

Wilmot School District No. 54-7

**Independent Auditor's Report
and Financial Statements**

**For the Year Ended
June 30, 2024**

Wilmot School District No. 54-7

School District Officials

June 30, 2024

Board Members

Bryce Heinje ----- Board President

Philip Ammann -----Vice President

Heidi Pelzel ----- Member

David Anderson----- Member

Jacquelyn Cameron----- Member

Natalie Remund ----- Member

Trent Ammann----- Member

Larry Hulscher-----Superintendent

Tiffany Argo -----Business Manager

Wilmot School District No. 54-7

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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
Wilmot School District No. 54-7
Wilmot, 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 Wilmot School District No. 54-7, Wilmot, South Dakota, as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements and have issued our report thereon dated November 20, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wilmot 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Wilmot 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.

A handwritten signature in cursive script that reads "CLO Prof LHC".

Elk Point, South Dakota
November 20, 2024



Independent Auditor’s Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

School Board
Wilmot School District No. 54-7
Wilmot, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wilmot School District No. 54-7’s, South Dakota 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 Wilmot School District ’s major federal programs for the year ended June 30, 2024. Wilmot School District 's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Prior and Current Audit Findings and Questioned Costs.

In our opinion, the Wilmot School District No. 54-7 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with 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 a 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 the requirements of laws, statutes, regulations, rules and provisions of contracts or grants 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 an 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 material noncompliance when it exists. The risk is not detecting material noncompliance resulting from fraud is higher than for that 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 judgment 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, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 with the 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 and any significant deficiencies and material weaknesses in internal control over compliance 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 over compliance 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 a 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 testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes. 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.

Handwritten signature in cursive script that reads "CLO Prof LLC".

Elk Point, South Dakota
November 20, 2024

Wilmot School District No. 54-7
 Schedule of Prior and Current Audit Findings and Questioned Costs
 Year Ended June 30, 2024

Schedule of Prior Audit Findings:

There were no findings in prior year.

Schedule of Current Audit Findings:

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: _____ Yes X None Reported

Significant deficiencies identified not considered to be material weaknesses: _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards:

Internal control over major program:

Material weakness identified: _____ Yes X None Reported

Significant deficiencies identified not considered to be _____ Yes X None Reported

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): _____ Yes X No

Identification of major program:

CFDA Number	Name of Federal Program
84.287	Twenty-First Century Community Learning Center
84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:

 \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

Wilmot School District No. 54-7
Schedule of Prior and Current Audit Findings and Questioned Costs
Year Ended June 30, 2024 (Continued)

Section II - Financial Statement Findings

There are no findings which are required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There are no findings or questioned costs relating to federal award programs which are required to be reported in accordance with 2 CFR 200.156(a).



Independent Auditor's Report

School Board
Wilmot School District No. 54-7
Wilmot, 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 Wilmot School District No. 54-7, Wilmot, South Dakota, as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise Wilmot 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 the Wilmot School District No. 54-7, South Dakota as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's 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 Changes in OPEB Liability, Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset), and Schedule of School District Contributions listed in the table of contents 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 Wilmot School District's basic financial statements. The Schedule of Expenditures of Federal Awards, which is required by *Title 2 U.S. Code of Federal Regulations (CFR) 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the School District's internal control over financial reporting and 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 the School District's internal control over financial reporting and compliance.



Elk Point, South Dakota
November 20, 2024

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

This section of Wilmot School District 54-7's annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year ended on June 30, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

Financial Highlights

- During the year, the School's revenues generated from taxes and other revenues of the governmental and business-type programs were \$686,040 more than the governmental and business-type program expenditures.

Overview of the Financial Statements

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

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

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

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

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

Figure A-1

Major Features of Wilmot School's Government-Wide and Fund Financial Statements

	Government-Wide Statements	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 and 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	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Changes in Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the 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	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

Government-Wide Statements

The government-wide statements report information about the District 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 is one way to measure the School's financial health or position.

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

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

- **Governmental Activities** – This category includes the School's basic instructional services, such as elementary and high school educational programs, support services (guidance counselor, executive administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities (sports, 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 students to help cover the costs of providing hot lunch services to all students. There is a fee charged for Drivers Ed which is also one of the business-type activities of the School.

Fund Financial Statements

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

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

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

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 be readily 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 fund statements, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary Funds** – Services for which the School charges customers a fee is 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 provides 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 net position and a statement of changes in 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.

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

Financial Analysis of the School as a Whole

Net Position

The School's combined net position increased as follows:

Table A-1
Wilmot School District 54-7
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	2023-2024
Current and Other Assets	\$ 3,159,135	\$ 3,746,628	\$ 152,320	\$ 134,863	\$ 3,311,455	\$ 3,881,491	17.21%
Capital Assets (Net of Depreciation)	2,208,944	2,210,350	73,029	68,734	2,281,973	2,279,084	-0.13%
Total Assets	5,368,079	5,956,978	225,349	203,597	5,593,428	6,160,575	10.14%
OPEB Related Deferred Outflows	8,397	47,112	--	--	8,397	47,112	461.06%
Pension Related Deferred Outflows	666,154	624,166	--	--	666,154	624,166	-6.30%
Total Deferred Outflows or Resources	674,551	671,278	--	--	674,551	671,278	-0.49%
Long-Term Liabilities Outstanding	328,399	368,625	--	--	328,399	368,625	12.25%
Other Liabilities	470,099	276,686	32,169	25,046	502,268	301,732	-39.93%
Total Liabilities	798,498	645,311	32,169	25,046	830,667	670,357	-19.30%
Taxes Levied for Future Period	613,295	720,595	--	--	613,295	720,595	17.50%
OPEB Related Deferred Inflows	145,694	133,456	--	--	145,694	133,456	-8.40%
Pension Related Deferred Inflows	398,463	371,545	--	--	398,463	371,545	-6.76%
Total Deferred Inflows of Resources	1,157,452	1,225,596	--	--	1,157,452	1,225,596	5.89%
Net Investment in Capital Assets	1,958,944	1,960,350	73,029	68,734	2,031,973	2,029,084	-0.14%
Restricted	1,308,126	1,490,141	--	--	1,308,126	1,490,141	13.91%
Unrestricted	819,610	1,306,858	120,151	109,817	939,761	1,416,675	50.75%
Total Net Position	4,086,680	4,757,349	193,180	178,551	4,279,860	4,935,900	15.33%
Beginning Net Position	3,670,285	4,086,680	170,686	193,180	3,840,971	4,279,860	11.43%
Increase (Decrease) in Net Position	\$ 416,395	\$ 670,669	\$ 22,494	\$ (14,629)	\$ 438,889	\$ 656,040	49.48%
Percentage of Increase (Decrease) in Net Position	11.35%	16.41%	13.18%	-7.57%	11.43%	15.33%	

The Statement of Net Position reports all financial and capital resources. The statement presents the assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 capital outlay certificates and OPEB payable have been reported in this manner on the Statement of Net Position. The difference between the School's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is its net position.

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

Changes in Net Position

The Wilmot School District’s total revenues (excluding transfers) in FY24 were \$4,457,942. Approximately 38% of the School’s revenue comes from property and other taxes, with approximately 28% coming from operating grants and contributions. (See Table A-2).

Table A-2
Wilmot School District 54-7
Sources of Revenues
Fiscal Year 2023-2024

Taxes	\$ 1,696,479	38.06%
Operating Grants & Contributions	1,230,534	27.60%
State Sources	1,161,944	26.06%
Other General Revenues	176,627	3.96%
Charges For Services	115,385	2.59%
Unrestricted Investment Earnings	76,973	1.73%
Total Revenue	\$ 4,457,942	100.00%

The Wilmot School District expenses totaled \$3,801,902. The School’s expenses cover a range of services, encompassing instruction, support services, interest on long-term debt, community services, co-curricular activities, food services, and driver’s education. (See Table A-3).

