

ROSHOLT SCHOOL DISTRICT NO. 54-4
ROSHOLT, SOUTH DAKOTA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 2024
WITH INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042

ROSHOLT SCHOOL DISTRICT NO. 54-4
ROSHOLT, SOUTH DAKOTA

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AS OF AND FOR THE FISCAL YEAR ENDING JUNE 30, 2024

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NOTE: All figures shown in this financial report are in U.S. dollars.
For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, PC

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School Board
Rosholt School District No. 54-4
Rosholt, South Dakota

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions:

I have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Rosholt School District No. 54-4 (School District), Roberts County, South Dakota as of June 30, 2024, and for the year ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Rosholt School District No. 54-4 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions:

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

Management's Responsibilities for the Financial Statements:

Management is responsible for the preparation and fair presentation of these 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 misstatements, 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 Responsibility for the Audit of the Financial Statements:

My 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 my 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 generally accepted auditing standards (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 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*, I:

- > 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 my 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.

I am 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 I identified during the audit.

Required Supplementary Information (no opinion):

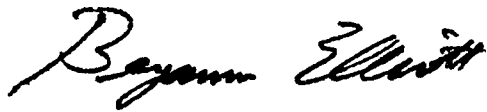
Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules (page 36 to 39), the School District's Proportionate Share of Net Pension (Asset)/Liability (page 40), and the Schedule of the School District's Contribution (page 40) be presented 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting by placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards:

In accordance with *Government Auditing Standards*, I have also issued my report dated February 20, 2025 (page 42) on my consideration of the School District's internal control over financial reporting and on my 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 my 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.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota
February 20, 2025

A handwritten signature in black ink that reads "Benjamin Elliott". The signature is written in a cursive style with a large, prominent initial "B".

STATEMENT OF NET POSITION AS OF JUNE 30, 2024	Primary Government		Total
	Governmental Activities	Business- Type Activities	
ASSETS			
Current assets:			
Cash	3,039,401	123,990	3,163,391
Certificates of deposit	216,024		216,024
Advance payments to Trust & Agency	8,000		8,000
Receivables:			
Property taxes - current	618,973		618,973
Property taxes - delinquent	19,099		19,099
Due from other governments	103,519	0	103,519
Accounts	0	381	381
Inventory		8,334	8,334
Total current assets	4,005,016	132,705	4,137,721
Capital assets:			
Land	42,234	0	42,234
Other capital assets, net of accumulated depreciation/amortization	6,366,399	33,401	6,399,800
Total capital assets	6,408,633	33,401	6,442,034
Other assets:			
Net pension assets	6,449	232	6,681
Total assets	10,420,098	166,338	10,586,436
DEFERRED OUTFLOW OF RESOURCES			
Pension related deferred outflows	547,640	19,683	567,323
Total deferred outflow of resources	547,640	19,683	567,323
LIABILITIES			
Current liabilities:			
Accounts payable	6,080	0	6,080
Contracts payable	200,097	554	200,651
Payroll deductions payable	53,422	42	53,464
Revenue received in advance		20,071	20,071
Noncurrent liabilities due in one year:			
2014 Rural Electric Economic Dev Loan	30,000		30,000
2019 LED lights loan	9,280		9,280
2020 Limited Tax GO Certificates	200,000		200,000
Direct borrowing	421		421
Copier leases	5,324		5,324
Early retirement	10,737		10,737
Total current liabilities	515,361	20,667	536,028
Noncurrent liabilities:			
2019 LED lights loan	37,117		37,117
2020 Limited Tax GO Certificates	2,460,000		2,460,000
Copier leases	9,028		9,028
Total noncurrent liabilities	2,506,145	0	2,506,145
Total liabilities	3,021,506	20,667	3,042,173
DEFERRED INFLOW OF RESOURCES			
Taxes levied for a future period	618,973		618,973
Pension related deferred inflows	322,278	11,585	333,863
Total deferred inflow of resources	941,251	11,585	952,836
NET POSITION			
Net invested in capital assets	3,657,463	33,401	3,690,864
Restricted for:			
Capital outlay	1,693,597		1,693,597
Special education	363,711		363,711
SDRS pension purposes	231,811	8,330	240,141
Unrestricted	1,058,399	112,038	1,170,437
Total net position	7,004,981	153,769	7,158,750

See accompanying notes.

ROSHOLT SCHOOL DISTRICT NO. 54-4
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDING JUNE 30, 2024

Functions/Programs:	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services and Reimbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary government:							
Governmental activities:							
Instruction	1,884,279	24,242	261,089		-1,598,948		-1,598,948
Support services	1,437,881	2,444	37,263		-1,398,174		-1,398,174
Cocurricular activities	200,089	15,008			-185,081		-185,081
Interest and fees (all)	55,070				-55,070		-55,070
Total governmental activities	3,577,319	41,694	298,352	0	-3,237,273	0	-3,237,273
Business-type activities:							
Food service	207,574	84,293	106,289			-16,992	-16,992
Other enterprise fund	6,480	15,801				9,321	9,321
Total primary government	3,791,373	141,788	404,641	0	-3,237,273	-7,671	-3,244,944
General revenue:							
Property taxes					1,665,228		1,665,228
Gross receipts tax					51,636		51,636
Revenue from state sources:							
State aid					1,442,704		1,442,704
State apportionment					11,913		11,913
Bank franchise					36,168		36,168
Revenue from county sources					31,577		31,577
Interest and dividends					73,086		73,086
Donations and contributions					794		794
Miscellaneous					8,601		8,601
Refund of prior year expenditure					16,874		16,874
Transfers					0		0
Total general revenue and transfers					3,338,581	0	3,338,581
Change in net position					101,308	-7,671	93,637
Net position:							
July 1, 2023					6,903,673	161,440	7,065,113
June 30, 2024					7,004,981	153,769	7,158,750

See accompanying notes.

ROSHOLT SCHOOL DISTRICT NO. 54-4
BALANCE SHEET -- GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
	-----	-----	-----	-----
ASSETS:				
Cash	1,079,628	1,573,314	386,459	3,039,401
Certificates of deposit	108,224	107,800		216,024
Advance to custodial funds	8,000			8,000
Receivables:				
Property taxes - current	251,513	230,293	137,167	618,973
Property taxes - delinquent	12,828	4,073	2,198	19,099
Due from other governments	90,065	8,410	5,044	103,519
Total assets	<u>1,550,258</u>	<u>1,923,890</u>	<u>530,868</u>	<u>4,005,016</u>
LIABILITIES:				
Accounts payable	6,080	0	0	6,080
Contracts payable	182,307		17,790	200,097
Payroll deductions payable	41,222		12,200	53,422
Total liabilities	<u>229,609</u>	<u>0</u>	<u>29,990</u>	<u>259,599</u>
DEFERRED INFLOW OF RESOURCES:				
Taxes levied for a future period	251,513	230,293	137,167	618,973
Unavailable revenue:				
Property taxes - delinquent	12,828	4,073	2,198	19,099
Total deferred inflow of resources	<u>264,341</u>	<u>234,366</u>	<u>139,365</u>	<u>638,072</u>
FUND BALANCE:				
Nonspendable	8,000			8,000
Restricted		1,689,524	361,513	2,051,037
Committed				0
Assigned				0
Unassigned	1,048,308			1,048,308
Total fund balance	<u>1,056,308</u>	<u>1,689,524</u>	<u>361,513</u>	<u>3,107,345</u>
Total liabilities, deferred inflow of resources and fund balance	<u>1,550,258</u>	<u>1,923,890</u>	<u>530,868</u>	<u>4,005,016</u>

Reconciliation of the above balance sheet - governmental funds to the government-wide statement of net position

Total fund balance - governmental funds (above) 3,107,345

Amounts reported in the government-wide statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported as assets in governmental funds. Therefore:

Add the cost of capital assets and leased copiers 9,480,703
Subtract the associated accumulated depreciation -3,072,070

These pension related amounts are not an available financial resource and therefore are not reported in the funds.

