TODD COUNTY SCHOOL DISTRICT NO. 66-1
OF TODD COUNTY

AUDIT REPORT

FISCAL YEAR JULY 1, 2021, TO JUNE 30, 2022

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2022

BOARD MEMBERS:

Deb Boyd – President
Sage Fast Dog – Vice-President
Michelle Allen
Linda Bordeaux
Tim Cournoyer

SUPERINTENDENT:

Carol Galbraith

BUSINESS MANAGER:

Chad M. Blotsky

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

School Board
Todd County School District No. 66-1
Todd County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Todd County School District No. 66-1, South Dakota (School District), as of June 30, 2022 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 13, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
February 13, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

School Board
Todd County School District No. 66-1
Todd County, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Todd County School District No. 66-1, South Dakota (School District), compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

In our opinion, the Todd County School District No. 66-1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards);* and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express and opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that resting based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
February 13, 2023

TODD COUNTY SCHOOL DISTRICT NO. 66-1
SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

PRIOR FEDERAL COMPLIANCE AUDIT FINDINGS:

There are no prior federal compliance audit findings to disclose.

PRIOR OTHER AUDIT FINDINGS:

There are no prior other audit findings to disclose.

TODD COUNTY SCHOOL DISTRICT NO. 66-1
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

CURRENT AUDIT FINDINGS AND QUESTIONED COSTS:

Summary of the Independent Auditor's Results:

Financial Statements:

a. An unmodified opinion was issued on the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

b. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards:

c. An unmodified opinion was issued on compliance with the requirements applicable to major programs.

d. Our audit did not disclose any audit findings that need to be disclosed in accordance with the 2 CFR 200.516(a).

e. The federal awards tested as major programs were:

(1) Child Nutrition Cluster:	
School Breakfast Program	CFDA No. 10.553
National School Lunch Program	CFDA No. 10.555
(2) Student Support and Academic Enrichment Program	CFDA No. 84.424
(3) Elementary and Secondary School Emergency Relief Fund	CFDA No. 84.425

f. The dollar threshold used to distinguish between Type A and Type B federal award programs was $750,000.

g. Todd County School District No. 66-1 did qualify as a low-risk entity.

CURRENT FEDERAL COMPLIANCE AUDIT FINDINGS:

There are no current federal compliance audit findings to disclose.

CURRENT OTHER AUDIT FINDINGS:

There are no current other audit findings to disclose.

CLOSING CONFERENCE

The audit was discussed with one board member, the superintendent, and the business manager on November 30, 2022.

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INDEPENDENT AUDITOR'S REPORT

School Board
Todd County School District No. 66-1
Todd County, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Todd County School District No. 66-1, South Dakota (School District), as of June 30, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Todd County School District No. 66-1 as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Budgetary Comparison Schedules, the Schedule of the School District Contributions, and the Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Federal Awards, which was required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
February 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Todd County School District 66-1's annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year ended on June 30, 2022. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's net position from governmental and business-type related activities were up by $9,345,686. Total revenue was down 4.12% while expenditures increased 4.39% in comparison to prior year.
- During the year, the School's revenues generated from taxes and other revenues of the governmental and business-type programs were $9,345,687 more than the $34,249,390 in governmental and business-type program expenditures. Overall expenditures increased by $1,440,526.
- The school district has engaged an Architect/Engineering firms and a CMAR to build a new school in Rosebud. Current anticipated groundbreaking occurred during the fall of 2022. The new Rosebud Elementary School is scheduled for final completion in October, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1
Required Components of Todd County School's Annual Financial Report

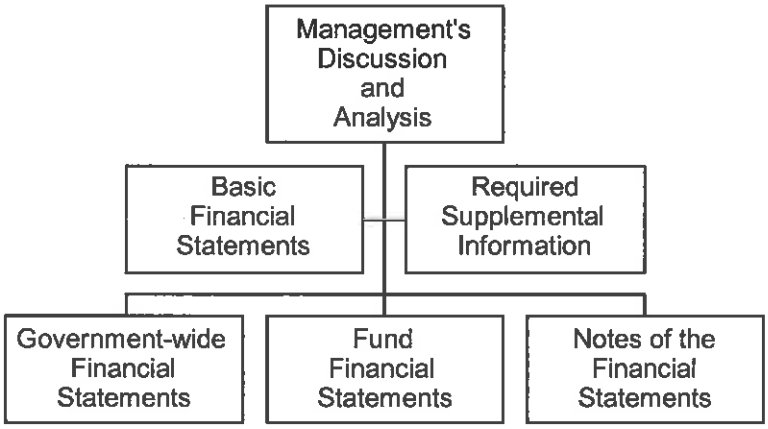


Figure A-2 summarizes the major features of the School's financial statements, including the portion of the School government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of Todd County School's Government-wide and Fund Financial Statements

	Government-wide Statement	Fund Statements Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School government (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as elementary & high school education programs	Activities the School operates similar to private businesses: the food service operation	Instances in which the School is the trustee or agent for someone else's resources
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

	Government-wide Statement	Fund Statements Governmental Funds	Proprietary Funds	Fiduciary Funds
Type of Asset/Liability Information	All assets and liabilities, both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term the School's funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

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

The two government-wide statements report the School's net position and how they have changed. Net position – the difference between the School's assets and deferred outflows of resources, and liabilities and deferred inflows of resources – is one way to measure the School's financial health or position.

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

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

- Governmental Activities – This category includes the School's basic instructional services, such as elementary and high school educational programs, support services (guidance counselors, executive administration, board of education, fiscal services, etc.), debt services payments, extracurricular activities (sports, debate, music, etc.) and capital equipment purchases. Property taxes, state grants, federal grants and interest earnings finance most of these activities.
- Business-type activities. The School charges a fee to adults to help cover the costs of providing hot lunch services to students and staff. The School qualified as a special

needs school district so all students receive free hot lunches. The Food Service Fund is the only business-type activity of the School.

Fund Financial Statements

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

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

The School has three kinds of funds:

- Governmental Funds – Most of the School's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary Funds – Services for which the School could charge customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The Food Service Enterprise Fund (one type of proprietary fund) is the same as its business-type activities, but provide more detail and additional information such as cash flows.
- Fiduciary Funds – The School is the trustee, or fiduciary, for various external and internal parties. The School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the School's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the School's government-wide financial statements because the School cannot use these assets to finance its operations.

Financial Analysis of the School as a Whole

Net Position

The School's combined net position increased/decreased as follows:

	Governmental Activities		Business-type Activities		Total		% Change
	2021	2022	2021	2022	2021	2022	2021-2022
Current & Other Assets	$64,877,695	$68,270,084	$356,708	$723,779	$65,234,403	$68,993,863	5.8%
Capital Assets	$47,463,908	$49,690,813	$122,548	$131,901	$47,586,456	$49,822,714	4.7%
Total Assets	$112,341,603	$117,960,897	$479,256	$855,680	$112,820,859	$118,816,577	5.3%
Pension Related Deferred Outflows	$5,340,980	$7,731,702			$5,340,980	$7,731,702	44.8%
Total Deferred Outflows of Resources	$5,340,980	$7,731,702			$5,340,980	$7,731,702	44.8%
Long-term Debt Outstanding	$138,966	$129,372			$138,966	$129,372	-6.9%
Other Liabilities	$13,329,701	$6,030,712	$33,730	$45,502	$13,363,431	$6,076,214	-54.5%
Total Liabilities	$13,468,667	$6,160,084	$33,730	$45,502	$13,502,397	$6,205,586	-54.0%
Taxes Levied for Future Period	$569,950	$555,713			$569,950	$555,713	-2.5%
Pension Related Deferred Inflows	$4,536,758	$10,888,561			$4,536,758	10,888,561	140.0%
Total Deferred Inflows of Resources	$5,106,708	$11,444,274			$5,106,708	$11,444,274	124.1%
Net Position:							
Net Investment in Capital Assets	$47,463,908	$49,690,813	$122,548	$131,901	$47,586,456	$49,822,714	4.7%
Restricted	$1,281,406	$2,974,825			$1,281,406	$2,974,825	132.2%
Unrestricted	$50,361,894	$55,422,604	$322,978	$678,277	$50,684,872	$56,100,881	10.7%
Total Net Position	$99,107,208	$108,088,242	$445,526	$810,178	$99,552,734	$108,898,420	9.39%
Beginning Net Position	$86,148,263	$99,107,208	$746,102	$445,525	$86,894,365	$99,552,733	
Increase (Decrease) in Net Position	$12,958,945	$8,981,034	$(300,576)	364,653	$12,658,365	$9,345,687	
Percentage of Increase (Decrease) in Net Position	15.04%	9.06%	-40.29%	81.85%	14.57%	9.39%	

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the school, consisting of compensated absences, have been reported in this manner on the Statement of Net Position. The

difference between the school's assets and deferred outflows of resources, and liabilities and deferred inflows of resources is its net position.