Table A-3
Wilmot School District 54-7
Statement of Expenditures
Fiscal Year 2023-2024

Instruction	\$ 1,760,070	46.29%
Support Services	1,416,409	37.26%
Food Service	242,897	6.39%
Community Services	181,478	4.77%
Cocurricular Activities	130,713	3.44%
Other Enterprise	65,732	1.73%
Interest - on Long-Term Debt	4,603	0.12%
Total Expenditures	\$ 3,801,902	100.00%

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

Governmental and Business-Type Activities

Table A-4 and the narrative that follows consider the operations of the governmental activities and the business-type activities of the School:

Table A-4

	Government Activities		Business-type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	
Revenues							
Program Revenues							
Charge for Services	\$ 63,479	\$ 21,876	\$ 75,182	\$ 93,509	\$ 138,661	\$ 115,385	-16.79%
Operating Grants/ Contributions	993,007	1,041,268	181,010	189,266	1,174,017	1,230,534	4.81%
General Revenues							
Taxes	1,574,934	1,696,479	--	--	1,574,934	1,696,479	7.72%
Revenue State Sources	1,040,412	1,161,944	--	--	1,040,412	1,161,944	11.68%
Other							
Other general revenues	122,339	173,115	5,000	3,512	127,339	176,627	38.71%
Unrestricted Investment Earnings	28,070	76,973	--	--	28,070	76,973	174.22%
	<u>3,822,241</u>	<u>4,171,655</u>	<u>261,192</u>	<u>286,287</u>	<u>4,083,433</u>	<u>4,457,942</u>	<u>9.17%</u>
Expenses							
Instruction	1,728,815	1,760,070	--	--	1,728,815	1,760,070	1.81%
Support Services	1,343,250	1,416,409	--	--	1,343,250	1,416,409	5.45%
Community Services	180,860	181,478			180,860	181,478	0.34%
Interest on long-term debt	4,603	4,603	--	--	4,603	4,603	0.00%
Co-curricular Activities	129,544	130,713	--	--	129,544	130,713	0.90%
Food Service	--	--	218,332	242,897	218,332	242,897	11.25%
Other Enterprise	--	--	39,140	65,732	39,140	65,732	67.94%
	<u>3,387,072</u>	<u>3,493,273</u>	<u>257,472</u>	<u>308,629</u>	<u>3,644,544</u>	<u>3,801,902</u>	<u>4.32%</u>
Excess (Deficiency) Before Transfers	435,169	678,382	3,720	(22,342)	438,889	656,040	49.48%
Transfers	<u>(18,774)</u>	<u>(7,713)</u>	<u>18,774</u>	<u>7,713</u>	<u>--</u>	<u>--</u>	<u>0.00%</u>
Increase (Decrease) in Net Position	416,395	670,669	22,494	(14,629)	438,889	656,040	49.48%
Beginning Net Position	<u>3,670,285</u>	<u>4,086,680</u>	<u>170,686</u>	<u>193,180</u>	<u>3,840,971</u>	<u>4,279,860</u>	<u>11.43%</u>
Ending Net Position	<u>\$ 4,086,680</u>	<u>\$ 4,757,349</u>	<u>\$ 193,180</u>	<u>\$ 178,551</u>	<u>\$ 4,279,860</u>	<u>\$ 4,935,900</u>	<u>15.33%</u>

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

Governmental Activities

Revenues for the School’s governmental activities increased approximately 9.1% while expenses for governmental activities increased by approximately 3.1%. The largest revenue increases occurred in operating grants and contributions and other general revenues. Expenditures increased across the board.

Business-Type Activities

Expenditures of the School’s business-type activities (Food Service Operation and Other Enterprise) increased by 19.9% while revenues increased by 9.6%. The largest revenue increase was charges for services.

Financial Analysis of the School’s Funds

Fund balances changed as follows: General Fund increased by \$472,352. Capital Outlay Fund increased by \$73,963. And the Special Education Fund increased by \$103,083. The school district is still in good standing.

General Fund Budgetary Highlights

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

- Supplemental appropriations and contingency transfers approved for unanticipated, 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 FY24, the School had invested \$2,279,084 (net of depreciation) in a broad range of capital assets, including land, buildings, various machinery and equipment, and library books. (See Table A-5.) This amount represents a net decrease (including additions and deductions) of \$2,889.

Table A-5
Capital Assets
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Dollar Change</u>	<u>Total % Change</u>
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>		
Land	\$ 2,402	\$ 2,402	\$ --	\$ --	\$ --	0.00%
Buildings & Improvements	1,917,648	1,976,987	--	--	59,339	3.09%
Machinery & Equipment	271,302	218,519	73,029	68,734	(57,078)	-16.58%
Library Books	17,592	12,442	--	--	(5,150)	-29.27%
Total Capital Assets	\$ 2,208,944	\$ 2,210,350	\$ 73,029	\$ 68,734	\$ (2,889)	-0.13%

Major capital outlay purchases in FY24 new roof, football field lights, new HVAC heat pumps, bleachers, and a new fence around the daycare.

Wilmot School District No. 54-7
Management Discussion and Analysis (MD&A)
June 30, 2024

Long-Term Debt

At year-end, the School had \$368,625 in general long-term obligations. This balance includes Capital Outlay Certificates and other post-employment benefits. See individual balances as shown on Table A-6 below:

Table A-6
Outstanding Debt and Obligations

	Governmental Activities		Total Dollar Change	Total % Change
	2023	2024		
Capital Outlay Certificates	\$ 250,000	\$ 250,000	\$ --	0.00%
OPEB Payable	78,399	118,625	40,226	51.31%
Total Outstanding Debt	\$ 328,399	\$ 368,625	\$ 40,226	12.25%

Economic Factors and Next Year’s Budget and Rates

The School’s current economic position has shown little change. Its total net position for the year was \$656,040. This is a increase of 49.48% from last year.

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 Wilmot School’s Business Office, 800 Ordway Street, Wilmot, SD 57279-0100.

Wilmot School District No. 54-7
Statement of Net Position – Government-Wide
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and cash equivalents	\$ 2,486,162	\$ 102,018	\$ 2,588,180
Accounts receivable	276,757	10,378	287,135
Taxes receivable	744,298	--	744,298
Inventories	--	22,467	22,467
Restricted Assets:			
Cash and cash equivalents	232,214	--	232,214
Net pension asset	7,197	--	7,197
Capital assets:			
Land and construction in progress	2,402	--	2,402
Other capital assets, net of depreciation	2,207,948	68,734	2,276,682
Total Assets	5,956,978	203,597	6,160,575
Deferred Outflows of Resources:			
OPEB-related deferred outflows	47,112		47,112
Pension-related deferred outflows	624,166	--	624,166
Total Deferred Outflows of Resources	671,278	--	671,278
Liabilities:			
Unearned revenue	--	20,493	20,493
Other current liabilities	276,686	4,553	281,239
Long-term liabilities:			
Due within one year	250,000	--	250,000
Due in more than one year	118,625	--	118,625
Total Liabilities	645,311	25,046	670,357
Deferred Inflows of Resources:			
Taxes levied for future periods	720,595	--	720,595
Pension related deferred inflows	371,545	--	371,545
OBEP-related deferred inflows	133,456	--	133,456
Total Deferred Inflows of Resources	1,225,596	--	1,225,596
Net Position:			
Net investment in capital assets	1,960,350	68,734	2,029,084
Restricted for:			
Capital outlay	392,920	--	392,920
Special education	605,189	--	605,189
Debt service	232,214	--	232,214
SDRS pension purposes	259,818	--	259,818
Unrestricted	1,306,858	109,817	1,416,675
Total Net Position	\$ 4,757,349	\$ 178,551	\$ 4,935,900