Net pension assets 6,449
Deferred outflow of resources 547,640
Deferred inflow of resources -322,278

Long-term liabilities are not due and payable in the current period. Therefore, subtract the following long-term liabilities:

2014 Rural Electric Economic Dev Loan -30,000
2019 LED lights loan -46,397
2020 Limited Tax GO Certificates -2,660,000
Copier direct borrowing -421
Copier leases -14,352
Early retirement -10,737

Assets such as taxes receivable (delinquent) are not available to pay of current period expenditures and therefore are deferred in the funds. 19,099

Total net position on government-wide statement of net position 7,004,981

ROSHOLT SCHOOL DISTRICT NO. 54-4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -- GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2024

Revenue:	General	Capital	Special	Total
Revenue from local sources:	Fund	Outlay	Education	Governmental
Taxes:	Fund	Fund	Fund	Funds
Ad valorem taxes	647,651	627,857	371,080	1,646,588
Mobile home	3,138	1,761	1,040	5,939
Prior year ad valorem taxes	5,151	3,964	2,369	11,484
Penalties and interest	2,110	1,843	1,085	5,038
Gross receipts	51,636			51,636
Interest and dividends	65,286	7,800		73,086
Cocurricular activities:				
Admissions	10,660			10,660
Student activities	4,397			4,397
Other revenue from local sources:				
Medicaid administration	1,771		624	2,395
LEAS outside of state	24,242			24,242
Donations and contributions	794			794
Other	8,601			8,601
Refund of prior year expenditures	16,874			16,874
Total revenue from local sources	842,311	643,225	376,198	1,861,734
Revenue from intermediate sources:				
County sources:				
County apportionment	31,577			31,577
Revenue from state sources:				
Unrestricted grants-in-aid	1,490,785			1,490,785
Restricted grants-in-aid				0
Revenue from federal sources:				
Restricted grants-in-aid	298,352			298,352
Total revenues	2,663,025	643,225	376,198	3,682,448
Expenditures:				
Instruction (current):				
Regular programs:				
Elementary school	560,888	18,849		579,737
Middle school	255,648	9,353		265,001
High school	469,936			469,936
Special programs:				
Educ. deprived (Title I)	187,016			187,016
Programs for special educ.			313,418	313,418
Total instruction	1,473,488	28,202	313,418	1,815,108
Support services (current):				
Pupils:				
Guidance	35,285			35,285
Health	3,656			3,656
In-staff training	490			490
Educational media	4,001			4,001
Technology in school	40,248			40,248
Special education			52,627	52,627
General administration:				
Board of Education	19,656			19,656
Executive administration	80,518			80,518
School administration:				
Office of principal	195,206			195,206
Business:				
Fiscal services	192,233			192,233
Operations and maintenance	322,343	13,646		335,989
Pupil transportation	147,652			147,652
Background checks	2,760			2,760
Total support services	1,044,048	13,646	52,627	1,110,321
Nonprogram charges:				
Early retirement	22,022			22,022

ROSEHOLT SCHOOL DISTRICT NO. 54-4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -- GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2024 (continued)

	General Fund	Capital Outlay Fund	Special Education Fund	Total Governmental Funds
Cocurricular activities (current):				
Male activities	25,488			25,488
Female activities	37,150			37,150
Transportation	11,373			11,373
Combined activities	81,517			81,517
Total cocurricular services	155,528	0	0	155,528
Debt service:				
2014 Rural Electric Economic Dev Loan		30,000		30,000
Interest and fees		225		225
2019 LED Lights Loan		9,280		9,280
2021 Limited tax GO Certificates:		195,000		195,000
Interest and fees		53,958		53,958
Direct borrowing principal		1,554		1,554
Direct borrowing interest		19		19
Copier leases principal		5,566		5,566
Copier leases interest		868		868
Total debt service	0	296,470	0	296,470
Capital outlay:		43,520		43,520
Total expenditures	2,695,086	381,838	366,045	3,442,969
Excess of revenues over (under) expenditures	-32,061	261,387	10,153	239,479
Other financing sources (uses):				
Transfer in	270,000			270,000
Transfer (out)		-270,000		-270,000
Net change in fund balance	237,939	-8,613	10,153	239,479
Fund balance:				
July 1, 2023	818,369	1,698,137	351,360	2,867,866
June 30, 2024	1,056,308	1,689,524	361,513	3,107,345

Reconciliation of the above statement of revenues, expenditures, and changes in fund balances to the government-wide statement of activities.

Net change in fund balances - total governmental funds (above) 239,479

Capital outlays are reported in governmental funds as expenditures.

However, in the government-wide statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. Therefore:

Add the cost of FY24 capital asset purchases 43,520
Subtract depreciation taken on all capital assets -401,287

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Therefore:

Subtract prior year delinquent taxes -22,920
Add current year delinquent taxes 19,099

Expense reductions related to pensions do not provide current financial resources (uses) and, therefore, are not reported in the funds -40,005

Current debt principal reduction (increase) is not reported in the government-wide statement of activities:

Therefore:

Add current year principal payments on:
2014 Rural Electric Economic Development loan 30,000
2020 Limited Tax GO Certificates 195,000
2019 LED lights loan 9,280
Direct borrowing 1,554
2022 copier leases 5,566
Early retirements 22,022

Change in net position on government-wide statement of activities 101,308

ROSHOLT SCHOOL DISTRICT NO. 54-4

STATEMENT OF NET POSITION - ENTERPRISE FUNDS
AS OF JUNE 30, 2024

	Food Fund	Other Enterprise Fund	Total
	-----	-----	-----
ASSETS			
Current assets:			
Cash	91,497	32,493	123,990
Due from other governments			0
Accounts receivable	381		381
Inventory - supplies	1,670		1,670
Inventory - purchased goods	1,697		1,697
Inventory - commodities (donated)	4,967		4,967
Capital assets:			
Equipment	88,936		88,936
Accumulated depreciation	-55,535		-55,535
Other assets:			
Net pension assets	232		232
	-----	-----	-----
Total assets	133,845	32,493	166,338
	=====	=====	=====
DEFERRED OUTFLOW OF RESOURCES			
Pension related deferred outflows	19,683		19,683
	-----	-----	-----
Total deferred outflow of resources	19,683	0	19,683
	=====	=====	=====
LIABILITIES			
Accounts payable	0		0
Contracts payable	554		554
Payroll deductions payable	42		42
Revenue received in advance	20,071		20,071
	-----	-----	-----
Total liabilities	20,667	0	20,667
	=====	=====	=====
DEFERRED INFLOW OF RESOURCES:			
Pension related deferred inflows	11,585		11,585
	-----	-----	-----
Total deferred inflow of resources	11,585	0	11,585
	=====	=====	=====
NET POSITION			
Net invested in capital assets	33,401		33,401
Restricted for SDRS pension purposes	8,330		8,330
Unrestricted	79,545	32,493	112,038
	-----	-----	-----
Total net position	121,276	32,493	153,769
	=====	=====	=====

See accompanying notes.

