

**SOUTH
DAKOTA**

YANKTON SCHOOL DISTRICT 63-3

Annual Comprehensive
**FINANCIAL
REPORT**

For the Fiscal year ending June 30, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT
of the
YANKTON SCHOOL DISTRICT #63-3
Yankton, South Dakota
For the Fiscal Year Ended June 30, 2022

OFFICIAL ISSUING REPORT
Jason Bietz, Business Manager

OFFICE ISSUING REPORT
Business Office

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Introductory Section



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February 6, 2023

Citizens of Yankton School District 63-3
Yankton, South Dakota

The Annual Comprehensive Financial Report (ACFR) for Yankton School District 63-3 (District) for the fiscal year ended June 30, 2022, is submitted herewith. The financial statements and schedules presented in this ACFR include all the funds of the District. The financial statements and schedules are presented in conformity with standards set by the Governmental Accounting Standards Board (GASB) and the South Dakota Department of Legislative Audit and audited by a certified public accounting firm in accordance with those same standards.

Responsibility for the accuracy of data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To provide a reasonable basis for making these representations, management of the District has established an internal control framework that is designed both to protect the District's assets against loss from unauthorized use or disposition and ensure the reliability of financial records for preparing financial statements and maintaining accountability of assets. That said, the District acknowledges that its internal control structure, due to limited personnel, does not provide for an appropriate level of segregation of duties. Because the cost of internal controls should not outweigh their benefits, the District's framework of controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this data is presented in a manner designed to set forth fairly the financial position and results of operations of the District, as measured by the financial activity of the various funds; that all disclosures necessary to enable the reader to gain a comprehensive understanding of the District's financial activity have been included; and the information provided is complete and accurate in all material respects.

The ACFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School District's organizational chart and a list of the District's school board members and principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplementary information and other supplementary information. The statistical section includes selected financial and demographic data for periods of up to ten years. The single audit section includes the schedules and various independent auditors' reports and findings required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform*

Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance).

Representatives of Williams & Company, P.C., a certified public accounting firm, have audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit section of this report.

Generally accepted accounting principles in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The report presents the financial information of the District accurately and concisely. It is designed to be comprehensive yet readable and accessible.

Profile of the District

Under Title 13-5-1 of South Dakota Codified Laws (SDCL), "Any territory organized for the express purpose of operating not less than a thirteen-year school program and governed by an elected school board is defined as a school district. It may sue and be sued, contract and be contracted with, purchase, hold, and use personal and real property for school purposes, and sell and dispose of the same." The Yankton School District was organized in 1875. The District encompasses 216 square miles including the City of Yankton and is located entirely within Yankton County in southeast South Dakota. The Missouri River forms the southern boundary of the District.

The District provides a full range of educational services for approximately 2,820 students who are residents of the District. These services include early childhood special education, a pre-school program, a junior kindergarten program, regular education for grades kindergarten through twelve, special education for children with identified special needs, secondary career and technical education, an alternative learning program for secondary students and specialized instruction for students at-risk and students whose primary language is not English.

Alternatives to public education (i.e. parochial schools and home-schooling) are ongoing challenges for public school enrollment. Recent trends in survival ratios from grade to grade as well as birth data projections suggest the District enrollment will experience minor fluctuations, maintaining a relatively steady level of enrollment over the next five years.

For the 2021-22 School Year, the District employed 394 full-time equivalent (FTE) employees including 171 certified teachers and 82 paraprofessionals providing instructional services. Various support services were provided by another 141 certified and classified employees including 13 administrators.

The students are housed in six schools – four elementary schools (grades K-5), one middle school (grades 6-8) and one high school (grades 9-12). A preschool program for children ages 3-4 is also housed at Webster Elementary School. The original buildings vary in age from 27 years (Yankton High School) to 96 years (Beadle Elementary School).

The District continued major initiatives during the fiscal year ending June 30, 2022 including support of the Yankton School District 63-3 Foundation that was formed in FY2006 under the South Dakota Non-Profit Corporation Law, SDCL 47-22, to advance the purposes of the District, promote and maintain development of the educational programs and foster community and alumni support of the District. Using a combination of local funds and tuition fees, the District started a pre-school program in FY2008 that proved to be very successful and was expanded in FY2018 accommodating over 200 students ages 3 and 4 years old during the 2021-22 school year. In addition, a new administration building which resolved ADA accessibility issues and added much needed space for district-wide administrative and technology functions including housing of the school district's network infrastructure was completed in July 2010. A bus garage and shop/garage was also built to protect and extend the useful life the District's school buses and vehicles. Finally, the School Food Service program continued the successful summer feeding program initiated in FY2007.

Under SDCL 13-8-1, "The school board is an elected body created according to the laws of the state to serve as the governing body of a school district for the purpose of organizing, maintaining, and locating schools and for providing educational opportunities and services for all citizens residing within the school district." A five-member school board governs the District. Members serve a three-year term. The terms are staggered. Elections are held annually in April. Either one or two positions are up for election each year. All board members are elected at large. Under SDCL 13-8-39, "As provided and limited by law, the school board has general charge, direction and management of the schools of the district and control and care of all property belonging to it. The school board may levy taxes,

borrow money, employ any necessary personnel, lease real and personal property, carry liability and other insurance, or in lieu of insurance, make other arrangements, including entering into agreements with others, which agreements may create separate legal or administrative entities pursuant to chapter 1-24, to protect and assist the school board in meeting obligations arising from such acts or omissions for which the school board may be legally liable, purchase all necessary books and equipment, purchase real property and erect necessary buildings for the operation of such schools.” Management of the District is independent of other state or independent governments.

The District is supported financially by legislatively appropriated state aid, property taxes, state and federal grants for special projects, earnings on investments and other local and miscellaneous revenue. The County Treasurer collects taxes for the District but exercises no control over the District’s use of these resources.

A financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government with no component units to report. The District’s major operations include education, student transportation, maintenance of District facilities and food services.

The annual budget serves as the foundation for the District’s financial planning and control. When the annual budget is approved and adopted by the School Board the expenditures incorporated in the budget become legally binding appropriations and the actual expenditures of the various activities must be in conformity with the budget and any budget supplements subsequently adopted. The Board receives a proposed budget for consideration no later than its regular board meeting in May. Changes may be made to the proposed budget prior to publishing. These changes do not need to be listed in the minutes. Board action should recognize a draft version to be published in July. The proposed budget together with a notice of hearing must be published prior to July 15 and the Board must hold a public hearing on the proposed budget prior to August 1. Prior to October 1, the Board must adopt the final budget and certify the levy to the County Auditor. For the General Fund, Special Education Fund and Capital Outlay Fund, the levy may be certified to the county either as a dollar amount or as dollars per thousand dollars of taxable valuation. For an opt out of the property tax limitations or Bond Redemption Fund, levies must also be certified as a dollar amount. Within thirty days of the adoption of the final budget, the Board must publish in the minutes any changes made in the proposed budget that was published prior to July 15. The legal level of budgetary control, i.e., the level at which management cannot overspend the budget without the approval of the governing body, is at the fund level. If it is determined during that year that sufficient amounts have not been budgeted, the Board may adopt a supplemental budget if monies are available to increase legal spending authority.

Budget-to-actual comparisons for all the governmental funds that have legally adopted budgets are provided in this report. This comparison is presented as required supplementary information.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District is located in Yankton County, a mostly rural area that is predominantly agricultural. In 2020, Yankton County had a population density of 44.7 persons per square mile. The District also encompasses the City of Yankton, a community of approximately 14,454 residents, based on the 2020 Census, with an economic base comprised of manufacturing, commerce and services. As a result of the City's location on the Missouri River, three miles downstream from the Lewis and Clark Lake, tourism is a very important part of the economy. Over 2.5 million visitors arrive annually for boating, swimming, hiking, fishing, hunting and camping activities. Yankton County's unemployment rate of 1.7% (November 2022) was less than the Statewide average of 2.0%. The largest employer within the District, Avera Sacred Heart Health Services, employs over 1,000 people, approximately 8.6% of the entire Yankton County work force. Yankton Medical Clinic, one of South Dakota's largest clinics with approximately 50 providers and 250 employees, is another major employer within the District. The recent economic struggles due to the COVID-19 pandemic did have a minimal negative impact on manufacturing in Yankton. Kolberg-Pioneer, Inc., the largest manufacturing employer in Yankton maintains a workforce of 460. Hydro (formerly (SAPA Extrusions) currently employs 300, and Vishay Dale Electronics also currently employs 300. The largest financial services employer is First National Bank Omaha who currently employs 250, or 2.15% of the workforce. Other significant employers in Yankton include: South Dakota Human Services Center (700), Hy-Vee Food Stores (450) and Wal-Mart (305). The U.S Federal Bureau of Prisons employs 110. Mount Marty University, a four-year co-educational, Catholic, Benedictine, liberal arts college is also located in Yankton and employs 429 people. The Yankton School District, another major employer in the county, employs over 394 full-time and part-time employees plus and an additional 175 +/- casual employees such as coaches and substitute teachers, bus drivers, etc.

Long-term Financial Planning. The District's taxable valuation has been steadily increasing over the past decade. This growth in taxable property has benefited the District's Special Education and Capital Outlay Funds. The state's school funding formula, however, prevents the General Fund, the District's major fund that accounts for approximately 70% of its total financial activity from benefiting as a result of the increased taxable valuations. A more detailed explanation can be found in the MD&A. The two key factors affecting the General Fund are the target student-teacher ratio and target average teacher salary as set by the state legislature and the District's enrollment. The annual increase in the state's appropriation to education is limited to 3% or the annual percentage change in the consumer price index, whichever is less. The revenue from the per student allocation, a combination of local property taxes and state aid, comprises nearly 85% of the District's General Fund revenues.

A Blue Ribbon Task Force was appointed by Former South Dakota Governor Dennis Daugaard in 2015 to study and make recommendations to the 2016 Legislature regarding

a school funding system overhaul. That overhaul was approved through several pieces of legislation and included a half cent increase to the state sales tax, which had not been done since 1969, providing a new, ongoing revenue source needed to support increasing teacher salaries in South Dakota. More than \$80 million was dedicated to the general fund of school districts to support teacher salaries for the 2016-17 school year through the new formula.

The primary goal was to increase the state average teacher salary from \$40,000 to \$48,500. School districts were expected to put the increased funding they received toward teacher salaries through a mandate which called for 85% of the total state aid dollars received to be allocated for teacher pay and a second mandate which required 85% of the new revenue percentage increase schools received be spent on certified instructional staff. Failure to comply with both mandates would result in dollar for dollar reductions in future state funding. Yankton School District met all requirements in FY2017, FY2018, FY2019, FY2020, FY2021 and FY2022.

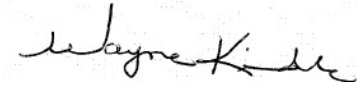
Additional components of the new formula include limitations on the amount of property valuation growth that could be taxed for capital outlay purposes year over year along with implementation of permanent flexibility on capital outlay transfers of up to 45% to the general fund at the district's discretion for general fund purposes. Beginning during the 2018-19 school year, fund balance caps were based on enrollment tiers and calculated by using the district's lowest monthly cash balance of the previous 12-month period. Other revenue including gross receipts tax on utilities, local revenue in lieu of taxes, county apportionment of revenue from traffic fines, county revenue in lieu of taxes, wind farm tax and bank franchise tax will also be equalized state-wide and distributed on a per-student average through the new formula over a five-year phase in period.

Going forward, the basis of the new funding formula has shifted away from dependence on a per-student allocation from the state and now relies on targets for average teacher salary and student to teacher ratios for determining how state appropriations are allocated to schools. These targets along with overhead factors will be set through school funding legislation year over year.

Acknowledgements

The preparation of the District's eighteenth annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the District's business office. Every member of the business office has our sincere appreciation for the contributions made in the preparation of this report. A special thanks goes to Dominic Hans, accountant, who is responsible for maintaining the District's capital assets data in order to comply with GASB 34 requirements and assists with compilation of statistical data and general format of this report. Finally, we wish to thank the Yankton School Board. The Board's leadership and continued support made the preparation of this report possible.

Respectfully submitted,

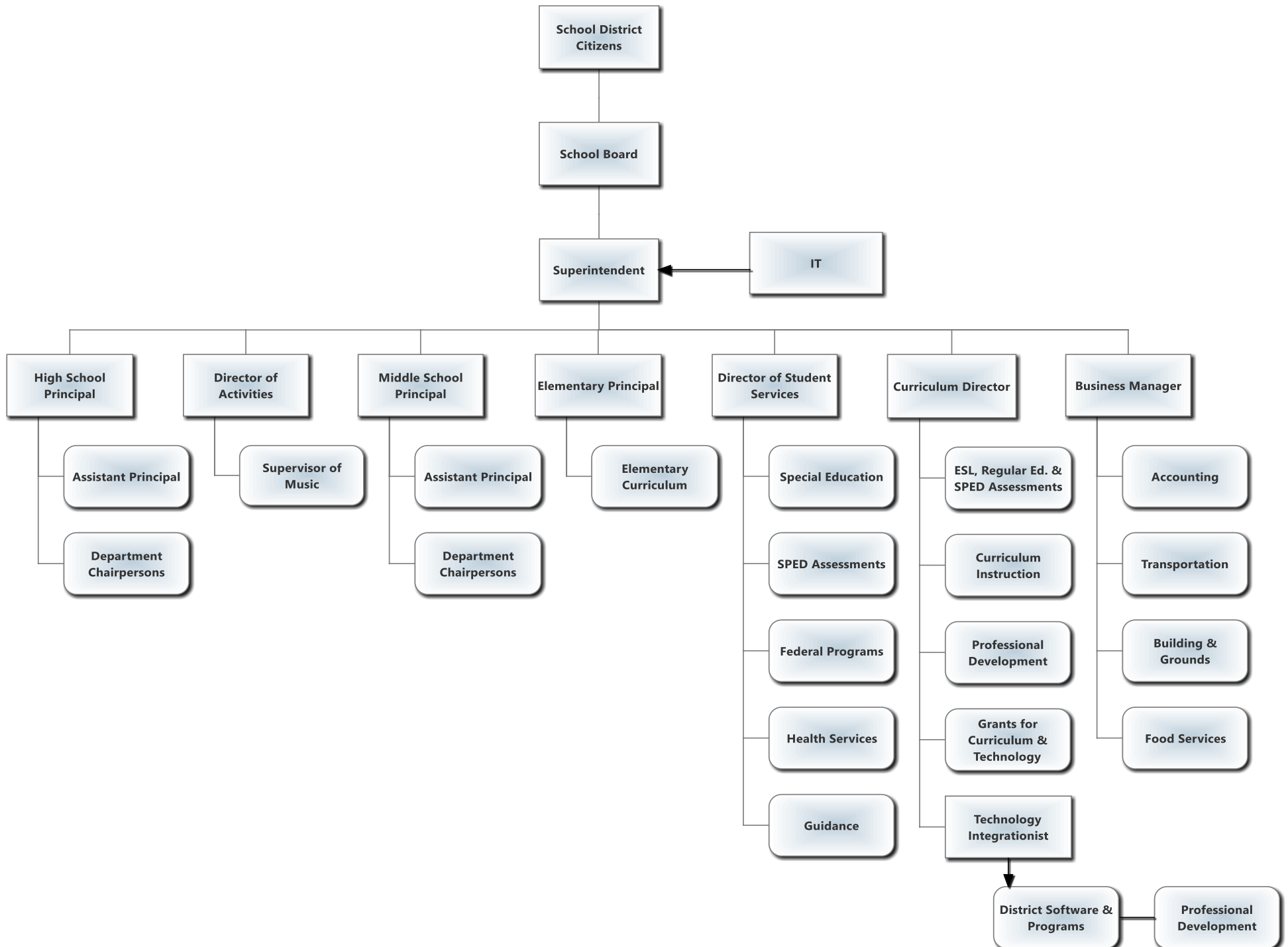
A handwritten signature in black ink, appearing to read "Wayne Kindle". The signature is fluid and cursive, with the first name "Wayne" and last name "Kindle" clearly distinguishable.

Wayne Kindle, Ed.D.
Superintendent of Schools

A handwritten signature in black ink, appearing to read "J. Bietz". The signature is stylized and cursive, with the first initial "J" and last name "Bietz" being prominent.

Jason Bietz
Business Manager

Yankton School District Organizational Chart



**YANKTON SCHOOL DISTRICT NO. 63-3
SCHOOL DISTRICT OFFICIALS
YANKTON, SOUTH DAKOTA
JUNE 30, 2022**

SCHOOL BOARD

Dr. Jill Sternquist	President
Frani Kieffer	Vice President
Sarah Carda	Board Member
Terry Crandall	Board Member
Kathy Greeneway	Board Member

SCHOOL DISTRICT STAFF

Wayne Kindle, Ed.D.	Superintendent
Jerome Klimisch	Director of Student Services
Jason Bietz	Business Manager

Financial Section



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INDEPENDENT AUDITORS' REPORT

School Board
Yankton School District No. 63-3
Yankton County, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yankton School District No. 63-3 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the 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 activity, each major fund and the aggregate remaining fund information of the District as of June 30, 2022, 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the financial statements, Yankton School District No. 63-3 adopted new accounting guidance related to Governmental Accounting Standards Board Statements No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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 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, budgetary comparison information, the schedule of the district's proportionate share of the net pension liability (asset), the Schedule of District Contributions, the schedule of changes in the District's total OPEB Liability, Related Ratios, and Notes on pages 13-24 and 63-71 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 Yankton School District No. 63-3's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purpose 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 taken as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023, on our consideration of Yankton School District No. 63-3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yankton School District No. 63-3'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 Yankton School District No. 63-3's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
February 6, 2023

**YANKTON SCHOOL DISTRICT 63-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

As management of Yankton School District 63-3 (District), we offer readers of the District's financial statement this narrative overview and analysis of the District's financial performance for the fiscal year ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

- The ongoing Covid-19 Pandemic continued affecting schools in unprecedented ways during the 2021-22 School Year. The District was able to hold classes in-person for the entire school year; however, all aspects of school operations were affected resulting in significant financial variances when compared with results from the previous fiscal year.
- The District's governmental funds reported combined ending fund balances of \$14,378,496 as of June 30, 2022. Of this total, \$7,777,848 (54.1%) is unassigned and available for use within District policies as compared to combined ending fund balances of \$11,204,204 (\$6,887,018 or 61.5% unassigned) from the previous year.
- Unassigned fund balance for the general fund was \$7,777,848 or 33.8% of the total general fund expenditures during the period as compared to \$6,887,018 or 31.9% from the previous year.
- Restricted fund balance for the Capital Outlay Fund increased \$2,423,329 from \$2,419,308, to \$4,842,637 due to less than expected capital expenditures due to supply chain shortages and deferral of projects and stronger than expected tax revenue collections.
- Restricted fund balance for the Special Education Fund decreased \$142,500 from \$1,600,008 to \$1,457,508 primarily as a result of more than expected expenditures for student services and out-of-district student placements.
- The District's net position from governmental activities increased by \$4,680,694 or 9.5% (see Table A-1), primarily from increased current and other assets and an increase in deferred pension related outflows. The District's net position from business-type activities increased by \$600,927 primarily due to increased cash reimbursements from the federal government as the school district continued offering universally free meals under USDA Guidelines due to the ongoing pandemic during the 2021-22 School Year.
- The unrestricted net position in the District's Internal Services Fund (i.e. Self-funded Health Insurance) increased from a beginning balance of \$2,409,665 to an ending balance of \$2,607,935 as of June 30, 2022 primarily as a result of less than expected claims and plan administration expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services, e.g., regular and special education, were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities that the school operates like a business and the activities that provide services for its other programs and activities, i.e., internal service activities. The District has one business-type activity, i.e., Food Services and one internal service-type activity, i.e., Self-funded Health Insurance.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent of resources that belong to others, e.g., student clubs (custodial funds) and scholarships (trust funds).