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Statement of Activities – Government-Wide
June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction	\$ 1,760,070	\$ --	\$ 1,031,685	\$ (728,385)	\$ --	\$ (728,385)
Support services	1,416,409	1,310	9,583	(1,405,516)	--	(1,405,516)
Community services	181,478	--	--	(181,478)	--	(181,478)
Interest on long-term debt	4,603	--	--	(4,603)	--	(4,603)
Cocurricular activities	130,713	20,566	--	(110,147)	--	(110,147)
Total Governmental Activities	3,493,273	21,876	1,041,268	(2,430,129)	--	(2,430,129)
Business-Type Activities:						
Food service	242,897	66,506	158,250	--	(18,141)	(18,141)
Other enterprise	65,732	27,003	31,016	--	(7,713)	(7,713)
Total Business Type Activities	308,629	93,509	189,266	--	(25,854)	(25,854)
Total Primary Government	\$ 3,801,902	\$ 115,385	\$ 1,230,534	(2,430,129)	(25,854)	(2,455,983)
General Revenues:						
Taxes:						
				1,609,846	--	1,609,846
				86,633	--	86,633
Revenue from state sources:						
				1,146,355	--	1,146,355
				15,589	--	15,589
				76,973	--	76,973
				173,115	3,512	176,627
				(7,713)	7,713	--
				3,100,798	11,225	3,112,023
				670,669	(14,629)	656,040
				4,086,680	193,180	4,279,860
				\$ 4,757,349	\$ 178,551	\$ 4,935,900

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Balance Sheet – Governmental Funds
June 30, 2024

	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>QZAB Certificate Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 1,470,713	\$ 386,160	\$ 629,289	\$ --	\$ 2,486,162
Taxes receivable - current	305,400	214,297	200,898	--	720,595
Taxes receivable - delinquent	14,902	3,834	4,967	--	23,703
Due from other governments	267,505	9,252	--	--	276,757
Restricted cash and cash equivalents	--	--	--	232,214	232,214
Total Assets	<u>\$ 2,058,520</u>	<u>\$ 613,543</u>	<u>\$ 835,154</u>	<u>\$ 232,214</u>	<u>\$ 3,739,431</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 8,840	\$ 6,326	\$ --	\$ --	\$ 15,166
Contracts payable	180,446	--	23,014	--	203,460
Payroll deductions and withholding and employer matching payable	52,007	--	6,053	--	58,060
Total Liabilities	<u>241,293</u>	<u>6,326</u>	<u>29,067</u>	<u>--</u>	<u>276,686</u>
Deferred Inflows of Resources:					
Taxes levied for future period	305,400	214,297	200,898	--	720,595
Delinquent taxes not available	14,902	3,834	4,967	--	23,703
Total Deferred Inflows of Resources	<u>320,302</u>	<u>218,131</u>	<u>205,865</u>	<u>--</u>	<u>744,298</u>
Fund Balances:					
Restricted:					
For capital outlay	--	389,086	--	--	389,086
For special education	--	--	600,222	--	600,222
For debt service	--	--	--	232,214	232,214
Assigned	14,834	--	--	--	14,834
Unassigned	1,482,091	--	--	--	1,482,091
Total Fund Balances	<u>1,496,925</u>	<u>389,086</u>	<u>600,222</u>	<u>232,214</u>	<u>2,718,447</u>
Total Liabilities and Fund Balances	<u>\$ 2,058,520</u>	<u>\$ 613,543</u>	<u>\$ 835,154</u>	<u>\$ 232,214</u>	<u>\$ 3,739,431</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds \$ 2,718,447

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 2,210,350

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

OPEB Liability	(118,625)	
Capital Outlay Certificates	<u>(250,000)</u>	(368,625)

Assets that are not available to pay for current period expenditures are deferred in the governmental funds. Assets at year end consist of:

Delinquent Property Taxes Receivable 23,703

Proportionate Share of Net Pension Asset 7,197

Pension related deferred inflows are components of non current liabilities and therefore are not reported in the funds. (505,001)

Pension related deferred outflows are components of non current assets and therefore are not reported in the funds. 671,278

Net Position - Governmental Activities \$ 4,757,349

Wilmot School District No. 54-7

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

June 30, 2024

	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>QZAB Certificate Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Revenue from Local Sources:					
Taxes:					
Ad valorem taxes	\$ 674,506	\$ 463,257	\$ 454,952	\$ --	\$ 1,592,715
Prior years' ad valorem taxes	3,259	1,206	1,297	--	5,762
Utility taxes	86,633	--	--	--	86,633
Penalties and interest on taxes	1,965	1,157	1,222	--	4,344
Earnings on Investments and Deposits	76,973	--	--	--	76,973
Cocurricular Activities:					
Admissions	14,483	--	--	--	14,483
Other student activity	6,083	--	--	--	6,083
Other Revenue from Local Sources:					
Rentals	225	--	--	--	225
Contributions and donations	700	6,375	--	--	7,075
Services provided by other school districts	1,310	--	--	--	1,310
Charges for services	3,961	--	729	--	4,690
Other	18,246	--	--	--	18,246
Revenue from Intermediate Sources:					
County Sources:					
County apportionment	42,299	--	--	--	42,299
Revenue in lieu of taxes	427	--	--	--	427
Revenue from State Sources:					
Grants-in-Aid:					
Unrestricted grants-in-aid	1,146,355	--	--	--	1,146,355
Restricted grants-in-aid	15,557	--	--	--	15,557
Revenue from Federal Sources:					
Grants-in-Aid:					
Unrestricted grants-in-aid received from federal government through the state	266,996	--	14,032	--	281,028
Restricted grants-in-aid received directly from federal government	9,583	--	--	--	9,583
Restricted grants-in-aid received from federal government through the state	723,610	19,376	7,671	--	750,657
Revenue in lieu of taxes - PILT	32	--	--	--	32
Total Revenues	<u>\$ 3,093,203</u>	<u>\$ 491,371</u>	<u>\$ 479,903</u>	<u>\$ --</u>	<u>\$ 4,064,477</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
June 30, 2024 (Continued)

<u>Expenditures</u>	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>QZAB Certificate Fund</u>	<u>Total Governmental Funds</u>
Instructional Services:					
Regular Programs:					
Elementary	\$ 441,134	\$ 40,046	\$ --	\$ --	\$ 481,180
Middle/Junior High	205,626	14,047	--	--	219,673
High School	378,286	37,037	--	--	415,323
Preschool	35,298	--	--	--	35,298
Special Programs:					
Programs for special education	--	--	301,112	--	301,112
Culturally different	9,585	--	--	--	9,585
Educationally Deprived	158,439	--	--	--	158,439
Support Services:					
Students:					
Attendance and social work	46,123	--	--	--	46,123
Guidance	98,912	--	22,640	--	121,552
Health	1,212	--	--	--	1,212
Speech pathology	--	--	30,843	--	30,843
Student therapy services	--	--	20,887	--	20,887
Instructional Staff:					
Improvement of instruction	20,627	--	1,338	--	21,965
Educational media	63,432	259	--	--	63,691
General Administration:					
Board of education	44,208	--	--	--	44,208
Executive administration	85,902	6,265	--	--	92,167
School Administration:					
Office of the principal	223,753	--	--	--	223,753
Other	168	--	--	--	168
Business:					
Fiscal services	131,751	9,651	--	--	141,402
Facilities acquisition and construction	--	7,276	--	--	7,276
Operation and maintenance of plant	318,043	19,358	--	--	337,401
Student transportation	213,469	--	--	--	213,469
Food Services	7,417	--	--	--	7,417

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

June 30, 2024 (Continued)