ROSHOLT SCHOOL DISTRICT NO. 54-4

STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - ENTERPRISE FUNDS
 FOR THE YEAR ENDING JUNE 30, 2024

	Food Service Fund	Other Enterprise Fund	Total Enterprise Funds
	-----	-----	-----
Operating revenue:			
Sales to pupils	78,738	8,735	87,473
Sales to adults	5,555	7,066	12,621
	-----	-----	-----
Total operating revenue	84,293	15,801	100,094
	-----	-----	-----
Operating expense:			
Salaries	61,405		61,405
Employee benefits	24,260		24,260
Purchased services	6,712	4,258	10,970
Supplies	7,975	1,465	9,440
Small equipment	263		263
Cost of sales:			
Purchased food	65,003		65,003
Donated food (commodities)	23,664		23,664
Purchased food - Colony	9,828		9,828
Depreciation	6,427		6,427
Pension related expense (reduction)	-1,198	757	-441
	-----	-----	-----
Total operating expenses	204,339	6,480	210,819
	-----	-----	-----
Operating income (loss)	-120,046	9,321	-110,725
Nonoperating revenue (expense):			
Local source:			
Loss on disposition	-3,235		-3,235
State source:			
Cash reimbursement	327		327
Federal source:			
Cash reimbursement - food	87,384		87,384
Donated food	18,578		18,578
	-----	-----	-----
Total nonoperating revenue (expense)	103,054	0	103,054
	-----	-----	-----
Net revenue (expenses) before capital contributions	-16,992	9,321	-7,671
	-----	-----	-----
Capital grants - none			0
	-----	-----	-----
Change in net position	-16,992	9,321	-7,671
	-----	-----	-----
Net position, July 1, 2023	138,268	23,172	161,440
	-----	-----	-----
Net position, June 30, 2024	121,276	32,493	153,769
	=====	=====	=====

See accompanying notes.

ROSHOLT SCHOOL DISTRICT NO. 54-4

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDING JUNE 30, 2024

	Food Service Fund	Other Enterprise Fund	Total Enterprise Fund
	-----	-----	-----
Cash flows from:			
Operating activities:			
Receipts from customers	79,304	15,801	95,105
Cash paid for employees	-86,089		-86,089
Payments to suppliers	-87,155	-5,723	-92,878
Net cash provided (used) by operating activities	----- -93,940	----- 10,078	----- -83,862
Noncapital financing activities:			
Grant cash reimbursements, state	327		327
Grant cash reimbursements, federal	99,174		99,174
Capital financing activities:			
Loss on disposition	-3,235		-3,235
Investing activities:			
Interest and dividends			0
Net increase (decrease) in cash and cash equivalents	----- 2,326	----- 10,078	----- 12,404
Cash and cash equivalents:			
July 1, 2023	89,171	22,415	111,586
June 30, 2024	----- 91,497	----- 32,493	----- 123,990
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	-120,046	9,321	-110,725
Value of donated commodities used	23,584		23,584
Depreciation	6,427		6,427
Pension related expense (reduction)	-1,198	757	-441
Change in operating accounts:			
Accounts receivable	426		426
Inventory - supplies	883		883
Inventory - purchased	1,823		1,823
Accounts payable			0
Contracts payable	207		207
Payroll withholding payable	-631		-631
Revenue received in advance	552		552
Supply chain assistance	-5,967		-5,967
Net cash provided (used) by operating activities	----- -93,940	----- 10,078	----- -83,862
Noncash investing, capital and financing activities:			
Value of donated commodities received	18,578		18,578

See accompanying notes.

ROSHOLT SCHOOL DISTRICT No. 54-4

STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2024

	Custodial Funds

ASSETS	
Cash	117,187

Total assets	117,187
	=====
LIABILITIES	
Accounts payable	0
Due to general fund - advance	8,000

Total liabilities	8,000
	=====
NET POSITION - RESTRICTED	
Restricted for student activities	109,187

Total net position - restricted	109,187
	=====

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDING JUNE 30, 2024

	Custodial Funds

Additions:	
Collections for student activities	138,956
Interest received	0

Total additions	138,956

Deductions:	
Payments for student activities	141,251

Total deductions	141,251

Change in fiduciary net position:	-2,295
Net Position - Restricted:	
July 1, 2023	111,482

June 30, 2024	109,187
	=====

See accompanying notes.

ROSHOLT SCHOOL DISTRICT No. 54-4
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity:

The reporting entity included in this report is controlled by or dependent upon the Rosholt School District's (School District) Board of Education.

School District's officials at June 30, 2024 are:

Board Members:

Lana Sand, Chairperson
Curt Braun
Kevin Klein
Lisa Klein
Diana LeClair

Superintendent:

Spencer Oland

Business Manager:

Vicky Boom

Attorney:

Churchill, Manolis, Freeman, Kludt,
& Burns, LLP

The reporting entity of the School District consists of (1) 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; (2) those organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The School District is financially accountable if its governing board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the School District (the primary government). The School District may also be financially accountable for another organization if that organization is fiscally dependent on the School District unless that organization can, without the approval of the School District: (1) set its own budget; (2) determine its own rates or charges; and (3) borrow money.

Based upon the application of these criteria, the Rosholt School District does not have any component units.

The School District does participate with other school districts in cooperative service units. 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 to the School District.

b. Basis of Presentation:

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements 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 good and 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 is displayed in three components, as applicable: net invested in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities and for each segment of School District's business-type activities. Direct expenses are associated with a specific program or function and are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the program 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 and interest, are presented as general revenues.

Fund Financial Statements:

The fund financial statements include specific information about individual funds used by the reporting entity. Each fund is considered a separate accounting entity with a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, enterprise, and fiduciary. An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operating fund of the School District or if it meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding element total (assets, liabilities, revenues, or expenditures/expenses) for all funds of that category or type (that is, total governmental or total enterprise), and
- b. An element that meets the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined. or
- c. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operation.

The School District has elected to classify all of its funds as major funds.

School District funds are described below within their respective fund type:

Governmental Funds

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

Special Revenue Fund Type - special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes. The School District has the following special revenue funds:

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 grants and property taxes. This fund is a major fund.

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

Enterprise Funds

Enterprise Fund Types - enterprise funds are used to account for 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 a depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such a depreciation or debt service)*

The School District has the following enterprise fund:

Food Service Fund - a fund used to record financial transactions related to the School District's food service operations. This fund is financed by user charges and grants. This fund is a major fund.

Other Enterprise Fund - a fund used to record financial transactions related to driver's education and wellness center activities. This fund is financed by user charges. This fund is a major fund.

Fiduciary Funds

Fiduciary are never considered to be major funds.

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

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "what" 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.

The "economic resources" measurement focus includes all assets and liabilities (whether current or noncurrent, financial, or nonfinancial) on the balance sheet. Operating statements use the flow of all economic resources to present operating income, changes in net position, and cash flows during the accounting period. This measurement focus uses the term "net position" to describe its equity at the end of the accounting period.

Fund Financial Statements:

In the fund financial statements, all governmental funds are presented using the "current financial resources" measurement focus and the modified accrual basis of accounting.

The "current financial resources" measurement focus includes only current financial assets and liabilities on the balance sheet. Operating statements present sources and uses of available spendable financial resources during the accounting period. This measurement focus uses the term "fund balance" to describe its equity at the end of the accounting period. It is a measure of available spendable financial resources.

Enterprise and fiduciary funds are presented using the "economic resources" measurement focus (described above) and the accrual basis of accounting.

Basis of Accounting

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 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:

In the fund financial statements, all governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The School District considers significant revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The revenues which are accrued at June 30, 2024 are property taxes, grants, and other accounts receivable.

Under the modified accrual basis of accounting, receivables, such as taxes receivable or grants receivable, 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 criteria have not been met, are reported as a deferred inflow of resources.

Expenditures generally are recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due. However, the School District budgets for, and makes payment of, debt obligations (if any) due on July 1st as of June 30th, the end of the School District's fiscal year.

All enterprise funds and fiduciary funds are accounted for using the accrual basis of accounting, the same as in the government-wide financial statements. 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:

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).