The total net position of the school district increased by $9,345,686. Current Assets include $21,593,390 which has been transferred by the school board and administration to capital outlay for future construction needs of the district.

The total liabilities of the school district decreased by $7,296,811. Accounts payable decreased by $7,503,573 and other current liabilities increased by $216,355.

The net position of the school district's governmental activities increased by 9.39% to $108,898,420.

Changes in Net Position

The School's total revenues totaled $43,595,076. (See Table A-2). Approximately 28% of the School's revenue comes from state aid, with another 37% coming from federal aid, and 30% received through operating grants and contributions. (See Figure A-3).

The School's total expenditures totaled $34,249,390. The School's expenses cover a range of services, encompassing instruction, support services and food services. (See Figure A-4).

Figure A-3
Todd County School District
Sources of Revenues 2022

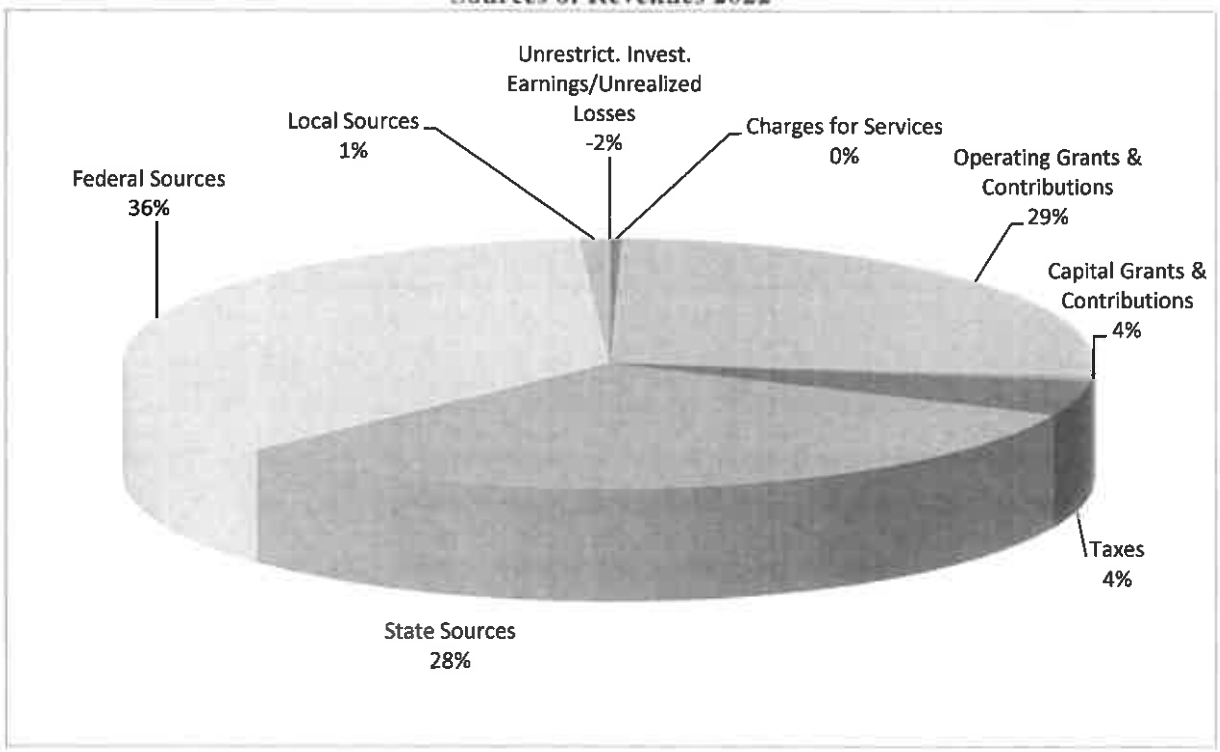


Figure A-4
Todd County School District
Functional Expenses 2022

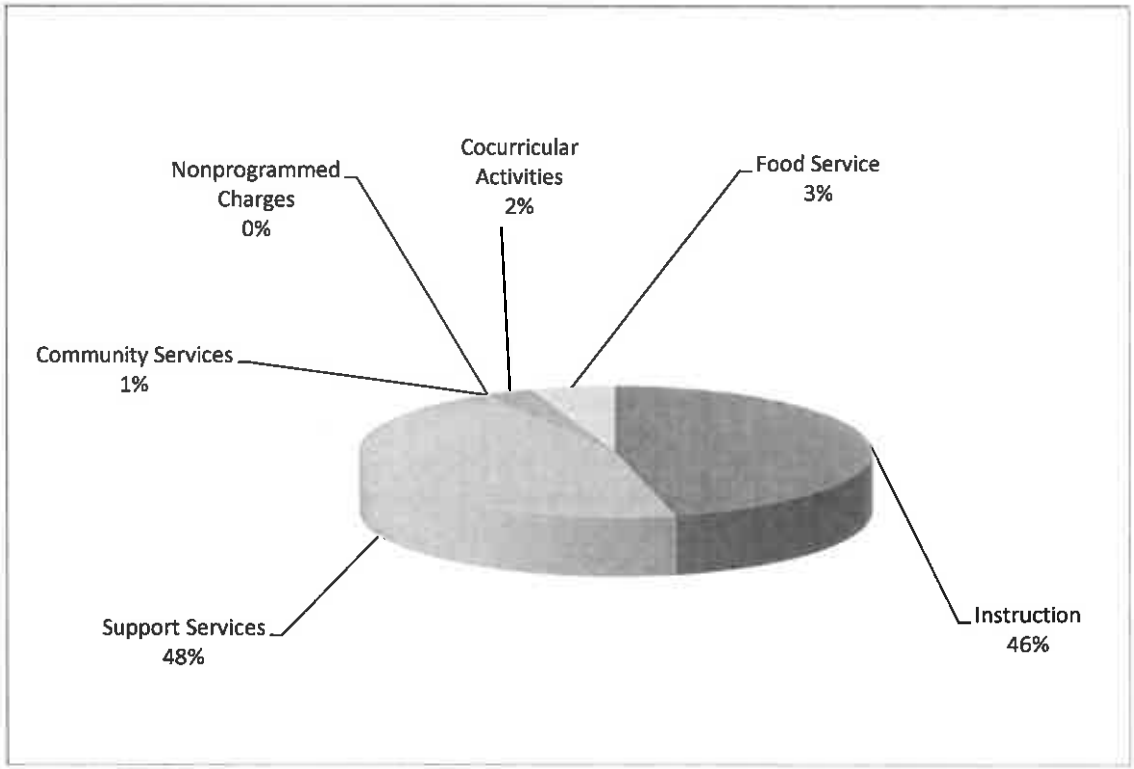


Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table A-2
Todd County School District No. 66-1
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		% Change 2021-2022
	2021	2022	2021	2022	2021	2022	
Program Revenues:							
Charges for Services	29,492	36,804			29,492	36,804	24.79%
Operating Grants & Contr.	13,696,244	11,445,224	29,028	1,243,722	13,725,272	12,688,946	-7.55%
Capital Grants & Contributions		1,820,691			0	1,820,691	100.00%
General Revenues:							
Taxes	1,675,628	1,686,054			1,675,628	1,686,054	0.62%
Revenue from State Sources	12,845,164	12,045,210			12,845,164	12,045,210	-6.23%
Revenue from Federal Sources	16,730,244	15,520,375			16,730,244	15,520,375	-7.23%
Revenue from Local Sources	407,502	416,432			407,502	416,432	2.19%
Unrestrict Investment Earnings	53,931	474,058			53,931	474,058	779.01%
Unrealized Losses on Investments	0	(1,093,494)			0	(1,093,494)	100.00%
Total Revenue	45,438,205	42,351,354	29,028	1,243,722	45,467,233	43,595,076	-4.12%
Expenses:							
Instruction	17,965,481	15,711,132			17,965,481	15,711,132	-12.55%
Support Services	12,908,504	16,604,654			12,908,504	16,604,654	28.63%
Community Services	143,926	115,596			143,926	115,596	-19.68%
Nonprogrammed Charges	9,844	2,614			9,844	2,614	-73.45%
Co-curricular Activities	381,505	936,324			381,505	936,324	145.43%
Food Service			1,399,604	879,070	1,399,604	879,070	-37.19%
Total Expenses	31,409,260	33,370,320	1,399,604	879,070	32,808,864	34,249,390	4.39%
Transfers	(1,070,000)		1,070,000		0	0	0.00%
Change in Net Position	12,958,945	8,981,034	(300,576)	364,652	12,658,369	9,345,686	
Net Position - Beginning	86,148,263	99,107,208	746,102	445,526	86,894,365	99,552,734	
Net Position - Ending	99,107,208	108,088,242	445,526	810,178	99,552,734	108,898,420	

Governmental Activities
Overall revenues decreased 4.12% while expenditures for the year increased 4.39%.