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

Figure A-1

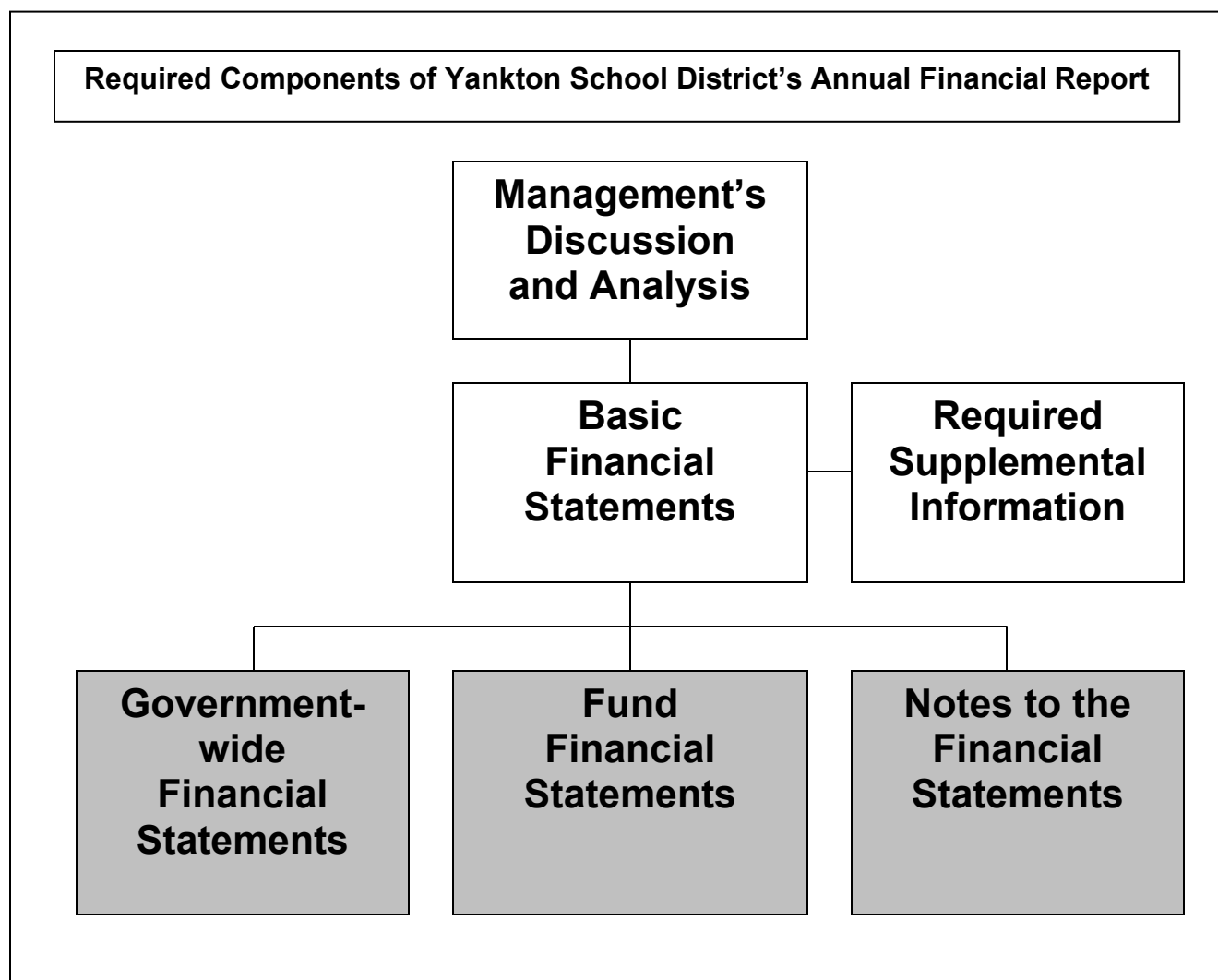


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents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

Figure A-2

Major Functions of the Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as elementary and secondary education programs	Activities the district operates similar to private businesses, e.g., food services	Instances in which the district administers resources on behalf of someone else, e.g., scholarship programs and student activities monies
Required Financial Statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures, and changes in fund balances	*Statement of net position *Statement of cash flows *Statement of revenues, expenses and changes in net position	*Statement of fiduciary net position *Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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, short- term and long- term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long- term liabilities included	All assets and liabilities, both financial and capital, short-term and long- term	All assets and liabilities, short-term and long-term; 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. Government wide deferred outflows are reported for pension and OPEB related activity and deferred inflows are reported for pension and tax related activity	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. Deferred inflows are reported in the governmental funds for unavailable taxes already levied and for delinquent taxes	All revenues and expenses during the year, regardless of when cash is received or paid. Deferred outflows are reported for pension and OPEB related activity and deferred inflows are reported for pension related activity	All additions and deductions during the year, regardless when cash is received or paid

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 District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 District's net position and how it has changed. A statement of the District's net position is one way to measure the District's financial health.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the financial health of the District, you need to consider additional nonfinancial factors such as changes in the District'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 District are reported in two categories:

- **Governmental Activities** - This category includes the District's basic instructional services, such as elementary, middle and high school educational programs, support services (guidance, executive administration, school board, fiscal services, etc.), debt service payments, extracurricular activities (athletics, debate, fine arts, etc.) and capital equipment purchases. Property taxes, state grants and federal grants finance most of these activities.
- **Business-type Activities** – The food service fund and preschool program are the two business-type activities of the District. The District charges a fee to students to help cover the costs of providing food services to all students. Families pay tuition as established by the school board to defray some of the operating expenses of offering the program.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant or "major" funds rather than the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- State law requires some funds.
- The District's school board establishes other funds to control and manage money for particular purposes, e.g., various scholarship trust funds.

The District has three generic fund types:

- **Governmental Funds** – Most of the District's basic services are included in the governmental funds which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine if there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship and reconciles the differences between the fund financial statements and the government-wide statements.
- **Proprietary Funds** – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both short- and long-term financial information. The District uses an enterprise fund (one type of proprietary fund) to report the activities of its Food Service Program and Concessions Fund, both business-type activities. The District also uses internal service funds (the other type of proprietary fund) to report activities that provide services for its other programs and activities. The District currently has one internal service fund for self-funded health insurance for benefit eligible employees.

- **Fiduciary Funds** – The District is the trustee, or fiduciary, for various external and internal parties. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF YANKTON SCHOOL DISTRICT 63-3 AS A WHOLE

Net Position

The District's combined net position changed as follows:

Table A-1
Yankton School District 63-3
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Current and Other Assets	\$ 33,544,352	\$ 25,599,561	\$ 1,936,782	\$ 1,233,002	\$ 35,481,134	\$ 26,832,563
Capital Assets Net of Depreciation/Amortization	34,662,591	34,761,991	99,098	47,493	34,761,689	34,809,484
Total Assets	68,206,943	60,361,552	2,035,880	1,280,495	70,242,823	61,642,047
Deferred Outflows of Resources						
Pension Related Outflows	7,372,394	4,817,451	312,149	189,163	7,684,543	5,006,614
OPEB Related Deferred Outflows	422,923	513,324	-	-	422,923	513,324
Total Deferred Outflows of Resources	7,795,317	5,330,775	312,149	189,163	8,107,466	5,519,938
Long-Term Liabilities	1,592,715	1,880,803	433	2,576	1,593,148	1,883,379
Other Liabilities	3,932,156	4,000,588	169,972	179,063	4,102,128	4,179,651
Total Liabilities	5,524,871	5,881,391	170,405	181,639	5,695,276	6,063,030
Deferred Inflows of Resources						
Unavailable Revenue-Lease Receivable	253,000	-	-	-	253,000	-
Unavailable Revenue-Property Taxes	5,690,304	6,676,882	-	-	5,690,304	6,676,882
Pension Related Deferred Inflows of Resources	10,437,178	3,902,310	441,975	153,297	10,879,153	4,055,607
OPEB Related Deferred Inflows of Resources	297,603	113,134	-	-	297,603	113,134
Total Deferred Inflows of Resources	16,678,085	10,692,326	441,975	153,297	17,120,060	10,845,623
Net Position:						
Net Investment in Capital Assets	34,553,263	34,761,991	99,098	47,493	34,652,361	34,809,484
Restricted for:						
Capital Outlay	4,865,144	2,440,428	-	-	4,865,144	2,440,428
Special Education	1,470,612	1,612,558	-	-	1,470,612	1,612,558
SDRS Pension Purposes	2,336,507	944,842	98,859	37,032	2,435,366	981,874
Unrestricted	10,573,778	9,358,791	1,537,692	1,050,197	12,111,470	10,408,988
Total Net Position	\$ 53,799,304	\$ 49,118,610	\$ 1,735,649	\$ 1,134,722	\$ 55,534,953	\$ 50,253,332
Increase (Decrease) in Net Position	\$ 4,680,694	\$ 1,259,256	\$ 600,927	\$ 323,923	\$ 5,281,621	\$ 1,583,179
Percentage of Increase (Decrease) in Net Position	9.5%	2.6%	53.0%	40.0%	10.5%	3.3%

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 District have been reported in this manner on the Statement of Net Position. The difference between the District's assets plus deferred outflows of resources and the District's liabilities plus deferred inflows of resources is its net position.

Changes in Net Position

Governmental Activities:

- Current and other assets increased \$7,944,791 from \$25,599,561 in FY2021 to \$33,544,352 in FY2022 primarily due increased revenues from property taxes and less than expected operating expenses.
- Capital assets net of depreciation decreased \$99,400 from \$34,761,991 in FY2021 to \$34,662,591 in FY2022 primarily due to depreciation expense and disposals.
- Pension Related Outflows increased \$2,554,943 from \$4,817,451 in 2021 to \$7,372,394 in FY2022. See Note 8 of Notes to the Basic Financial Statements for details.
- OPEB Related Outflows decreased \$90,401 from \$513,324 in FY2021 to \$422,923 in FY2022. See Note 6 of Notes to the Basic Financial Statements for details.
- Long-term liabilities decreased by \$288,088 from \$1,880,803 in FY2021 to \$1,592,715 in FY2022. See Note 7 of Notes to Basic Financial Statements for details.
- Other Liabilities decreased \$68,432 from \$4,000,588 in FY2021 to \$3,932,156 in FY2022.
- Unavailable Revenue from Property Taxes decreased \$986,578 from \$6,676,882 in FY2021 to \$5,690,304 in FY2022.
- Pension Related Deferred Inflows of Resources increased \$6,534,868 from \$3,902,310 in FY2021 to \$10,437,178 in FY2022. See Note 8 of Notes to the Basic Financial Statements for details.
- The net impact of the factors described above accounted for an overall increase of \$4,680,694 or 9.5% in net position in FY2022.

Business-Type Activities:

- An increase of \$703,780 in current and other assets from FY2021 to FY2022 contributed to an increase in net position of \$600,927 for business-type activities in FY2022.

GOVERNMENTAL ACTIVITIES

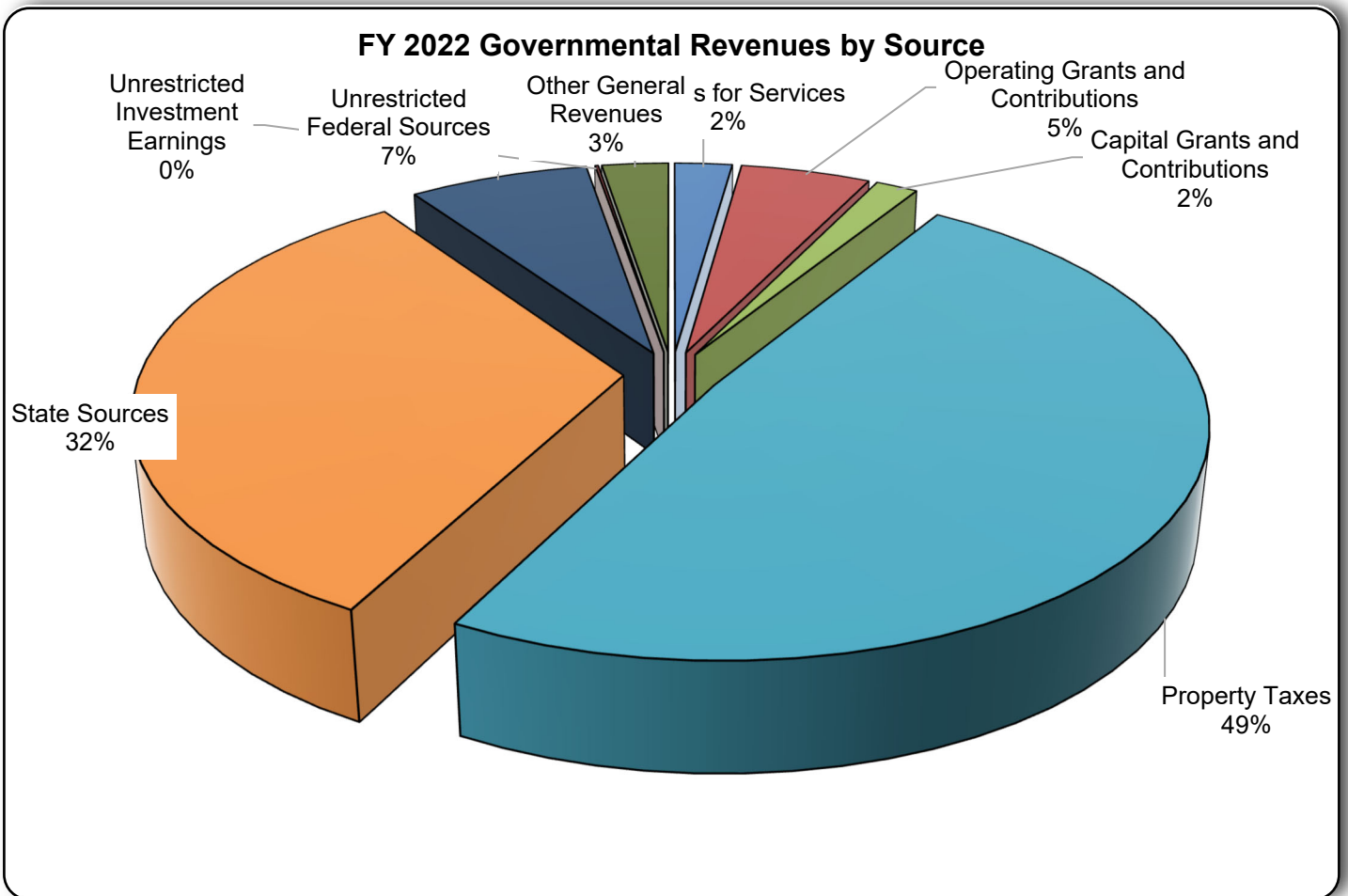
Table A-2 and the narrative that follows consider the operations of the government-wide activities.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 761,734	\$ 569,829	\$ 361,933	\$ 235,968	\$ 1,123,667	\$ 805,797
Operating Grants and Contributions	1,721,286	1,921,725	2,479,427	2,230,724	4,200,713	4,152,449
Capital Grants and Contributions	560,002	140,227	-	-	560,002	140,227
General Revenues						
Property Taxes	16,552,077	15,278,306	-	-	16,552,077	15,278,306
State Sources	11,050,036	10,494,410	-	-	11,050,036	10,494,410
Unrestricted Federal Sources	2,375,136	2,307,207	-	-	2,375,136	2,307,207
Unrestricted Investment Earnings	41,826	22,518	5,154	1,771	46,980	24,289
Other General Revenues	880,842	721,261	-	-	880,842	721,261
Total Revenues	33,942,939	31,455,483	2,846,514	2,468,463	36,789,453	33,923,946
Expenses						
Instruction	17,025,207	17,483,264	-	-	17,025,207	17,483,264
Support Services	10,939,593	11,268,650	-	-	10,939,593	11,268,650
Community Services	34,407	73,702	-	-	34,407	73,702
Non-Programmed Charges	171,173	294,735	-	-	171,173	294,735
Interest on LT Debt	766	6,103	-	-	766	6,103
Co-Curricular Activities	1,091,099	1,069,773	-	-	1,091,099	1,069,773
Food Service	-	-	2,159,238	2,102,367	2,159,238	2,102,367
Concessions Fund	-	-	86,349	42,173	86,349	42,173
Total Expenses	29,262,245	30,196,227	2,245,587	2,144,540	31,507,832	32,340,767
Excess (Deficiency) of Revenue Over Expenses	4,680,694	1,259,256	600,927	323,923	5,281,621	1,583,179
Net Position - Beginning	49,118,610	47,859,354	1,134,722	810,799	50,253,332	48,670,153
Net Position - Ending	<u>\$ 53,799,304</u>	<u>\$ 49,118,610</u>	<u>\$ 1,735,649</u>	<u>\$ 1,134,722</u>	<u>\$ 55,534,953</u>	<u>\$ 50,253,332</u>

The District's FY2022 governmental revenues totaled \$33,942,939, an increase of \$2,487,456 or 7.9% compared to FY2021 revenues of \$31,455,483 (See Table A-2). Property taxes provided 48.8% of the District's governmental revenue in FY2022 compared to 48.6% in FY2021 (See Figure A-3). Charges for services increased \$191,905 from \$569,829 in FY2021 compared to \$761,734 in FY2022. Operating grants and contributions decreased \$200,439 from \$1,921,725 in FY2021 to \$1,721,286 in FY2022. Capital grants and contributions increased \$419,775 from \$140,227 in FY2021 to \$560,002 in FY2022 while unrestricted investment earnings increased \$19,308 from \$22,518 in FY2021 to \$41,826 in FY2022. Other general revenues increased from \$721,261 in FY2021 to \$880,842 in FY2022.

Net position of the business type activities increased \$600,927 from \$1,134,722 in FY2021 to \$1,735,649 in FY2022 fueled largely by increased Charges for Services and Operating Grants and Contributions.

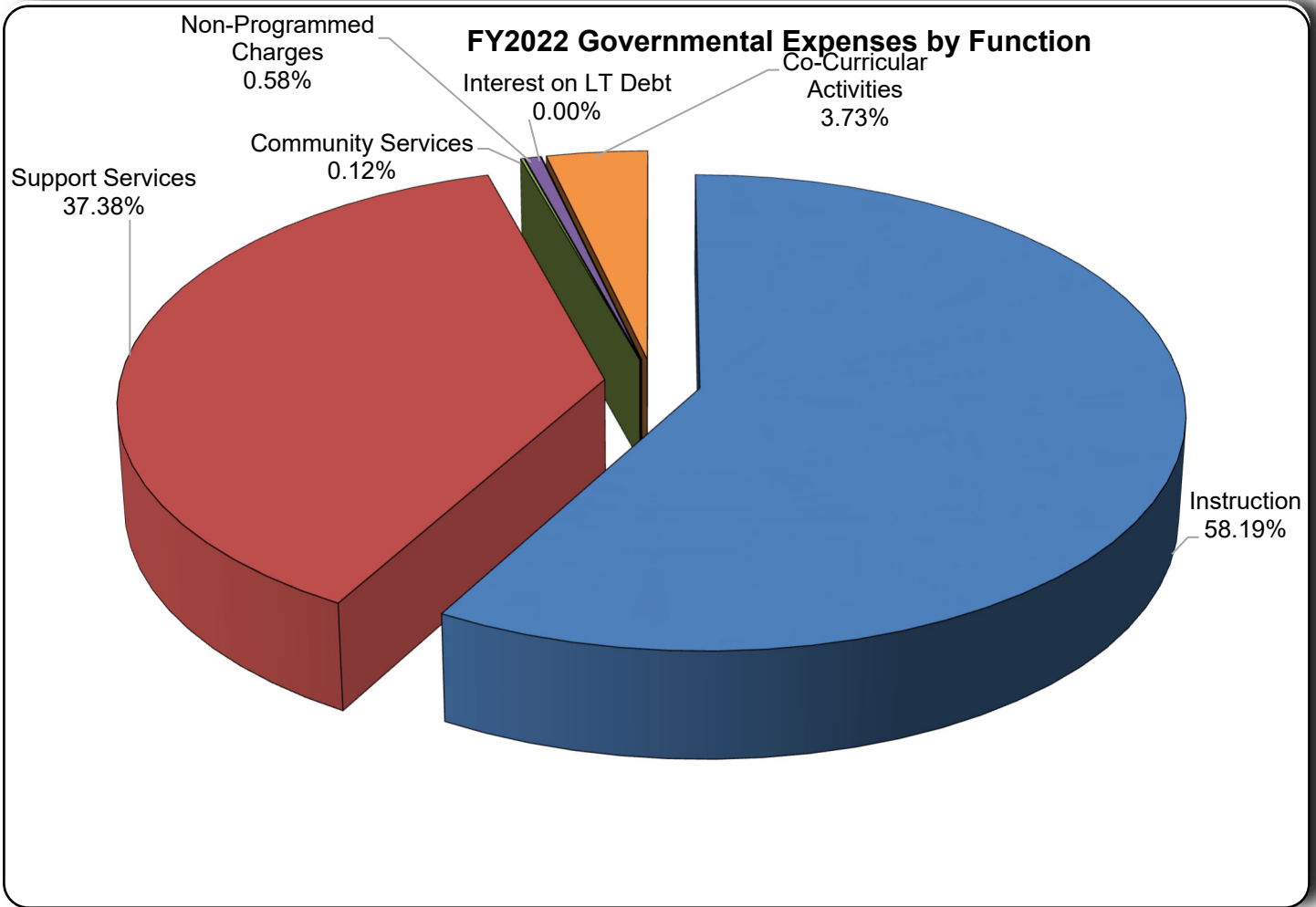
Figure A-3



The District's FY2022 governmental expenses totaled \$29,262,245, compared to \$30,196,227 for FY2021, a decrease of \$933,982 or 3.1%, (See Table A-2) and covered a range of services, including instruction, support services, community services, non-programmed charges, debt service and co-curricular activities. (See Figure A-4). Expenses by function changed from FY2021 to FY2022 as follows: Instruction decreased 2.6% from \$17,483,264 to \$17,025,207, Support Services decreased from \$11,268,650 to \$10,939,593, Non-Programmed Charges decreased from \$294,735 to \$171,173, Interest on Long Debt decreased from \$6,103 to \$766 and Co-Curricular Activities increased from \$1,069,773 to \$1,091,099. Staffing for programs and the rising cost of employee benefits along with capital outlay improvement projects have a significant impact on governmental activities and the changes year over year.

Figure A-4 illustrates the FY2022 percentage of the total governmental expenses by function as follows: Instruction 58.19%, Support Services 37.38%, Community Services 0.12%, Non-Programmed Charges 0.58%, Interest on Long-Term Debt 0.00%, and Co-Curricular Activities 3.73%.

Figure A-4



BUSINESS-TYPE ACTIVITIES

Revenues for the District's combined business-type activities, (i.e., food service and a concessions fund), increased \$378,051 or 15.3% from \$2,468,463 in FY2021 to \$2,846,514 in FY2022.

- Concessions charges for services amounted to \$132,135 or 36.5% of the \$361,933 total charges for services.
- Concessions operating expenses amounted to \$86,349 or 3.8% of the \$2,245,587 total operating expenses.
- Food Service operating expenses amounted to \$2,159,238 during FY2022, an increase of \$56,871 from FY2021.
- The district saw an increase in the average lunches served per day from 1,954 in FY2021 to 2,319 in FY2022 due to a 13.7% daily participation increase as a result of universally free meals authorized by the National School Lunch and Breakfast Program in response to Covid-19 Return to School Plans.
- The total number of lunches served increased to 396,608 in FY2022, an increase of 60,527 from 336,081 in FY2021.
- Operating Grants and Contributions for the food service program amounted to \$2,479,427, an increase of \$248,703 from the previous year primarily due to the increase in the number of free meals served during the year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Fund balances changed as follows:

- General Fund increased \$893,463 from \$7,184,888 in FY2021 to \$8,078,351 in FY2022 primarily due to underspent operating budgets and higher than expected state aid due to growth in student enrollment.
- Capital Outlay Fund increased \$2,423,329 from \$2,419,308 in FY2021 to \$4,842,637 in FY2022 primarily due to deferment of certain facilities improvements & capital projects during the year.
- Special Education Fund decreased \$142,500 from \$1,600,008 in FY2021 to \$1,457,508 in FY2022 as a result of more than expected costs for student instruction & out-of-district placements.