Fund Financial Statements:

In the fund financial statements, noncurrent portions of long-term interfund receivables (reported in "Advance to" asset accounts) are equally offset by "nonspendable fund balance" which indicates that they do not constitute "available spendable resources" since they are not a component of unassigned fund balance. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources."

e. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as reductions of disbursements in the fund that is reimbursed. All other interfund transactions are reported as transfers.

f. Cash and Cash Equivalents:

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.

The School District pools its cash resources for depositing and investing purposes. Accordingly, the food service and driver's education funds have access to their cash resources on demand. Accordingly, all enterprise fund deposits and investment balances are considered to be cash equivalents for the purposes of the statement of cash flows.

g. Inventory:

Inventory is valued at the lower of cost or market. The cost valuation method is first-in, first-out for enterprise fund inventories. Donated commodities are valued at estimated market value based on the USDA price list at the date of delivery.

Governmental activities and governmental fund inventories, if any, consists of expendable supplies held for consumption. In the government-wide financial statements and governmental funds, inventory items, if any, are initially recorded as assets and charged to expense in the various functions of government as they are consumed. Inventories reported in the fund financial statements are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Nonspendable fund balance related to inventory are reported net of related liabilities (accounts payable).

h. Capital Assets and Infrastructure assets:

Capital assets include land, buildings, improvements, and equipment, and all other tangible or intangible assets that are used in operations, which have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets. Infrastructure assets, if any, are classified as "Improvements Other than Buildings."

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

Government-wide Financial Statements:

In the government-wide financial statements, capital assets are accounted for on the accrual basis of accounting. Capital asset purchases are capitalized and not expensed. Instead, capital purchases are expensed over the life of the asset as depreciation or amortization.

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. After an item has been capitalized, subsequent improvements or betterments that are significant, and which extend the useful life of the item, are also capitalized.

The total June 30, 2024 balance of capital assets for governmental activities include approximately 5% for which the costs were determined by estimates of the original costs. The total June 30, 2024 balance of capital assets for business-type activities includes approximately 0% for which the costs were determined by estimates of the original costs. The estimated original costs were established by appraisals or deflated current replacement cost.

Interest cost incurred during construction of general capital assets are not capitalized with other capital asset cost. Interest cost incurred during construction of enterprise capital assets are not capitalized with other capital asset cost.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide statement of activities and the enterprise fund statement of revenue, expenses and changes in fund net position. Accumulated depreciation/amortization is reported on the government-wide statement of net position and on the enterprise fund's statement of net position. See page 33.

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

	Capitalization Threshold -----	Depreciation Amortization Method -----	Estimated Life in Years -----
Land	All	N/A	N/A
Buildings/structures	50,000	Straight-line	10-50
Improvements	25,000	Straight-line	10-20
Equipment	5,000	Straight-line	5-20
Equipment - food service	3,000	Straight-line	10-20
Vehicles	5,000	Straight-line	10
Copiers (leasehold)	2,000	Straight-line	3-5

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

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

i. Long-term Liabilities:

The accounting treatment for long-term liabilities depends on whether the assets are used in governmental fund operations or enterprise fund operations and whether they are reported in the government-wide or fund financial statements. See page 34.

Government-wide Financial Statements:

In the government-wide financial statements, all long-term liabilities to be repaid from governmental or business-type resources are reported as liabilities. Long-term liabilities consist of one Rural Electric Economic Development loan, one limited tax GO certificate issue, one energy efficiency loan from the state for LED lighting, two copier leases, two direct borrowings, and early retirement obligations.

Fund Financial Statements:

In the fund financial statements, governmental 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 enterprise fund long-term debt is on the accrual basis, the same as in the government-wide statements.

j. Leases:

The School District is a lessee on two (2) noncancellable copier leases with an initial capitalization amount of \$27,144. The School District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The School District recognizes lease liabilities with an initial individual value of \$2,000 or more. See page 33.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the term of the lease using a 5% imputed rate of interest. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The intangible right-to-use lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the fixed term as stated in a lease contract.

Key estimates and judgments related to leases include how the School District determines (1) the imputed rate of interest used to discount lease payments to a present value, 5% was determined to be reasonable, (2) lease term is the noncancellable period of the lease (3) lease payments included in the measurement of the lease liability are composed of the fixed payments as stated in the lease contracts and a purchase option price of zero based on the School District's practice of leasing a new copier at the end of a copier lease.

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

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

k. Deferred Outflows and Deferred Inflows of Resources:

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

In the government-wide financial statements, the only deferred outflow of resources reported is a deferred amount arising from the School District's pension plan for qualified retirees as discussed in Note 11.

In the fund financial statement there are no deferred outflows of resources reported in the governmental funds. There is deferred outflows of resources reported in the enterprise funds arising from School District's pension plan for qualified retirees as discussed in Note 11.

In addition to liabilities, the statement of financial position has a separate section to report 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.

In the government-wide financial statements, the only deferred inflow of resources reported are deferred amounts arising from the School District's pension plan and property taxes that are levied for future periods.

In the funds financial statement, governmental funds report deferred inflows of resources for property taxes levied but not collected within the available period and property taxes levied in the available period that are intended to finance operations of the next fiscal year. Enterprise funds report deferred inflows of resources arising from School District's pension plan for qualified retirees as discussed in Note 11.

1. Accumulated Unpaid Vacation and Sick Leave:

Vacation leave is non-accumulative. Vacation leave is earned by full-time non-certified employees at the rate of 2 to 3 weeks per year. Upon termination employees are not entitled to receive compensation for their accrued annual leave balance. At June 30, 2024 unused vacation leave was \$2,877.

Sick and personal leave is earned by full-time employees at the rate of 10 days per year, accumulated to 80 days. Upon termination, employees are not entitled to receive compensation for their accrued sick leave balance. At June 30, 2024 there were 1,817.88 days of unused sick days, which if taken at an average teacher's daily pay of \$250 would equal \$454,470.

The financial statements do not give effect to these potential liabilities.

m. Program Revenues and General Revenues:

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

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

General revenues include all revenues not specifically earmarked for a specific program. General revenues include all taxes, investment earnings, unrestricted receipts from the county, state, or federal governments, and miscellaneous revenues not related to a program. These revenues are not restricted and can be used for the regular operation of the School District.

n. Enterprise Fund Revenue and Expense Classifications:

In the government-wide and fund financial statements, enterprise revenues and expenses are classified in a manner consistent with how they are classified in the statement of cash flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

o. Unearned Revenue:

The enterprise fund reports meal tickets of \$10,298 that have been purchased but not yet redeemed as unearned revenue. Also, unspent federal supply chain grant receipts of \$9,773 is reported as unearned revenue.

p. Equity Classifications:

Government-wide Statements:

Net Position includes the following 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 capital outlay certificate payable, capitalized leases payable, 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 creditor, 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 positions that do not meet the definition of "restricted" or "invested in Capital assets".

Fund Financial Statements:

Governmental fund equity is classified as "Fund Balance", and is distinguish between "Nonspendable", "Restricted", "Committed", "Assigned", and "Unassigned" components.

Enterprise fund equity is classified as "Net Position", the same as in the government-wide financial statements.

Fiduciary fund equity is reported as "Net Position - Restricted".

q 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 which can be charged to either restricted or unrestricted net position.

r. 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 (or modified or rescinded) by the government through formal action at 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 School Board, Superintendent, or Business Manager.
- * Unassigned - includes positive fund balance within the general fund which has not been classified within the above categories and negative fund balances in other governmental funds.

