47,449.64
Other Revenue from Local Sources:				
Contributions and Donations	0.00	0.00	13,740.59	13,740.59
Other	0.00	0.00	923.52	923.52
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	15,000.00	15,000.00	15,000.00	0.00
Total Revenue	2,052,500.00	2,052,500.00	2,143,581.07	91,081.07
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	73,500.00	73,500.00	35,459.22	38,040.78
Middle/Junior High	93,000.00	93,000.00	80,893.12	12,106.88
High School	112,500.00	112,500.00	82,474.16	30,025.84
Special Programs:				
Programs for Special Education	2,500.00	2,500.00	0.00	2,500.00
Support Services:				
Instructional Staff:				
Educational Media	38,300.00	38,300.00	14,702.38	23,597.62
General Administration:				
Executive Administration	14,600.00	14,600.00	14,163.66	436.34
School Administration:				
Office of the Principal	29,500.00	29,500.00	21,059.39	8,440.61
Business:				
Fiscal Services	3,000.00	7,000.00	6,849.98	150.02
Facilities Acquisition and Construction	0.00	15,000.00	15,000.00	0.00
Operation and Maintenance of Plant	1,332,000.00	1,303,000.00	1,036,561.75	266,438.25
Student Transportation Services	13,300.00	13,300.00	12,427.89	872.11
Debt Services	514,400.00	524,400.00	518,250.00	6,150.00
Cocurricular Activities:				
Transportation	12,000.00	12,000.00	11,261.01	738.99
Combined Activities	76,000.00	76,000.00	75,594.41	405.59
Total Expenditures	2,314,600.00	2,314,600.00	1,924,696.97	389,903.03
Excess of Revenue Over (Under) Expenditures	(262,100.00)	(262,100.00)	218,884.10	480,984.10

REQUIRED SUPPLEMENTARY INFORMATION
PLATTE-GEDDES SCHOOL DISTRICT NO 11-5
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
Other Financing Sources (Uses):				
Transfers Out	(654,819.00)	(654,819.00)	(397,449.64)	257,369.36
Sale of Surplus Property	0.00	0.00	950.00	950.00
Compensation for Loss of General				
Total Other Financing Sources (Uses)	(654,819.00)	(654,819.00)	(396,499.64)	258,319.36
Net Change in Fund Balances	(916,919.00)	(916,919.00)	(177,615.54)	739,303.46
Fund Balance - Beginning	4,435,370.11	4,435,370.11	4,435,370.11	0.00
FUND BALANCE - ENDING	3,518,451.11	3,518,451.11	4,257,754.57	739,303.46

**REQUIRED SUPPLEMENTARY INFORMATION
 PLATTE-GEDDES SCHOOL DISTRICT NO. 11-5
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 SPECIAL EDUCATION FUND
 For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	967,000.00	967,000.00	1,055,375.04	88,375.04
Prior Years' Ad Valorem Taxes	1,000.00	1,000.00	3,139.72	2,139.72
Penalties and Interest on Taxes	1,000.00	1,000.00	1,200.12	200.12
Earnings on Investments and Deposits	15,000.00	20,000.00	18,025.88	(1,974.12)
Other Revenue from Local Sources:				
Charges for Services	8,800.00	8,800.00	15,625.70	6,825.70
Other	0.00	0.00	537.28	537.28
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	152,005.00	152,005.00	166,309.00	14,304.00
Total Revenue	1,144,805.00	1,149,805.00	1,260,212.74	110,407.74
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	1,016,165.00	1,015,015.00	882,348.80	132,666.20
Support Services:				
Students:				
Attendance and Social Work	17,500.00	17,500.00	15,331.20	2,168.80
Guidance	16,500.00	16,500.00	12,114.00	4,386.00
Psychological	60,000.00	60,000.00	52,656.60	7,343.40
Speech Pathology	110,000.00	110,000.00	95,253.81	14,746.19
Student Therapy Services	40,000.00	40,000.00	33,276.86	6,723.14
Special Education:				
Administrative Costs	85,955.00	85,955.00	77,668.51	8,286.49
Transportation Costs	50,285.00	51,435.00	29,252.00	22,183.00
Other Special Education Costs	33,900.00	33,900.00	7,699.64	26,200.36
Total Expenditures	1,430,305.00	1,430,305.00	1,205,601.42	224,703.58
Excess of Revenue Over (Under) Expenditures	(285,500.00)	(280,500.00)	54,611.32	335,111.32
Other Financing Sources (Uses):				
Transfers Out	(15,000.00)	(20,000.00)	(18,025.88)	1,974.12
Net Change in Fund Balances	(300,500.00)	(300,500.00)	36,585.44	337,085.44
Fund Balance - Beginning	412,943.73	412,943.73	412,943.73	0.00
FUND BALANCE - ENDING	112,443.73	112,443.73	449,529.17	337,085.44