BUDGETARY HIGHLIGHTS

In the General Fund, there were several variances between the final amended revenue budget and the actual results for FY2022. State Aid, bank franchise taxes and revenue from shared operations all exceeded expectations for the year while Utility Taxes and Interest Earnings came in less than expected for the year. In addition, the district expended and claimed reimbursement for approximately 29% of the \$5,610,527 ESSER Funds allocated between ESSER I, ESSER II and ESSER III Grants resulting in actual revenues coming in at \$23,457,325 or \$2,938,831 less than budgeted.

Expenditures for Regular Instruction were \$13,365,703 or 20.4% less than budgeted due to allocation of the three rounds of ESSER Funds from the Federal Government which spans three fiscal years through September 2024 and other federal pandemic-related funding. Expenditures for Support Services in total were \$1,205,346 or 12.2% less than anticipated. The actual expenditures for Improvement of Instruction were \$476,157 less than budgeted and comprised 39.8% of the Support Services savings in the General Fund. Expenditures for combined co-curricular activities were \$99,944 or 12.0% less than anticipated. Overall, actual general fund expenditures were \$23,039,659 or \$4,432,920 (16.1%) less than anticipated.

CAPITAL ASSET ADMINISTRATION

By the end of FY2022, the District had invested \$70,146,206 in a broad range of capital assets, including land, construction in progress, buildings, improvements other than buildings, equipment, and right-to-use leased equipment for governmental activities (See Table A-3). This amount represents an increase (including additions and retirements) of \$1,341,835 or 1.95% from the previous year. Facility improvement measures including parking lot and roof replacement at Yankton High School, reconstruction of the track at Yankton High School and various other facilities repairs and maintenance projects. Other additions included an ongoing commitment to upgrade the District's technology infrastructure (i.e. computer labs, servers, wireless access points, switches, routers, etc.), acquisition of two new school buses, custodial and maintenance equipment, musical instruments and classroom equipment. Accumulated depreciation/amortization increased in the amount of \$1,441,235 in FY2022. Capital assets net of depreciation/amortization from governmental activities decreased \$160,812 for the fiscal year.

For business-type activities, capital assets increased \$63,018 in FY2022. Total assets net of depreciation increased \$51,605 during FY2022 from \$47,493 in FY2021 to \$99,098 at year-end. For more information, see Note 5 of the Notes to Basic Financial Statements.

Table A-3
Yankton School District 63-3
Capital Assets
(Net of Depreciation/Amortization)

	Governmental Activities		Business-type Activities		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Capital Assets (not being depreciated/amortized)						
Land	\$ 778,648	\$ 778,648	\$ -	\$ -	\$ 778,648	\$ 778,648
Construction in Progress	16,006	165,083	-	-	16,006	165,083
	<u>794,654</u>	<u>943,731</u>	<u>-</u>	<u>-</u>	<u>794,654</u>	<u>943,731</u>
Other Capital Assets (being depreciated/amortized)						
Buildings	52,810,823	52,338,603	-	-	52,810,823	52,338,603
Improvements other than Buildings	6,487,590	5,817,730	-	-	6,487,590	5,817,730
Equipment	9,905,080	9,704,307	437,912	374,894	10,342,992	10,079,201
Right-to-use leased equipment	148,059	-	-	-	148,059	-
	<u>69,351,552</u>	<u>67,860,640</u>	<u>437,912</u>	<u>374,894</u>	<u>69,789,464</u>	<u>68,235,534</u>
Accumulated Depreciation/Amortization	<u>(35,483,615)</u>	<u>(34,042,380)</u>	<u>(338,814)</u>	<u>(327,401)</u>	<u>(35,822,429)</u>	<u>(34,369,781)</u>
Total All Capital Assets net of depreciation/amortization	<u>\$ 34,662,591</u>	<u>\$ 34,761,991</u>	<u>\$ 99,098</u>	<u>\$ 47,493</u>	<u>\$ 34,761,689</u>	<u>\$ 34,809,484</u>

LONG-TERM DEBT

At year-end, the District had \$1,593,148 in total outstanding debt and obligations, a decrease of \$290,231 or 15.4% from FY2021. Other debt and obligations include Early Retirement Benefits in the amount of \$151,866, a decrease of \$117,856 from FY2021 and Total OPEB Obligations of \$1,276,230 a decrease of \$277,805 from FY2021. (See Table A-4) For more information, see Note 7 of the Notes to Basic Financial Statements.

Table A-4
Yankton School District 63-3
Outstanding Debt and Obligations

	Governmental and Business Type Activities		Total Dollar Change	Total Percentage Change
	FY2022	FY2021	FY2022	FY2022
Lease Agreements	\$ 109,328	\$ -	\$ 109,328	100.0%
Early Retirement Benefit Payable	151,866	269,722	(117,856)	(43.7%)
Compensated Absences and Benefits Payable	55,724	59,622	(3,898)	(6.5%)
Total OPEB Obligation Payable	<u>1,276,230</u>	<u>1,554,035</u>	<u>(277,805)</u>	<u>(17.9%)</u>
Total Outstanding Debt and Obligations	<u>\$ 1,593,148</u>	<u>\$ 1,883,379</u>	<u>\$ (290,231)</u>	<u>(15.4%)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Former South Dakota Governor Dennis Daugaard commissioned a Blue-Ribbon Task Force in 2015 to study and make recommendations to the 2016 Legislature regarding the school funding system. An overhaul was passed through several pieces of legislation which took effect in FY2017. The centerpiece of the legislation was passage of a one-cent sales tax with the primary goal of increasing average teacher pay across the entire state. The new funding formula included a target student-to-teacher ratio based on a sliding scale by student enrollment and includes overhead factors to arrive at a local "need" calculation.

The District did experience growth of approximately \$51,611,220 or 3.18%, in total assessed valuation in 2021 for taxes payable in 2022. While this growth in property valuation does increase the amount of revenue the District can generate from property taxes, levies are limited by the State of South Dakota for general funding purposes. In addition, growth in assessed valuation does not improve total revenues for the general fund because total combined revenue from these sources is still based on a "need" calculation. Levies against property valuations determine local effort. This amount is subtracted from the local need and the difference is provided by the state as state aid. With regard to general fund revenues, increases in local property valuations essentially increase the local effort and decrease the amount of state aid the district receives if the target student-teacher ratio and official enrollment remain unchanged.

The basis of the new funding formula is average teacher salary and student-teacher ratios rather than per student allocations. It remains to be seen how the state will adjust key factors in the new formula and if additional spending mandates will be added to the legislation when school funding is approved through legislative appropriations and how these adjustments translate to actual revenues for subsequent school budget planning.

On February 11, 2020 voters in the Yankton School District passed a 4-year property tax opt out of \$1,850,000 for taxes payable starting in 2021. This means the school board has the authority to request up to \$1,850,000 in additional property taxes annually through 2024. This additional revenue combined with planned transfers from the Capital Outlay Fund will help the district maintain balanced budgets for the foreseeable future.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, patrons, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions regarding this report or need additional information, contact the Yankton School District 63-3 Business Office, 2410 West City Limits Road, Yankton, South Dakota 57078 or call (605) 665-3980.

Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 19,018,482	\$ 1,563,922	\$ 20,582,404
Taxes Receivable--Current	5,804,526	-	5,804,526
Taxes Receivable--Delinquent	141,697	-	141,697
Accounts Receivable, Net	118,185	44	118,229
Due from Other Governments	2,691,436	32,376	2,723,812
Inventories	47,567	86,798	134,365
Prepaid Expenses	321,168	24,957	346,125
Net Pension Asset	5,401,291	228,685	5,629,976
Capital Assets:			
Land	778,648	-	778,648
Construction In Progress	16,006	-	16,006
Other Capital Assets, Net of Depreciation/Amortization	33,867,937	99,098	33,967,035
Total Assets	68,206,943	2,035,880	70,242,823
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	7,372,394	312,149	7,684,543
OPEB Related Deferred Outflows	422,923	-	422,923
Total Deferred Outflows of Resources	7,795,317	312,149	8,107,466
LIABILITIES			
Accounts Payable	549,307	22,049	571,356
Contracts Payable	1,865,355	11,468	1,876,823
Incurred but not Reported Claims	461,355	-	461,355
Due to Other Governments	4,256	-	4,256
Sales Tax Payable	-	140	140
Interest Payable	766	-	766
Payroll Deductions and Withholdings and Employer Matching Payable	705,750	34,062	739,812
Unearned Revenue	345,367	102,253	447,620
Noncurrent Liabilities:			
Due within One Year			
Lease Agreements	37,732	-	37,732
Early Retirement Benefits	151,866	-	151,866
Compensated Absences and Benefits	11,058	433	11,491
Due in More Than One Year			
Lease Agreements	71,596	-	71,596
Compensated Absences and Benefits, Long-Term	44,233	-	44,233
Total OPEB Liability	1,276,230	-	1,276,230
Total Liabilities	5,524,871	170,405	5,695,276
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue -			
Lease Receivable	253,000	-	253,000
Property Taxes Intended to Finance Next Fiscal Year	5,690,304	-	5,690,304
Pension Related Deferred Inflows	10,437,178	441,975	10,879,153
OPEB Related Deferred Inflows	297,603	-	297,603
Total Deferred Inflows of Resources	16,678,085	441,975	17,120,060
NET POSITION			
Net Investment in Capital Assets	34,553,263	99,098	34,652,361
Restricted for:			
Capital Outlay	4,865,144	-	4,865,144
Special Education	1,470,612	-	1,470,612
SDRS Pension Purposes	2,336,507	98,859	2,435,366
Unrestricted	10,573,778	1,537,692	12,111,470
Total Net Position	\$ 53,799,304	\$ 1,735,649	\$ 55,534,953

See Accompanying Notes to Basic Financial Statements

**YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
Instruction	\$ 17,025,207	\$ 6,874	\$ 1,711,636
Support Services	10,939,593	236,791	-
Community Services	34,407	35,770	9,650
Nonprogrammed Charges	171,173	-	-
Interest on Long-term Debt	766	-	-
Cocurricular Activities	1,091,099	482,299	-
Total Governmental Activities	29,262,245	761,734	1,721,286
Business-Type Activities:			
Food Service	2,159,238	229,798	2,479,427
Concessions	86,349	132,135	-
Total Business-Type Activities	2,245,587	361,933	2,479,427
Total Primary Government	\$ 31,507,832	\$ 1,123,667	\$ 4,200,713
General Revenues:			
Taxes:			
Property Taxes			
Utility Taxes			
Unrestricted Revenue from State Sources:			
State Aid			
Unrestricted Revenue from Federal Sources			
Unrestricted Investment Earnings			
Sale of Uncapitalized Assets			
Gain on Sale of Capitalized Assets			
Other General Revenues			
Total General Revenues			
Change in Net Position			
Net Position - Beginning			
Net Position - Ending			

See Accompanying Notes to Basic Financial Statements

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital Grants and Contributions			
\$ 560,002	\$ (14,746,695)		\$ (14,746,695)
-	(10,702,802)		(10,702,802)
-	11,013		11,013
-	(171,173)		(171,173)
-	(766)		(766)
-	(608,800)		(608,800)
560,002	(26,219,223)		(26,219,223)
-		\$ 549,987	549,987
-		45,786	45,786
-		595,773	595,773
\$ 560,002	(26,219,223)	595,773	(25,623,450)
	16,270,750	-	16,270,750
	281,327	-	281,327
	11,050,036	-	11,050,036
	2,375,136	-	2,375,136
	41,826	5,154	46,980
	67,897	-	67,897
	7,900	-	7,900
	805,045	-	805,045
	30,899,917	5,154	30,905,071
	4,680,694	600,927	5,281,621
	49,118,610	1,134,722	50,253,332
\$ 53,799,304	\$ 1,735,649	\$ 55,534,953	

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Capital Outlay Fund
ASSETS		
Cash and Cash Equivalents	\$ 8,173,040	\$ 4,703,177
Taxes Receivable--Current	2,636,276	2,012,492
Taxes Receivable--Delinquent	100,335	26,264
Accounts Receivable, Net	98,191	19,754
Due from Other Governments	1,904,669	418,258
Inventory of Supplies	47,567	-
Prepaid Expenses	252,936	22,409
Total Assets	<u>13,213,014</u>	<u>7,202,354</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	283,275	105,898
Contracts Payable	1,557,308	-
Due to Other Governments	4,256	-
Payroll Deductions and Withholdings and Employer Matching Payable	592,613	-
Unearned Revenue	26,050	-
Total Liabilities	<u>2,463,502</u>	<u>105,898</u>
Deferred Inflows of Resources:		
Unavailable Revenue - Lease Receivable	-	253,000
Unavailable Revenue - Taxes Levied for a Future Period	2,575,746	1,978,312
Unavailable Revenue - Delinquent Property Taxes	95,415	22,507
Total Deferred Inflows of Resources	<u>2,671,161</u>	<u>2,253,819</u>
Fund Balances:		
Nonspendable:		
Inventory of Supplies	47,567	-
Prepaid Expenses	252,936	22,409
Restricted For:		
Capital Outlay	-	4,820,228
Special Education	-	-
Unassigned	7,777,848	-
Total Fund Balances	<u>8,078,351</u>	<u>4,842,637</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,213,014</u>	<u>\$ 7,202,354</u>

See Accompanying Notes to Basic Financial Statements

Special Education Fund		Total Governmental Funds	
\$	1,499,716	\$	14,375,933
	1,155,758		5,804,526
	15,098		141,697
	240		118,185
	368,509		2,691,436
	-		47,567
	45,823		321,168
	3,085,144		23,500,512
	57,102		446,275
	308,047		1,865,355
	-		4,256
	113,137		705,750
	-		26,050
	478,286		3,047,686
	-		253,000
	1,136,246		5,690,304
	13,104		131,026
	1,149,350		6,074,330
	-		47,567
	45,823		321,168
	-		4,820,228
	1,411,685		1,411,685
	-		7,777,848
	1,457,508		14,378,496
\$	3,085,144	\$	23,500,512

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds (page 29)	\$	14,378,496
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land & Construction in Progress	\$ 794,654	
Other Capital Assets net of Accumulated Depreciation/Amortization	33,867,937	34,662,591

The Net Pension Asset is not a current financial resource and, therefore, is not recorded in the funds

5,401,291

Accrued expenses such as interest, early retirement benefits, and compensated absences that are not reported on the modified accrual basis fund balance sheet.

(207,923)

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

(109,328)

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred Outflows of Resources	\$ 7,372,394	
Deferred Inflows of Resources	(10,437,178)	(3,064,784)

Assets such as delinquent taxes receivable and some utility tax revenue are not available to pay for current period expenditures and therefore are deferred in the funds.

131,026

Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

2,607,935

Net Position- Governmental Funds (page 25)

\$ 53,799,304

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Outlay Fund
Revenues:		
Revenue from Local Sources:		
Taxes:		
Ad Valorem Taxes	\$ 8,507,094	\$ 4,818,349
Prior Years' Ad Valorem Taxes	65,746	37,498
Utility Taxes	281,327	-
Penalties and Interest on Taxes	11,713	4,910
Tuition and Fees:		
Student Tuition	6,874	-
Earnings on Investments and Deposits	25,808	11,561
Cocurricular Activities:		
Admissions	91,141	-
Other Pupil Activity Income	35,251	-
Student Activity	355,907	-
Other Revenue from Local Sources:		
Rentals	66,675	-
Contributions and Donations	36,761	7,122
Refund of Prior Years' Expenditures	6,631	-
Charges for Services	35,770	-
Other	90,472	320,772.00
Revenue from Intermediate Sources:		
County Sources:		
County Apportionment	283,734	-
Revenue for Joint Facilities	131,249	105,542
Revenue from State Sources:		
Grants-in-Aid:		
Unrestricted Grants-in-Aid	11,050,036	-
Restricted Grants-in-Aid	-	-
Revenue from Federal Sources:		
Grants-in-Aid:		
Unrestricted Grants-in-Aid Received from Federal Government Through the State	2,375,136	552,880
Total Revenue	<u>23,457,325</u>	<u>5,858,634</u>
Expenditures:		
Current:		
Instruction:		
Regular Programs:		
Elementary	5,955,079	110,359
Middle/Junior High	2,720,539	85,194
High School	3,606,623	183,578
Preschool Services	489,839	-
Special Programs:		
Programs for Special Education	-	7,445
Educationally Deprived	456,826	-
Other Special Programs	136,797	-

See Accompanying Notes to Basic Financial Statements

	Special Education Fund	Total Governmental Funds
\$	2,794,501	\$ 16,119,944
	21,910	125,154
	-	281,327
	2,679	19,302
	-	6,874
	4,457	41,826
	-	91,141
	-	35,251
	-	355,907
	-	66,675
	-	43,883
	-	6,631
	9,650	45,420
	-	411,244
	-	283,734
	-	236,791
	-	11,050,036
	887,325	887,325
	824,311	3,752,327
	<u>4,544,833</u>	<u>33,860,792</u>

-	6,065,438
-	2,805,733
-	3,790,201
-	489,839
3,222,084	3,229,529
-	456,826
77,621	214,418

(CONTINUED)

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Outlay Fund
Support Services:		
Pupils:		
Guidance	\$ 633,617	\$ -
Health	222,188	-
Psychological	-	-
Speech Pathology	-	-
Student Therapy	-	-
Instructional Staff:		
Improvement of Instruction	442,686	-
Educational Media	471,534	57,797
General Administration:		
Board of Education	222,504	-
Executive Administration	286,635	-
School Administration:		
Office of the Principal	1,619,797	-
Other School Administration Services	24,474	-
Business:		
Fiscal Services	565,505	77,474
Operation and Maintenance of Plant	3,129,038	653,922
Pupil Transportation	591,632	401,190
Food Services	73,005	-
Central:		
Staff	28,150	-
Special Education:		
Administrative Costs	-	-
Information	-	25,922
Transportation Costs	-	-
Other Special Education Costs	-	-
Community:		
Nonpublic School Pupils	34,407	-
Nonprogrammed Charges:		
Early Retirement Payments	290,356	-
Cocurricular Activities:		
Student Activity	304,065	-
Combined Activities	734,363	64,397
Other Expenditures:		
Capital Outlay	-	1,454,614
Total Expenditures	<u>23,039,659</u>	<u>3,121,892</u>
Excess(Deficiency) of Revenue Over(Under) Expenditures	<u>417,666</u>	<u>2,736,742</u>
Other Financing Sources (Uses):		
Transfers In	400,000	-
Transfers Out	-	(400,000)
Lease Agreements	-	86,587
Sale of Uncapitalized Property	67,897	-
Sale of Capitalized Property	7,900	-
Total Other Financing Sources	<u>475,797</u>	<u>(313,413)</u>
Net Change in Fund Balances	893,463	2,423,329
Fund Balance - Beginning	<u>7,184,888</u>	<u>2,419,308</u>
Fund Balance - Ending	<u>\$ 8,078,351</u>	<u>\$ 4,842,637</u>

See Accompanying Notes to Basic Financial Statements

Special Education Fund		Total Governmental Funds	
\$	-	\$	633,617
	41,412		263,600
	286,502		286,502
	523,257		523,257
	187,647		187,647
	4,033		446,719
	-		529,331
	1,958		224,462
	-		286,635
	-		1,619,797
	-		24,474
	-		642,979
	-		3,782,960
	-		992,822
	-		73,005
	-		28,150
	201,653		201,653
	-		25,922
	120,300		120,300
	20,866		20,866
	-		34,407
	-		290,356
	-		304,065
	-		798,760
	-		1,454,614
	4,687,333		30,848,884
	(142,500)		3,011,908
	-		400,000
	-		(400,000)
	-		86,587
	-		67,897
	-		7,900
	-		162,384
	(142,500)		3,174,292
	1,600,008		11,204,204
\$	1,457,508	\$	14,378,496

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds (page 34) **\$ 3,174,292**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlays in the current period.

Capital Asset Expenditures	\$ 1,557,051	
Depreciation/Amortization Expense	<u>(1,717,923)</u>	(160,872)

Repayment of lease agreements is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

38,731

The Statement of Activities includes the delinquent property taxes as revenue in the period which it is intended to finance but governmental funds report delinquent property taxes as revenue only when it is available as well.

6,350

Pension expense reported in the Statement of Activities are not current expenses and, therefore, are not reported as expense in the governmental funds.