Rosholt School District fund balance classifications are made up of:

<u>Fund Balance Classifications</u>	<u>Account or Fund</u>	<u>Authority or Action</u>	<u>Amount</u>
Nonspendable	Advance payments		8,000
Restricted	Capital Outlay	Statute	1,689,524
	Special Education	Statute	361,513
Committed			0
Assigned			0
Unassigned	General		1,048,308

			3,107,345

The School District uses "restricted" and "committed" amounts first when 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 that are applicable to more than one of these balances.

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

The purpose of each special revenue fund and revenue source is:

Special Revenue Fund:	Purpose:	Revenue Source: (see page 7)
* Capital Outlay	See Note 1(b)	Property taxes
* Special Education	See Note 1(b)	Property taxes, grants, and Medicaid services reimbursements

s. Allowance for Doubtful Accounts:

Because write-off of uncollected taxes and/or student meals is minimal, is it not considered necessary to establish an estimated allowance for doubtful accounts.

t. Accounting Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from these estimates. Following are the estimates made by management during the year:

- * Allowance for doubtful accounts - estimated uncollectables
- * Inventory - estimated fair market value
- * Depreciation - estimated service lives
- * Pension - actuarial assumptions
- * Leases - estimate of imputed interest rate

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

None reported.

3. DEPOSITS, INVESTMENTS AND RISK

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

Deposits - The School District deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 13-16-15 and 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 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 better, or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Deposits are reported at cost, plus interest, if the account is the add-on type.

Actual bank balances at June 30, 2024 were as follows: Insured \$500,000, Collateralized ** \$3,144,602 for a total of \$3,644,602.

** Uninsured, collateral jointly held by state's/school's agent in the name of the state and the pledging financial institution.

The carrying amount of these deposits at June 30, 2024 was \$3,496,202, which equals \$3,379,415 on the government-wide statement of net position plus \$117,187 on the fiduciary funds statement less \$400 of petty cash.

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

During the year ending June 30, 2024 the School District had no investments.

Cash Equivalents - Certificates of deposit, with a term to maturity of greater than 3 months when purchased, were insured or collateralized and are considered deposits.

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

Concentration of Credit Risk - the School District places no limit on the amount that may be deposited/invested in any one institution. All School District deposits are at First Interstate Bank.

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. At June 30, 2024, the School District's deposits in financial institutions were not exposed to custodial credit risk as all deposits were fully collateralized by pledged securities.

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.

4. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year. Allowances for estimated uncollectible accounts are not material to these financial statements.

5. DUE FROM OTHER GOVERNMENTS

At June 30, 2024 amounts due from other governments was for the following:

		Governmental Activities	Business-type Activities
Roberts County	Property taxes	23,049	
Roberts County	Gross Receipt taxes	25,333	
South Dakota	Gross Receipt taxes	26,303	
Federal Title I		25,760	
Federal Title II REAP		2,430	
Medicaid expenses		644	
		-----	-----
		103,519	0

6. INVENTORY

Government-wide Statements: (consumption method)

In the government-wide financial statements, inventory items are initially recorded as assets and charged to expense in the various functions of government as they are used. Inventory of supplies and small tools is recorded at cost.

Donated items are valued at estimated market value at the date of receipt. The cost valuation method is first-in first-out. Inventory at June 30, 2024 is estimated to be \$8,334 primarily for food in the food service fund.

Fund Financial Statements: (consumption method)

In the fund financial statements inventory of supplies and small tools are recorded as assets when purchased and charged to expenditure/expense when they are consumed. Reported governmental inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Inventory of supplies and small tools are recorded at cost. The cost valuation method is first-in first-out. Donated commodities in the food service fund are valued at estimated market value based on the USDA price list at date of receipt.

7. CHANGES IN CAPITAL ASSETS (see schedule one)

A summary of changes in capital assets for the fiscal year ending June 30, 2024 is found on schedule one at the end of these footnotes. There is no construction-in-progress at June 30, 2024.

8. LONG-TERM LIABILITIES (see schedule two)

A summary of changes in long-term liabilities for the fiscal year ending June 30, 2024 is found on schedule two at the end of these footnotes. The School District has no: (a) unused lines-of-credit except for a \$20,000 credit card line-of-credit, (b) short-term debt, (c) debt extinguishments, defeasances, refundings or troubled debt restructuring, (d) special assessment debt, (e) conduit debt, (f) derivatives or hedging of variable rate debt, (g) debt related to claims and judgments, or (h) other than the collateral specified, debt agreements terms related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences or (3) subjective acceleration clauses.

9. INTERFUND BALANCES AND TRANSFERS

At June 30, 2024 the custodial imprest fund held \$8,000 of general fund money to cover School District cost paid through the imprest fund.

During the year ending June 30, 2024 the capital outlay fund transferred \$270,000 to the general fund for operations.

10. RESTRICTED NET POSITION

The following table shows the net position restricted for specific purposes as shown on the statement of net position:

Fund	Restricted by	Governmental Activities Amount	Business-type Activities Amount
Capital outlay	Statute	1,693,597	
Special education	Statute	363,711	
SDRS pension purposes	Statute	231,811	8,330
		-----	-----
Total restricted net position		2,289,119	8,330

Although unrestricted, the Food Service Fund's net position of \$79,545 is limited by Federal Regulations as the School District's food services are primarily funded with federal grants.

11. PENSION PLAN

Summary of Significant Accounting Policies:

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

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 SDFRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SDRS, PO Box 1098, Pierre, SD 57501-1098; accessing <http://sdrs.sd.gov/publications.aspx> or 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 public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

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

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

- > Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- > If the fair value of assets is equal to or greater 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 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 .05 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, contributions 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 years ending June 30, 2024, 2023 and 2022 were \$105,022, \$105,925, and 98,114 respectively (employer's share) equal to the required contribution each year.

Pension (Assets)/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources to Pensions:

At June 30, 2023 SDRS is 100.1% funded and accordingly has net pension (asset). The proportionate shares of the components of the net pension (asset) of South Dakota Retirement System, for the School District as of this measurement period ending June 30, 2023 and reported by the School District as of June 30, 2024 are as follows:

Proportionate share of total pension liability	\$ 9,918,010
Less: Proportionate share of net position restricted for pension benefits	(9,924,690)

Proportionate share of net pension (asset)/liability	\$ (6,680)
	=====

At June 30, 2024 the School District reported a (asset)/liability of \$(6,680) for its proportionate share of the net pension (asset)/liability. The net pension (asset) was measured as of June 30, 2023 and the total pension liability used to calculate the net pension (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the School District's proportion was .000684440 which is a decrease of .00000038 over its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized net pension expense of \$26,048. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 189,360	\$ 0
Change in assumptions	228,395	333,863
Net difference between projected and actual earnings on pension plan investments	44,476	0
Changes in proportion and difference between School District contribution and proportionate share of contributions	70	
School District contributions subsequent to the measurement date	105,022	
	-----	-----
Totals	\$ 567,323	\$ 333,863
	(105,022)	=====
	(333,863)	

To be amortized over 4 years	\$ 128,438	
	=====	

The \$105,022 reported as deferred outflow of resources related to the pension, results from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

The other amounts reported as deferred outflows of resources and deferred inflow of resources related to the pension will be recognized in pension expense (reduction of expense) as follows:

Year Ending June 30, 2025	\$ 91,025
June 30, 2026	(101,364)
June 30, 2027	129,376
June 30, 2028	9,401

	\$ 128,438

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real return of 4.00%
Future COLAs	1.91%
Mortality rates:	All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: Pub T-2010
Other Class A Members: Pub G-2010
Public Safety Members: Pub S-2010

Retired Members:

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

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

Public Safety Retirees: Pub S-2010, 102% of rate at all ages

Beneficiaries:

Pub G-2010 contingent survivor mortality table

Disabled Members:

Public Safety: Pub S-2010 disabled member mortality table
Others: Pub G-2010 disabled member mortality table

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

Investments

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 (ie: 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

	100.0%	
	=====	

Discount Rate:

The discount rate used to measure the total pension asset was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on those 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 asset.