	<u>General</u>	<u>Capital Outlay</u>	<u>Special Education</u>	<u>QZAB Certificate Fund</u>	<u>Total Governmental Funds</u>
Central:					
Staff	1,009	--	--	--	1,009
Community services:					
Custody and care of children	180,469	--	--	--	180,469
Nonprogrammed Charges:					
Debt Services:	--	4,603	--	--	4,603
Cocurricular Activities:					
Male activities	18,476	--	--	--	18,476
Female activities	15,122	--	--	--	15,122
Transportation	12,335	--	--	--	12,335
Combined activities	77,342	--	--	--	77,342
Capital Outlay	--	187,353	--	--	187,353
Total Expenditures	<u>2,788,138</u>	<u>325,895</u>	<u>376,820</u>	<u>--</u>	<u>3,490,853</u>
Excess of Revenue Over (Under) Expenditures	305,065	165,476	103,083	--	573,624
Other Financing Sources (Uses):					
Transfer in	175,000	--	--	16,666	191,666
Transfer out	(7,713)	(191,666)	--	--	(199,379)
Sale of Surplus Property	--	8,005	--	--	8,005
Compensation for Loss of General Capital Assets	--	92,148	--	--	92,148
Total Other Financing Sources (Uses)	<u>167,287</u>	<u>(91,513)</u>	<u>--</u>	<u>16,666</u>	<u>92,440</u>
Net Change in Fund Balances	472,352	73,963	103,083	16,666	666,064
Fund Balance, Beginning of Year	<u>1,024,573</u>	<u>315,123</u>	<u>497,139</u>	<u>215,548</u>	<u>2,052,383</u>
Fund Balance, End of Year	<u>\$ 1,496,925</u>	<u>\$ 389,086</u>	<u>\$ 600,222</u>	<u>\$ 232,214</u>	<u>\$ 2,718,447</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 666,064
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital assets purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	187,353
The amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financials because it does not require the use of current financial resources.	(185,947)
The recognition of revenues in the governmental funds differ from the recognition in the governmental activities in the fact that revenue accruals in the fund financial statements require the amounts to be "available."	7,025
Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds.	(14,553)
Changes in the OPEB related deferred outflows/inflows are direct components of noncurrent liability (asset) and are not reflected in the governmental funds.	<u>10,727</u>
Change in net position of governmental activities	<u>\$ 670,669</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Statement of Net Position – Proprietary Funds
June 30, 2024

	Enterprise Funds		
	Food Service Fund	Other Enterprise Fund	Totals
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 82,997	\$ 19,021	\$ 102,018
Due from other government	10,378	--	10,378
Inventory - supplies	4,795	--	4,795
Inventory - stores for resale	8,638	--	8,638
Inventory of donated food	9,034	--	9,034
Total Current Assets	<u>115,842</u>	<u>19,021</u>	<u>134,863</u>
Noncurrent Assets:			
Machinery and equipment - local funds	152,347	--	152,347
Less accumulated depreciation	(83,613)	--	(83,613)
Total Noncurrent Assets	<u>68,734</u>	<u>--</u>	<u>68,734</u>
Total Assets	<u>\$ 184,576</u>	<u>\$ 19,021</u>	<u>\$ 203,597</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 3,483	\$ --	\$ 3,483
Accrued payroll expenses	1,066	4	1,070
Unearned revenue	20,493	--	20,493
Total Current Liabilities	<u>25,042</u>	<u>4</u>	<u>25,046</u>
Net Position:			
Net investment in capital assets	68,734	--	68,734
Unrestricted net position	90,800	19,017	109,817
Total Net Position	<u>\$ 159,534</u>	<u>\$ 19,017</u>	<u>\$ 178,551</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds

June 30, 2024

	Enterprise Funds		Totals
	Food Service Fund	Other Enterprise Fund	
Operating Revenue:			
Tuition and Fees:			
Driver's Education Fees	\$ --	\$ 2,950	\$ 2,950
After School Program Fees	--	24,053	24,053
Food Sales:			
Student	48,093	--	48,093
Adult	10,631	--	10,631
Other	7,782	--	7,782
Total Operating Revenue	<u>66,506</u>	<u>27,003</u>	<u>93,509</u>
Operating Expenses:			
Food Service:			
Salaries	86,631	3,894	90,525
Employee benefits	26,462	298	26,760
Purchased services	8,778	--	8,778
Supplies	5,574	356	5,930
Cost of sales - purchased	87,927	--	87,927
Cost of sales - donated	18,478	--	18,478
Other	--	61,184	61,184
Depreciation	9,047	--	9,047
Total Operating Expenses	<u>242,897</u>	<u>65,732</u>	<u>308,629</u>
Operating Income(Loss)	(176,391)	(38,729)	(215,120)
Nonoperating Revenues/Expenses:			
Other local revenue	4,286	3,512	7,798
State grants	5,048	--	5,048
Federal grants	123,816	31,016	154,832
Donated food	25,100	--	25,100
Total Nonoperating Revenue/ (Expenses)	<u>158,250</u>	<u>34,528</u>	<u>192,778</u>
Income (Loss) Before Transfers	<u>(18,141)</u>	<u>(4,201)</u>	<u>(22,342)</u>
Transfer	--	7,713	7,713
Change in Net Position	(18,141)	3,512	(14,629)
Net Position - Beginning of Year	177,675	15,505	193,180
Net Position - End of Year	<u>\$ 159,534</u>	<u>\$ 19,017</u>	<u>\$ 178,551</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Statement of Cash Flows – Proprietary Funds
June 30, 2024

	Food Service Fund	Other Enterprise Fund	Totals
Cash Flows from Operating Activities			
Cash receipts from customers	\$ 67,646	\$ 27,003	\$ 94,649
Cash payments to suppliers	(103,958)	(61,540)	(165,498)
Cash payments to employees	(117,933)	(4,194)	(122,127)
Net Cash (Used) by Operating Activities	<u>(154,245)</u>	<u>(38,731)</u>	<u>(192,976)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers In	--	7,713	7,713
Other local revenue	4,286	3,512	7,798
Cash reimbursements - state	5,048	--	5,048
Cash reimbursements - federal	131,657	31,016	162,673
Net Cash Provided by Noncapital Financing Activities	<u>140,991</u>	<u>42,241</u>	<u>183,232</u>
Cash Flows from Capital and related Financing Activities:			
Purchase of capital assets	(4,752)	--	(4,752)
Net Cash Provided by Noncapital Financing Activities	<u>(4,752)</u>	<u>--</u>	<u>(4,752)</u>
Net Change in Cash and Cash Equivalents	(18,006)	3,510	(14,496)
Cash and Cash Equivalents, Beginning of Year	101,003	15,511	116,514
Cash and Cash Equivalents, End of Year	<u>\$ 82,997</u>	<u>\$ 19,021</u>	<u>\$ 102,018</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:			
Operating (Loss)	\$ (176,391)	\$ (38,729)	\$ (215,120)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation expense	9,047	--	9,047
Value of commodities used	18,478	--	18,478
Change in Assets and Liabilities:			
Inventory	1,742	--	1,742
Deferred revenue	1,140	--	1,140
Contracts payable	(3,898)	--	(3,898)
Accrued payroll expenses	(942)	(2)	(944)
Accounts payable	(3,421)	--	(3,421)
Net cash (used) by operating activities:	<u>\$ (154,245)</u>	<u>\$ (38,731)</u>	<u>\$ (192,976)</u>
Noncash Investing, Capital and Financing Activities			
Value of commodities received	<u>\$ 25,100</u>	<u>\$ --</u>	<u>\$ 25,100</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Statement of Net Position – Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 47,022
Investments-certificates of deposit	19,639
Accounts receivable	<u>5,000</u>
Total Assets	<u>\$ 71,661</u>
Net Position:	
Flex plan	\$ 16,526
Individuals, organizations, and other governments	<u>55,135</u>
Total Net Position	<u>\$ 71,661</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Statement of Changes in Net Position – Fiduciary Funds
June 30, 2024

	Custodial Funds
Additions:	
Flex additions	\$ 6,481
Collections for student activities	147,527
Total Additions	154,008
Deductions:	
Payments for student activities	136,239
Total Deductions	136,239
Change in Net Position	17,769
Net Position - Beginning	53,892
Net Position - Ending	\$ 71,661

The accompanying Notes to Financial Statements are an integral part of this financial statement.