1,391,665

Proceeds from the issuance of a lease provide current financial resources to governmental funds, but the issuance of a lease increases long-term liabilities in the statement of net position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

(86,587)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest Expense	(766)	
Early Retirement Expense	117,856	
Compensated Absences Expense	<u>1,755</u>	118,845

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

198,270

Change in Net Position of Governmental Activities (page 27) **\$ 4,680,694**

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities			Governmental Activities
	Major Fund Food Service Fund	Non Major Concessions Fund	Total	Health Insurance Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,488,563	\$ 75,359	\$ 1,563,922	\$ 4,642,549
Accounts Receivable, Net	44	-	44	-
Due from Federal Governments	32,376	-	32,376	-
Inventory of Supplies	42,903	1,761	44,664	-
Inventory of Stores Purchased for Resale	27,183	-	27,183	-
Inventory of Donated Food	14,951	-	14,951	-
Prepaid Expenses	24,957	-	24,957	-
Total Current Assets	1,630,977	77,120	1,708,097	4,642,549
Noncurrent Assets:				
Net Pension Asset	219,250	9,435	228,685	-
Capital Assets:				
Machinery and Equipment	437,912	-	437,912	-
Less: Accumulated Depreciation	(338,814)	-	(338,814)	-
Total Noncurrent Assets	318,348	9,435	327,783	-
Total Assets	1,949,325	86,555	2,035,880	4,642,549
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	299,271	12,878	312,149	-
OPEB Related Deferred Outflows	-	-	-	422,923
Total Deferred Outflows of Resources	299,271	12,878	312,149	422,923
LIABILITIES				
Current Liabilities:				
Accounts Payable	21,928	121	22,049	103,032
Contracts Payable	11,425	43	11,468	-
Sales Tax Payable	140	-	140	-
Accrued Vacation Payable	433	-	433	-
Incurred But Not Reported Claims	-	-	-	461,355
Payroll Deductions and Withholdings and Employer Matching Payable	33,835	227	34,062	-
Unearned Revenue	102,253	-	102,253	319,317
Total Current Liabilities	170,014	391	170,405	883,704
Long-Term Liabilities				
Total OPEB Liability	-	-	-	1,276,230
Total Long-Term Liabilities	-	-	-	1,276,230
Total Liabilities	170,014	391	170,405	2,159,934
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows	423,743	18,232	441,975	-
OPEB Related Deferred Outflows	-	-	-	297,603
Total Deferred Inflows of Resources	423,743	18,232	441,975	297,603
NET POSITION				
Investment in Capital Assets	99,098	-	99,098	-
Restricted for:				
SDRS Pension Purposes	94,778	4,081	98,859	-
Unrestricted	1,460,963	76,729	1,537,692	2,607,935
Total Net Position	\$ 1,654,839	\$ 80,810	\$ 1,735,649	\$ 2,607,935

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Governmental Activities
	Major Fund Food Service Fund	Non Major Concessions Fund	Total	Health Insurance Fund
Operating Revenues:				
Sales:				
Student	\$ 184,996	\$ 132,135	\$ 317,131	\$ -
Adult	13,391	-	13,391	-
A la Carte	13,660	-	13,660	-
Other Charges for Goods & Services	17,751	-	17,751	-
Self Insurance Premiums	-	-	-	3,675,228
Stop Loss Insurance Claims	-	-	-	235,553
Total Operating Revenues	229,798	132,135	361,933	3,910,781
Operating Expenses:				
Salaries	690,829	29,322	720,151	-
Employee Benefits	239,680	-	239,680	-
Purchased Services	50,536	1,042	51,578	-
Supplies	225,208	55,985	281,193	-
Cost of Sales - Purchased Food	836,704	-	836,704	-
Cost of Sales - Donated Food	104,868	-	104,868	-
Depreciation	11,413	-	11,413	-
Self Insurance Claims	-	-	-	3,004,022
Self Insurance Administrative Costs	-	-	-	637,310
Health Insurance Membership	-	-	-	88,303
Total Operating Expenses	2,159,238	86,349	2,245,587	3,729,635
Operating Income (Loss)	(1,929,440)	45,786	(1,883,654)	181,146
Nonoperating Revenue:				
Local Sources:				
Earnings on Investments and Deposits	4,896	258	5,154	17,124
State Sources:				
Cash Reimbursements	4,919	-	4,919	-
Federal Sources:				
Cash Reimbursements	2,307,962	-	2,307,962	-
Donated Food	166,546	-	166,546	-
Total Nonoperating Revenue	2,484,323	258	2,484,581	17,124
Income Before Transfers	554,883	46,044	600,927	198,270
Change in Net Position	554,883	46,044	600,927	198,270
Net Position - Beginning	1,099,956	34,766	1,134,722	2,409,665
Net Position- Ending	\$ 1,654,839	\$ 80,810	\$ 1,735,649	\$ 2,607,935

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Governmental Activities
	Major Fund Food Service Fund	Non Major Concessions Fund	Total	Health Insurance Fund
Cash Flows from Operating Activities:				
Cash Receipts from Customers	\$ 249,288	\$ 132,137	\$ 381,425	\$ -
Cash Receipts from Interfund Services Provided	-	-	-	3,910,781
Cash Payments to Suppliers of Goods and Services	(1,110,061)	(57,241)	(1,167,302)	(3,674,952)
Cash Payments to Employees for Services	(969,983)	(32,195)	(1,002,178)	-
Net Cash Provided (Used) by Operating Activities	(1,830,756)	42,701	(1,788,055)	235,829
Cash Flows from Noncapital Financing Activities:				
Operating Grants	2,443,347	-	2,443,347	-
Net Cash Provided by Non Capital Financing Activities	2,443,347	-	2,443,347	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(63,019)	-	(63,019)	-
Cash Flows from Investing Activities:				
Cash Received for Interest	4,896	258	5,154	17,124
Net Increase in Cash and Cash Equivalents	554,468	42,959	597,427	252,953
Cash and Cash Equivalents at Beginning of Year	934,095	32,400	966,495	4,389,596
Cash and Cash Equivalents at End of Year	1,488,563	75,359	1,563,922	4,642,549
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(1,929,440)	45,786	(1,883,654)	181,146
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	11,413	-	11,413	-
Value of Donated Commodities Used	155,793	-	155,793	-
Change in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:				
Accounts and Other Receivables	(4)	-	(4)	-
Inventories	(7,731)	(379)	(8,110)	-
Prepaid Expenses	(694)	-	(694)	-
Accounts and Other Payables	(40,088)	165	(39,923)	57,619
Accrued Wages and Benefits Payable	19,322	159	19,481	-
Unearned Revenue	9,208	-	9,208	-
Net Pension Asset	(218,117)	(9,402)	(227,519)	-
Due From Other Funds	10,262	-	10,262	-
Total OPEB Liability	-	-	-	(277,806)
Deferred Outflows - OPEB	-	-	-	90,401
Deferred Outflows - Pensions	(115,467)	(7,519)	(122,986)	-
Deferred Inflows - OPEB	-	-	-	184,469
Deferred Inflows - Pensions	274,787	13,891	288,678	-
Net Cash Provided (Used) by Operating Activities	(1,830,756)	42,701	(1,788,055)	235,829
Noncash Investing, Capital and Financing Activities:				
Value of Commodities Received	\$ 166,546	\$ -	\$ 166,546	\$ -

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Fund
ASSETS:		
Cash and Cash Equivalents	\$ 184,327	\$ -
Accounts Receivable, Net	31	-
Investments, at Fair Value	7,588	-
	<hr/>	<hr/>
Total Assets	191,946	-
	<hr/>	<hr/>
LIABILITIES:		
Accounts Payable	52	-
	<hr/>	<hr/>
Total Liabilities	52	-
	<hr/>	<hr/>
NET POSITION		
Restricted for Individuals and other Organizations	-	-
Held in Trust for Scholarships	191,894	-
	<hr/>	<hr/>
Total Net Position	\$ 191,894	\$ -
	<hr/> <hr/>	<hr/> <hr/>

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Contributions and Donations	\$ 15,542	\$ 95,874
Interest and Dividend Income	2,117	-
Total Additions	17,659	95,874
DEDUCTIONS:		
Trust Deductions for Scholarships	32,247	94,836
Total Deductions	32,247	94,836
Change in Net Position	(14,588)	1,038
Net Position - Beginning	206,482	(1,038)
Net Position - Ending	\$ 191,894	\$ -

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

For financial reporting purposes, Yankton School District No. 63-3 has included all funds, organizations, agencies, boards, commissions, and authorities. The Yankton School District (District) has adopted the position of the Governmental Accounting Standards Board (GASB), regarding the definition of the "reporting entity". In evaluating the District as a reporting entity, management has addressed all potential component units for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the District. The District has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

b. Basis of Presentation, Basis of Accounting

The accounting policies of the School District conform to U.S. generally accepted accounting principles (GAAP) as applicable to governments.

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the School District). These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements but interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the School District.

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 plus deferred outflows of resources) minus (liabilities plus deferred inflows of resources) equals net position. Net position as displayed in three components, 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 District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. GASB No. 34 sets forth minimum criteria for the determination of major funds.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Descriptions of all the funds of the financial reporting entity are provided below:

Governmental Funds

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

Proprietary Funds

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Proprietary fund operating expenses, such as cost of sales, salaries, supplies and depreciation, result from providing services and producing and delivering goods in connection with the principal activity of the fund.

Enterprise Funds — Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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.

Concessions Fund – A fund used to record financial transaction related to concession operations. This fund is financed by user charges. This is not a major fund.

Internal Service Funds — Internal service funds are established to account for financing of goods and services provided by one department to other departments of the District on a cost reimbursement basis. Internal Service Funds are never considered to be major funds.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Health Insurance Fund - A fund used to account for employee health insurance premiums, administration, and claims incurred by School District employees.

Fiduciary Fund

Fiduciary Fund is used to account for assets held by the District in an agent or custodial capacity for others and, therefore, are not available to support District functions. Fiduciary Fund is never considered to be major fund and use the economic resources measurement focus concept of accounting. Fiduciary funds are not incorporated into the government-wide financial statements

Private-Purpose Trust Funds — Private-purpose trust fund is used to account for all other trust agreements under which principal and income benefit individuals, private organizations, or other governments. Currently, the District maintains twenty-four scholarships accounted for as private-purpose trust fund. Twenty-one scholarships allow the principal and earnings to be spent, while three scholarships only allow the earnings to be used.

Custodial Funds — Custodial fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments.

Basis of Accounting

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

In the fund financial statements, the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers significant revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The exception to this would be for receivables derived from reimbursement grant arrangements where the revenue would be recognized in the same period as the expenditure. Property tax, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, special termination benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Deposits and Investments

The school follows the practice of pooling the cash assets of various funds to maximize cash management efficiency and returns with the exception of the Food Service Fund and Internal Service Funds which maintain separate bank accounts and do not pool its cash assets. For the purposes of the Statement of Cash Flows, all short-term cash investments with a term to maturity of three months or less when purchased that are highly liquid are considered to be cash equivalents. State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The District's policy is to credit all income from deposits and investments to the fund making the deposit or investment. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits - The school 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. Deposits are reported at cost basis, which is approximate to fair value.

The cash and cash equivalents (excluding fiduciary funds) of Yankton School District No. 63-3 at June 30, 2022 include the following:

Cash and Cash Equivalents:

Cash on Hand		\$	9,806
General Fund	\$	9,806	
Deposits in Bank			6,131,112
Food Service Fund	1,488,563		
Internal Service Funds	4,642,549		
Pooled Cash and Cash Equivalents:			
Deposits in Bank			14,441,486
General Fund	8,163,234		
Capital Outlay Fund	4,703,177		
Special Education Fund	1,499,716		
Concessions	75,359		
Total Cash and Cash Equivalents		\$	20,582,404

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

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

designated by the political subdivision as its fiscal agent.

Custodial Credit Risk – The District does not have a policy for custodial credit risk for deposits or investments, but its practice is to follow the State requirements. As of June 30, 2022, the District's bank balance for checking and savings accounts was uninsured but collateralized in accordance with SDCL 4-6A-3.

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

Interest Rate Risk—The 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.

Investments on the statement of fiduciary net position consist of a closed-end mutual fund, as requested by the donor, held in a trustee capacity for private-purpose trust fund scholarship purposes stated at fair value of \$7,588, per quoted market price. As of June 30, 2022, the majority of investments inside the mutual fund were rated A or Baa by Standard & Poor's or by Moody's Investors Service. The District is exposed to custodial credit risk on this entire investment because it is uninsured and uncollateralized. The recurring fair value measurement for the mutual fund was determined using the last reported sales price at current exchange rates (level 1 inputs).

The District uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The School District had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

d. Inventory

Inventory is valued at cost. The cost valuation method is based on first-in, first-out. Donated commodities are valued at estimated fair value based on the U.S. Department of Agriculture 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 or expenses of government as they are consumed.

In the governmental fund financial statements, inventories in the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method). In the fund financial statements, the General Fund inventories are equally offset as nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current position.

e. Prepaids

In the fund financial statements, prepaids in the General Fund, Capital Outlay Fund, Special Education Fund, and School Food Service Fund consist of prepaid workmen compensation. The cost is recorded as an expenditure at the time the expense is incurred. In the fund

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

financial statements, prepaids are equally offset as nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current position.

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

Government-Wide Statements – All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is set at \$5,000 and the depreciation method is straight-line, full year deprecation in the year of purchase. The estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Land	-
Land Improvements	20
Buildings and Improvements	7-50
Technology Equipment	5
Vehicles	8-10
General Equipment	10-20

Land, an inexhaustible capital asset, is not depreciated.

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

g. Leases

Yankton School District No. 63-3 is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of the lease, the 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,

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the lease asset is amortized on a straight-line basis over the shorter of its useful life or lease term.

Key estimates and judgments related to leases include how Yankton School District No. 63-3 determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Yankton School District No. 63-3 uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the 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 a purchase option price that the District is reasonably certain to exercise.

The 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.

h. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 asset are recognized on an accrual basis of accounting.

i. Accumulated Unpaid Vacation and Sick Pay

Vacation and sick leave benefits are earned by employees as defined in the Master Teacher Contract and the Classified/Classified Professionals Employee Handbooks. Upon separation of employment, employees who are eligible for vacation benefits are entitled to compensation for unused vacation leave at their respective rate of pay.

Sick leave is awarded to salaried employees at the start of the contract year. Eligible hourly employees accrue sick leave at a rate of 0.06 hours per regular hour worked during the year with a maximum annual accrual of 72, 80, or 96 hours, according to the length of their work year. Salaried employees may accumulate up to a maximum of 150 days of paid sick leave. Hourly employees may accumulate up to 320 hours of paid sick leave. There is no compensation paid to any employee for unused sick leave upon separation of employment.

Therefore, a liability is recorded in the government-wide financial statements only for accumulated unpaid vacation benefits. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Unearned Revenues

Unearned revenues reported in the Statement of Net Position consists of employee insurance withholdings for July 2022, revenues received for school lunch, and preschool registrations that are unused as of June 30, 2022.

k. 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.

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 lease agreements, early retirement benefit payable, compensated absences payable, total other post employment benefit (OPEB) obligation payable, and the net pension liability.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenues and payment of principle and early retirement benefits are reported as expenditures. The accounting for proprietary fund is on the accrual basis, the same in the fund statement as it is in the government-wide statements.

l. Deferred Outflow/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense / expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, contributions from the employer after the measurement date but before the end of the employer's reporting period, and activity related to other post employment benefits (OPEB).

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of taxes, that qualify for reporting in this category. The governmental activities in the government-wide statements and governmental funds report unavailable revenues from two sources: property taxes and pension related revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reconciliation of Deferred Inflows of Resources by Fund

Governmental Funds

General Fund

Unavailable Resources - Taxes Levied for a Future Period	\$ 2,575,746
Unavailable Resources - Delinquent Property Taxes	95,415

Capital Outlay Fund

Unavailable Resources - Taxes Levied for a Future Period	1,978,312
Unavailable Resources - Delinquent Property Taxes	22,507
Unavailable Resources - Lease Receivable	253,000

Special Education Fund

Unavailable Resources - Taxes Levied for a Future Period	1,136,246
Unavailable Resources - Delinquent Property Taxes	13,104

Total Governmental Funds	<u>\$ 6,074,330</u>
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Governmental-Wide Reconciliation of Deferred Inflows of Resources

Governmental Activities

Lease Receivable	\$ 253,000
Property Taxes Intended to Finance Next Fiscal Year	5,690,304
Pension Related Deferred Inflows	10,437,178
OPEB Related Deferred Inflows	297,603

Business Type Activities

Pension Related Deferred Inflows	441,975
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Total Government-Wide Deferred Inflows	<u>\$ 17,120,060</u>
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m. Application of Net Position

It is the Districts' 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 are available.

n. Program Revenues

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

Charge 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.

Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

o. Equity Classifications

Government-Wide Statements – Equity is classified as net position and is displayed in three components.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Investment In Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Net Investment In Capital Assets as of June 30, 2022 is as follows:

	Governmental Activities	Business-Type Activities
Land & Construction in Progress	\$ 794,654	\$ -
Other Capital Assets, Net of Depreciation/Amortization	33,867,937	99,098
Less: Lease Agreements	(109,328)	-
	\$ 34,553,263	\$ 99,098

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.

Restricted net position as of June 30, 2022 is as follows:

<u>Purpose</u>	<u>Restricted By:</u>
Capital Outlay	Law
Special Education	Law
Pension	Law

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements—Equity is classified as fund balance and is displayed as follows:

Nonspendable—Consists of amounts that cannot be spend because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted—Consists of amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed—Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.

Assigned—Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Superintendent.

Unassigned—All amounts not included in other classifications.

The District has adopted a spending priority that restricted amounts are spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and amounts are to be considered spent as follows: (1) committed, (2) assigned and (3) unassigned when an expenditure is incurred for purposes for which amounts in any of those unrestricted funds balance classifications could be used.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Inter-fund Eliminations and Reclassifications

Government-wide Financial Statements:

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

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances, if any.
2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in the manner, expenses reductions occur in the Internal Service Fund, so that expenses are reported only in the function to which they are related.

q. 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.

NOTE 2 PROPERTY TAX

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

In the government-wide financial statements, the District's property tax revenue is recognized in the period for which the levy is made. Also, in the government-wide financial statements, the portion of current year property tax receivable to be used in the succeeding fiscal year has been reported as deferred revenue.

In the fund financial statements, the District's property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Also, in the fund financial statements, current year property taxes receivable, which are not available as a resource that can be used to finance the current year's appropriations and therefore are not susceptible to accrual, have been recorded as deferred revenue and are not reported as current revenue.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

The receivables are comprised of the following as of June 30, 2022:

Accounts Receivable, Net:

Insurance Flex Plan	\$ 25,000
WAN Agreement	18,816
Sale of Student House	62,900
Other	11,513
	\$ 118,229

Due From Other Governments:

Title I	\$ 159,831
Title II, Part A	73,237
Title III	296
Title IV	52,803
Carl Perkins	38,159
CARES Act - ESSER II	985,471
CARES Act - ESSER III	251,253
FEMA	377,494
Special Education, IDEA, Part B, Sec. 611	334,081
Special Education, IDEA, Sec. 619	34,428
School Improvement	18,052
Summit Activity Center	39,738
Utility Tax	177,948
State Grants	103,379
County Apportionment-Fines, Penalties & Interest	45,266
NSLP Summer Claim	32,376
	\$ 2,723,812

NOTE 4 INDIVIDUAL FUND INTERFUND TRANSACTIONS

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Capital Outlay	\$ 400,000

During the year ended June 30, 2022, there was a transfer of \$400,000 made from the Capital Outlay Fund to the General Fund. In Fiscal Year 2022, the South Dakota Department of Revenue allowed schools to transfer up to 45% of the total tax revenues deposited into the Capital Outlay Fund to the General Fund.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CHANGES IN CAPITAL ASSETS

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

PRIMARY GOVERNMENT

	Balance 7/1/2021 (As Restated)	Additions	Retirements	Balance 6/30/2022
Governmental Activities:				
Capital Assets (not being depreciated/amortized):				
Land	\$ 778,648	\$ -	\$ -	\$ 778,648
Construction In Progress	165,083	520,783	(669,860)	16,006
Total Capital Assets (not being depreciated/amortized)	943,731	520,783	(669,860)	794,654
Capital Assets (being depreciated/amortized):				
Buildings	52,338,603	472,220	-	52,810,823
Improvements other than Buildings	5,817,730	669,860	-	6,487,590
Equipment	9,704,307	477,461	(276,688)	9,905,080
Right-to-use leased equipment	61,472	86,587	-	148,059
	67,922,112	1,706,128	(276,688)	69,351,552
Accumulated Depreciation/Amortization:				
Buildings	(23,550,916)	(980,493)	-	(24,531,409)
Improvements other than Buildings	(3,649,552)	(278,925)	-	(3,928,477)
Equipment	(6,841,912)	(427,414)	276,688	(6,992,638)
Right-to-use leased equipment	-	(31,091)	-	(31,091)
	(34,042,380)	(1,717,923)	276,688	(35,483,615)
Net of Depreciation/Amortization	33,879,732	(11,795)	-	33,867,937
Total All Capital Assets, Net of Depreciation/Amortization	\$ 34,823,463	\$ 508,988	\$ (669,860)	\$ 34,662,591

Depreciation/amortization was charged to the governmental activities as follows:

Instruction	\$ 1,009,906
Support Services	681,209
Co-Curricular	26,808
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 1,717,923</u>

	Balance 7/1/2021	Additions	Retirements	Balance 6/30/2022
Business Type Activities:				
Other Capital Assets (being depreciated):				
Equipment	\$ 374,894	\$ 63,018	\$ -	\$ 437,912
Accumulated Depreciation:				
Equipment	327,401	(11,413)	-	338,814
Total Other Capital Assets, Net of Depreciation	\$ 47,493	\$ 51,605	\$ -	\$ 99,098

Depreciation Expense was charged to the business- type activity as follows:

Food Service	<u>\$ 11,413</u>
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NOTE 6 OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

Plan Description – The District administers a single-employer benefit which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under SDLC 6-1-16. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

OPEB Benefits – Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. Retired participants must be age 55 or older at retirement. At June 30, 2022, the following members were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	11
Active members	<u>158</u>
Total	<u>169</u>

Total OPEB Liability – The District's total OPEB liability of \$1,276,230 was measured as of June 30, 2022 and was determined by an actuarial valuation as July 1, 2021.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	2.50% per annum
Rates of salary increase (effective June 30, 2022)	Ranging from 3.5% to 7.5%
Discount rate (effective June 30, 2022)	3.54% compounded annually, Including inflation
Healthcare cost trend rate (effective June 30, 2022)	Ranging from 6.5% to 5.5%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	<u>\$ 1,554,035</u>
Changes for the year:	
Service cost	19,381
Interest	30,631
Changes of Benefit Terms	-
Differences between expected and actual experiences	(69,742)
Changes of assumptions	(173,267)
Benefit payments	(84,808)
Net changes	<u>(277,805)</u>
Total OPEB liability end of year	<u><u>\$ 1,276,230</u></u>

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Changes of assumptions reflect a change in the discount rate from 2.16% in fiscal year 2021 to 3.54% in fiscal year 2022.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Sensitivity of the District's Total OPEB liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current discount rate.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 1,376,741	\$ 1,276,230	\$ 1,184,948

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.5%) or 1% higher (7.5%) than the current healthcare cost trend rates.