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

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

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
School District's proportionate share of the net pension (asset)/liability	\$1,369,256	\$(6,680)	\$(1,131,934)

Pension Plan Fiduciary Net Position:

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

12. EMPLOYEE BENEFIT PLAN

The School District offers eligible employees a "Flexible Benefits Plan" (also known as "Flex One" plan) under IRC Sec.125. The Plan allows eligible employees to use money provided by the School District through employee salary redirection, to choose (and pay for) one or more benefits offered through the Plan. All salary re-directions are sent to AFLAC which administers the Plan.

13. PROPERTY TAXES

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

School District property tax revenue 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 not susceptible to accrual, has been reported as deferred revenue in both the government-wide financial statements and the fund 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". However, because property taxes are payable on April 30 and October 31 each year, about 1/2 of the property tax levy is collected by June 30, to finance the current year's appropriations, and 1/2 is collected after June 30, to finance the next year's appropriations.

Consequently, the School District considers all unpaid property tax levies at June 30 to be for the next year's appropriation. This entire amount is deferred in both the government-wide financial statements and the fund financial statements. Any delinquent property taxes received after June 30, but within the School District's "availability period", are considered immaterial to these financial statements and are deferred along with the second 1/2 of the current year's tax levy.

Delinquent property taxes, from prior year tax levies, are included in "net position" in the government-wide statement of activities but are deferred in the fund financial statements. See reconciliations on page 6 and 8.

14. JOINT VENTURE

Northeast Educational Services Cooperative No. 28-201
P.O. Box 327, Hayti, South Dakota 57241, 605.783.3607

The School participates in Northeast Educational Services Cooperative, a cooperative service unit (co-op) formed for the purpose of providing special education and other services to member school districts. At June 30, 2024, the School's percentage of participation in the co-op, based on pupil counts, is 3%.

The co-op's governing board has two representatives from the school board of each member school. 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 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 of the co-op are available at its business office in Hayti, South Dakota. At June 30, 2024 this joint venture had total AUDITED fund equity of \$2,222,928 and no long-term debt.

15. RISK MANAGEMENT

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

Health:

The School 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:

The School 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.

Workmen's Compensation:

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

Unemployment Benefits:

The School has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits. Any claims would be paid by the general fund. During the year ending June 30, 2024 the School District did not pay any unemployment claims and none are expected to be paid in FY25.

16. TAX ABATEMENTS

As of June 30, 2024 the School District did not provide any tax abatement incentives through agreements that are considered tax abatements in accordance with the provisions of GASB Statement No. 77.

17. LITIGATION

The School District can be a party to litigation. No determination can be made at this time regarding the potential outcome of such matters. However, as discussed in the risk management note above, the School District has liability coverage for itself and its employees. Therefore, any litigation is not expected to have a potential material effect on the School District's financial statements.

18. OTHER DISCLOSURES

A review of all School District policies is done by a law firm that specializes in school policies.

The School District added pre-school activities as part of an enterprise fund in FY25.

Southeast Area Cooperative, an educational cooperative established pursuant to SDCL 13-5, and the Rosholt School District and other parties have established an entity named Southeast Interactive Long Distance Learning Project. The entity was established to jointly and cooperatively provide and utilize a two-way interactive audio-video network between Participants so as to provide a comprehensive educational program.

The School District is dependent upon program revenues and operating revenues from the State of South Dakota for its primary existence.

Student enrollments are:	FY13 224	FY16 230	FY19 249	FY22 242	FY25 223
	FY14 215	FY17 230	FY20 243	FY23 230	
	FY15 215	FY18 244	FY21 243	FY24 225	

The School District does not have any Subscription-Based Information Technology Arrangements to report.

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE ONE
 CHANGES IN CAPITAL ASSETS
 FOR THE YEAR ENDING JUNE 30, 2024

	Beginning 6-30-23	Adjustments	Additions	(Deletions)	Ending 6-30-24	Accumulated Depreciation Amortization 6-30-23	Adjustments	(Additions)	Deletions	Accumulated Depreciation Amortization 6-30-24	Remaining Cost 6-30-24
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
General capital assets:											
Not being depreciated:											
Land	42,234				42,234						42,234
Construction-in-progre	0				0	0				0	0
Totals	42,234	0	0	0	42,234	0	0	0	0	0	42,234
Being depreciated/amortized:											
Buildings	5,817,389				5,817,389	-1,543,848		-109,881		-1,653,729	4,163,660
Improvements	229,118		31,255		260,373	-158,377		-16,238		-174,615	85,758
Equipment	2,753,495		12,265		2,765,760	-587,012		-221,738		-808,750	1,957,010
Equipment - vehicles	561,950				561,950	-366,165		-46,277		-412,442	149,508
Intangible copier leases	32,997				32,997	-15,381		-7,153		-22,534	10,463
Totals	9,394,949	0	43,520	0	9,438,469	-2,670,783	0	-401,287	0	-3,072,070	6,366,399
Combined totals	9,437,183	0	43,520	0	9,480,703	-2,670,783	0	-401,287	0	-3,072,070	6,408,633

Governmental depreciation
is allocated as follows:

Instruction	49,168
Support	307,557
Co-curricular	44,562

	401,287
	=====

Enterprise fund:

Food service fund:

Equipment	88,936				88,936	-49,109		-6,426		-55,535	33,401
Totals	88,936	0	0	0	88,936	-49,109	0	-6,426	0	-55,535	33,401

ROSHOLT SCHOOL DISTRICT NO. 54-4
 NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE TWO
 CHANGES IN LONG-TERM LIABILITIES
 FOR THE ONE YEAR ENDING JUNE 30, 2024

	Beginning 6-30-23	Additions	(Deletions)	Governmental Ending 6-30-24	Principal Due in FY25
GOVERNMENTAL - DIRECT BORROWING					
2014 Rural Electric Economic Development (REED) Loan:					
Original face amount: \$300,000					
Maturing November 25, 2024					
Interest at 0%					
Annual payments of \$30,000 for 10 years					
Purpose - school building improvements					
Collateral - REED staff perfects in the form of a mortgage on real property and/or a lien (UCC-1) on equipment and/or fees and revenue streams of a public body.					
Paid by the capital outlay fund	60,000		-30,000	30,000	30,000
2019 Energy Efficiency School Loan (LED lights):					
Original face amount: \$92,797					
Maturing July 31, 2028					
Interest at 0%					
Annual payments of \$9,280					
Loan comes from the State of South Dakota's Bureau of Administration's (BOA) general fund.					
Collateral - Breach or evasion of any terms of Agreement with BOA authorizes recourse to injunction and/or specific performance as well as all other legal or equitable remedies to which BOA may be entitled.					
Paid from capital outlay fund	55,677		-9,280	46,397	9,280
2020 Limited Tax GO Refunding Certificates:					
Total amount of \$3,235,000					
Maturing 12-1-2035					
Interest from 1.70% to 2.00%					
First payment: 12-1-2021					
Purpose - HVAC and building addition					
Callable on December 1, 2026					
Collateral - Ad valorem taxes not in excess of three dollars per thousand annually upon all of the taxable property of the School District, for the capital outlay fund of the School District, from which fund said Certificates and interest thereon are payable. Also secured by School District's participation in the Pledged State Aid Program under SDCL 13-19-27 and 13-16A-97					
Paid by the capital outlay fund	2,855,000		-195,000	2,660,000	200,000
Direct borrowing for administration copier:					
Original amount: \$2,761					
Maturing June 2024					
Imputed interest at 5.0%					
Monthly payments of \$63.59					
Collateral - Copiers					
Paid from capital outlay fund	743		-743	0	0
Direct borrowing for Colony copier:					
Original amount: \$3,091					
Maturing December 2024					
Imputed interest at 5.0%					
Monthly payments of \$71.19					
Collateral - Copiers					
Paid from capital outlay fund	1,232		-811	421	421
GOVERNMENTAL - OTHER DEBT					
2022 Lease of 2 big copiers:					
Original amount: \$24,980					
Maturing February 2027					
Imputed interest at 5.0%					
Monthly payments of \$471.41					
Collateral - Copiers					
Paid from capital outlay fund	18,916		-4,821	14,095	5,067
2022 Lease of front office copier:					
Original amount: \$2,164					
Maturing February 2027					
Imputed interest at 5.0%					
Monthly payments of \$64.85					
Collateral - Copiers					
Paid from capital outlay fund	1,002		-745	257	257
Early Retirement	32,759		-22,022	10,737	10,737
Total Governmental	3,025,329	0	-263,422	2,761,907	255,762