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

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 Wilmot School District No. 54-7, consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The School District participates in a cooperative service unit with several other School Districts. See detailed note entitled "Joint Ventures" for specific disclosures. Joint Ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the School District.

b. Basis of Presentation:

Government-Wide Financial Statements:

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

The Statement of Net Position reports all financial and capital resources, in a net position form (assets and deferred outflows of resources minus liabilities and deferred inflows of resources 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.

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

Fund Financial Statements:

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

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
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 the capital outlay fund and special education fund expenditures. The General Fund is always a major fund.

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

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

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

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

2018 QZAB Redemption Fund – A fund established to account for the funds restricted to use for the payment of principal and interest on Qualified Zone Academy Bonds. 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 and services. Activities are required to be reported as enterprise funds if any one of the following criteria is met:

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

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

Other Enterprise Funds – A fund used to record financial transactions related to driver’s education. This fund is financed by user charges. This is a major fund.

Fiduciary Funds:

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

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 funds generated within the School District by the students or other School District organizations.

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

c. Measurement Focus and Basis of Accounting:

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

Measurement Focus:

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. “Available” means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the Wilmot School District 54-7 is 60 days. The revenues which are accrued at June 30, 2024 are amounts due from other governments.

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

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 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. Interfund Eliminations and Reclassifications:

Government-Wide Financial Statements:

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

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns.

e. Deposits and Investments:

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

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

f. Capital Assets:

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

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

Government-Wide Financial Statements:

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

The total June 30, 2024 balance of capital assets for governmental activities includes approximately 1% for which the costs were determined by estimates of the original costs. The total June 30, 2024 balance of capital assets for business-type are all valued at the original cost.

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

Depreciation/Amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land*	All Land	--	--
Buildings	\$ 50,000	Straight-line	33-50 years
Improvements	10,000	Straight-line	15-25 years
Equipment (governmental)	5,000	Straight-line	5-20 years
Equipment (proprietary funds)	2,000	Straight-line	5-20 years

*Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

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

g. Long-Term Liabilities:

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

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 consist of capital outlay certificates and other-post employment benefits payable.

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

h. Leases:

The School District does not have any leases. If the School District had any leases, it would recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$45,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

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

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

i. Subscription Based Information Technology Arrangements:

The School District does not have any subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. If the School District had any, it would recognize a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The School District recognizes subscription liabilities with an initial, individual value of \$45,000 or more.

At the commencement of a subscription, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscription include how the School District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

j. Program Revenues:

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

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

k. 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.

l. 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 or expenses.

m. Cash and Cash Equivalents:

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

n. Equity Classifications:

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish 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 net position held in trust for other purposes.

o. Application of Net Position:

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

p. 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.

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies: (Continued)

- 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 nor committed. Fund Balance may be assigned by the School Board.
- 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 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 District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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

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

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Capital Outlay Fund	Taxes
Special Education Fund	Taxes

q. Pensions:

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

2. Deposits and Investments, Credit Risk, Concentrations of Credit Risk and Interest Rate Risk:

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

2. Deposits and Investments, Credit Risk, Concentrations of Credit Risk and Interest Rate Risk: (Continued)

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

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.

Concentrations 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.

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The School District’s policy is to credit all income from investments to the fund making the investment, except the Special Education Fund whose income is credited to the General Fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities. These interfund transfers are not violations of the statutory restrictions on interfund transfers.

3. Restricted Cash and Investments:

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

\$ 232,214	For Debt Service, by debt covenants (sinking funds required to be in a separate account)
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Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

4. Receivables and Payables:

Receivables and payables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year therefore, no allowances for estimated uncollectible has been established.

5. 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 the first in, first out method. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

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

In the governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. No material inventories were on hand as of June 30, 2024 in the governmental funds.

6. Property Taxes:

Property taxes are levied on or before each October 1, attached 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 inflow of resources-property taxes levied for future period in both the fund financial statements and the government-wide financial statements. Additionally, in the fund financial statements, revenue from property taxes may be limited by any amount not collected during the current fiscal period or within the "availability period."

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

7. Changes in Capital Assets:

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

	<u>6/30/2023</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/2024</u> <u>Balance</u>
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 2,402	\$ --	\$ --	\$ 2,402
Total capital assets not being depreciated/amortized	<u>2,402</u>	<u>--</u>	<u>--</u>	<u>2,402</u>
Capital assets being depreciated/amortized:				
Buildings & Improvements	4,509,274	179,926	--	4,689,200
Machinery & Equipment	970,349	6,327	--	976,676
Library Books	61,404	1,100	--	62,504
Total capital assets being depreciated/amortized	<u>5,541,027</u>	<u>187,353</u>	<u>--</u>	<u>5,728,380</u>
Less accumulated depreciation/amortization for:				
Buildings & Improvements	2,591,626	120,587	--	2,712,213
Machinery & Equipment	699,047	59,110	--	758,157
Library Books	43,812	6,250	--	50,062
Total accumulated depreciation/amortization	<u>3,334,485</u>	<u>185,947</u>	<u>--</u>	<u>3,520,432</u>
Total capital assets being depreciated/amortized, net	<u>2,206,542</u>	<u>1,406</u>	<u>--</u>	<u>2,207,948</u>
Net Capital Assets	<u>\$ 2,208,944</u>	<u>\$ 1,406</u>	<u>\$ --</u>	<u>\$ 2,210,350</u>

Depreciation/amortization expense was charged to functions as follows:

Instruction	\$ 139,460
Support services	39,049
Co-curricular activities	7,438
Total Depreciation/Amortization Expense	<u>\$ 185,947</u>

	<u>Balance</u> <u>6/30/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2024</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Equipment	\$ 149,879	\$ 4,752	\$ 2,284	\$ 152,347
Less accumulated depreciation for:				
Less: Accumulated Depreciation	<u>76,850</u>	<u>9,047</u>	<u>2,284</u>	<u>83,613</u>
Total capital assets being depreciated, net	<u>\$ 73,029</u>	<u>\$ (4,295)</u>	<u>\$ --</u>	<u>\$ 68,734</u>

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

7. Changes in Capital Assets: (Continued)

Depreciation expense was charged to functions as follows:

Business-type activities:	
Food service	\$ 9,047

8. Long-Term Liabilities:

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

	6/30/2023	Increase	Decrease	6/30/2024	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Capital Outlay Certificates	\$ 250,000	\$ --	\$ --	\$ 250,000	\$ 250,000
Other Liabilities:					
OPEB Payable	78,399	40,226	--	118,625	--
Total Long-Term Liabilities	\$ 328,399	\$ 40,226	\$ --	\$ 368,625	\$ 250,000

Other Post-Employment Benefits for governmental activities typically have been liquidated from the General Fund.

Debt payable at June 30, 2024 is comprised of the following:

<p>Wilmot School District No 54-7, QZAB Certificate Bonds, Series 2009</p>	<p>During 2009, the School District entered into an agreement for QZAB Certificate Term Bonds in the amount of \$250,000. There is an interest rate of 0% assessed on this amount. Payments are being made into a sinking fund held with an escrow agent. Final payment is 2025. The Capital Outlay Fund makes payment on this debt through the QZAB Bond Fund.</p>	<p>\$ 250,000</p>
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<p>Other Post Employment Benefits Payable from the fund to which payroll expenditures are charged</p>	<p>\$ 118,625</p>
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Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

8. Long-Term Liabilities: (Continued)

The annual requirements to amortize the Capital Outlay Certificates outstanding at June 30, 2024, are as follows:

Year Ending June 30,	QZAB Bonds	
	Principal	Interest
2025	\$ 250,000	\$ --
Totals	\$ 250,000	\$ --

9. Restricted Net Position:

Restricted Net Position for the year ended June 30, 2024 was as follows:

Purpose	Restricted By	Amount
Major Purposes:		
Capital Outlay	Law	\$ 392,920
Special Education	Law	605,189
Debt Service	Debt Covenant	232,214
SDRS Pension Purposes	Law	259,818
Total		\$ 1,490,141

10. Interfund Transfers:

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

Transfer from the General Fund to the Other Enterprise Fund for Expenses.	\$ 7,713
Transfer from the Capital Outlay Fund to the General Fund Under the allowable percentage permitted by SDCL 13-16-6 to supplement the General Fund Balance with unused Capital Outlay funds.	\$ 175,000
Transfer from the Capital Outlay Fund to the QZAB Fund to cover current sinking fund requirements.	\$ 16,666

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

11. Pension Plan:

Plan Information:

All employees, working more than 20 hours per week during the school year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer hybrid 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://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605)773-3731.