	1% Decrease (5.5%)	Healthcare Cost Trend Rate (6.5%)	1% Increase (7.5%)
Total OPEB liability	\$ 1,212,947	\$ 1,276,230	\$ 1,347,867

OPEB Expense and Deferred Inflows and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2022, the District recognized OPEB expense of \$81,873. At June 30, 2022 the District reported deferred inflows and deferred outflows of resources related to OPEB from the following sources:

	Deferred Inflows Of Resources	Deferred Outflows Of Resources
Differences between expected and actual experience	\$ (151,409)	\$ -
Changes of assumptions	(146,194)	422,923
Total	<u>\$ (297,603)</u>	<u>\$ 422,923</u>

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Amount
2023	\$ 31,861
2024	31,861
2025	31,861
2026	31,861
2027	3,992
Thereafter	(6,116)
Total	<u>\$ 125,320</u>

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM LIABILITIES

The early retirement benefits payable attributable to the governmental activities will be paid by the general fund and currently affects four covered individuals. The total OPEB obligation payable attributable to the governmental activities will be paid by the health insurance internal service fund. The compensated absences liability attributable to the governmental activities will be paid by the general fund. The lease agreements attributable to the governmental activities will be paid by the capital outlay fund.

Employees who qualify may apply for early retirement. If approved by the District, the early retirement liability is 75% of the most recent contracted salary and is usually payable within one year of signing the contract; therefore, the liability is recorded using the current cost method based on the signed contract which is equivalent to its present value.

At June 30, 2022, the District has obligations to three participants with a total liability of \$151,866. Actual early retirement expenditures for the year ended June 30, 2022 totaled \$269,722.

The methods and assumptions used to determine the total OPEB obligation are explained more fully in Note 6.

Changes in Long-Term Liabilities

The following summarizes long-term liabilities activity of the primary government for the year ended June 30, 2022:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Lease Agreements	\$ 61,472	\$ 86,587	\$ 38,731	\$ 109,328	\$ 37,732
Early Retirement	269,722	151,866	269,722	151,866	151,866
Compensated Absences	57,046	-	1,755	55,291	11,058
Governmental Activities Long-Term Liabilities	<u>\$ 388,240</u>	<u>\$ 238,453</u>	<u>\$ 310,208</u>	<u>\$ 316,485</u>	<u>\$ 200,656</u>
Business Type Activities					
Compensated Absences	\$ 2,576	\$ -	\$ 2,143	\$ 433	\$ 433
Business Type Activities Long-Term Liabilities	<u>\$ 2,576</u>	<u>\$ -</u>	<u>\$ 2,143</u>	<u>\$ 433</u>	<u>\$ 433</u>

Lease Agreements

The District, as a lessee, has entered into lease agreements involving copiers, postage meters, and school buses.

On March 6, 2020, the District entered into a lease agreement for a postage machine. An initial lease liability was recorded for the machine in the amount of \$7,685 per Accounting Change/Restatement Note 13. The agreement requires monthly payments of \$171 over 5 years with an implicit interest rate of 1.22% and final payment due April 30, 2025.

On April 14, 2020, the District entered into a lease agreement for copier machines. An initial lease liability was recorded for the machine in the amount of \$53,787 per Accounting

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Change/Restatement Note 13. The agreement requires monthly payments of \$1,599 over 4 years with an implicit interest rate of 0.78% and final payment due April 14, 2024.

On July 1, 2021, the District entered into a lease agreement for school buses. The agreement requires annual payments of \$17,890 over 5 years with an implicit interest rate of 1.64% and final payment due November 30, 2026.

The future lease payments under the lease agreements are as follows:

	Principal	Interest	Total
2023	\$ 37,732	\$ 1,225	\$ 38,957
2024	34,983	775	35,758
2025	19,014	420	19,434
2026	17,599	122	17,721
	<u>\$ 109,328</u>	<u>\$ 2,542</u>	<u>\$ 111,870</u>

NOTE 8 PENSION PLAN

Plan Information:

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

Benefits Provided:

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

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 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 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 great than 75. All Foundation retirement benefits that do not meet the above criteria may be payable at a reduced level.

Members that were hired on/after July 1, 2017 are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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

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

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2022, 2021, and 2020 were \$1,005,467, \$1,008,083, and \$935,376, respectively, equal to the required contributions each year.

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

At June 30, 2021, SDRS is 105.52% funded and, accordingly, has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the District as of the measurement period ending June 30, 2021 and reported by the District as of June 30, 2022 are as follows:

Proportionate share of position liability	\$ 101,938,343
Less: proportionate share net pension restricted for pension benefits	107,568,319
	<hr/>
Proportionate share of net pension liability(asset)	\$ (5,629,976)

At June 30, 2022 the District reported an asset of \$5,629,976 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021 and the total pension asset used to calculate the net pension asset was based on a projection of the District's share of contributions to the pension plan relative to the contributions of all participating entities.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

At June 30, 2021, the District's proportion was 0.73514800% which is an increase of 0.0244059% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$1,453,112). At June 30, 2022, the 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	\$ 202,131	\$ 14,761
Changes in assumption	6,474,426	2,819,414
Net difference between projected and actual earnings	-	8,042,533
Changes in proportion and difference between School District contributions and proportionate share of contributions	2,519	2,445
District contributions subsequent to the measurement date	1,005,467	-
TOTAL	\$ 7,684,543	\$ 10,879,153

\$1,005,467 reported as deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as recognized in pension expense (revenue) as follows:

Year Ending June 30	
2023	\$ (1,035,730)
2024	(705,026)
2025	(196,843)
2026	(2,262,478)
Total	<u>\$ (4,200,077)</u>

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service from 6.50 percent at entry to 3.00% after 25 years of service.
Discount Rate	6.50 percent net of plan investment expense
Future COLAs	2.25 percent

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016. Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	4.3%
Fixed Income	30.0%	1.6%
Real Estate	10.0%	4.6%
Cash	2.0%	0.9%
Total	<u>100%</u>	

Discount Rate:

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability (asset)	\$ 9,116,331	\$ (5,629,976)	\$ (17,600,544)

Pension Plan Fiduciary Net Position:

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

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 RISK MANAGEMENT

The 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 students and natural disasters. For the fiscal year ended June 30, 2022, the costs of insurance settlements did not exceed insurance coverage. There were no significant reductions in insurance coverage from the prior year. During the year ended June 30, 2022, the District managed its risks as follows:

Employee Health Insurance

The District has elected to be self-insured and retain all risks for liabilities up to a \$3,205,300 annual aggregate deductible and/or \$125,000 per covered person per policy term, whichever is less.

The District has equity in the Health Insurance Internal Service Fund in the amount of \$2,607,935 for the payment of future health insurance claims. The District has also reported liabilities of \$461,355 for claims incurred through June 30, 2022. A reconciliation of changes in the aggregate liability, including incremental costs, if any, for claims during the year ended June 30, 2022 is as follows:

	2022
Unpaid Claims at beginning of fiscal year	\$ 439,593
Incurred Claims for the fiscal year	3,004,022
Claims Paid during the fiscal year	(2,982,260)
Unpaid Claims at end of fiscal year	<u>\$ 461,355</u>

During the year ended June 30, 2022, the School District paid health insurance claims of \$3,004,022 and administrative costs and premiums of \$637,310. The District accounts for the employee health insurance self-insurance plan through an Internal Service Fund.

Liability Insurance

The 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.

Worker's Compensation

The District purchases liability insurance for worker's compensation from a commercial carrier.

Unemployment Benefits

The District has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits. The District has closed out the Unemployment Insurance Internal Service Fund and plans to account for the unemployment benefits self-insurance funding through the General Fund.

NOTE 10 - CONSTRUCTION COMMITMENTS

The District has entered into contracts totaling \$1,699,966 for facilities improvement as of June 30, 2022. Costs of \$657,588 have been incurred against these contracts and there is \$1,042,378 of remaining commitment as of June 30, 2022.

NOTE 11 - TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - TAX ABATEMENTS (CONTINUED)

reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

The information presented below is for the calendar year ended December 31, 2021. This matches the reporting period of the City of Yankton, for which the information was available.

Property tax revenues of the District were reduced by the following amount under agreements entered into by the following entity:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Yankton	Urban renewal and economic development projects	\$ 237,259

NOTE 12 - DEFERRED INFLOWS OF RESOURCES – LEASE RECEIVABLE

The District entered into a lease contract with SBA Towers LLC for the use of a cell tower that bears no interest. On May 2nd, 2019, there was an amendment to the lease contract and it was paid in full. Due to the new Governmental Accounting Standards Board Statement No. 87, Leases, we will recognize the prepayment as a deferred inflow of resources and will decrease the deferred inflow by \$5,500 over the remaining term of the lease contract. Previously, this prepayment was recorded as unearned revenue.

NOTE 13 - ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	Capital Assets	Long-term Liabilities: Lease Agreements
Balances June 30, 2021, as previously reported	\$ 68,804,371	\$ -
Change in implement GASBS No. 87	61,472	61,472
Balances July 1, 2021, as restated	<u>\$ 68,865,843</u>	<u>\$ 61,472</u>

NOTE 14 - PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting certain assets and liabilities for the right-to-use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

Required
Supplementary
Information

REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 8,318,849	\$ 8,318,849	\$ 8,507,094	\$ 188,245
Prior Years' Ad Valorem Taxes	55,000	55,000	65,746	10,746
Utility Taxes	325,000	325,000	281,327	(43,673)
Penalties and Interest on Taxes	15,000	15,000	11,713	(3,287)
Tuition and Fees:				
Student Tuition	2,350	2,350	6,874	4,524
Earnings on Investments and Deposits	65,000	65,000	25,808	(39,192)
Cocurricular Activities:				
Admissions	100,000	100,000	91,141	(8,859)
Other Pupil Activity Income	30,000	30,000	391,158	361,158
Other Revenue from Local Sources:				
Rentals	84,400	87,252	66,675	(20,577)
Contributions and Donations	21,600	28,400	36,761	8,361
Refund of Prior Years' Expenditures	-	-	6,631	6,631
Charges for Services	30,000	30,000	35,770	5,770
Other	75,000	89,053	90,472	1,419
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	360,000	360,000	283,734	(76,266)
Revenue for Joint Facilities	100,000	100,000	131,249	31,249
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	10,302,165	10,302,165	11,018,811	716,646
Restricted Grants-in-Aid	-	31,225	31,225	-
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	6,311,077	6,456,862	2,375,136	(4,081,726)
Total Revenue	26,195,441	26,396,156	23,457,325	(2,938,831)
Expenditures:				
Current:				
Instruction:				
Regular Programs:				
Elementary	7,353,113	7,780,191	5,955,079	1,825,112
Middle/Junior High	3,025,505	3,121,898	2,720,539	401,359
High School	4,222,759	4,310,193	3,606,623	703,570
Special Programs:				
Preschool Program	370,955	370,955	489,839	(118,884)
Programs for Special Education	1,840	1,840	-	1,840
Educationally Deprived	520,146	579,760	456,826	122,934
Other Special Programs	632,561	632,561	136,797	495,764
Support Services:				
Students:				
Attendance and Social Work	44,045	44,045	1,351	42,694
Guidance	865,120	871,920	632,266	239,654
Health	270,981	270,981	222,188	48,793
Instructional Staff:				
Improvement of Instruction	892,720	918,843	442,686	476,157
Educational Media	516,438	516,438	471,534	44,904
General Administration:				
Board of Education	269,403	269,403	222,504	46,899
Executive Administration	\$ 290,923	\$ 290,923	\$ 286,635	\$ 4,288

(CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
School Administration:				
Office of the Principal	\$ 1,630,384	\$ 1,630,384	\$ 1,619,797	\$ 10,587
Other	26,191	26,191	24,474	1,717
Business:				
Fiscal Services	586,017	586,017	565,505	20,512
Operation and Maintenance of Plant	3,300,335	3,300,335	3,104,979	195,356
Security Services	69,500	69,500	24,059	45,441
Pupil Transportation	598,329	598,329	591,632	6,697
Food Services	-	91,273	73,005	18,268
Central:				
Staff Recruitment & Placement	22,700	22,700	28,150	(5,450)
Community:				
Non-public School Students/Programs	43,236	43,236	34,407	8,829
Nonprogrammed Charges:				
Early Retirement Payments	290,356	290,356	290,356	-
Cocurricular Activities:				
Student Activity	-	-	304,065	(304,065)
Combined Activities	834,307	834,307	734,363	99,944
Total Expenditures	<u>26,677,864</u>	<u>27,472,579</u>	<u>23,039,659</u>	<u>4,432,920</u>
Excess(Deficiency) of Revenue Over(Under) Expenditures	<u>(482,423)</u>	<u>(1,076,423)</u>	<u>417,666</u>	<u>1,494,089</u>
Other Financing Sources:				
Transfers In	450,000	450,000	400,000	(50,000)
Sale of Uncapitalized Property	100,000	100,000	67,897	(32,103)
Sale of Capitalized Property	-	-	7,900	7,900
Total Other Financing Sources	<u>550,000</u>	<u>550,000</u>	<u>475,797</u>	<u>(74,203)</u>
Net Change in Fund Balances	67,577	(526,423)	893,463	1,419,886
Fund Balance - Beginning	<u>7,184,888</u>	<u>7,184,888</u>	<u>7,184,888</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,252,465</u>	<u>\$ 6,658,465</u>	<u>\$ 8,078,351</u>	<u>\$ 1,419,886</u>

**REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 4,625,836	\$ 4,625,836	\$ 4,818,349	\$ 192,513
Prior Years' Ad Valorem Taxes	40,000	40,000	37,498	(2,502)
Penalties and Interest on Taxes	6,000	6,000	4,910	(1,090)
Earnings on Investments and Deposits	18,500	18,500	11,561	(6,939)
Other Revenue from Local Sources:				
Contributions and Donations	4,500	4,500	7,122	2,622
Other	156,500	163,700	320,772	157,072
Revenue from Intermediate Sources:				
Revenue for Joint Facilities	26,470	26,470	105,542	79,072
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	507,547	558,738	552,880	(5,858)
Total Revenue	5,385,353	5,443,744	5,858,634	414,890
Expenditures:				
Current:				
Instruction:				
Regular Programs:				
Elementary	623,593	641,785	110,359	531,426
Middle/Junior High	269,960	279,230	85,194	194,036
High School	296,346	320,075	183,578	136,497
Special Programs:				
Programs for Special Education	9,000	9,000	7,445	1,555
Support Services:				
Instructional Staff:				
Educational Media	63,700	63,700	57,797	5,903
Business:				
Fiscal Services	74,250	74,250	77,474	(3,224)
Operation and Maintenance of Plant	3,311,608	3,360,508	2,108,536	1,251,972
Pupil Transportation	334,750	334,750	401,190	(66,440)
Support Services-Central:				
Information	27,000	27,000	25,922	1,078
Cocurricular Activities:				
Combined Activities	66,520	73,720	64,397	9,323
Total Expenditures	5,076,727	5,184,018	3,121,892	2,062,126
Other Financing Sources (Uses):				
Transfers Out	(400,000)	(400,000)	(400,000)	-
Lease Agreements	-	-	86,587	86,587
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(313,413)	-
Net Change in Fund Balances	(91,374)	(140,274)	2,423,329	2,563,603
Fund Balance - Beginning	2,419,308	2,419,308	2,419,308	-
Fund Balance - Ending	\$ 2,327,934	\$ 2,279,034	\$ 4,842,637	\$ 2,563,603

Note: Capital Outlay Expenditures that are reported separately as a line item on the fund financial statements are allocated to each respective function on the budgetary comparison schedule.

**REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 2,745,919	\$ 2,745,919	\$ 2,794,501	\$ 48,582
Prior Years' Ad Valorem Taxes	20,000	20,000	21,910	1,910
Penalties and Interest on Taxes	3,000	3,000	2,679	(321)
Earnings on Investments and Deposits	20,000	20,000	4,457	(15,543)
Revenue from Local Sources:				
Charges for Services	11,000	11,000	9,650	(1,350)
Revenue from State Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid	1,348,330	1,348,330	887,325	(461,005)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	947,435	947,435	824,311	(123,124)
Total Revenue	5,095,684	5,095,684	4,544,833	(550,851)
Expenditures:				
Current:				
Instruction:				
Special Programs:				
Programs for Special Education	3,350,355	3,401,818	3,222,084	179,734
Other Special Programs	271,500	271,500	77,621	193,879
Support Services:				
Pupils:				
Health	20,751	20,751	41,412	(20,661)
Psychological	292,783	292,783	286,502	6,281
Speech Pathology	531,453	531,453	523,257	8,196
Student Therapy	214,650	214,650	187,647	27,003
Orientation and Mobility	15,000	15,000	-	15,000
Instructional Staff:				
Improvement of Instruction	13,000	13,000	4,033	8,967
Educational Media	1,500	1,500	-	1,500
General Administration:				
Board of Education	6,500	6,500	1,958	4,542
Special Education:				
Administrative Costs	214,055	214,055	201,653	12,402
Transportation Costs	139,215	139,215	120,300	18,915
Other Special Education Costs	201,880	201,880	20,866	181,014
Total Expenditures	5,272,642	5,324,105	4,687,333	636,772
Net Change in Fund Balances	(176,958)	(228,421)	(142,500)	(85,921)
Fund Balance - Beginning	1,600,008	1,600,008	1,600,008	-
Fund Balance - Ending	\$ 1,423,050	\$ 1,371,587	\$ 1,457,508	\$ (85,921)

YANKTON SCHOOL DISTRICT NO. 63-3
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY, RELATED RATIOS
AND NOTES
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
Service cost	\$ 19,381	\$ 43,153	\$ 31,944	\$ 35,703	\$ 34,496
Interest cost	30,631	30,979	50,123	40,919	41,032
Changes of benefit terms	-	-	(39,592)	-	-
Difference between expected and actual experiences	(69,742)	-	(154,274)	-	-
Changes of assumptions	(173,267)	136,144	491,182	-	62,161
Benefit payments	(84,808)	(94,690)	(87,486)	(74,694)	(85,096)
Net change in total OPEB liability	(277,805)	115,586	291,897	1,928	52,593
Total OPEB liability beginning of year	1,554,035	1,438,449	1,146,552	1,144,624	1,092,031
Total OPEB liability end of year	\$ 1,276,230	\$ 1,554,035	\$ 1,438,449	\$ 1,146,552	\$ 1,144,624
Covered-employee payroll	\$ 9,105,751	\$ 10,705,777	\$ 10,343,746	\$ 11,299,227	\$ 10,917,128
Total OPEB liability as a percentage of covered-employee payroll	14.02%	14.52%	13.91%	10.15%	10.48%

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period and changes in the turnover table. The following are the discount rates used in each period.

Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.16%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.50%

The turnover table used in the fiscal year ended June 30, 2017 was non-group specific age-based turnover data from GASB Statement 45. The turnover table used in the fiscal years ended June 30, 2018 through 2022 used rates based on Scale T-2 of the Actuary's Pension Handbook.

**SCHEDULE OF YANKTON DISTRICT #63-3'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)
South Dakota Retirement System
Last 10 Fiscal Years *
(Dollar amounts in thousands)**

	2015**	2016	2017	2018
District's proportion of the net pension liability (asset)	0.70687480%	0.69048600%	0.69216820%	0.7169386%
District's proportionate share of net pension liability (asset)	\$ (5,093)	\$ (2,929)	\$ 2,338	\$ (65)
District's covered payroll	\$ 12,361	\$ 12,600	\$ 13,045	\$ 14,554
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-41.2%	-23.2%	17.9%	-0.4%
Plan fiduciary net position as a percentage of the total pension liability (asset)	107.3%	104.1%	96.9%	100.1%
	2019	2020	2021	2022
District's proportion of the net pension liability (asset)	0.70574030%	0.70947160%	0.71074210%	0.73514800%
District's proportionate share of net pension liability (asset)	\$ (16)	\$ (75)	\$ (31)	\$ (5,630)
District's covered payroll	\$ 14,662	\$ 15,074	\$ 15,880	\$ 16,648
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.1%	-0.5%	-0.2%	-33.8%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.2%	100.09%	100.04%	105.52%

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

** Fiscal year 2015 was the initial year of implementation of GASB 68 requirements. Therefore, eight years of information is presented. The District will continue to add to this schedule until it includes ten years as required.

SCHEDULE OF YANKTON SCHOOL DISTRICT #63-3'S CONTRIBUTIONS
South Dakota Retirement System
Last 10 Fiscal Years *
(Dollar amounts in thousands)

	<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 756	\$ 783	\$ 874	\$ 880
Contributions in relation to the contractually required contribution	<u>756</u>	<u>783</u>	<u>874</u>	<u>880</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,600	\$ 13,045	\$ 14,554	\$ 14,662
Contributions as a percentage of covered payroll	6.00%	6.00%	6.01%	6.00%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 905	\$ 935	\$ 1,008	\$ 1,005
Contributions in relation to the contractually required contribution	<u>905</u>	<u>935</u>	<u>1,008</u>	<u>1,005</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,074	\$ 15,880	\$ 16,648	\$ 16,620
Contributions as a percentage of covered payroll	6.00%	5.89%	6.06%	6.05%

* Fiscal year 2015 was the initial year of implementation of GASB 68 requirements. Therefore, eight years of information is presented. The District will continue to add to this schedule until it includes ten years as required.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.
3. The proposed budget is published for public review no later than July 15 each year.
4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except bond redemption, private-purpose trust, and custodial funds.
6. After adoption by the school board, the operating budget is legally binding and actual expenditures for each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total School District budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.
8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of a supplemental budget when monies are available to increase legal spending authority. In December 2021 and June 2022, supplemental budgets were adopted by the School Board.
9. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds.

10. Formal budgetary integration is employed as a management control device during the year for the General Fund, and Special Revenue Funds. There is no annual budget for the Bond Redemption Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
11. Budgets for the General Fund, and Special Revenue Funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 2 PENSION LIABILITY

Changes from Prior Valuation:

The June 30, 2021 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2020 Actuarial Valuation. One change in actuarial assumptions and two plan provision changes are reflected and described below. The details of the changes since the last valuation are as follows:

Benefit Provision Changes:

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

Actuarial Assumptions Changes:

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. That condition existed as of June 30, 2020 and the July 2021 SDRS COLA was limited to a restricted maximum of 1.41%. As of June 30, 2021, the FVFR assuming the COLA is equal to the baseline COLA assumption is greater than 100%. The July 2022 SDRS COLA will equal inflation, between 0% and 3.5%. For the June 30, 2020 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.41%. For this June 30, 2021 Actuarial Valuation, future COLAs are assumed to equal the baseline COLA assumption of 2.25%.

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

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

Actuarial Method Changes:

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

Statistical Section

Statistical Section

This part of the Yankton School District 63-3 comprehensive annual financial report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents

Table

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.