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE TWO (continued)
 CHANGES IN LONG-TERM LIABILITIES
 FOR THE ONE YEAR ENDING JUNE 30, 2024

Remaining Payments Schedule as of June 30, 2024	Total Payment	Principal	Interest	Remaining Balance
	-----	-----	-----	-----
2014 Rural Electric Economic Development Loan:				
6-30-25	30,000	30,000	0	0
	=====	=====	=====	
2019 Energy Efficiency School Loan (LED lights):				
6-30-25	9,280	9,280	0	37,117
6-30-26	9,280	9,280	0	27,837
6-30-27	9,280	9,280	0	18,557
6-30-28	9,280	9,280	0	9,277
6-30-29	9,277	9,277	0	0
	-----	-----	-----	
	46,397	46,397	0	
	=====	=====	=====	
2020 Limited Tax GO Refunding Certificates:				
6-30-25	249,408	200,000	49,408	2,460,000
6-30-26	245,407	200,000	45,407	2,260,000
6-30-27	246,358	205,000	41,358	2,055,000
6-30-28	247,208	210,000	37,208	1,845,000
6-30-29	247,958	215,000	32,958	1,630,000
FY30-FY34	1,244,174	1,145,000	99,174	485,000
FY35-FY36	493,647	485,000	8,647	0
	-----	-----	-----	
	2,974,160	2,660,000	314,160	
	=====	=====	=====	
Direct borrowing Colony copier:				
6-30-25	427	421	6	0
	=====	=====	=====	
2022 Lease of 2 big copiers:				
6-30-25	5,657	5,067	590	9,028
6-30-26	5,657	5,326	331	3,702
6-30-27	3,771	3,702	69	0
	-----	-----	-----	
	15,085	14,095	990	
	=====	=====	=====	
2022 Lease of front office copier:				
6-30-25	260	257	3	0
	=====	=====	=====	
Early Retirement:				
6-30-25	10,737	10,737	0	0
	=====	=====	=====	

ROSHOLT SCHOOL DISTRICT NO. 54-4
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING JUNE 30, 2024

GENERAL FUND	Budgeted Amounts				Actual	Variance Positive (Negative)
	Original	Contingency		Final		
Revenues:		Transfers	Supplementals			
Local Sources:						
Taxes:						
Ad valorem taxes	576,000			576,000	647,651	71,651
Mobile home	2,200			2,200	3,138	938
Prior year ad valorem taxes:	800			800	5,151	4,351
Penalties and interest	1,500			1,500	2,110	610
Gross receipts	45,000			45,000	51,636	6,636
Interest and dividends	35,000			35,000	65,286	30,286
Cocurricular activities:						
Admissions	15,500			15,500	10,660	-4,840
Student activities				0	4,397	4,397
Other revenue from local sources:	6,000			6,000		-6,000
Medicaid administration	1,500			1,500	1,771	271
LEAS outside of state				0	24,242	24,242
Donations				0	794	794
Other				0	8,601	8,601
Refund of prior year exp.				0	16,874	16,874
Intermediate sources:						
County apportionment	17,000			17,000	31,577	14,577
State sources:						
State aid, unrestricted	1,413,156			1,413,156	1,490,785	77,629
State apportionment	9,000			9,000		-9,000
Bank franchise	17,000			17,000		-17,000
Federal sources:						
Restricted grants-in-aid	285,255			285,255	298,352	13,097
Total revenues	2,424,911	0	0	2,424,911	2,663,025	238,114
Expenditures:						
Instruction:						
Regular programs:						
Elementary school	577,670			577,670	560,888	16,782
Middle school	250,950	8,500		259,450	255,648	3,802
High school	485,850			485,850	469,936	15,914
Special programs:						
Educ. deprived (Title I)	171,642	20,500		192,142	187,016	5,126
Support services:						
Pupils:						
Guidance	32,625	3,000		35,625	35,285	340
Health	6,700			6,700	3,656	3,044
Instruction:						
In-staff training				0	490	-490
Educational media				0	4,001	-4,001
Technology in school	50,013			50,013	40,248	9,765
General administration:						
Board of Education	26,325	3,000		29,325	19,656	9,669
Executive administration	80,540			80,540	80,518	22
School administration:						
Office of principal	209,500			209,500	195,206	14,294
Business:						
Fiscal services	195,725			195,725	192,233	3,492
Operations and maintenance	433,200	2,500		435,700	322,343	113,357
Pupil transportation	164,500			164,500	147,652	16,848
Background checks		1,500		1,500	2,760	-1,260
Nonprogram charges:						
Early retirement	25,000			25,000	22,022	2,978
Cocurricular activities:						
Male activities	50,600			50,600	25,488	25,112
Female activities	39,250	1,000		40,250	37,150	3,100
Transportation	25,000			25,000	11,373	13,627
Combined activities	118,050			118,050	81,517	36,533
Contingencies						
Amount transferred	40,000	-40,000		0		0
Total expenditures	2,983,140	0	0	2,983,140	2,695,086	288,054
Other sources and (uses):						
Transfer in	270,000			270,000	270,000	0
Net change in fund balance	-288,229	0	0	-288,229	237,939	526,168
Fund balance:						
July 1, 2023	818,369			818,369	818,369	0
June 30, 2024	530,140	0	0	530,140	1,056,308	526,168

ROSHOLT SCHOOL DISTRICT NO. 54-4

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING JUNE 30, 2024

CAPITAL OUTLAY FUND	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Supplementals	Final		
Revenues:					
Local Sources:					
Taxes:					
Ad valorem taxes	640,000		640,000	627,857	-12,143
Mobile home	1,500		1,500	1,761	261
Prior year ad valorem taxes	500		500	3,964	3,464
Penalties and interest	2,000		2,000	1,843	-157
Interest:	2,000		2,000	7,800	5,800
Federal sources:					
Restricted grants-in-aid	30,000		30,000	0	-30,000
Total revenues	676,000	0	676,000	643,225	-32,775
Expenditures:					
Instruction:					
Regular programs:					
Elementary school	20,000		20,000	18,849	1,151
Middle school	10,000		10,000	9,353	647
Support services:					
Business:					
Operation and maintenance	100,000		100,000	13,646	
Improvements	20,000		20,000	43,520	
Debt service:	298,530		298,530	296,470	2,060
Total expenditures	448,530	0	448,530	381,838	3,858
Other financial sources (uses):					
Transfer (out)	-270,000		-270,000	-270,000	0
Net change in fund balance	-42,530	0	-42,530	-8,613	-28,917
Fund balance:					
July 1, 2023	1,698,137		1,698,137	1,698,137	0
June 30, 2024	1,655,607	0	1,655,607	1,689,524	-28,917