Benefits Provided:

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

Members That were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundations members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of foundation member will receive a 60 percent joint survivor benefit when the member dies.

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

11. Pension Plan: (Continued)

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

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

Legislation enacted in 2021 reduced the minimum COLA from 0.5 percent to 0.0 percent.

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee’s contribution. The School District’s share of contributions to the SDRS for the years ended June 30, 2024, 2023 and 2022, equal to required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 126,147
2023	114,106
2022	101,269

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

At June 30, 2023, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the School District as of June 30, 2024 are as follows:

Proportionate share of pension liability	\$ 10,683,988
Less proportionate share of net pension restricted for pension	<u>10,691,185</u>
Proportionate share of net pension (asset)	<u><u>\$ (7,197)</u></u>

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

11. Pension Plan: (Continued)

At June 30, 2024, the School District reported an (asset) of (\$7,197) for its proportionate share of the net pension (asset). The net pension (asset) was measured as of June 30, 2023 and the total pension (asset) used to calculate the net pension (asset) was based on a projection of the School District's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the School District's proportion was 0.07373000%, which is an increase of 0.0030500% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized a reduction of pension expense of \$14,553. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 203,985	\$ --
Changes in assumption	246,033	359,647
Net difference between projected and actual earnings on pension plan investments	47,911	--
Changes in proportion and difference between district contributions and proportionate share of contributions	90	11,898
District contributions subsequent to the measurement date	126,147	--
Total	\$ 624,166	\$ 371,545

\$126,147 reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30,	
2025	\$ 93,776
2026	(113,435)
2027	136,571
2028	9,562
Total	\$ 126,474

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

11. Pension Plan: (Continued)

Actuarial Assumptions:

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

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

Mortality rates

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

Active and Terminated Vested Members:

- Teachers, Certified Regents, and Judicial: PubT-2010
- Other Class A Members: PubG-2010
- Public Safety Members: PubS-2010

Retired Members:

- Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
- Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 or above
- Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries:

- PubG-2010 contingent survivor mortality table

Disabled Members:

- Public Safety: PubS-2010 disabled member mortality table
- Others: PubG-2010 disabled member mortality table

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

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.

Wilmot School District No. 54-7

Notes to the Financial Statements

June 30, 2024

11. Pension Plan: (Continued)

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	1.7%
High Yield Debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9%	0.8%
Total	100.0%	

Discount Rate:

The discount rate used to measure the total pension (asset) was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions from 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 (asset) calculated using the discount rate of 6.50%, as well as what the School's proportionate share of the net pension (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
District's proportionate share of the net pension liability (asset)	\$ 1,475,005	\$ (7,197)	\$ (1,219,354)

Pension Plan Fiduciary Net Position:

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

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

12. Post-Employment Healthcare Plan:

Plan Description: Wilmot School District Healthcare Plan is a single employer defined benefit healthcare plan administered by Sanford Health of South Dakota. This plan provides medical insurance benefits to eligible current employees, as well as retirees meeting eligibility requirements. After eligibility for retiree benefits is established, retirees must pay premiums until they are eligible for Medicare. The liability exists because of an implicit subsidy of costs of the benefits to retirees of the district. That report may be obtained by writing to the Wilmot School District, P.O. Box 100, Wilmot, SD 57279, or by calling (605) 938-4647.

Funding Policy: The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2023, plan members receiving benefits contributed 100 percent of the total premiums.

Employees covered by benefit terms: At June 30, 2023, the following employees were covered by the benefit terms:

Retirees currently receiving benefit payments	--	
Active employees	48	
	48	
	48	

Actuarial Methods and Assumptions: Where consistent with the terms of the plan, actuarial assumptions have utilized the assumptions for the South Dakota Retirement System (SDRS) as provided in the June 30, 2023 Actuarial Valuation Report. See Note 11 – Pension Note.

Changes in the Total OPEB Liability:		
Beginning of Year Balances	\$	78,399
Service Cost		8,633
Interest		3,053
Effect on assumptions, changes or inputs		30,113
Benefit payments		(1,573)
End of Year Balances	\$	118,625

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

The following present the total OPEB liability of the District calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate of 3.54%.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 105,665	\$ 118,625	\$ 133,765

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

12. Post-Employment Healthcare Plan: (Continued)

For the year ended June 30, 2024, the School District recognized a reduction of OPEB expense of \$9,154. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ (47,522)
Changes in assumption	47,112	(85,934)
Total	\$ 47,112	\$ (133,456)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ended June 30,		
2025	\$	(20,840)
2026		(20,253)
2027		(19,257)
2028		(16,277)
2029		(10,758)
Thereafter		1,041
Total	\$	(86,344)

Wilmot School District No. 54-7

Notes to the Financial Statements

June 30, 2024

13. Joint Venture Information:

The School District participates in the Northeast Educational Services Cooperative, a cooperative service unit (co-op) formed for the purpose of providing educational support services for all children and to offer, on a cooperative fee assessment basis, services that the districts would not be able to provide as effectively or as economically acting alone to the member School Districts. The members of the Co-op are as follows with each member district having a determined allocation:

Arlington School District No. 38-1	3%	Florence School District No. 14-1	4%
Britton-Hecla School District No. 45-4	6%	Hamlin School District No. 28-3	7%
Castlewood School District No. 28-1	4%	Henry School District No. 14-2	4%
Clark School District No. 12-2	5%	Iroquois School District No. 02-3	3%
DeSmet School District No. 38-2	4%	Lake Preston School District No. 38-3	2%
Deubrook School District No. 5-6	4%	Oldham-Ramona-Rutland School District No. 39-5	3%
Deuel School District No. 19-4	6%	Rosholt School District No. 54-4	3%
Elkton School District No. 5-3	4%	Webster Area School District No. 18-5	5%
Oldham-Ramona School District No. 39-5	0%	Oldham-Ramona School District No. 39-5	0%
Enemy Swim Day School	3%	Sioux Valley School District No. 5-5	9%
Estelline School District No. 28-2	4%	Summit School District No. 54-6	3%
Waubay School District No. 18-3	2%	Willow Lake School District No. 12-3	3%
Waverly School District No. 14-5	5%	Wilmot School District No. 54-7	4%

The co-op's governing board is composed of one school board member representative from each member school district. The board is responsible for adopting the co-op's budget and setting service fees at a level adequate to fund the adopted budget. The school district retains no equity in the Net Position of the co-op, but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above. Separate financial statements for this joint venture are available from the Northeast Educational Services Cooperative.

At June 30, 2024, this joint venture had the following:

	<u>June 30, 2024</u>
Total Assets	\$ 280,495
Total Deferred Outflows	\$ 1,761,220
Total Liabilities	\$ 89,669
Total Deferred Inflows	\$ 578,052
Total Net Position	\$ 1,373,994

Wilmot School District No. 54-7

Notes to the Financial Statements

June 30, 2024

14. Risk Management:

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

Employee Health Insurance:

The School District joined the Northern Plains Insurance Pool. This is a risk pool currently operating as a common risk management and insurance program for local government entities. The school District pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases coverage from either Sanford Health Plan or DAKOTACARE Administrative Services with the premiums it receives from the members.