12-21

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

22-26

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

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Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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Yankton School District #63-3
Government-Wide Net Position by Component*
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental Activities					
Net Position:					
Net Investment in Capital Assets	\$ 28,755,322	\$ 29,816,294	\$ 30,299,958	\$ 29,218,906	\$ 30,955,635
Restricted	4,613,699	2,640,699	5,970,631	7,379,743	7,293,379
Unrestricted	10,401,104	10,881,907	10,580,761	11,127,010	10,626,613
Total net position	43,770,125	43,338,900	46,851,350	47,725,659	48,875,627
Business-Type Activities					
Net Position:					
Net Investment in Capital Assets	73,277	66,160	68,254	56,672	51,332
Restricted	-	-	166,778	189,657	155,293
Unrestricted	331,238	447,998	540,996	550,805	424,935
Total net position	404,515	514,158	776,028	797,134	631,560
Total Primary Government					
Net Position:					
Net Investment in Capital Assets	28,828,599	29,882,454	30,368,212	29,275,578	31,006,967
Restricted	4,613,699	2,640,699	6,137,409	7,379,743	7,448,672
Unrestricted	10,732,342	11,329,905	11,121,757	11,677,815	11,051,548
Total net position	\$ 44,174,640	\$ 43,853,058	\$ 47,627,378	\$ 48,333,136	\$ 49,507,187

* The source of this information is District records.

Table 1 (cont)

Fiscal Year				
2018	2019	2020	2021	2022
\$ 34,067,402	\$ 34,734,782	\$ 34,832,621	\$ 34,761,991	\$ 34,553,263
8,094,466	6,884,224	5,527,440	4,997,828	8,672,263
8,879,438	8,082,585	7,315,701	9,358,791	10,573,778
51,041,306	49,701,591	47,675,762	49,118,610	53,799,304
43,103	42,710	40,320	47,493	99,098
224,328	168,025	92,067	37,032	98,859
389,922	367,947	678,412	1,050,197	1,537,692
657,353	578,682	810,799	1,134,722	1,735,649
34,110,505	34,777,492	34,872,941	34,809,484	34,652,361
8,318,794	7,052,249	5,619,507	5,034,860	8,771,122
9,269,360	8,450,532	7,994,113	10,408,988	12,111,470
\$ 51,698,659	\$ 50,280,273	\$ 48,486,561	\$ 50,253,332	\$ 55,534,953

Table 2

Yankton School District #63-3
Changes in Net Position*
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Expenses										
Instruction	\$13,473,326	\$13,476,614	\$13,643,497	\$13,549,999	\$15,627,229	\$14,318,368	\$16,963,368	\$17,354,714	\$17,483,264	\$17,025,207
Support Services	7,789,325	7,908,844	8,342,969	8,341,157	9,604,872	8,846,302	10,564,739	11,104,887	11,268,650	10,939,593
Community Services	7,215	11,518	13,611	8,934	14,132	32,039	35,059	26,033	73,702	34,407
Non-Programmed Charges	355,756	195,651	124,428	88,806	55,934	208,740	106,883	317,178	294,735	171,173
Interest on Long Term Debt and Amortization of Bond Discount	229,690	148,184	55,976	44,814	40,011	34,055	26,528	17,235	6,103	766
Co-Curricular	751,963	729,527	768,849	768,718	862,536	734,134	870,492	822,506	1,069,773	1,091,099
Total Expenses	22,607,275	22,470,338	22,949,330	22,802,428	26,204,714	24,173,638	28,567,069	29,642,553	30,196,227	29,262,245
Revenues										
Charges for Services										
Instruction	97,854	2,350	2,850	1,546	4,050	3,150	3,370	4,335	6,675	6,874
Support Services	199,231	125,314	268,065	131,635	224,141	138,809	173,646	508,053	144,256	236,791
Co-Curricular	111,919	119,619	124,421	130,653	127,814	148,268	166,347	151,586	418,898	518,069
Operating Grants/Contributions										
Instruction	1,771,860	1,868,776	2,210,103	1,720,181	2,073,502	2,178,140	2,010,753	1,758,699	1,910,640	1,711,636
Support Services	540,295	647,859	881,598	560,513	729,045	-	-	-	-	-
Community Services	-	-	145	-	-	19,856	11,310	8,292	11,085	9,650
Co-Curricular	-	-	6,282	-	-	-	-	-	-	-
Capital Grants/Contributions										
Instruction	27,859	89,569	258,002	55,275	1,592,617	439,923	230,798	87,980	140,227	560,002
Support Services	16,924	39,282	-	-	-	8,617	-	-	-	-
General Revenues										
Property Taxes	11,416,900	11,543,740	12,396,948	13,107,430	12,824,327	12,451,601	12,751,442	13,280,352	14,985,483	16,270,750
Gross Receipts/Utility Taxes	741,414	370,840	355,799	320,912	327,491	323,665	331,395	336,080	292,823	281,327
State Aid	7,054,948	6,710,967	6,716,054	6,995,286	8,674,172	9,391,319	9,759,838	9,827,833	10,494,410	11,050,036
Unrestricted Federal	157,415	44,414	45,838	45,776	46,762	675,400	712,716	828,669	2,307,207	2,375,136
Unrestricted Grants & Contributions	38,052	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	73,911	59,962	49,195	63,744	116,569	132,152	184,104	102,960	22,518	41,826
Other General Revenue	561,892	491,421	604,285	618,784	689,192	829,626	807,120	637,920	665,906	805,045
Sale of Uncapitalized Assets	-	-	-	-	-	-	84,515	83,965	55,355	67,897
Gain on Sale of Capitalized Assets	-	-	-	-	-	-	-	-	-	7,900
Transfers	(88,000)	(75,000)	(75,000)	(75,000)	(75,000)	-	-	-	-	-
Total Revenues and Transfers	22,722,474	22,039,113	23,844,585	23,676,735	27,354,682	26,740,526	27,227,354	27,616,724	31,455,483	33,942,939
Total Net (Expense) Revenue	115,199	(431,225)	895,255	874,307	1,149,968	2,566,888	(1,339,715)	(2,025,829)	1,259,256	4,680,694
Changes in Net Position										
Net Position-Beginning	43,728,473	43,770,125	43,338,900	46,649,584	47,725,659	48,875,627	51,041,306	49,701,591	47,675,762	49,118,610
Change in Net Position	115,199	(431,225)	895,255	874,307	1,149,968	2,566,888	(1,339,715)	(2,025,829)	1,259,256	4,680,694
Prior Period Adjustments	(73,547)	-	2,617,195	201,768	-	(401,209)	-	-	183,592	-
Net Position-Ending	\$43,770,125	\$43,338,900	\$46,851,350	\$47,725,659	\$48,875,627	\$51,041,306	\$49,701,591	\$47,675,762	\$49,118,610	\$53,799,304

(continued on next page)

Table 2 (cont)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business Type Activity										
Food Service	\$1,476,379	\$1,545,883	\$1,518,425	\$1,658,945	\$1,836,900	\$1,693,084	\$1,880,923	\$2,105,434	\$2,102,367	\$2,159,238
Preschool Fund	139,131	154,700	125,695	138,794	179,401	-	-	-	-	-
Concessions	-	55,204	61,047	86,347	68,760	59,313	86,629	78,421	42,173	86,349
Total Expenses	1,615,510	1,755,787	1,705,167	1,884,086	2,085,061	1,752,397	1,967,552	2,183,855	2,144,540	2,245,587
Revenues										
Charges for Services	902,863	996,657	1,014,556	982,290	939,954	909,067	972,315	794,824	235,968	361,933
Operating Grants and Contributions	735,335	786,788	756,906	843,590	898,767	890,104	898,212	1,616,090	2,230,724	2,479,427
Capital Grants and Contributions	-	5,378	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	1,401	1,607	1,977	2,583	3,913	6,392	9,806	4,987	1,771	5,154
Other General Revenues	-	-	(4,725)	1,729	1,853	264	8,548	71	-	-
Transfers	88,000	75,000	75,000	75,000	75,000	-	-	-	-	-
Total Revenues and Transfers	1,727,599	1,865,430	1,843,714	1,905,192	1,919,487	1,805,827	1,888,881	2,415,972	2,468,463	2,846,514
Total Net (Expense) Revenue	112,089	109,643	138,547	21,106	(165,574)	53,430	(78,671)	232,117	323,923	600,927
Changes In Net Position										
Net Position-Beginning	292,426	404,515	514,158	776,028	797,134	631,560	657,353	578,682	810,799	1,134,722
Change In Net Position	112,089	109,643	138,547	21,106	(165,574)	53,430	(78,671)	232,117	323,923	600,927
Prior Period Adjustment	-	-	123,323	-	-	(27,637)	-	-	-	-
Net Position-Ending	404,515	514,158	776,028	797,134	631,560	657,353	578,682	810,799	1,134,722	1,735,649
Total Primary Government Expenses										
Expenses	24,222,785	24,226,125	24,654,497	24,686,514	28,289,775	25,926,035	30,534,621	31,826,408	32,340,767	31,507,832
Revenues and Transfers	24,450,073	23,904,543	25,688,299	25,581,927	29,274,169	28,546,353	29,116,235	30,032,696	33,923,946	36,789,453
Total Net (Expense) Revenue	227,288	(321,582)	1,033,802	895,413	984,394	2,620,318	(1,418,386)	(1,793,712)	1,583,179	5,281,621
Changes in Net Position										
Net Position-Beginning	44,020,899	44,174,640	43,853,058	47,425,612	48,522,793	49,507,187	51,698,659	50,280,273	48,486,561	50,253,332
Change in Net Position	227,288	(321,582)	1,033,802	895,413	984,394	2,620,318	(1,418,386)	(1,793,712)	1,583,179	5,281,621
Prior Period Adjustment	(73,547)	-	2,740,518	201,768	-	(428,846)	-	-	183,592	-
Net Position-Ending	\$44,174,640	\$43,853,058	\$47,627,378	\$48,522,793	\$49,507,187	\$51,698,659	\$50,280,273	\$48,486,561	\$50,253,332	\$55,534,953

*The source of this information is District records.

Yankton School District #63-3
Fund Balances of Governmental Funds*
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	Fiscal Year			
	2013	2014	2015	2016
General Fund (10)				
Nonspendable:				
Interfund Loan	\$ -	\$ -	\$ -	\$ -
Inventory of Supplies	27,504	35,211	28,035	21,868
Pre-Paids	199,542	38,846	103,053	169,246
Assigned to:				
Subsequent Budget	944,569	-	-	-
Unassigned	3,820,770	4,851,437	5,824,196	6,697,818
Total	4,992,385	4,925,494	5,955,284	6,888,932
Capital Outlay Fund (21)				
Nonspendable:				
Inventory of Supplies	-	114,483	184,345	-
Pre-Paids	4,800	5,325	16,318	13,566
Restricted for Capital Outlay	6,905,254	1,436,420	1,807,550	2,124,497
Total	6,910,054	1,556,228	2,008,213	2,138,063
Special Education Fund (22)				
Nonspendable:				
Pre-Paids	28,271	5,243	17,988	30,636
Restricted for Special Education	1,402,612	1,088,682	1,418,232	1,196,403
Total	1,430,883	1,093,925	1,436,220	1,227,039
Pension Fund (24)				
Restricted for Pension Fund	17,870	8,118	14,913	30,582
Total	17,870	8,118	14,913	30,582
Bond Redemption Fund (31)				
Restricted for Bond Redemption	139,785	-	-	-
Total	139,785	-	-	-
All Governmental Funds				
Non-Spendable	260,117	199,108	349,739	235,316
Restricted	8,307,866	2,525,102	3,225,782	3,320,900
Assigned	944,569	-	-	-
Unassigned	3,820,770	4,851,437	5,824,196	6,697,818
Total	\$ 13,333,322	\$ 7,575,647	\$ 9,399,717	\$10,254,034

* The source of this information is District records.

Table 3 (cont)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ -
30,153	19,749	25,397	14,673	26,187	47,567
206,014	204,937	234,470	233,273	271,683	252,936
-	-	-	-	-	-
6,056,243	5,307,753	5,041,215	4,498,404	6,887,018	7,777,848
6,292,410	5,532,439	5,301,082	5,546,350	7,184,888	8,078,351
-	-	-	-	-	-
32,639	41,466	55,702	43,539	28,781	22,409
2,914,723	1,238,790	965,448	1,660,189	2,390,527	4,820,228
2,947,362	1,280,256	1,021,150	1,703,728	2,419,308	4,842,637
-	-	-	-	-	-
25,585	37,927	42,517	38,677	47,167	45,823
1,056,721	1,238,364	1,470,104	1,475,286	1,552,841	1,411,685
1,082,306	1,276,291	1,512,621	1,513,963	1,600,008	1,457,508
12,008	-	-	-	-	-
12,008	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
294,391	304,079	358,086	1,130,162	373,818	368,735
3,971,444	2,477,154	2,435,552	3,135,475	3,943,368	6,231,913
-	-	-	-	-	-
6,056,243	5,307,753	5,041,215	4,498,404	6,887,018	7,777,848
\$10,322,078	\$ 8,088,986	\$ 7,834,853	\$ 8,764,041	\$ 11,204,204	\$ 14,378,496

Yankton School District #63-3
Changes in Fund Balances of Governmental Funds*
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	Fiscal Year			
	2013	2014	2015	2016
Revenues by Source				
Local	\$ 12,509,644	\$ 12,471,881	\$ 13,353,520	\$ 13,772,013
Intermediate	458,965	479,608	646,446	489,796
State	8,102,315	7,697,543	8,378,053	7,850,757
Federal	1,450,062	1,406,303	1,408,817	1,478,032
Total Revenue	22,520,986	22,055,335	23,786,836	23,590,598
Expenditures by Function				
Instruction	11,264,999	12,665,291	12,171,965	12,565,872
Support Services	7,295,996	9,570,428	9,106,659	8,560,042
Community Services	7,215	11,518	11,013	8,934
Non-Programmed Charges	238,034	364,762	182,714	119,969
Co-Curricular Activities	641,337	653,194	696,912	697,563
Other Expenditures				
Debt Service				
Principal	1,505,000	4,540,000	655,000	850,000
Interest and Fees	231,442	154,083	56,708	45,000
Capital Outlay	-	-	-	-
Total Expenditures	21,184,023	27,959,276	22,880,971	22,847,380
Excess (Deficiency) of Revenue Over Expenditures	1,336,963	(5,903,941)	905,865	743,218
Other Financing Sources (Uses)				
Proceeds from Long Term Debt	-	-	1,000,000	-
Transfers In	-	81,263	-	-
Transfers Out	(88,000)	(156,263)	(75,000)	(75,000)
Lease Agreements	-	-	-	-
Compensation for Loss of Fixed Assets	69,188	3,755	-	-
Sale of Uncapitalized Property	64,716	67,974	-	-
Sale of Capitalized Property	-	-	-	-
Total Other Financing Sources (Uses)	45,904	(3,271)	925,000	(75,000)
Net Changes in Fund Balances	1,382,867	(5,907,212)	1,830,865	668,218
Fund Balance - Beginning	11,559,044	12,941,911	7,034,699	8,865,564
Prior Period and Reclassification Adjustments	-	-	-	201,768
Fund Balance - Beginning (As Restated)	11,559,044	12,941,911	7,034,699	9,067,332
Fund Balance - Ending	\$ 12,941,911	\$ 7,034,699	\$ 8,865,564	\$ 9,735,550
Debt Service as a percentage of non-capital expenditures**	8.4%	18.2%	3.3%	4.0%

* Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Bond Redemption Fund and a Capital Projects Fund (when applicable). The source of this information is District records.

**The capital outlay figure used to calculate the ratio of total debt service expenditures to non-capital expenditures equals the capital asset expenditures figure used in the reconciliation of the governmental funds statement of revenues, expenditures and changes in fund balances to the statement of activities.

Table 4 (cont)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 13,747,000	\$ 13,692,521	\$ 14,028,035	\$ 14,273,526	\$ 16,198,152	\$ 17,650,579
581,028	518,428	551,216	762,057	398,122	520,525
10,160,884	11,120,015	11,051,640	10,875,863	11,524,073	11,937,361
1,615,921	1,404,242	1,505,767	1,592,132	3,292,235	3,752,327
26,104,833	26,735,206	27,136,658	27,503,578	31,412,582	33,860,792
14,308,596	14,462,849	14,853,370	14,771,514	15,993,418	17,051,984
8,811,439	8,886,816	9,081,468	10,061,235	10,449,145	10,914,698
14,132	32,039	34,265	26,033	73,702	34,407
86,712	53,010	222,386	98,047	332,557	290,356
728,984	736,992	786,017	719,569	999,048	1,102,825
850,000	860,000	865,000	700,000	860,000	-
40,225	34,325	26,869	17,650	6,594	-
1,140,275	3,914,013	1,855,931	664,307	609,343	1,454,614
25,980,363	28,980,044	27,725,306	27,058,355	29,323,807	30,848,884
124,470	(2,244,838)	(588,648)	445,223	2,088,775	3,011,908
-	-	-	-	-	-
-	13,062	250,000	1,050,000	1,262,441	400,000
(75,000)	(13,062)	-	(650,000)	(1,150,000)	(400,000)
-	-	-	-	-	86,587
-	-	-	-	-	-
-	-	84,515	83,965	55,355	67,897
-	-	-	-	-	7,900
(75,000)	-	334,515	483,965	167,796	162,384
49,470	(2,244,838)	(254,133)	929,188	2,256,571	3,174,292
9,735,550	9,785,020	7,539,920	7,539,920	8,764,041	11,204,204
-	(262)	-	-	183,592	-
9,735,550	9,784,758	7,539,920	7,834,853	8,947,633	11,204,204
\$ 9,785,020	\$ 7,539,920	\$ 7,285,787	\$ 8,764,041	\$ 11,204,204	\$ 14,378,496
3.8%	3.6%	3.4%	2.8%	3.0%	0.0%

Table 5

Yankton School District #63-3
Governmental Activities Revenues by Source - Government Wide*
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Investment Income	Unrestricted State Sources	Other	Transfers	Total
2013	\$ 409,004	\$ 2,312,155	\$ 44,783	\$ 12,158,314	\$ 73,911	\$ 7,054,948	\$ 757,359	\$ (88,000)	\$ 22,722,474
2014	247,283	2,516,635	128,851	11,914,580	59,962	6,710,967	535,835	(75,000)	22,039,113
2015	395,336	3,098,128	258,002	12,751,747	49,195	6,716,054	650,123	(75,000)	23,843,585
2016	263,834	2,280,694	55,275	13,428,342	63,744	6,995,286	664,560	(75,000)	23,676,735
2017	356,005	2,802,547	1,592,617	13,151,818	116,569	8,674,172	735,954	(75,000)	27,354,682
2018	290,227	2,197,996	448,540	12,775,266	132,152	9,391,319	1,505,026	-	26,740,526
2019	343,363	2,022,063	230,798	13,082,837	184,104	9,759,838	1,604,351	-	27,227,354
2020	663,974	1,766,991	87,980	13,616,432	102,960	9,827,833	1,550,554	-	27,616,724
2021	569,829	1,921,725	140,227	15,278,306	22,518	10,494,410	3,028,468	-	31,455,483
2022	\$ 761,734	\$ 1,721,286	\$ 560,002	\$ 16,552,077	\$ 41,826	\$ 11,050,036	\$ 3,255,978	\$ -	\$ 33,942,939

*The source of this information is District records.

FY 2021-22 Government-wide Revenues

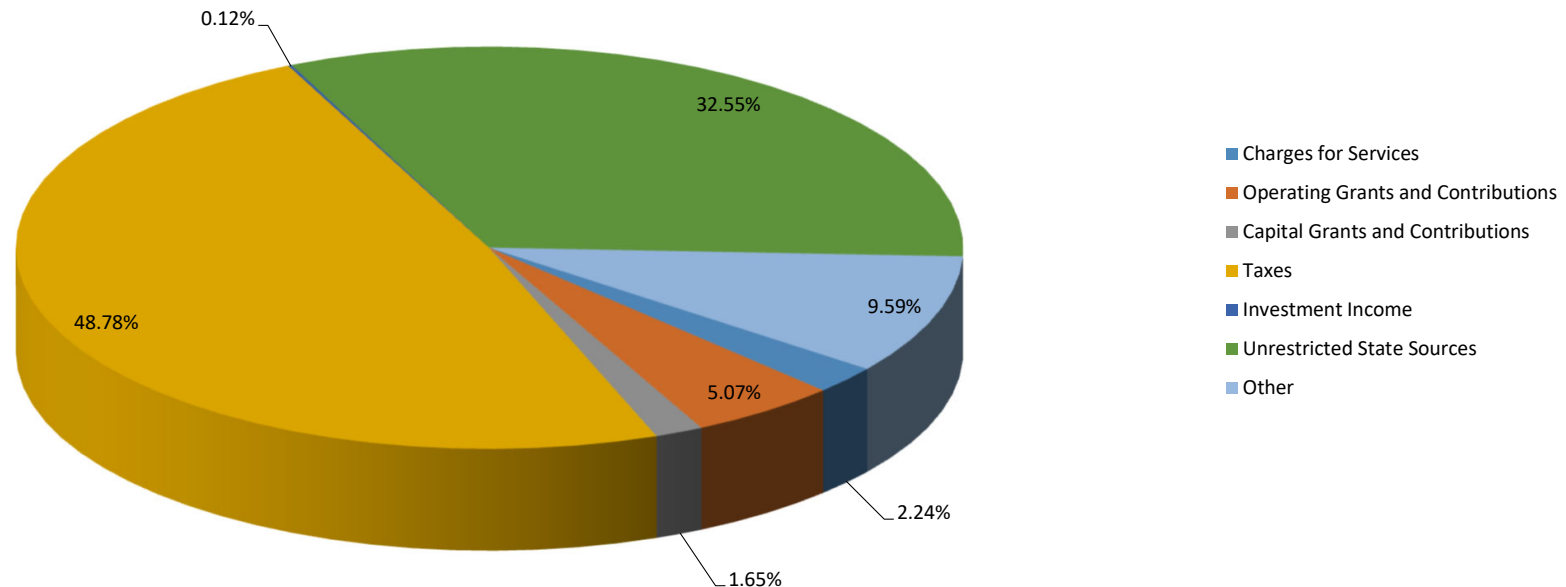


Table 6

Yankton School District #63-3
Governmental Activities Expenses By Function - Government Wide*
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Instruction	Support Services	Community Services	Non-Programmed Charges	Interest on Long-Term Debt	Co-Curricular Activities	Total
2013	\$ 13,473,326	\$ 7,789,325	\$ 7,215	\$ 355,756	\$ 229,690	\$ 751,963	\$ 22,607,275
2014	13,476,614	7,908,844	11,518	195,651	148,184	729,527	22,470,338
2015	13,643,497	8,342,969	13,611	124,428	55,976	768,849	22,949,330
2016	13,549,999	8,341,157	8,934	88,806	44,814	768,718	22,802,428
2017	15,627,229	9,604,872	14,132	55,934	40,011	862,536	26,204,714
2018	14,318,368	8,846,302	32,039	208,740	34,055	734,134	24,173,638
2019	16,963,368	10,564,739	35,059	106,883	26,528	870,492	28,567,069
2020	17,354,714	11,104,887	26,033	317,178	17,235	822,506	29,642,553
2021	17,483,264	11,268,650	73,702	294,735	6,103	1,069,773	30,196,227
2022	\$ 17,025,207	\$ 10,939,593	\$ 34,407	\$ 171,173	\$ 766	\$ 1,091,099	\$ 29,262,245

*The source of this information is District records.