Business-type Activities

- The School District invests in a broad range of bonds. While not yet realized, the District incurred unrealized losses on these investments of $1,093,494. This is the first year of reporting in this manner.
- The School District's change in net position increased by 9,345,686 during 2022. Instructional expenses decreased 12.55% while support services expenses increased 28.63%.

Financial Analysis of the School's Funds

The financial analysis of the School's funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The School maintains only one business-type fund – Food Service Fund.

General Fund Budgetary Highlights

Over the course of the year, the School Board revised the School budget several times. These amendments fall into several categories:

- Supplemental appropriations and contingency transfers approved for anticipated, yet necessary, expenses to provide for items necessary for the education program of this district.
- Increases in appropriations, primarily by contingency transfer, to prevent budget overruns.

Capital Asset Administration

By the end of 2022, the School had invested $49,822,714 in a broad range of capital assets, including land, buildings, improvements other than buildings, and various machinery and equipment (See Table A-3).

Table A-3
Todd County School District No. 66-1 Capital Assets
(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total		% Change 2020-2021
	2021	2022	2021	2022	2021	2022	
Land	303,255	301,253			303,255	301,253	-0.66%
Buildings	25,536,655	42,155,437			25,536,655	42,155,437	65.08%
Improvements							
Other than Buildings	1,783,670	1,672,526			1,783,670	1,672,526	-6.23%
Machinery & Equipment	2,008,766	2,893,043	122,548	131,901	2,131,314	3,024,944	41.93%
Construction Work in Progress	17,831,562	2,668,554			17,831,562	2,668,554	-85.03%
Total Capital Assets	47,463,908	49,690,813	122,548	131,901	47,586,456	49,822,714	4.70%

This year's capital asset purchases were primarily for a new elementary building in the Parmelee community which was completed during the spring of 2022. Construction work in progress included work for a new Rosebud Elementary School for $1,442,754 and renovation work at the High School for $1,145,900. Substantial completion for the Rosebud project is expected October of 2024. Construction work in progress also included a TCMS track refurbishment for $79,900. The school district also purchased ten Suburbans and two Coachliner busses for $432,470 and $700,000 respectively.

Long-Term Debt

The school currently has not issued any long-term bonds or notes. The only long-term debt incurred by the school district is due to unused staff sick leave of $229,372.

Economic Factors and Next Year's Budgets and Rates

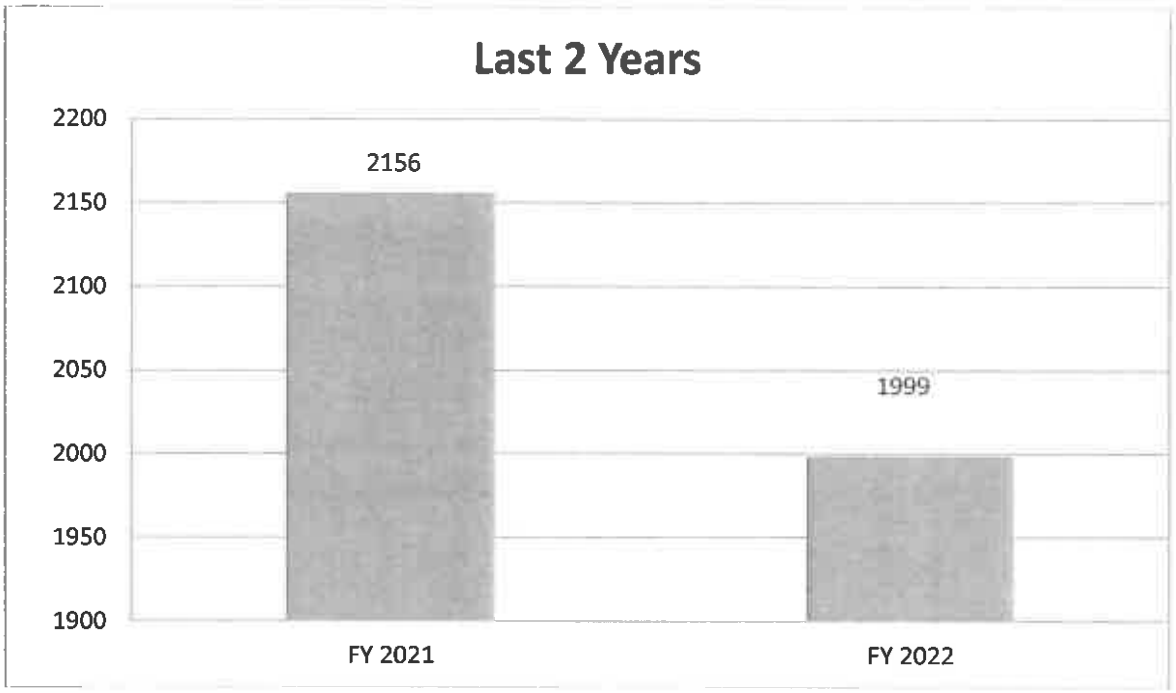
The school district has two primary sources of revenue, state aid and federal impact aid.

State Aid is currently based on a target student to teacher ratio basis based on the district size. Under this formula the targeted teacher ratio is 15 students to a certified teacher for districts above 600 students. The new funding formula provided for a total increase in funding over prior year of 6% for fiscal year ended 2023. Allocation for the 2023-2024 school year will be determined by the state legislature.

Impact Aid is a federal program providing assistance to schools for federal students that are impacted by federal activities. Payments are made in lieu of property and business taxes the District cannot levy as the homes and businesses are exempt. Federal students can be divided into 4 main categories: military children, children residing on Indian lands, children residing in federal Low Rent Housing projects, and children whose civilian parents work on federal property, but do not live on federal property.

A majority of the District's children reside on Indian lands. During the 2021-2022 school year, approximately 80% of the District's students were eligible for the Impact Aid program. The allocation per weighted average student amounted to $8,334 for fiscal year 2022.

The School's general state aid fall enrollment for the last two years has been as follows:



Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Todd County School District's Business Office, PO Box 87, Mission, SD 57555.

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF NET POSITION
As of June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	14,339,010.45	604,798.54	14,943,808.99
Investments	43,490,259.15		43,490,259.15
Taxes Receivable	664,221.79		664,221.79
Other Assets	4,171,974.26		4,171,974.26
Inventories		118,980.45	118,980.45
Net Pension Asset	5,604,618.91		5,604,618.91
Capital Assets:			
Land and Construction in Progress	2,969,807.23		2,969,807.23
Other Capital Assets, Net of Depreciation	46,721,005.42	131,900.85	46,852,906.27
TOTAL ASSETS	117,960,897.21	855,679.84	118,816,577.05
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	7,731,702.26		7,731,702.26
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,731,702.26	0.00	7,731,702.26
LIABILITIES :			
Accounts Payable	3,655,202.76	2,234.00	3,657,436.76
Other Current Liabilities	2,275,509.02	43,267.72	2,318,776.74
Noncurrent Liabilities:			
Due Within One Year	100,000.00		100,000.00
Due in More than One Year	129,371.92		129,371.92
TOTAL LIABILITIES	6,160,083.70	45,501.72	6,205,585.42
DEFERRED INFLOWS OF RESOURCES:			
Taxes Levied for Future Period	555,712.84		555,712.84
Pension Related Deferred Inflows	10,888,560.89		10,888,560.89
TOTAL DEFERRED INFLOWS OF RESOURCES	11,444,273.73	0.00	11,444,273.73
NET POSITION:			
Net Investment in Capital Assets	49,690,812.65	131,900.85	49,822,713.50
Restricted for:			
Special Education	527,064.71		527,064.71
SDRS Pension	2,447,760.28		2,447,760.28
Unrestricted	55,422,604.40	678,277.27	56,100,881.67
TOTAL NET POSITION	108,088,242.04	810,178.12	108,898,420.16