The coverage includes the option of three different plans with a deductible from \$2,000 to \$4,000 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.

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 worker's 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 worker's 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 over the past three years.

Wilmot School District No. 54-7
Notes to the Financial Statements
June 30, 2024

14. Risk Management: (Continued)

Unemployment Benefits:

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

The School District has an Assigned Fund Balance in the amount of \$14,834 for the payment of future unemployment benefits.

During the year ended June 30, 2024, there were no claims for unemployment that were paid. There are no future expected claims at this time.

15. Subsequent Events:

Subsequent events have been evaluated through the date of the independent auditor's report which is the date the financial statements were available to be issued.

Required Supplementary Information

Wilmot School District No. 54-7

Required Supplementary Information – Budgetary Comparison Schedule – General Fund – Budgetary Basis
June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 690,504	\$ 690,504	\$ 674,506	\$ (15,998)
Prior years' ad valorem taxes	4,500	4,500	3,259	(1,241)
Utility taxes	100,607	100,607	86,633	(13,974)
Penalties and interest on taxes	1,700	1,700	1,965	265
Earnings on Investments and Deposits	55,000	55,000	76,973	21,973
Cocurricular Activities				
Admissions	15,000	15,000	14,483	(517)
Other student activity income	4,000	4,000	6,083	2,083
Other Revenue from Local Sources:				
Rentals	--	--	225	225
Contributions and donations	8,000	8,000	700	(7,300)
Service provided to other school districts	6,000	6,000	1,310	(4,690)
Charges for services	5,000	5,000	3,961	(1,039)
Other	5,000	5,000	18,246	13,246
Revenue from Intermediate Sources:				
County Sources:				
County apportionment	30,168	30,168	42,299	12,131
Revenue in lieu of taxes	388	388	427	39
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid	1,141,261	1,141,261	1,146,355	5,094
Restricted grants-in-aid	19,547	19,547	15,557	(3,990)
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid received from federal government through state	--	--	7,000	7,000
Restricted grants-in-aid received directly from federal government	20,721	20,721	9,583	(11,138)
Restricted grants-in-aid received from federal government through the state	621,424	762,596	723,610	(38,986)
Revenue in lieu of taxes - PILT	--	--	32	32
Total Revenues	\$ 2,728,820	\$ 2,869,992	\$ 2,833,207	\$ (36,785)

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Wilmot School District No. 54-7

Required Supplementary Information – Budgetary Comparison Schedule – General Fund – Budgetary Basis June 30, 2024 (Continued)

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Services:				
Regular Programs:				
Elementary	\$ 460,974	\$ 471,474	\$ 441,134	\$ 30,340
Middle/junior high	205,735	205,735	205,626	109
High school	424,355	453,947	378,286	75,661
Preschool	35,535	35,635	35,298	337
Special Programs:				
Culturally different	10,884	10,884	9,585	1,299
Educationally deprived	147,396	164,396	158,439	5,957
Support Services:				
Students:				
Attendance and social work	--	65,890	46,123	19,767
Guidance	70,333	78,303	98,912	(20,609)
Health	1,000	1,300	1,212	88
Instructional Staff:				
Improvement of instruction	42,099	60,027	20,627	39,400
Educational media	70,986	70,986	63,432	7,554
General Administration:				
Board of education	37,307	44,307	44,208	99
Executive administration	92,350	92,350	85,902	6,448
School Administration:				
Office of the principal	240,791	233,731	223,753	9,978
Other	600	600	168	432
Business:				
Fiscal services	136,591	137,091	131,751	5,340
Operation and maintenance of plant	319,341	320,241	318,043	2,198
Student transportation	238,685	238,685	213,469	25,216
Food service	7,860	7,860	7,417	443
Central:				
Staff	700	1,100	1,009	91
Community services				
Custody and care of children	227,738	228,591	180,469	48,122
Nonprogrammed Charges:				
Payments to State - Unemployment	3,000	3,000	--	3,000
Cocurricular Activities:				
Male activities	23,000	23,000	18,476	4,524
Female activities	12,500	16,200	15,122	1,078
Transportation	15,297	15,297	12,335	2,962
Combined activities	54,949	81,349	77,342	4,007
Contingencies:				
Total Expenditures	2,935,006	3,068,379	2,788,138	280,241
Excess of Revenues Over Expenditures	(206,186)	(198,387)	45,069	243,456
Other Financing Sources:				
Operating transfers in	131,500	131,500	175,000	43,500
Operating transfers out	--	(7,800)	(7,713)	87
Total Other Financing Sources:	131,500	123,700	167,287	43,587
Net Change in Fund Balances	(74,686)	(74,687)	212,356	287,043
Fund Balance, Beginning of Year	467,201	467,201	467,201	--
Fund Balance, End of Year	\$ 392,515	\$ 392,514	\$ 679,557	\$ 287,043

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Wilmot School District No. 54-7

Required Supplementary Information – Budgetary Comparison Schedule – Capital Outlay Fund – Budgetary Basis
June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 500,000	\$ 500,000	\$ 463,257	\$ (36,743)
Prior years' ad valorem taxes	1,500	1,500	1,206	(294)
Penalties and interest on taxes	1,000	1,000	1,157	157
Other Revenue from Local Sources:				
Contributions and Donations	--	--	6,375	6,375
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted grants-in-aid received from federal government through the state	10,124	19,376	19,376	--
Total Revenues	512,624	521,876	491,371	(30,505)
Expenditures				
Instructional Services:				
Regular Programs:				
Elementary	79,500	88,752	40,046	48,706
Middle/junior high	12,000	14,100	14,047	53
High school	26,800	37,200	37,037	163
Instructional Staff:				
Educational media	3,000	3,000	1,359	1,641
Office of the Principal	6,500	6,500	6,265	235
Business:				
Fiscal services	6,833	9,733	9,651	82
Facilities acquisition and construction	268,000	44,900	7,276	37,624
Operation and maintenance of plant	37,124	205,824	205,611	213
Student transportation	50,000	50,000	--	50,000
Debt Services:	--	12,000	4,603	7,397
Total Expenditures	489,757	472,009	325,895	146,114
Excess of Revenue Over (Under)				
Expenditures	22,867	49,867	165,476	115,609
Other Financing Sources (Uses):				
Transfers out	(148,167)	(175,167)	(191,666)	(16,499)
Sale of Surplus Property	--	--	8,005	8,005
Compensation for Loss of General Cap Assets	60,331	60,331	92,148	31,817
Total Other Financing Sources (Uses)	(87,836)	(114,836)	(91,513)	23,323
Net Change in Fund Balances	(64,969)	(64,969)	73,963	138,932
Fund Balance, Beginning of Year	315,123	315,123	315,123	--
Fund Balance, End of Year	\$ 250,154	\$ 250,154	\$ 389,086	\$ 138,932

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Wilmot School District No. 54-7
Required Supplementary Information – Budgetary Comparison
Schedule – Special Education Fund – Budgetary Basis
June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Revenue from Local Sources:				
Taxes:				
Ad valorem taxes	\$ 481,639	\$ 481,639	\$ 454,952	\$ (26,687)
Prior years' ad valorem taxes	1,200	1,200	1,297	97
Penalties and interest on taxes	1,000	1,000	1,222	222
Charges for services	1,400	1,400	729	(671)
Other Revenue	500	500	--	(500)
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted grants-in-aid received from federal government through state	6,000	6,000	14,032	8,032
Restricted grants-in-aid received from federal government through the state	6,167	6,167	7,671	1,504
Total Revenues	<u>497,906</u>	<u>497,906</u>	<u>479,903</u>	<u>(18,003)</u>
Expenditures				
Instructional Services:				
Special Programs:				
Programs for special education	315,041	313,741	301,112	12,629
Support Services:				
Students:				
Psychological Services	22,640	22,640	22,640	--
Speech pathology	29,907	30,857	30,843	14
Student therapy services	20,887	20,887	20,887	--
Improvement of Instruction	1,524	1,874	1,338	536
Special Education:				
Transportation costs	2,000	2,000	--	2,000
Total Expenditures	<u>391,999</u>	<u>391,999</u>	<u>376,820</u>	<u>15,179</u>
Net Change in Fund Balance	105,907	105,907	103,083	(2,824)
Fund Balance, Beginning of Year	<u>497,139</u>	<u>497,139</u>	<u>497,139</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 603,046</u>	<u>\$ 603,046</u>	<u>\$ 600,222</u>	<u>\$ (2,824)</u>

The accompanying Notes to Required Supplementary Information are an integral part of these financial statements.