FY 2021-22 Government-wide Expenses

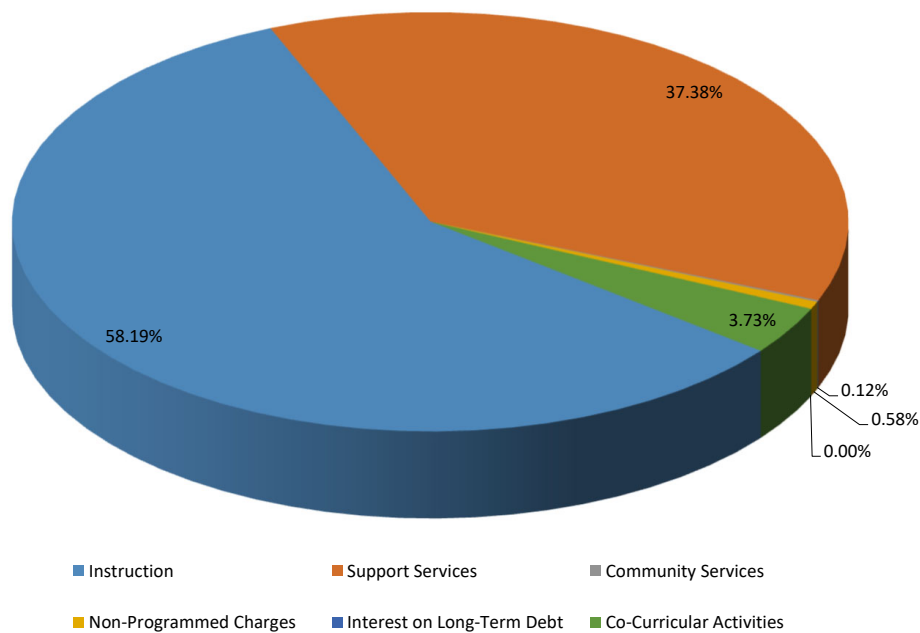


Table 7

Yankton School District #63-3
Revenue By Source for Governmental Funds*
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Local Sources					Intermediate Sources		State Sources	Federal Sources	Total
	Property and Other Taxes	Tuition & Fees	Earnings on Investments	Co-Curricular Activities	Other	County Sources	Joint Facilities	Aid & Grants	Grants	
2013	\$ 11,982,737	\$ 2,350	\$ 43,907	\$ 111,919	\$ 368,731	\$ 313,752	\$ 145,213	\$ 8,102,315	\$ 1,450,062	\$ 22,520,986
2014	11,952,278	2,350	35,215	119,619	362,419	354,294	125,314	7,697,543	1,406,303	22,055,335
2015	12,848,215	2,850	26,413	124,421	351,621	378,381	268,065	8,378,053	1,408,817	23,786,836
2016	13,291,533	1,546	39,416	130,653	308,865	358,161	131,635	7,850,757	1,478,032	23,590,598
2017	13,141,105	4,050	74,433	127,814	399,598	356,887	224,141	10,160,884	1,615,921	26,104,833
2018	12,778,563	3,150	132,152	118,888	659,768	379,619	138,809	11,120,015	1,404,242	26,735,206
2019	13,076,656	3,370	184,104	135,991	627,914	377,570	173,646	11,051,640	1,505,767	27,136,658
2020	13,587,251	4,335	102,960	120,627	458,353	254,004	508,053	10,875,863	1,592,132	27,503,578
2021	15,290,760	6,675	22,518	371,910	506,289	253,866	144,256	11,524,073	3,292,235	31,412,582
2022	\$ 16,545,727	\$ 6,874	\$ 41,826	\$ 482,299	\$ 573,853	\$ 283,734	\$ 236,791	\$ 11,937,361	\$ 3,752,327	\$ 33,860,792

*Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Debt Service Fund and Capital Projects Fund as applicable. The source of this information is District records.

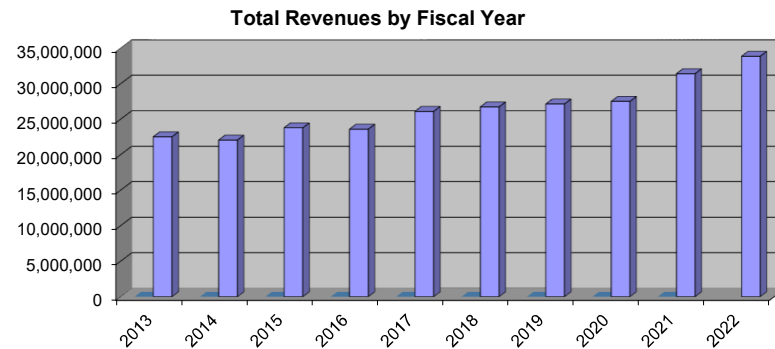


Table 8

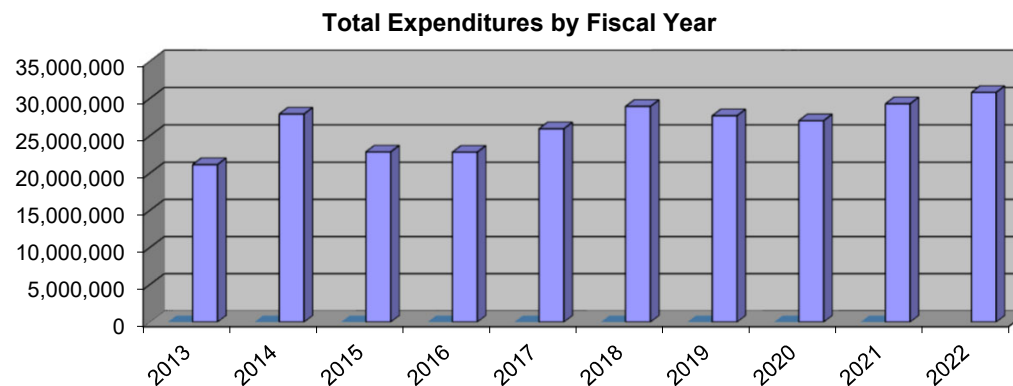
Yankton School District #63-3
Expenditures By Function for Governmental Funds*
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Instruction	Support Services	Community Services	Non-Programmed Charges	Co-Curricular Activities	Debt Services	Capital Outlay**	Total
2013	\$ 11,264,999	\$ 7,295,996	\$ 7,215	\$ 238,034	\$ 641,337	\$ 1,736,442	\$ -	\$ 21,184,023
2014	12,665,291	9,570,428	11,518	364,762	653,194	4,694,083	-	27,959,276
2015	12,171,965	9,106,659	11,013	182,714	696,912	711,708	-	22,880,971
2016	12,565,872	8,560,042	8,934	119,969	697,563	895,000	-	22,847,380
2017	14,308,596	8,811,439	14,132	86,712	728,984	890,225	1,140,275	25,980,363
2018	14,462,849	8,886,816	32,039	53,010	736,992	894,325	3,914,013	28,980,044
2019	14,853,370	9,081,468	34,265	222,386	786,017	891,869	1,855,931	27,725,306
2020	14,771,514	10,061,235	26,033	98,047	719,569	717,650	664,307	27,058,355
2021	15,993,418	10,449,145	73,702	332,557	999,048	866,594	609,343	29,323,807
2022	\$ 17,051,984	\$ 10,914,698	\$ 34,407	\$ 290,356	\$ 1,102,825	\$ -	\$ 1,454,614	\$ 30,848,884

* Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Bond Redemption Fund and Capital Projects Fund.

The source of this information is District records.

** Capital Outlay function reported for first time in Fiscal Year 2016-17.



Yankton School District #63-3**Table 9****Revenue and Expenditures by Fund for Governmental Funds*****Last Ten Fiscal Years****(modified accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Revenue				
General Fund	\$ 14,943,804	\$ 14,833,621	\$ 15,435,208	\$ 15,797,831
Capital Outlay Fund	3,454,430	3,559,407	4,068,503	3,984,695
Special Education Fund	3,281,910	3,319,451	3,918,766	3,418,443
Pension Fund	330,660	340,008	364,359	389,629
Bond Redemption Fund	510,182	2,848	-	-
Total Revenues	<u>\$ 22,520,986</u>	<u>\$ 22,055,335</u>	<u>\$ 23,786,836</u>	<u>\$ 23,590,598</u>
Expenditures**				
General Fund	\$ 13,979,710	\$ 14,973,189	\$ 14,330,418	\$ 14,990,951
Capital Outlay Fund	2,700,107	8,918,548	4,616,518	3,854,845
Special Education Fund	3,213,078	3,656,409	3,576,471	3,627,624
Pension Fund	320,757	349,760	357,564	373,960
Bond Redemption Fund	970,371	61,370	-	-
Total Expenditures	<u>\$ 21,184,023</u>	<u>\$ 27,959,276</u>	<u>\$ 22,880,971</u>	<u>\$ 22,847,380</u>

*The source of this information is District records.

Table 9 (cont)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 17,461,799	\$ 17,626,642	\$ 18,086,266	\$ 18,168,263	\$ 21,719,410	\$ 23,457,325
4,498,533	4,776,577	4,728,903	5,072,506	5,068,523	5,858,634
3,965,479	4,330,933	4,321,489	4,262,809	4,624,649	4,544,833
179,022	1,054	-	-	-	-
-	-	-	-	-	-
\$ 26,104,833	\$ 26,735,206	\$ 27,136,658	\$ 27,503,578	\$ 31,412,582	\$ 33,860,792
\$ 17,983,321	\$ 18,399,413	\$ 18,652,138	\$ 19,056,960	\$ 21,582,260	\$ 23,039,659
3,689,234	6,443,683	4,988,009	3,739,928	3,202,943	3,121,892
4,110,212	4,136,948	4,085,159	4,261,467	4,538,604	4,687,333
197,596	-	-	-	-	-
-	-	-	-	-	-
\$ 25,980,363	\$ 28,980,044	\$ 27,725,306	\$ 27,058,355	\$ 29,323,807	\$ 30,848,884

Table 10

Yankton School District #63-3
Governmental Activities Financial Analysis*
Last Ten Fiscal Years
(accrual basis of accounting)

Assets/Liabilities							Ratios			
Fiscal Year	Cash and Investments	Current Assets**	Total Assets and Deferred Outflows *****	Current Liabilities***	Total Liabilities and Deferred Inflows ****	Total Net Position	Cash to Current Liabilities	Current Assets to Current Liabilities	Total Assets and Deferred Outflows to Total Liabilities and Deferred Inflows	Total Net Position to Total Liabilities and Deferred Inflows
2013	\$ 17,080,485	\$ 27,361,101	\$ 61,356,332	\$ 7,286,863	\$ 17,586,207	\$ 43,770,125	2.34	3.75	3.49	2.49
2014	16,753,641	23,504,673	57,960,967	4,484,323	14,622,167	43,338,900	3.74	5.24	3.96	2.96
2015	16,285,482	28,232,230	66,825,848	3,780,754	19,974,498	46,851,350	4.31	7.47	3.35	2.35
2016	16,648,336	26,602,071	65,248,928	3,758,566	17,523,269	47,725,659	4.43	7.08	3.72	2.72
2017	17,240,038	24,355,971	64,060,174	4,520,635	15,184,547	48,875,627	3.81	5.39	4.22	3.22
2018	15,127,421	22,324,339	65,594,902	5,263,599	14,553,596	51,041,306	2.87	4.24	4.51	3.51
2019	14,312,061	21,734,801	63,632,616	4,193,983	13,931,025	49,701,591	3.41	5.18	4.57	3.57
2020	14,080,529	21,543,601	61,420,406	3,587,224	13,744,644	47,675,762	3.93	6.01	4.47	3.47
2021	17,248,633	25,599,561	65,692,327	4,000,588	16,573,717	49,118,610	4.31	6.40	3.96	2.96
2022	\$ 19,018,482	\$ 33,544,352	\$ 76,002,260	\$ 3,932,156	\$ 22,202,956	\$ 53,799,304	4.84	8.53	3.42	2.42

*The source of this information is District records.

**Includes all assets excluding capital assets.

***Includes non-current liabilities due within one year.

**** Deferred Inflows reported separately on Statement of Net Position beginning FY 2013 (See Note 1 of the Notes to Basic Financial Statements for details).

***** Deferred Outflows reported separately on Statement of Net Position beginning FY 2015 with implementation of GASB 68.

Table 11

**Yankton School District #63-3
Property Tax Levies and Collections*
Last Ten Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year	Total Levy **(All Funds)	Current Tax Collections**	Percent of Levy Collected**	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as a % of Levy
2013	\$ 10,764,854	\$ 11,280,214	104.8%	\$ 149,849	\$ 11,430,063	106.2%
2014	12,036,184	11,380,392	94.6%	113,478	11,493,871	95.5%
2015	12,691,514	12,306,753	97.0%	105,054	12,411,807	97.8%
2016	13,014,912	12,807,582	98.4%	133,782	12,941,364	99.4%
2017	12,465,293	12,709,981	102.0%	79,910	12,789,891	102.6%
2018	12,404,488	12,303,915	99.2%	124,996	12,428,911	100.2%
2019	13,183,890	12,641,967	95.9%	83,273	12,725,240	96.5%
2020	13,491,707	12,531,823	92.9%	91,376	12,623,199	93.6%
2021	15,837,272	14,853,189	93.8%	127,963	14,981,152	94.6%
2022	\$ 16,177,227	\$ 16,119,944	99.6%	\$ 125,154	\$ 16,245,098	100.4%

* The source of this information is District records.

** South Dakota property tax levies are assessed on a calendar year basis while the District fiscal year spans July - June. Therefore, fiscal year tax collections represent approximately 50% (2nd half) of one calendar year and approximately 50% (1st half) of the subsequent calendar year. For this reason, some fiscal years reflect more than 100% collection as a percentage of the amount levied, depending upon when the taxes were actually paid and remitted to the District. Includes General Fund Opt Out which started in Fiscal Year 2021.

Total Tax Collections by Fiscal Year

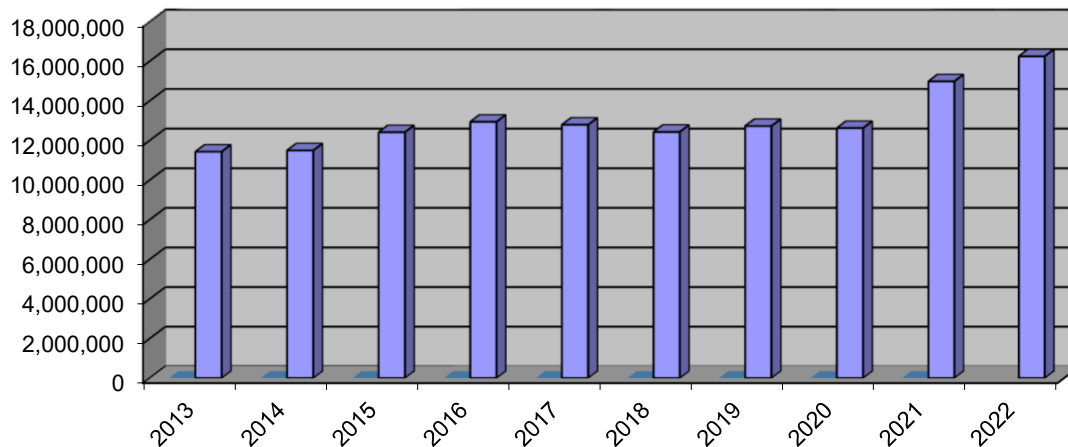


Table 12

Yankton School District #63-3
Assessed and Estimated Actual Value of Taxable Property*
 (in Thousands)
 Last Ten Fiscal Years

Fiscal Year	Total Direct Levy Rate ***	Real Property		Utilities**		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
		Assessed Value(000)	Estimated Actual Value(000)	Assessed Value(000)	Estimated Actual Value(000)	Assessed Value(000)	Estimated Actual Value(000)	
2013	9.969	\$ 1,051,671	\$ 1,217,266	\$ 27,319	\$ 27,319	\$ 1,078,990	\$ 1,244,585	86.7
2014	10.226	1,127,807	1,274,498	30,822	32,929	1,158,630	1,307,428	88.6
2015	10.109	1,209,238	1,361,428	34,949	37,298	1,244,186	1,398,726	89.0
2016	9.805	1,289,455	1,477,258	36,623	39,380	1,326,078	1,516,638	87.4
2017	8.953	1,353,126	1,542,769	37,672	40,507	1,390,798	1,583,276	87.8
2018	8.500	1,413,591	1,615,532	44,173	47,143	1,457,765	1,662,675	87.7
2019	8.578	1,480,503	1,702,301	45,313	48,412	1,525,816	1,750,713	87.2
2020	8.522	1,531,221	1,842,384	47,857	51,294	1,579,078	1,893,678	83.4
2021	9.695	1,581,645	1,905,597	51,314	54,999	1,632,959	1,960,596	83.3
2022	9.587	\$ 1,631,657	\$ 1,965,851	\$ 53,275	\$ 57,100	\$ 1,684,931	\$ 2,022,952	83.3

*The source of this information is the South Dakota Department of Revenue and Regulation, District records and Yankton County records.

**Utilities include gas, electric, telephone and telegraph as valued and assessed by the State of South Dakota. Estimated actual values not available until confirmed by the South Dakota Department of Revenue

***The Total Direct Levy Rate is determined by multiplying the aggregate tax rates (by property classification) times the applicable levy and dividing the corresponding tax revenue by the aggregate taxable property value.

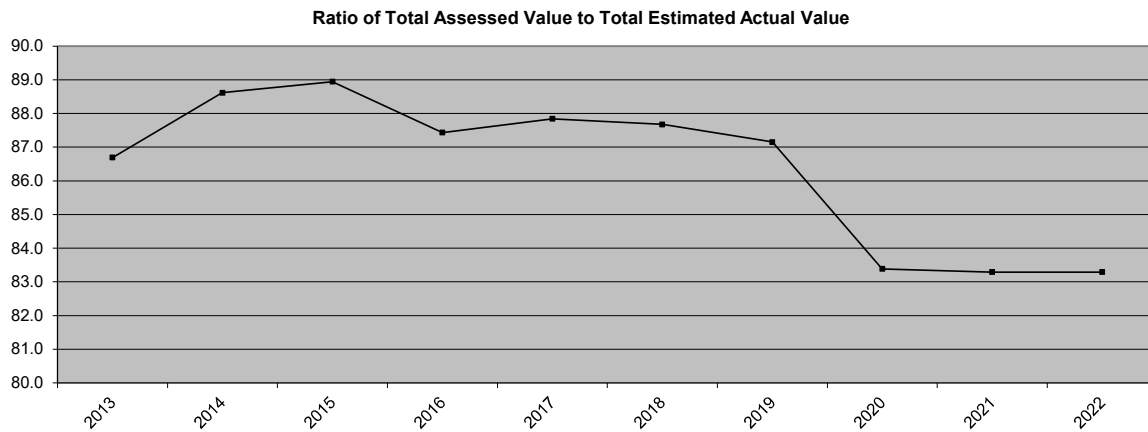


Table 13

Yankton School District #63-3
Assessed Valuation by Property Classification*
Last Ten Years

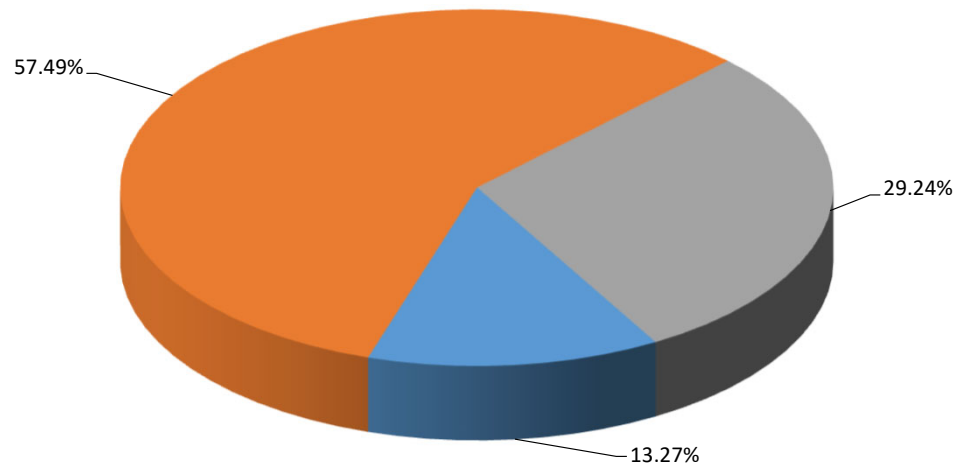
Year**	Property Classification			Total	Percent Change	Assessed Valuation by Property Classification as % of Total			
	Agriculture	Owner Occupied ***	Non-Ag (Commercial)			Agriculture	Owner Occupied	Non-Ag (Commercial)	Total
2012	\$132,580,319	\$ 607,520,819	\$ 339,888,497	\$ 1,079,989,635	0.7%	12.28%	56.25%	31.47%	100%
2013	157,530,787	640,323,385	360,775,602	1,158,629,774	7.3%	13.60%	55.27%	31.14%	100%
2014	177,043,734	684,628,230	382,514,358	1,244,186,322	7.4%	14.23%	55.03%	30.74%	100%
2015	201,531,820	726,056,388	398,489,598	1,326,077,806	6.6%	15.20%	54.75%	30.05%	100%
2016	220,190,752	755,348,256	415,259,232	1,390,798,240	4.9%	15.83%	54.31%	29.86%	100%
2017	225,074,181	794,240,863	438,449,774	1,457,764,818	4.8%	15.44%	54.48%	30.08%	100%
2018	233,142,815	836,572,945	456,100,341	1,525,816,101	4.7%	15.28%	54.83%	29.89%	100%
2019	234,877,675	879,146,766	465,053,644	1,579,078,085	3.5%	14.87%	55.67%	29.45%	100%
2020	230,047,643	920,578,687	482,332,946	1,632,959,276	3.4%	14.09%	56.37%	29.54%	100%
2021	\$223,514,666	\$ 968,690,692	\$ 492,725,800	\$ 1,684,931,158	3.2%	13.27%	57.49%	29.24%	100%

* The source of this information is District records.