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instruction	15,711,131.91		4,336,809.55		(11,374,322.36)		(11,374,322.36)
Support Services	16,604,653.39	32,069.76	7,018,146.67	1,820,691.22	(7,733,745.74)		(7,733,745.74)
Community Services	115,596.27		90,267.56		(25,328.71)		(25,328.71)
Nonprogrammed Charges	2,614.25				(2,614.25)		(2,614.25)
Cocurricular Activities	936,324.06	4,734.00			(931,590.06)		(931,590.06)
Total Governmental Activities	33,370,319.88	36,803.76	11,445,223.78	1,820,691.22	(20,067,601.12)		(20,067,601.12)
Business-type Activities:							
Food Service	879,069.44		1,243,722.23			364,652.79	364,652.79
Total Primary Government	34,249,389.32	36,803.76	12,688,946.01	1,820,691.22	(20,067,601.12)	364,652.79	(19,702,948.33)
General Revenues:							
Taxes:							
Property Taxes					1,287,252.29		1,287,252.29
Utility Taxes					398,801.80		398,801.80
Revenue from State Sources:							
State Aid					12,044,563.21		12,044,563.21
Other State Revenue					646.71		646.71
Revenue from Federal Sources					15,520,375.00		15,520,375.00
Unrestricted Investment Earnings					474,058.26		474,058.26
Unrealized Losses on Investments					(1,093,493.91)		(1,093,493.91)
Other General Revenues					416,431.50		416,431.50
Total General Revenues					29,048,634.86	0.00	29,048,634.86
Change in Net Position					8,981,033.74	364,652.79	9,345,686.53
Net Position - Beginning					99,107,208.30	445,525.33	99,552,733.63
NET POSITION - ENDING					108,088,242.04	810,178.12	108,898,420.16

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2022

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	9,703,402.64	1,997,475.14	778,962.85	1,859,169.82	14,339,010.45
Investments	19,884,324.57	19,741,470.37		3,864,464.21	43,490,259.15
Taxes Receivable--Current	179,336.38	232,379.05	143,997.41		555,712.84
Taxes Receivable--Delinquent	56,416.84	32,011.87	20,080.24		108,508.95
Due from Other Government	3,168,243.26	717,357.00	166,592.00	119,782.00	4,171,974.26
TOTAL ASSETS	32,991,723.69	22,720,693.43	1,109,632.50	5,843,416.03	62,665,465.65
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	1,492,643.16	684,083.88	27,789.20	1,450,686.52	3,655,202.76
Contracts Payable	1,668,358.75		346,331.08		2,014,689.83
Payroll Deductions and Withholdings and Employer Matching Payable	216,970.62		43,848.57		260,819.19
Total Liabilities	3,377,972.53	684,083.88	417,968.85	1,450,686.52	5,930,711.78
Deferred Inflows of Resources:					
Property Taxes Levied for Future Period	179,336.38	232,379.05	143,997.41		555,712.84
Unavailable Revenue - Property Taxes	56,416.84	32,011.87	20,080.24		108,508.95
Total Deferred Inflows of Resources	235,753.22	264,390.92	164,077.65	0.00	664,221.79
Fund Balances:					
Restricted:					
Special Education			527,586.00		527,586.00
Assigned for Future Building Projects	3,000,000.00	21,772,218.63		4,392,729.51	29,164,948.14
Unassigned	26,377,997.94				26,377,997.94
Total Fund Balances	29,377,997.94	21,772,218.63	527,586.00	4,392,729.51	56,070,532.08
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	32,991,723.69	22,720,693.43	1,109,632.50	5,843,416.03	62,665,465.65

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Total Fund Balances - Governmental Funds	56,070,532.08
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	5,604,618.91
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	49,690,812.65
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	7,731,702.26
Long-term liabilities, including accrued leave payable, are not due and payable in the current period and therefore are not reported in the funds.	(229,371.92)
Assets such as taxes receivable-delinquent are not available to pay for current period expenditures and therefore are deferred in the funds.	108,508.95
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(10,888,560.89)
Net Position - Governmental Activities	108,088,242.04

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
Revenue from Local Sources:					
Taxes:					
Ad Valorem Taxes	386,067.32	529,057.10	333,045.29		1,248,169.71
Prior Years' Ad Valorem Taxes	31,615.06	14,500.96	8,844.17		54,960.19
Utility Taxes	398,801.80				398,801.80
Penalties and Interest on Taxes	6,905.84	2,892.87	1,751.01		11,549.72
Earnings on Investments and Deposits	121,214.04	348,369.04		4,475.18	474,058.26
Unrealized Gain/(Loss) on Investments	(697,389.75)	(260,568.37)		(135,535.79)	(1,093,493.91)
Cocurricular Activities:					
Admissions	4,734.00				4,734.00
Other Revenue from Local Sources:					
Rentals	326,727.77				326,727.77
Charges for Services	29,023.76		3,046.00		32,069.76
Other	20,921.72		24,000.00		44,921.72
Revenue from Intermediate Sources:					
County Sources:					
Other	3,468.85	1,237.91	767.97		5,474.73
Revenue from State Sources:					
Grants-in-Aid:					
Unrestricted Grants-in-Aid	12,044,563.21				12,044,563.21
Restricted Grants-in-Aid			2,108,984.00		2,108,984.00
Other	646.71				646.71
Revenue from Federal Sources:					
Grants-in-Aid:					
Unrestricted Grants-in-Aid Received Directly from Federal Government	15,484,985.00	14,509.00	263,962.00		15,763,456.00
Restricted Grants-in-Aid Received Directly from Federal Government	435,702.00				435,702.00
Restricted Grants-in-Aid Received from Federal Government Through the State	7,738,533.78	1,680,942.22	883,533.00	139,749.00	10,442,758.00
Johnson O'Malley Funds	35,390.00				35,390.00
Total Revenue	36,371,911.11	2,330,940.73	3,627,933.44	8,688.39	42,339,473.67

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
Expenditures:					
Instruction:					
Regular Programs:					
Elementary	6,740,367.70				6,740,367.70
Middle/Junior High	1,668,852.22				1,668,852.22
High School	2,196,809.07				2,196,809.07
Other Regular Programs	242,502.88				242,502.88
Special Programs:					
Programs for Special Education			2,553,433.86		2,553,433.86
Educationally Deprived	2,494,158.71				2,494,158.71
Support Services:					
Students:					
Attendance and Social Work	1,311,327.09		79,414.47		1,390,741.56
Guidance	1,031,396.55				1,031,396.55
Health	95,893.34		23,081.31		118,974.65
Psychological			272,366.27		272,366.27
Speech Pathology			535,911.20		535,911.20
Audiology Services			1,518.80		1,518.80
Student Therapy Services			217,078.64		217,078.64
Instructional Staff:					
Improvement of Instruction	1,565,884.06		9,443.34		1,575,327.40
Educational Media	379,408.33				379,408.33
General Administration:					
Board of Education	69,658.32				69,658.32
Executive Administration	491,628.86				491,628.86
School Administration:					
Office of the Principal	2,076,939.63				2,076,939.63
Business:					
Fiscal Services	559,660.50				559,660.50
Facilities Acquisition and Construction		655,507.31		574,989.26	1,230,496.57
Operation and Maintenance of Plant	4,092,819.39				4,092,819.39
Student Transportation	929,222.12				929,222.12
Food Service	579,326.00				579,326.00