Wilmot School District No. 54-7
Notes to the Required Supplementary Information
June 30, 2024

1. Budgets and Budgetary Accounting:

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

- a. Prior to the first regular board meeting in May of each year, the School Board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
- b. The proposed budget is considered by the School Board at the first regular meeting held in the month of May of each year.
- c. The proposed budget is published for public review no later than July 15 each year.
- d. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
- e. Before October 1 of each year, the School Board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.
- f. After adoption by the School Board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted except as indicated in Item (h).
- g. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total School District budget and may be transferred by resolution of the School Board to any other budget category, except for capital outlay, that is deemed insufficient during the year. No amount of expenditures may be charged directly to the contingency line item in the budget.
- h. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.
- i. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.
- j. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- k. Generally accepted accounting principles prescribe that budgetary information be presented for the General Fund and major special revenue funds of the District.
- l. The following reconciles the USGAAP Basis fund balance to the Budgetary Basis fund balance:

Wilmot School District No. 54-7
Notes to the Required Supplementary Information
June 30, 2024 (Continued)

General Fund:	Year Ended 6/30/2024
USGAAP Basis Fund Balance	\$ 1,496,925
Reconciling Items:	
Impact Aid Fund Balance	\$ 817,368
Net Adjustment to GAAP Basis Fund Balance	<u>817,368</u>
Budgetary Basis Fund Balance	<u><u>\$ 679,557</u></u>

2. USGAAP/Budgetary Accounting Basis Differences:

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

2. The budgetary basis comparison schedule for the General Fund included only the budgeted amounts for the General Fund and does not include any amounts for the blended Impact Aid Fund.

Wilmot School District No. 54-7
Schedule of Changes in Total OPEB Liability
June 30, 2024

TOTAL OPEB LIABILITY

Service Cost	\$ 8,633
Interest on Total OPEB Liability	3,053
Effect of assumption changes or inputs	30,113
Benefit payments	<u>(1,573)</u>
Net change in total OPEB liability	40,226
Total OPEB Liability, beginning	<u>78,399</u>
Total OPEB Liability, ending	<u><u>\$ 118,625</u></u>

Wilmot School District No. 54-7

Schedule of the Proportionate Share of the Net Pension Liability (Asset) South Dakota Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0737300%	0.0706800%	0.0647780%	0.0659789%	0.0665453%	0.0643849%	0.0627787%	0.0601297%	0.0611239%	0.0656341%
District's proportionate share of net pension liability (asset)	\$ (7,197)	\$ (6,680)	\$ (496,089)	\$ (2,865)	\$ (7,052)	\$ (1,502)	\$ (5,697)	\$ 203,112	\$ (259,244)	\$ (472,867)
District's covered-employee payroll	\$ 1,901,759	\$ 1,687,800	\$ 1,470,013	\$ 1,450,412	\$ 1,414,891	\$ 1,338,494	\$ 1,275,537	\$ 1,140,868	\$ 1,116,813	\$ 1,147,759
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.38%	0.40%	33.75%	0.20%	0.50%	0.11%	0.45%	17.80%	23.21%	41.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.10%	100.10%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%	107.30%

Note: The information disclosed for each fiscal year is reported as the measurement date of the collective net pension liability (asset) which is June 30 of the preceding year.

Wilmot School District No. 54-7

Schedule of the School District Contributions South Dakota Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually-required contribution	\$ 126,147	\$ 114,106	\$ 101,269	\$ 88,201	\$ 87,025
Contributions in relation to the contractually-required contribution	<u>126,147</u>	<u>114,106</u>	<u>101,269</u>	<u>88,201</u>	<u>87,025</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered-employee payroll	\$ 2,102,987	\$ 1,901,759	\$ 1,687,800	\$ 1,470,013	\$ 1,450,412
Contributions as a percentage of employee-covered payroll	6.00%	6.00%	6.00%	6.00%	6.00%
Contractually-required contribution	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contributions in relation to the contractually-required contribution	\$ 84,893	\$ 80,310	\$ 76,532	\$ 68,602	\$ 66,957
Contribution deficiency (excess)	<u>84,893</u>	<u>80,310</u>	<u>76,532</u>	<u>68,602</u>	<u>66,957</u>
District's covered-employee payroll	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Contributions as a percentage of employee-covered payroll	\$ 1,414,891	\$ 1,338,494	\$ 1,275,537	\$ 1,140,868	\$ 1,116,813
	6.00%	6.00%	6.00%	6.01%	6.00%

Wilmot School District No. 54-7

Notes to the Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions For the Year Ended June 30, 2024

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

Actuarial Assumption Changes

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

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

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

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

Actuarial Method Changes

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

Supplementary Information

Wilmot School District No. 54-7
Schedule of Expenditures of Federal Awards
June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>		<u>Federal Expenditures</u>
U.S. Department of Agriculture:				
Pass through the S.D Department of Education				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program	10.555	NSLP-54007-24	\$ 25,100	
Cash Assistance:				
School Breakfast Program (Note 3)	10.553	NSLP-54007-24	29,882	
National School Lunch Program (Note 3)	10.555	NSLP-54007-24	82,649	
Supply Chain (Note 3)	10.555	NSLP-54007-24	8,443	
Fresh Fruit and Vegetable Program (Note 3)	10.582	FFV-54007-24	7,417	
Total Child Nutrition Cluster				<u>153,491</u>
Total U.S. Department of Agriculture				<u>153,491</u>
U.S. Department of the Interior				
Pass Through Roberts County				
Payments in Lieu of Taxes (Note 3)	15.226	NA		<u>31</u>
Total U.S. Department of Interior				<u>31</u>
U.S. Department of Education:				
Pass through the S.D. Department of Education:				
Title I Grants to Local Educational Agencies	84.010	TIA-54007-24		183,989
Career and Technical Education	84.048	PRPI-1904-24		4,192
Twenty-First Century Community Learning Centers (Note 4)	84.287	NA		161,462
Rural Education	84.358	RLIS-54007-24		7,701
Supporting Effective Instruction State Grant	84.367	TIIZ-54007-24		31,986
Student Support and Academic Enrichment Program	84.424A	TIVA-54007-24		64,208
American Rescue Plan Elementary and Secondary School Emergency Relief (Note 4)	84.425U	ESSER-54007-24		321,065
Directly through the SD Department of Education:				
Impact aid	84.041	NA	14,032	
Indian Education Grant to LEA	84.060	NA	9,583	<u>23,615</u>
Total U.S. Department of Education				<u>798,218</u>
U.S. Department of Social Services:				
Pass through SD Department of Social Services				
Child Care & Development Block Grant	93.575	24-0843-739 & 630		<u>7,195</u>
Total U.S. Department of Social Services				<u>7,195</u>
Grand Total				<u>\$ 958,935</u>

Wilmot School District No. 54-7
Schedule of Expenditures of Federal Awards
June 30, 2024 (Continued)

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Wilmot School District No. 54-7 under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the 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 Wilmot School District No. 54-7, it is not intended to and does not present the financial position, changes in net position, or cash flows of Wilmot School District No. 54-7.

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 of expenditures are not allowable or are limited as to reimbursement. The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Federal Reimbursement:

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

4. Major Federal Financial Assistance Program:

This represents a Major Federal Financial Assistance Program.