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

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

Note 1. Budgets and Budgetary Accounting:

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

1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.
3. The proposed budget is published for public review no later than July 15 each year.
4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except fiduciary funds.
6. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated by number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year. No amount of expenditures may be charged directly to the contingency line item in the budget.
8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.
9. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
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, 2025

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

	<u>Year Ended</u> <u>6/30/2025</u>
General Fund:	
USGAAP Basis Fund Balance	\$ 3,415,780.76
(Deduct) Impact Aid Revenue	(157,224.39)
Impact Aid Beginning Balance	(1,526,510.83)
Impact Aid Transfer Out	<u>80,827.39</u>
Net Adjustment to GAAP Basis Fund Balance	<u>(1,602,907.83)</u>
Budgetary Basis Fund Balance	<u><u>\$ 1,812,872.93</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 INFORMATION

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

South Dakota Retirement System

Last 10 Years*

Fiscal Year	District's Proportion of the Net Pension Liability/Asset	District's Proportionate Share of Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2025	0.123914%	\$ (5,016.01)	\$ 3,476,413.56	0.14%	100.00%
2024	0.123543%	\$ (12,058.35)	\$ 3,187,947.22	0.38%	100.10%
2023	0.131171%	\$ (12,396.48)	\$ 3,132,139.45	0.40%	100.10%
2022	0.143137%	\$ (1,096,184.45)	\$ 3,248,237.89	33.75%	105.52%
2021	0.135629%	\$ (5,890.35)	\$ 2,976,652.07	0.20%	100.04%
2020	0.138571%	\$ (14,684.77)	\$ 2,946,311.05	0.50%	100.09%
2019	0.140601%	\$ (3,279.15)	\$ 2,922,966.29	0.11%	100.02%
2018	0.143751%	\$ (13,045.52)	\$ 2,910,705.18	0.45%	100.10%
2017	0.139274%	\$ 470,452.20	\$ 2,648,274.25	17.76%	96.89%
2016	0.140969%	\$ (597,891.08)	\$ 2,573,698.99	23.23%	104.10%

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS

South Dakota Retirement System

Last 10 Years

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2025	\$ 221,770.25	\$ 221,770.25	\$ -	\$ 3,696,172.21	6.00%
2024	\$ 208,584.44	\$ 208,584.44	\$ -	\$ 3,476,413.56	6.00%
2023	\$ 191,197.71	\$ 191,197.71	\$ -	\$ 3,187,947.22	6.00%
2022	\$ 187,928.58	\$ 187,928.58	\$ -	\$ 3,132,139.45	6.00%
2021	\$ 194,893.83	\$ 194,893.83	\$ -	\$ 3,248,237.89	6.00%
2020	\$ 178,599.15	\$ 178,599.15	\$ -	\$ 2,976,652.07	6.00%
2019	\$ 176,778.75	\$ 176,778.75	\$ -	\$ 2,946,311.05	6.00%
2018	\$ 175,378.29	\$ 175,378.29	\$ -	\$ 2,922,966.29	6.00%
2017	\$ 175,242.82	\$ 175,242.82	\$ -	\$ 2,910,705.18	6.02%
2016	\$ 158,896.86	\$ 158,896.86	\$ -	\$ 2,648,274.25	6.00%

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

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

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

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

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