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Capital Outlay Fund	Special Education Fund	Capital Projects Fund	Total Governmental Funds
Expenditures (Cont.):					
Support Services (Cont.):					
Central:					
Planning	521,288.88				521,288.88
Special Education:					
Administrative Costs			266,073.45		266,073.45
Transportation Costs			81,539.99		81,539.99
Community Services:					
Nonpublic School	115,596.27				115,596.27
Nonprogrammed Charges:					
Payments for Unemployment	2,614.25				2,614.25
Cocurricular Activities:					
Male Activities	187,572.22				187,572.22
Female Activities	134,237.57				134,237.57
Combined Activities	316,826.01				316,826.01
Capital Outlay		2,581,592.31		1,562,884.08	4,144,476.39
Total Expenditures	27,803,989.97	3,237,099.62	4,039,861.33	2,137,873.34	37,218,824.26
Excess of Revenue Over (Under) Expenditures	8,567,921.14	(906,158.89)	(411,927.89)	(2,129,184.95)	5,120,649.41
Other Financing Sources (Uses):					
Transfers In/(Out)	(3,500,000.00)	(3,000,000.00)	500,000.00	6,000,000.00	0.00
Sale of Surplus Property		41,309.00			41,309.00
Total Other Financing Sources (Uses)	(3,500,000.00)	(2,958,691.00)	500,000.00	6,000,000.00	41,309.00
Net Change in Fund Balances	5,067,921.14	(3,864,849.89)	88,072.11	3,870,815.05	5,161,958.41
Fund Balance - Beginning	24,310,076.80	25,637,068.52	439,513.89	521,914.46	50,908,573.67
FUND BALANCE - ENDING	29,377,997.94	21,772,218.63	527,586.00	4,392,729.51	56,070,532.08

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	5,161,958.41
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital aset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements.	4,144,476.39
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	(1,915,570.06)
In the statement of activities, gain and losses on disposal of assets are reported in other general revenues, whereas in the governmental funds, the proceeds, if any, from the disposal of capital assets is reflected.	(2,001.72)
Governmental funds do not reflect the change in accrued leave, but the statement of activities reflects the change in accrued leave through expenditures.	9,594.23
In both the government-wide and fund financial statements, revenues from property tax levies are applied to finance the budget of a particular period. Accounting for revenues from property tax accruals in funds' statements differs from the accounting in the government-wide statements in that the fund financial statements require the amounts to be "available." This amount reflects the application of both the application period and "availability criteria."	(27,427.33)
Some expenses reported in the statement of activites do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (Pension Expense)	88,762.35
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	1,521,241.47
Change in Net Position of Governmental Activities	8,981,033.74

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2022

	Enterprise Funds Food Service Fund
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	604,798.54
Inventories	118,980.45
Total Current Assets	723,778.99
Noncurrent Assets:	
Capital Assets:	
Machinery and Equipment--Local Funds	652,862.16
Less: Accumulated Depreciation	(520,961.31)
Total Noncurrent Assets	131,900.85
TOTAL ASSETS	855,679.84
LIABILITIES:	
Current Liabilities:	
Accounts Payable	2,234.00
Contracts Payable	38,203.45
Payroll Deductions and Withholdings and Employer Matching Payable	5,064.27
TOTAL LIABILITIES	45,501.72
NET POSITION:	
Net Investment in Capital Assets	131,900.85
Unrestricted Net Position	678,277.27
TOTAL NET POSITION	810,178.12

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Enterprise Funds Food Service Fund
Operating Revenue:	
Sales:	
To Adults	4,280.90
Total Operating Revenue	4,280.90
Operating Expenses:	
Food Service:	
Salaries	35,604.98
Employee Benefits	3,328.86
Purchased Services	41,002.79
Supplies	99,040.14
Cost of Sales - Purchased Food	630,003.21
Cost of Sales - Donated Food	45,231.14
Depreciation - Local Funds	29,139.22
Total Operating Expenses	883,350.34
Operating Income (Loss)	(879,069.44)
Nonoperating Revenue (Expense):	
State Grants	735.03
Federal Grants	1,197,756.06
Donated Food	45,231.14
Total Nonoperating Revenue (Expense)	1,243,722.23
Change in Net Position	364,652.79
Net Position - Beginning	445,525.33
NET POSITION - ENDING	810,178.12

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Enterprise Funds Food Service Fund
Cash Flows from Operating Activities:	
Cash Receipts from Customers	4,280.90
Cash Payments to Employees for Services	(29,396.57)
Cash Payments to Suppliers of Goods and Services	(735,966.69)
Net Cash Provided (Used) by Operating Activities	(761,082.36)
Cash Flows from Noncapital Financing Activities:	
Operating Grants	1,198,491.09
Net Cash Provided (Used) from Noncapital Financing Activities	1,198,491.09
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	38,492.13
Net Cash Provided by Capital and Related Financing Activities	38,492.13
Net Increase (Decrease) in Cash and Cash Equivalents	398,916.60
Cash and Cash Equivalents at Beginning of Year	205,881.94
CASH AND CASH EQUIVALENTS AT END OF YEAR	604,798.54
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	(879,069.44)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	29,139.22
Value of Donated Commodities Used	45,231.14
(Increase) decrease in Inventories	31,845.45
(Decrease) increase Accounts Payable	2,234.00
(Decrease) increase Accrued Contracts and Benefits Payable	9,537.27
Net Cash Provided (Used) by Operating Activities	(761,082.36)
Noncash Investing, Capital and Financing Activities:	
Value of Commodities Received	45,231.14

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of June 30, 2022

	Custodial Funds
ASSETS:	
Cash and Cash Equivalents	153,476.53
TOTAL ASSETS	153,476.53
NET POSITION:	
Restricted for:	
Organizations	153,476.53
TOTAL NET POSITION	153,476.53

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
STATEMENT OF CHANGES IN NET POSITON
FIDUCIARY FUNDS
For the Year Ended June 30, 2022

	Custodial Funds
ADDITIONS:	
Contributions and Donations	10,379.69
Collections for Student Activities	131,340.89
Total Additions	141,720.58
DEDUCTIONS:	
Payments for Student Activities	134,489.47
Total Deductions	134,489.47
Change in Net Position	7,231.11
Net Position - Beginning	146,245.42
NET POSITON - ENDING	153,476.53

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

The reporting entity of Todd County School District No. 66-1 (School District) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds, may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

Fund Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

Governmental Funds:

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

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

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

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

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The Rosebud Elementary School Capital Projects Fund is the only capital projects fund maintained by the School District. This is a major fund.

Proprietary Funds:

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

a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

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

Fiduciary Funds:

Fiduciary funds 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:

Student activities.

c. Measurement Focus and Basis of Accounting:

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

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Basis of Accounting:

Government-wide Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 all the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Todd County School District No. 66-1, the length of that cycle is 60 days. The revenues which are accrued at June 30, 2022 are grants from other governments and utility taxes.

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

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

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

Government-Wide Statements

All capital assets are valued at historical cost. Donated capital assets are valued at their estimated acquisition value on the date donated.

Interest costs incurred during the construction of general capital assets are not capitalized along with other capital asset costs.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Capitalization

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 100.00	-----N/A------	------N/A------
Improvements	$ 15,000.00	Straight-line	20-50 yrs.
Buildings	$ 25,000.00	Straight-line	20 yrs.
Machinery & Equipment	$ 5,000.00	Straight-line	5-10 yrs.
Food Service Equipment	$ 1,000.00	Straight-line	5-10 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

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

f. Long-Term Liabilities:

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

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

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

g. Program Revenues:

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

1. Charges for services – These arise from charges to customers, applications, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

h. Deferred Inflows and Deferred Outflows of Resources:

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

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

i. Proprietary Funds Revenue and Expense Classifications:

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

j. Cash and Cash Equivalents:

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

k. Equity Classifications:

Government-wide Statements:

Equity is classified as net position and is displayed in three components.

1. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on its use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

l. Application of Net Position:

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

m. Fund Balance Classification Policies and Procedures:

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

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

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

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

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

Major Special Revenue Fund:	Revenue Source:
Capital Outlay Fund	Real Estate Taxes and Federal Grants
Special Education Fund	Real Estate Taxes, State Aid, and Federal Grants

n. Pensions:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

Fair Value Measurement – The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2022, the School District had the following investments:

Investment	Credit Rating	Level	Maturities Less Than 1 Year	Maturities 1-5 Years	Total
Certificates of Deposits	N/A	1	2,038.74		2,038.74
US Treasury Notes	N/A	1	3,929,947.00	21,819,253.28	25,749,200.28
US Treasury Bills	N/A	1	17,739,020.13		17,739,020.13
					43,490,259.15

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The School District's policy is to credit all income from deposits and investments to the fund making the investment.

3. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year.

4. INVENTORY

Inventory held for consumption is stated at cost. Inventory for resale is stated at the lower of cost or market. The cost valuation method is first-in, first-out. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

In the Government-wide financial statements, inventory items are initially recorded as assets and charged to expense in the various functions of government as they are consumed.