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING JUNE 30, 2024

SPECIAL EDUCATION FUND	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Supplementals	Final		
Revenues:					
Local Sources:					
Taxes:					
Ad valorem taxes	370,000		370,000	371,080	1,080
Mobile home taxes	1,000		1,000	1,040	40
Prior year ad valorem taxes	1,000		1,000	2,369	1,369
Penalties and interest	1,000		1,000	1,085	85
Interest and dividends			0		0
Medical administration	990		990	624	-366
Total revenues	373,990	0	373,990	376,198	2,208
Expenditures:					
Instruction:					
Regular programs:					
High school instruction	16,500		16,500		16,500
Special programs:					
Special education	333,700		333,700	313,418	20,282
Support services:					
Pupils:					
Special education	48,700		48,700	52,627	-3,927
Business:					
Pupil transportation			0		0
Total expenditures	398,900	0	398,900	366,045	32,855
Other sources and (uses):					
None	0		0		0
Change in fund balance	-24,910	0	-24,910	10,153	35,063
Fund balance:					
July 1, 2023	351,360		351,360	351,360	0
June 30, 2024	326,450	0	326,450	361,513	35,063

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGET

1. BUDGETS AND BUDGETARY ACCOUNTING

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

- a. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
- b. The proposed budget is considered by the school board at the first regular meeting held in May of each year.
- c. The proposed budget is published for public review no later than July 15 of each year.
- d. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
- e. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.
- f. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 1h below.
- g. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year. No amount of expenditures may be charged directly to the contingency line item in the budget.
- h. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets, when money is available, to increase legal spending authority. There were no supplemental budgets in FY24.
- i. Unexpended appropriations lapse at year end unless encumbered by resolution of the school board. No encumbrances were outstanding at June 30, 2024.
- j. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Formal budgetary integration is not employed for debt service funds (if any) because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Generally accepted accounting principles prescribe that budgetary information be presented for the general fund and major special revenue funds of the School District.
- k. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

2. GAAP and Budgetary Accounting Basis Difference:

The financial statements prepared in conformity with U.S.GAAP 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 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 service/business/pupil transportation function of government, along with all other current pupil transportation related expenditures.

ROSHOLT SCHOOL DISTRICT No. 54-4
FOR THE TEN YEARS ENDING JUNE 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE
SOUTH DAKOTA RETIREMENT SYSTEM'S NET PENSION (ASSET)/LIABILITY

SDRS Measurement Date Year Ended (1)	School's Pension Allocation Percentage	School's Proportionate Share of Net Pension (Asset) Liability	School's Covered Employee Payroll for its 6-30 Year End	School's	Plan
				Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Employee Payroll	Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2023	0.0684440%	-6,680	1,765,417	(00.40%)	100.10%
June 30, 2022	0.0684820%	-6,471	1,635,233	(00.40%)	100.10%
June 30, 2021	0.0745770%	-571,132	1,690,700	(33.78%)	105.53%
June 30, 2020	0.0741725%	-3,221	1,629,567	(00.20%)	100.04%
June 30, 2019	0.0735362%	-7,793	1,560,833	(00.50%)	100.09%
June 30, 2018	0.0701499%	-1,636	1,461,050	(00.11%)	100.02%
June 30, 2017	0.0698906%	-6,343	1,420,033	(00.45%)	100.10%
June 30, 2016	0.0634035%	214,171	1,205,618	17.76%	96.89%
June 30, 2015	0.0612490%	-259,775	1,118,233	(23.23%)	104.10%
June 30, 2014	0.0600000%	-437,644	1,062,267	(41.20%)	107.30%

(1) The amounts presented for each fiscal year were determined as of the collective pension (asset)/liability which is 6-30 of the School's previous fiscal year.

Note: This schedule is intended to show information for ten years.

ROSHOLT SCHOOL DISTRICT No. 54-4
FOR THE TEN YEARS ENDING JUNE 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
TO THE SOUTH DAKOTA RETIREMENT SYSTEM

School's Year Ended	Contributions Related to the			School's Covered Employee Payroll for its June 30 th Year End	Contributions as a Percentage of Covered Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		
June 30, 2024	105,022	105,022	0	1,750,367	6.00%
June 30, 2023	105,925	105,925	0	1,765,417	6.00%
June 30, 2022	98,114	98,114	0	1,635,233	6.00%
June 30, 2021	101,442	101,442	0	1,690,700	6.00%
June 30, 2020	97,774	97,774	0	1,629,567	6.00%
June 30, 2019	93,650	93,650	0	1,560,833	6.00%
June 30, 2018	87,663	87,663	0	1,461,050	6.00%
June 30, 2017	85,202	85,202	0	1,420,033	6.00%
June 30, 2016	72,337	72,337	0	1,205,618	6.00%
June 30, 2015	67,094	67,094	0	1,118,233	6.00%

Note: This schedule is intended to show information for ten years.

ROSHOLT SCHOOL DISTRICT No. 54-4
JUNE 30, 2024

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY AND
SCHEDULE OF PENSION CONTRIBUTIONS FOR THE YEAR ENDING JUNE 30, 2022

Changes of Prior Valuation:

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

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

Benefit Provision Changes:

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

Actuarial Method Changes:

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

Actuarial Assumption Changes:

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

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

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

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

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*

Governing Board
Rosholt School District No. 54-4
Rosholt, South Dakota

INDEPENDENT AUDITOR'S REPORT

I 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 governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Rosholt School District (School District), Roberts County, South Dakota, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued my report thereon dated February 20, 2025, which was unmodified.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exist 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 Rosholt School District's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency*, is a deficiency, or 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.

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

I did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-01 that I consider to be a significant deficiency.

Government Auditing Standards require the auditor to perform limited procedures on the School District's response to the internal control over financial reporting finding identified in my audit described in the accompanying schedule of findings and responses. The School District's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

I did note minor matters involving internal control that I reported to the governing body and management of the Rosholt School District in a separate Letter of Comments dated February 20, 2025.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rosholt School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.

I did note minor matters involving compliance that I reported to the governing body and management of the Rosholt School District in a separate Letter of Comments dated February 20, 2025.

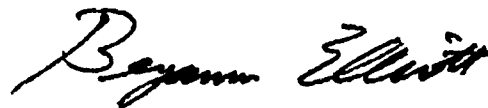
Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rosholt School District's internal control over financial reporting 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.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota

February 20, 2025



SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Federal Compliance Audit finding:

The prior audit report was not subject to federal Single Audit requirements.

Prior Other Audit Findings:

2023-01: Preparation of Financial Statements: Repeated below at 2024-01

SCHEDULE OF CURRENT AUDIT FINDINGS AND RESPONSES

Part I - Summary of the Audit:

Financial Statements:

Type of auditor's report issued:

Unmodified on:

Governmental Activities
Business-Type Activities
Major Funds
Aggregate Remaining Funds

Material noncompliance noted:

None Reported

Internal control over financial reporting:

* Material weakness(es) identified?

None Reported

* Significant deficiency(ies) identified
that are not considered to be material
weaknesses?

Finding 2024-01

Part II - Findings Relating to the Financial Statements

Finding 2024-01: Preparation of Financial Statements
(internal control)

Condition:

As the auditor, I was requested to draft these financial statements and accompanying notes to the financial statements.

Criteria:

A good system of internal control contemplates an adequate system for recording and processing entries material to the financial statements and the preparation of the financial statements.

Cause of the Condition:

The School District has elected not to have an internal control system designed to provide for the preparation of the financial statement being audited.

Effect:

This control deficiency could result in a misstatement of the financial statements that would not be prevented or detected.

Recommendation:

This situation is not unusual for an entity of this School District's size. It is the responsibility of management, and those charged with governance, to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management Response:

Due to cost constraints, the School District has decided to continue having the auditor draft the financial statements and accompanying notes to the financial statements.