In the fund financial statements, inventories in the General Fund, special revenue funds, and proprietary funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. No material supply inventories existed at fiscal yearend in the General and Special Revenue funds.

5. PROPERTY TAXES

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022, is as follows:

Primary Government

	Balance 07/01/21	Increases	Decreases	Balance 06/30/22
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	303,254.75		(2,001.72)	301,253.03
Construction Work in Progress	17,831,561.85	2,668,554.20	(17,831,561.85)	2,668,554.20
Total, not being depreciated	18,134,816.60	2,668,554.20	(17,833,563.57)	2,969,807.23
Capital Assets, being depreciated:				
Improvements	5,138,114.46	97,921.00		5,236,035.46
Buildings	41,012,264.92	17,803,285.47		58,815,550.39
Machinery & Equipment	8,300,094.16	1,406,277.57	(68,445.00)	9,637,926.73
Total, being depreciated	54,450,473.54	19,307,484.04	(68,445.00)	73,689,512.58
Less Accumulated Depreciation for:				
Improvements	(3,354,444.13)	(209,065.33)		(3,563,509.46)
Buildings	(15,475,609.43)	(1,184,504.43)		(16,660,113.86)
Machinery & Equipment	(6,291,328.54)	(522,000.30)	68,445.00	(6,744,883.84)
Total Accumulated Depreciation	(25,121,382.10)	(1,915,570.06)	68,445.00	(26,968,507.16)
Total Capital Assets, being depreciated, net	29,329,091.44	17,391,913.98	0.00	46,721,005.42
Governmental Activity Capital Assets, Net	47,463,908.04	20,060,468.18	(17,833,563.57)	49,690,812.65

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	760,881.76
Support Services	828,596.10
Co-curricular Activities	326,092.20
Total Depreciation Expense - Governmental Activities	1,915,570.06

	Balance 07/01/21	Increases	Decreases	Balance 06/30/22
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery & Equipment	614,370.03	38,492.13		652,862.16
Total, being depreciated	614,370.03	38,492.13	0.00	652,862.16
Less Accumulated Depreciation for:				
Machinery & Equipment	(491,822.09)	(29,139.22)		(520,961.31)
Total Accumulated Depreciation	(491,822.09)	(29,139.22)	0.00	(520,961.31)
Business-Type Activity Capital Assets, Net	122,547.94	9,352.91	0.00	131,900.85

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Depreciation expense was charged to functions as follows:

Business-type Activities:	
Food Services	29,139.22
Total Depreciation Expense - Business-type Activities	29,139.22

Construction Work in Progress at June 30, 2022 is composed of the following:

Project Name	Project Authorization	Expended through 6/30/2022	Committed	Required Future Financing
Rosebud School Project	34,000,000.00	1,442,754.20	32,557,245.80	0.00
Todd County High School Renovation Project	1,145,900.00	1,145,900.00	0.00	0.00
Middle School Track Project	79,900.00	79,900.00	0.00	0.00
TOTAL	35,225,800.00	2,668,554.20	32,557,245.80	0.00

7. LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Accrued Compensated Absences - Governmental Funds	238,966.15	114,324.30	123,918.53	229,371.92	100,000.00
Total Governmental Activities	238,966.15	114,324.30	123,918.53	229,371.92	100,000.00
TOTAL PRIMARY GOVERNMENT	238,966.15	114,324.30	123,918.53	229,371.92	100,000.00

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

Liabilities Payable at June 30, 2022, is comprised of the following:

PRIMARY GOVERNMENT

Governmental Activities:

Compensated Absences:

Unused sick leave balances – payable from the General Fund	$ 208,770.39
Unused sick leave balances – payable from the Special Education Fund	$ 20,601.53

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. RESTRICTED NET POSITION

Restricted net position for the fiscal year ended June 30, 2022 was as follows:

Purpose	Restricted By:	Amount
Major Funds:		
Special Education	Law	$ 527,064.71
SDRS Pension	Governmental Accounting Standards	2,447,760.28
Total Restricted Net Position		$ 2,974,824.99

9. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 were as follows:

	Transfers To:		
Transfers From:	Capital Projects Fund	Special Education Fund	Total
Major Funds:			
General Fund	3,000,000.00	500,000.00	3,500,000.00
Capital Outlay Fund	3,000,000.00		3,000,000.00
TOTALS	6,000,000.00	500,000.00	6,500,000.00

The School District typically uses transfers to transfer federal money from the General Fund to other Funds to conduct the indispensable functions of the School District.

10. PENSION PLAN

Plan Information:
All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://www.sdrs.sd.gov/publications.aspx or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:
SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund 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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

Contributions:
Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2022, 2021, and 2020 were $1,085,227.13, $996,464.78, and $1,016,717.10, respectively, equal to the required contributions each year.

Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:
At June 30, 2021, SDRS is 105.52% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of the measurement period ending June 30, 2021 and reported by the School District as of June 30, 2022 are as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Proportionate share of pension liability	$ 101,479,227.57
Less proportionate share of net pension restricted for pension benefits	$ 107,083,846.48
Proportionate share of net pension liability (asset)	$ (5,604,618.91)

At June 30, 2022, the School District reported a liability (asset) of $(5,604,618.91) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2021, the School District's proportion was 0.73183700%, which is an increase (decrease) of 0.0403109% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2020, the School District recognized pension expense (reduction of pension expense) of $1,610,003.83. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience.	$ 201,220.46	$ 14,694.12
Changes in assumption.	$ 6,445,254.67	$ 2,806,712.16
Net Difference between projected and actual earnings on pension plan investments.		$ 8,006,310.28
Changes in proportion and difference between School district contributions and proportionate share of contributions.		$ 60,844.32
School District contributions subsequent to the measurement date.	$ 1,085,227.13	
TOTAL	$ 7,731,702.26	$ 10,888,560.88

$1,085,227.13 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Year Ended June 30:	
2023	$ (1,070,346.58)
2024	(717,720.90)
2025	(201,605.60)
2026	(2,252,412.67)
TOTAL	$ (4,242,085.75)

Actuarial Assumptions:
The total pension liability (asset) in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50 percent net of plan investment expense. This is composed of an average inflati 2.25% and real returns of 4.25%
Future COLAs	2.25 percent

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (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
Global Equity	58.0%	4.3%
Fixed Income	30.0%	1.6%
Real Estate	10.0%	4.6%
Cash	2.0%	0.9%
Total	100%	

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability (asset)	$9,075,272.40	$(5,604,618.91)	$(17,521,273.46)

Pension Plan Fiduciary Net Position:
Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2022, the School District managed its risks as follows:

Employee Health Insurance:

The School District joined the South Dakota School District Benefits Fund. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The School District pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage also includes a $2,000,000 lifetime maximum payment per person.

The School District does not carry additional health insurance coverage to pay claims in excess of this upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:

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

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Workers' Compensation:

The School District participates, with several other educational units and related organizations in South Dakota, in the Associated School Boards of South Dakota Workers' Compensation Fund Pool which provided workers' compensation insurance coverage for participating members of the pool. The objective of the Fund is to formulate, develop, and administer on behalf of the member organizations, a program of workers' compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The School District's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The School District pays an annual premium, to provide workers' compensation coverage for its employees, under a retrospectively rated policy and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. The School District may also be responsible for additional assessments in the event the pool is determined by its board of trustees to have inadequate reserves to satisfy current obligations or judgments. Additional assessments, if any, are to be determined on a prorated basis based upon each participant's percentage of contribution in relation to the total contributions to the pool of all participants for the year in which the shortfall occurs. The pool provides loss coverage to all participants through pool retained risk retention and through insurance coverage purchased by the pool in excess of the retained risk. The pool pays the first $500,000 of any claim per individual. The pool has reinsurance which covers up to $1,000,000 per individual per incident.

The School District does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Unemployment Benefits:

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

During the year ended June 30, 2022, five claims were filed for unemployment benefits. These claims resulted in the payment of benefits in the amount of $2,614.25. At June 30, 2022, one claim had been filed and was outstanding. It is estimated, based upon historical trends that these claims will result in the future payment of unemployment benefits in the amount of approximately $3,000.00. It is not anticipated that any additional claims for unemployment benefits will be filed in the next fiscal year.

12. SIGNIFICANT CONTINGENCIES – LITIGATION

At June 30, 2022, the School District was not involved in any significant litigation.

13. SUBSEQUENT EVENTS

Management has evaluated whether any subsequent events have occurred through February 13, 2023, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
TODD COUNTY SCHOOL DISTRICT NO. 66-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	360,000.00	360,000.00	386,067.32	26,067.32
Prior Years' Ad Valorem Taxes	14,000.00	14,000.00	31,615.06	17,615.06
Utility Taxes	400,000.00	400,000.00	398,801.80	(1,198.20)
Penalties and Interest on Taxes	5,000.00	5,000.00	6,905.84	1,905.84
Earnings on Investments and Deposits	21,000.00	21,000.00	14,388.68	(6,611.32)
Cocurricular Activities:				
Admission	7,000.00	7,000.00	4,734.00	(2,266.00)
Other Revenue from Local Sources:				
Rentals	275,000.00	275,000.00	326,727.77	51,727.77
Charges for Services	20,000.00	20,000.00	29,023.76	9,023.76
Other	50,000.00	50,000.00	20,921.72	(29,078.28)
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	4,000.00	4,000.00	0.00	(4,000.00)
Other County Revenue	0.00	0.00	3,468.85	3,468.85
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	12,235,000.00	12,235,000.00	12,042,163.21	(192,836.79)
Restricted Grants-in-Aid	4,000.00	4,000.00	3,046.71	(953.29)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received Directly from Federal Government	435,702.00	435,702.00	435,702.00	0.00
Restricted Grants-in-Aid Received from Federal Government Through the State	33,174,142.00	36,868,788.00	7,738,533.78	(29,130,254.22)
Johnson O'Malley Funds	0.00	35,390.00	35,390.00	0.00
Total Revenue	47,004,844.00	50,734,880.00	21,477,490.50	(29,257,389.50)
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	7,621,947.05	8,339,871.05	6,740,367.70	1,599,503.35
Middle/Junior High	1,971,689.00	2,153,883.00	1,668,852.22	485,030.78
High School	2,439,532.00	2,901,544.00	2,196,809.07	704,734.93
Other Regular Programs	269,809.50	570,045.86	242,502.88	327,542.98
Special Programs:				
Educationally Deprived	2,451,123.00	2,677,459.00	2,494,158.71	183,300.29

REQUIRED SUPPLEMENTARY INFORMATION
TODD COUNTY SCHOOL DISTRICT NO. 66-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures (Cont.):				
Support Services:				
Pupils:				
Attendance and Social Work	1,369,599.75	1,791,359.75	1,311,327.09	480,032.66
Guidance	1,005,654.75	1,104,632.75	1,031,396.55	73,236.20
Health	135,255.00	135,255.00	95,893.34	39,361.66
Instuctional Staff:				
Improvement of Instruction	1,647,865.00	2,399,857.00	1,565,884.06	833,972.94
Educational Media	616,351.00	616,351.00	379,408.33	236,942.67
General Administration:				
Board of Education	243,295.00	243,295.00	69,658.32	173,636.68
Executive Administration	633,750.00	633,750.00	491,628.86	142,121.14
School Administration:				
Office of the Principal	2,300,519.65	2,300,395.65	2,076,939.63	223,456.02
Business:				
Fiscal Services	617,663.50	617,663.50	559,660.50	58,003.00
Facility Acquisition and Construction	23,179,554.00	23,479,554.00	0.00	23,479,554.00
Operation and Maintenance of Plant	5,894,466.35	6,237,966.35	4,092,819.39	2,145,146.96
Pupil Transportation	1,848,055.95	2,493,055.95	929,222.12	1,563,833.83
Food Services	629,326.00	629,326.00	579,326.00	50,000.00
Central:				
Planning	585,702.00	601,827.00	521,288.88	80,538.12
Community Services:				
Nonpublic School	121,420.00	170,410.00	115,596.27	54,813.73
Cocurricular Activities:				
Male Activities	245,697.50	245,697.50	187,572.22	58,125.28
Female Activities	231,605.50	231,605.50	134,237.57	97,367.93
Combined Activities	421,985.50	421,985.50	316,826.01	105,159.49
Nonprogrammed Charges:				
Payments to State - Unemployment	20,000.00	20,000.00	2,614.25	17,385.75
Contingency	870,000.00	870,000.00		
Amount Transferred		0.00		870,000.00
Total Expenditures	57,371,867.00	61,886,790.36	27,803,989.97	34,082,800.39
Excess of Revenue Over (Under) Expenditures	(10,367,023.00)	(11,151,910.36)	(6,326,499.47)	4,825,410.89
Other Financing Sources (Uses):				
Transfers In	9,900,000.00	9,900,000.00	5,773,346.40	(4,126,653.60)
Total Other Financing Sources (Uses)	9,900,000.00	9,900,000.00	5,773,346.40	(4,126,653.60)
Net Change in Fund Balances	(467,023.00)	(1,251,910.36)	(553,153.07)	698,757.29
Fund Balance - Beginning	3,905,040.52	3,905,040.52	3,905,040.52	0.00
FUND BALANCE - ENDING	3,438,017.52	2,653,130.16	3,351,887.45	698,757.29

REQUIRED SUPPLEMENTARY INFORMATION
TODD COUNTY SCHOOL DISTRICT NO. 66-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	450,000.00	450,000.00	529,057.10	79,057.10
Prior Years' Ad Valorem Taxes	10,000.00	10,000.00	14,500.96	4,500.96
Penalties and Interest on Taxes	1,000.00	1,000.00	2,892.87	1,892.87
Earnings on Investments and Deposits	400,000.00	400,000.00	348,369.04	(51,630.96)
Unrealized Gain/(Loss) on Investments	0.00	0.00	(260,568.37)	(260,568.37)
Revenue from Intermediate Sources:				
County Sources:				
Utility Taxes	0.00	0.00	1,237.91	1,237.91
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received Directly from Federal Government	0.00	0.00	14,509.00	14,509.00
Restricted Grants-in-Aid Received from Fed.Gov. through the State	0.00	0.00	1,680,942.22	1,680,942.22
Total Revenue	861,000.00	861,000.00	2,330,940.73	1,469,940.73
Expenditures:				
Support Services:				
Business:				
Facilities Acquisition and Construction	5,605,000.00	5,605,000.00	3,237,099.62	2,367,900.38
Total Expenditures	5,605,000.00	5,605,000.00	3,237,099.62	2,367,900.38
Excess of Revenue Over (Under) Expenditures	(4,744,000.00)	(4,744,000.00)	(906,158.89)	3,837,841.11
Other Financing Sources (Uses):				
Transfers Out	(3,000,000.00)	(3,000,000.00)	(3,000,000.00)	0.00
Sale of Surplus Property	0.00	0.00	41,309.00	41,309.00
Total Other Financing Sources (Uses)	(3,000,000.00)	(3,000,000.00)	(2,958,691.00)	41,309.00
Net Change in Fund Balances	(7,744,000.00)	(7,744,000.00)	(3,864,849.89)	3,879,150.11
Fund Balance - Beginning	25,637,068.52	25,637,068.52	25,637,068.52	0.00
FUND BALANCE - ENDING	17,893,068.52	17,893,068.52	21,772,218.63	3,879,150.11

REQUIRED SUPPLEMENTARY INFORMATION
TODD COUNTY SCHOOL DISTRICT NO. 66-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	260,000.00	260,000.00	333,045.29	73,045.29
Prior Years' Ad Valorem Taxes	2,000.00	2,000.00	8,844.17	6,844.17
Penalties and Interest on Taxes	1,000.00	1,000.00	1,751.01	751.01
Other Revenue from Local Sources:				
Charges for Services	3,000.00	3,000.00	3,046.00	46.00
Other	30,000.00	30,000.00	24,000.00	(6,000.00)
Revenue from Intermediate Sources:				
County Sources:				
Utility Taxes	0.00	0.00	767.97	767.97
Revenue from State Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid	2,300,000.00	2,300,000.00	2,108,984.00	(191,016.00)
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received Directly from Federal Government	350,000.00	350,000.00	263,962.00	(86,038.00)
Restricted Grants-in-Aid Received	1,017,899.00	1,017,899.00	883,533.00	(134,366.00)
Total Revenue	3,963,899.00	3,963,899.00	3,627,933.44	(335,965.56)
Expenditures:				
Instruction:				
Special Programs:				
Programs for Special Education	3,422,950.75	3,422,950.75	2,553,433.86	869,516.89
Support Services:				
Students:				
Attendance and Social Work	184,245.00	184,245.00	79,414.47	104,830.53
Health	27,113.00	27,113.00	23,081.31	4,031.69
Psychological	340,026.00	340,026.00	272,366.27	67,659.73
Speech Pathology	572,525.50	572,525.50	535,911.20	36,614.30
Audiology Services	20,000.00	20,000.00	1,518.80	18,481.20
Student Therapy Services	333,918.00	333,918.00	217,078.64	116,839.36
Instructional Staff:				
Improvement of Instruction	60,000.00	60,000.00	9,443.34	50,556.66
Special Education:				
Administrative Costs	334,583.00	334,583.00	266,073.45	68,509.55
Transportation Costs	95,475.75	95,475.75	81,539.99	13,935.76
Total Expenditures	5,390,837.00	5,390,837.00	4,039,861.33	1,350,975.67
Excess of Revenue Over (Under) Expenditures	(1,426,938.00)	(1,426,938.00)	(411,927.89)	1,015,010.11

REQUIRED SUPPLEMENTARY INFORMATION
TODD COUNTY SCHOOL DISTRICT NO. 66-1
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	1,200,000.00	1,200,000.00	500,000.00	(700,000.00)
Total Other Financing Sources (Uses)	1,200,000.00	1,200,000.00	500,000.00	(700,000.00)
Net Change in Fund Balances	(226,938.00)	(226,938.00)	88,072.11	315,010.11
Fund Balance - Beginning	439,513.89	439,513.89	439,513.89	0.00
FUND BALANCE - ENDING	212,575.89	212,575.89	527,586.00	315,010.11

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

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

Note 1. Budgets and Budgetary Accounting

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

1. Prior to the first regular meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.

2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.

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

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

5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.

6. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated by number 8.

7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.

8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.

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

10. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

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

	Year Ended 6/30/2022
General Fund:	
USGAAP Basis Fund Balance	$ 29,377,997.94
(Deduct) Impact Aid Revenue	(15,591,810.36)
Impact Aid Beginning Balance	(20,405,036.28)
Impact Aid Transfer Out & Expenses	9,970,736.15
Net Adjustment to GAAP Basis Fund Balance	(26,026,110.49)
Budgetary Basis Fund Balance	$ 3,351,887.45

Note 2. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new school bus would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a school bus would be reported as an expenditure of the Support Services-Business/Student Transportation function of government, along with all other current Student Transportation related expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

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

South Dakota Retirement System

Last 8 Fiscal Years *

	District's proportion of the net pension liability/asset	District's proportionate share of net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.7318370%	$ (5,604,619)	$ 16,607,713	33.75%	105.52%
2021	0.7721479%	$ (33,534)	$ 16,947,477	0.20%	100.04%
2020	0.7412291%	$ (78,550)	$ 15,757,472	0.50%	100.09%
2019	0.7401206%	$ 17,261	$ 15,387,704	0.11%	100.02%
2018	0.6906660%	$ 62,679	$ 14,032,884	0.45%	100.10%
2017	0.7427452%	$ 2,508,920	$ 14,123,285	17.76%	96.89%
2016	0.7723844%	$ 3,275,903	$ 14,085,369	23.26%	104.10%
2015	0.7630031%	$ 5,497,125	$ 13,358,983	41.15%	107.30%

* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 06/30 of the previous year.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS

South Dakota Retirement System

Last 8 Fiscal Years *

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2022	$ 1,085,227	$ 1,085,227	$ -	$ 18,087,064	6.00%
2021	$ 996,465	$ 996,465	$ -	$ 16,607,713	6.00%
2020	$ 1,016,717	$ 1,016,717	$ -	$ 16,947,477	6.00%
2019	$ 945,531	$ 945,531	$ -	$ 15,757,472	6.00%
2018	$ 923,263	$ 923,263	$ -	$ 15,387,704	6.00%
2017	$ 841,975	$ 841,975	$ -	$ 14,032,884	6.00%
2016	$ 847,398	$ 847,398	$ -	$ 14,123,285	6.00%
2015	$ 845,123	$ 845,123	$ -	$ 14,085,369	6.00%

* Until a full 10-year trend is compiled, the School District will present information for those years for which information is available.

Notes to Required Supplementary Information
for the Year Ended June 30, 2022
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions.

Changes from Prior Valuation

The June 30, 2021 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2021 Actuarial Valuation. One change in actuarial assumptions and one plan provision change are reflected and described below.

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

Benefit Provision Changes

Legislation enacted in 2021 reduced the minimum SDRS COLA from 0.5% to 0%. This change will impact the SDRS COLA only when inflation is very low or when a restricted maximum COLA of 0.5% is not affordable. The change had no impact on the current assets or liabilities of SDRS.

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% (0.5% prior to 2021) 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%. That condition existed as of June 30, 2021, and the July 2021 SDRS COLA was limited to a restricted maximum of 1.41%. As of June 30, 2021, the FVFR assuming the COLA is equal to the baseline COLA assumption is greater than 100%.The July, 2022 SDRS COLA will equal inflation, between 0% and 3.5%. For the June 30, 2020 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.41%. For this June 30, 2022 Actuarial Valuation, future COLAs are assumed to equal the baseline COLA assumption of 2.25%.

The change in the COLA assumption increased the Actuarial Accrued Liability by $1,135 million, or 8.9% of the Actuarial Accrued Liability based on the 1.41% restricted maximum COLA.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2022 Actuarial Valuation.

Actuarial Method Changes

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

TODD COUNTY SCHOOL DISTRICT NO. 66-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures FY 2022
US Department of Agriculture:			
Pass-Through the SD Department of Education:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program(Note 4)	10.555	20223SD310N1099	45,231.14
Cash Assistance:			
School Breakfast Program (Note 3)(Note 4)	10.553	20223SD310N1099	324,394.60
National School Lunch Program (Note 3)(Note 4)	10.555	20223SD310N1099	873,361.46
Total Child Nutrition Cluster			**1,242,987.20**
Total US Department of Agriculture			**1,242,987.20**
US Department of the Interior:			
Direct Federal Funding:			
Indian Education - Assistance to Schools - Johnson O'Malley (Note 3)	15.130		35,390.00
Total US Department of the Interior			**35,390.00**
General Services Administration:			
Pass-Through the SD Federal Property Agency:			
Donation of Federal Surplus Personal Property (Note 5)	39.003		29,509.35
Total General Services Administration			**29,509.35**
US Department of Education:			
Direct Federal Funding:			
Impact Aid (Title VIII)	84.041		8,689,690.74
Indian Education - Formula Grants to Local Ed.I Agencies	84.060A		435,702.00
Pass-Through the SD Department of Education:			
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B, P.L. 102-119)	84.027	H027A210091	659,801.00
Special Education - Grants to States (IDEA, Part B, P.L. 102-119)-ARP	84.027	H027A210091	191,458.00
Special Education - Preschool Grants (P.L. 102-119)	84.173	H173A210091	15,321.00
Special Education - Preschool Grants (P.L. 102-119)-ARP	84.173	H173A210091	16,953.00
Total Special Education Cluster			**883,533.00**
Title I Programs - Local Educational Agencies	84.010A	S010A210041	4,084,455.00
Vocational Education - Basic Grants to States	84.048	V048A210041	65,686.00
Rural Education	84.358		16,169.00
Improving Teacher Quality State Grants (Title II, Part A)	84.367A	S367A210039	417,901.00
Student Support and Academic Enrichment Program (Note 4)	84.424A	S424A210043	486,173.00
Elementary and Secondary School Emergency Relief Fund (Note 4)	84.425D		1,358.00
Elementary and Secondary School Emergency Relief Fund (Note 4)	84.425D		3,026,060.00
Elementary and Secondary School Emergency Relief Fund (Note 4)	84.425U		1,461,423.00
Total US Department of Education			**19,568,150.74**
GRAND TOTAL			**$20,876,037.29**

Note 1: *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal activity of the School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2: *Summary of Significant Accounting Policies*

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The School District has not elected to use the 10 percent deminimis indirect cost rate as allowed under the Uniform Guidance.

TODD COUNTY SCHOOL DISTRICT NO. 66-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Note 3: *Federal Reimbursement*

Federal Reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

Note 4: *Major Federal Financial Assistance Program*

This represents a Major Federal Financial Assistance Program.

Note 5: *Federal Surplus Property*

The amount reported represents 23.3% of the original acquisition cost of the federal surplus property received by the School District. (Original acquisition cost is provided by Federal Surplus Property. It is not what the school actually paid for the item.)