** Taxes on assessed valuations for one year are payable the following year, e.g., taxes on assessed valuations for 2012 are payable in 2013.

*** Owner-Occupied values include Mobile Homes and Mobile Homes on Real Estate.

Assessed Valuation by Property Classification
2021 Taxes payable in 2022



Yankton School District #63-3
Property Tax Rates - Direct and Overlapping Governments*
(Per \$1,000 of Assessed Value)
Last Ten Years**

Table 14

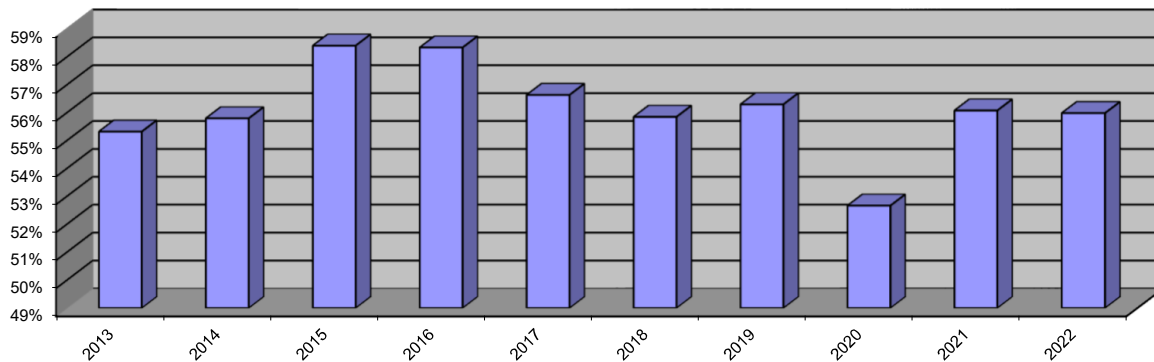
Fiscal Year	Yankton School District					School Total	Yankton City	Yankton County	Grand Total	School % of Total
	General Fund ***	Capital Outlay	Special Education	Pension Fund	Bond Redemption					
2013	\$ 5.269	\$ 3.000	\$ 1.400	\$ 0.300	\$ -	\$ 9.969	\$ 3.728	\$ 4.324	\$ 18.021	55.3%
2014	5.526	3.000	1.400	0.300	-	10.226	4.142	3.960	18.328	55.8%
2015	5.409	3.000	1.481	0.300	-	10.190	3.526	3.732	17.448	58.4%
2016	5.096	3.000	1.409	0.300	-	9.805	3.427	3.576	16.808	58.3%
2017	4.529	2.920	1.505	-	-	8.954	3.427	3.429	15.810	56.6%
2018	4.169	2.870	1.461	-	-	8.500	3.303	3.417	15.220	55.8%
2019	4.179	2.823	1.576	-	-	8.578	3.277	3.382	15.237	56.3%
2020	4.069	2.837	1.616	-	-	8.522	4.247	3.413	16.182	52.7%
2021	5.143	2.868	1.684	-	-	9.695	4.169	3.425	17.289	56.1%
2022	\$ 5.012	\$ 2.905	\$ 1.670	\$ -	\$ -	\$ 9.587	\$ 4.095	\$ 3.443	\$ 17.125	56.0%

* The source of this information is District, City, County and South Dakota Department of Revenue records.

** The Yankton School District property tax rates are shown as the tax rate for the first calendar year in the District's fiscal year, i.e., the school district total tax rate of \$9.696 for FY 2013 is the tax rate for calendar year 2012. This is necessary in order to show the relationship of the school district's tax rates to the tax rates for the city and county. Unlike the school district, the latter governmental entities budget on a calendar year basis. Also, the general school district tax rates represent a blended rate for agricultural property, owner-occupied property and non-agriculture (commercial) property.

*** The blended tax levy rate is determined by multiplying the aggregate tax rates by property classification by the applicable levy and dividing by the corresponding tax revenue by the aggregate taxable property value.

School District
% of Total for All Governments



Yankton School District #63-3
Principal Taxpayers Based on Assessed Valuations*
Current Fiscal Period and Fiscal Period Nine Years Prior

Table 15

Taxpayer	Type**	Fiscal Year 2022			Fiscal Year 2013		
		Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Dakota Plains Ag Center LLC **TIF**	Commercial	\$ 28,846,200	1	1.71%			
Northwestern Public Service	Utility	25,549,295	2	1.52%			
Transcanada (Keystone)	Utility	23,961,889	3	1.42%	-		-
Jamesville Hutterian	Ag/Residential	16,292,392	4	0.97%	-		-
Fox Run Townhomes LLC	Commercial	11,850,300	5	0.70%			
Ralph Marquardt	Ag/Commercial	11,572,183	6	0.69%	-		-
NuStar	Utility	11,048,747	7	0.66%			
Karl Schenk	Agricultural	10,062,948	8	0.60%	-		-
SAPA Extrusions, Inc.	Manufacturing	9,404,912	9	0.56%	-		-
Kolberg-Pioneer, Inc.	Manufacturing	8,983,900	10	0.53%			
Keystone	Utility	-	-	-	\$ 15,429,419	1	1.43%
Northwestern Public Service	Utility	-	-	-	14,761,440	2	1.37%
Jamesville Hutterian	Ag/Residential	-	-	-	11,469,514	3	1.06%
Hastings Filters, Inc.	Manufacturing	-	-	-	9,009,500	4	0.83%
Hillcrest East, Inc.	Commercial	-	-	-	8,665,800	5	0.80%
Kolberg Pioneer, Inc.	Manufacturing	-	-	-	8,510,700	6	0.79%
Lewis & Clark Specialty Properties	Medical	-	-	-	8,335,500	7	0.77%
Yankton Medical Clinic	Medical	-	-	-	8,209,369	8	0.76%
Walmart Super Center	Retail	-	-	-	8,012,100	9	0.74%
Ralph Marquardt	Ag/Commercial	-	-	-	7,420,556	10	0.69%
		<u>\$ 157,572,766</u>		<u>9.36%</u>	<u>\$ 99,823,898</u>		<u>9.24%</u>
Total Assessed Valuation		\$ 1,684,931,158			\$ 1,078,989,635		

*The source of this information is Yankton County records.

** The utility figures in previous years reports were taxable amounts. SD Dept of Revenue has provided full and true amounts beginning with the 2017 report.

Table 16

**Yankton School District #63-3
New Construction and Property Values
Last Ten Fiscal Years**

Calendar Year	New Construction*				Assessed Property Values (in Thousands)**			
	Commercial # of Units	Value (in thousands)	Residential # of Units **	Value (in thousands)	Agriculture	Owner Occupied ***	Commercial	Total
2012	9	\$ 1,967	14	\$ 2,745	\$ 132,580	\$ 607,521	\$ 338,888	\$ 1,078,990
2013	5	2,614	21	4,070	157,531	640,323	360,776	1,158,630
2014	13	7,385	22	3,915	177,044	684,628	382,514	1,244,186
2015	15	5,048	34	5,389	201,532	726,056	398,490	1,326,078
2016	10	5,309	35	5,293	220,191	755,348	415,259	1,390,798
2017	11	36,005	40	7,185	225,074	794,241	438,450	1,457,765
2018	7	4,412	33	5,310	233,143	836,573	456,100	1,525,816
2019	14	32,723	25	4,595	234,878	879,147	465,054	1,579,078
2020	11	10,115	50	7,727	230,047	920,579	482,333	1,632,959
2021	14	\$ 16,135	45	\$ 13,341	\$ 223,515	\$ 968,691	492,726	\$ 1,684,931

* New construction is for City of Yankton. Data for the District is not available. The source of this information is the City of Yankton.

** New single family residences, two-family homes, four-family homes and apartment units.

*** Includes Mobile Homes and Mobile Homes on Real Estate

Table 17

Yankton School District #63-3
General Fund Tax Rates by Property Classification*
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

Year**	Property Classifications		
	Agriculture	Owner Occupied	Non-Ag (Commercial)
2012	\$ 2.322	\$ 4.029	\$ 8.628
2013	2.090	4.296	9.200
2014	1.782	4.252	9.106
2015	1.568	4.075	8.727
2016	1.568	3.687	7.630
2017	1.507	3.372	6.978
2018	1.512	3.383	7.001
2019	1.473	3.296	6.821
2020	1.443	3.229	6.682
2021	\$ 1.409	\$ 3.153	\$ 6.525

*The source of this information is District records. Rates are established by the South Dakota Legislature and rates for a given year are payable the following year, i.e., rates for 2012 are payable in 2013.

**Rates are levied by calendar year. The District budgets by fiscal year. As a result, rates for two different calendar years determine the levies for the District's budget, i.e., 2020 rates payable 2021 are levied for the first six months of the FY 2022 budget and 2021 rates payable 2022 are levied for the second six months of the FY 2022 budget.

Table 18

Yankton School District #63-3
Tax Levies by Fund*
(Per \$1,000 of Assessed Value)
Last Ten Years

Fund	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Agriculture	\$ 2.322	\$ 2.090	\$ 1.782	\$ 1.569	\$ 1.568	\$ 1.507	\$ 1.512	\$ 1.473	\$ 1.443	\$ 1.409
Owner Occupied	4.029	4.296	4.252	4.078	3.687	3.372	3.383	3.296	3.229	3.153
Non-Ag (Commercial)	8.628	9.200	9.106	8.733	7.630	6.978	7.001	6.821	6.682	6.525
General Fund - Opt Out										
Agriculture									0.411	0.398
Owner Occupied									0.920	0.891
Non-Ag (Commercial)									1.903	1.845
Capital Outlay Fund										
Total Assessed Value	3.000	3.000	3.000	3.000	2.919	2.870	2.823	2.837	2.868	2.905
Special Education Fund										
Total Assessed Value	1.400	1.552	1.478	1.409	1.505	1.461	1.567	1.616	1.684	1.670
Pension Fund										
Total Assessed Value	0.300	0.300	0.300	0.300	-	-	-	-	-	-
Bond Redemption Fund										
Total Assessed Value	-	-	-	-	-	-	-	-	-	-
All Funds/Aggregate Rate										
Agriculture	7.022	6.942	6.560	6.278	5.992	5.838	5.902	5.926	6.406	6.382
Owner Occupied	8.729	9.148	9.030	8.787	8.111	7.703	7.773	7.749	8.701	8.619
Non-Ag (Commercial)	\$ 13.328	\$ 14.052	\$ 13.884	\$ 13.442	\$ 12.054	\$ 11.309	\$ 11.391	\$ 11.274	\$ 13.137	\$ 12.945

* The source of this information is District records. With the exception of levies for the Bond Redemption Fund that are determined locally, all levies are the maximum allowable by state law.

Table 19

Yankton School District #63-3
Comparative Tax Rates - FY 2021 and FY 2022*
(Per \$1,000 of Assessed Value)

Funds/ Property Classifications	Fiscal Year 2020-21				Fiscal Year 2021-22			
	July 1-December 31, 2020		January 1-June 30, 2021		July 1-December 31, 2021		January 1-June 30, 2022	
	Assessed Value ****	Rate**	Assessed Value ****	Rate**	Assessed Value ****	Rate**	Assessed Value ****	Rate**
General Fund								
Agriculture	\$ 234,877,675	\$ 1.473	\$ 230,047,643	\$ 1.443	\$ 230,047,643	\$ 1.443	\$ 223,514,666	\$ 1.409
Owner Occupied	879,146,766	3.296	920,578,687	3.229	920,578,687	3.229	968,690,692	3.153
Non-Ag (Commercial)	465,053,644	6.821	482,332,946	6.682	482,332,946	6.682	492,725,800	6.525
Total Assessed Value	1,579,078,085		1,632,959,276		1,632,959,276		1,684,931,158	
General Fund-Opt Out ***								
Agriculture			230,047,643	0.411			223,514,666	0.398
Owner Occupied			920,578,687	0.920			968,690,692	0.891
Non-Ag (Commercial)			482,332,946	1.903			492,725,800	1.845
Total Assessed Value			1,632,959,276				1,684,931,158	
Capital Outlay Fund								
Total Assessed Value	1,579,078,085	2.837	1,632,959,276	2.868	1,632,959,276	2.868	1,684,931,158	2.905
Special Education Fund								
Total assessed Value	1,579,078,085	1.616	1,632,959,276	1.684	1,632,959,276	1.684	1,684,931,158	1.670
All Funds/Aggregate Rate								
Agriculture	234,877,675	5.926	230,047,643	5.995	230,047,643	5.995	223,514,666	5.984
Owner Occupied	879,146,766	7.749	920,578,687	7.781	920,578,687	7.781	968,690,692	7.728
Non-Ag (Commercial)	\$ 465,053,644	\$ 11.274	\$ 482,332,946	\$ 11.234	\$ 482,332,946	\$ 11.234	\$ 492,725,800	\$ 11.100

* The source of this information is District records. Rates are levied by calendar year. The District budgets by fiscal year

** General Fund and Special Education rates are set annually by the South Dakota Legislature. The District levies the maximum rates.

*** The District passed an Opt Out resolution thereby generating additional property taxes for the General Fund.

**** Assessed Valuations include Agricultural, Owner-Occupied, Non-Ag Other (Commercial), Mobile Homes and Mobile Homes on Real Estate.

Table 20

Yankton School District #63-3
Property Tax Revenues by Fund*
Last Ten Fiscal Years
(modified accrual basis of accounting)

Property Tax							
Fiscal Year	General Fund **	Capital Outlay Fund	Special Education Fund	Pension Fund	Bond Redemption Fund	Total**	
2012-13	\$ 6,297,776	\$ 3,304,052	\$ 1,541,887	\$ 330,504	\$ 508,518	\$	11,982,737
2013-14	6,528,542	3,398,865	1,682,500	339,885	2,486		11,952,278
2014-15	7,006,589	3,642,360	1,835,028	364,238	-		12,848,215
2015-16	7,137,812	3,894,670	1,869,608	389,443	-		13,291,533
2016-17	6,919,585	4,041,219	2,001,854	178,447	-		13,141,105
2017-18	6,517,798	4,140,647	2,119,184	934	-		12,778,563
2018-19	6,579,397	4,227,657	2,269,602	-	-		13,076,656
2019-20	6,724,615	4,386,342	2,476,294	-	-		13,587,251
2020-21	7,931,907	4,659,261	2,699,592	-	-		15,290,760
2021-22 ***	\$ 8,865,880	\$ 4,860,757	\$ 2,819,090	\$ -	\$ -	\$	16,545,727

*The source of this information is District records.

**Includes current tax collections, delinquent tax collections, gross receipts/utility taxes and penalties and interest on taxes.

***Includes property tax opt out collections starting with taxes payable in 2021

2021-22 Property Tax Revenues by Fund

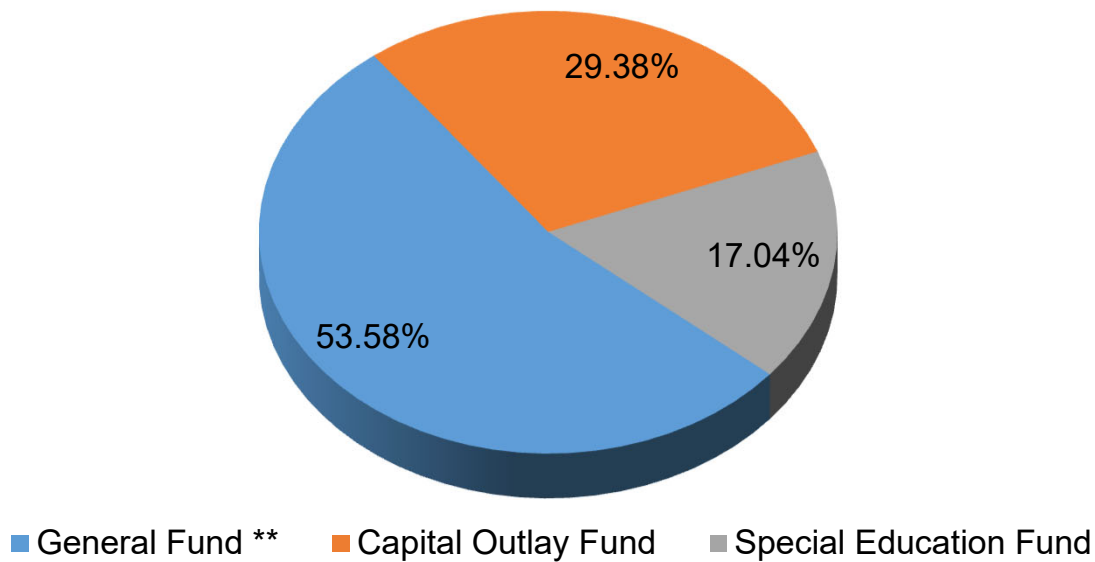


Table 21

Yankton School District #63-3
Ratio of Annual Debt Service Expenditures for General Bonded Debt to
Total General Expenditures and Noncapital Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Expenditures*	Ratio of Debt Service to Total Expenditures (%)	Total Non-capital Expenditures	Ratio of Debt Service To Total Noncapital Expenditures (%)
2013	\$ 1,505,000	\$ 231,442	\$ 1,736,442	\$ 21,184,023	8.2%	\$ 20,732,745	8.4%
2014	4,540,000	154,083	4,694,083	27,959,276	16.8%	25,859,100	18.2%
2015	655,000	56,708	711,708	22,880,971	3.1%	21,323,510	3.3%
2016	850,000	45,000	895,000	22,847,380	3.9%	22,117,462	4.0%
2017	650,000	40,225	690,225	25,980,363	2.7%	23,408,219	3.8%
2018	860,000	34,325	894,325	28,980,044	3.1%	25,106,490	3.6%
2019	865,000	26,869	891,869	27,725,306	3.2%	25,869,375	3.4%
2020	700,000	17,650	717,650	27,058,355	2.7%	26,394,048	2.8%
2021	860,000	6,594	866,594	29,323,807	3.0%	28,714,464	3.0%
2022	\$ -	\$ -	\$ -	\$ 30,848,884	0.0%	\$ 29,394,270	0.0%

*General expenditures include General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund, Debt Service Fund and Capital Projects Fund expenditures. The source of this information is District records.

Ratio of Debt Service to Total Expenditures

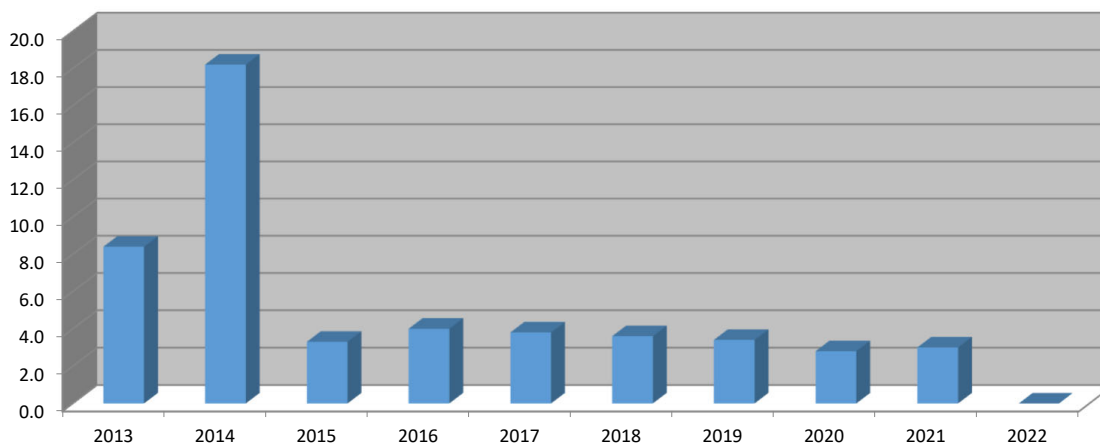


Table 22

Yankton School District #63-3
Outstanding Debt by Type/Net Total Debt/Ratio of Net Total Debt
to Actual Value of Taxable Property/Total Debt as % of Personal Income
Last Ten Fiscal Years

Fiscal Year	Outstanding Principal				Reserved for Payment of GO Bond Debt	Net Total Debt	Estimated Actual Value of Taxable Property (000) **	Ratio of Net Total Debt to Actual Value of Taxable	Net Debt Per Capita ^^	Gross Debt Per Capita ^^	Gross Total Debt as a % of Personal Income ^^
	Capital Outlay Certificate Debt	General Obligation Bond Debt	Other Long Term Debt	Total Debt							
2013 ^A	\$ 9,120,000	\$ 60,000	\$ -	\$ 9,180,000	\$ 139,785	\$ 9,040,215	\$ 1,244,585	0.73%	400	406	1.02%
2014	4,640,000	-	-	4,640,000	-	4,640,000	1,307,428	0.35%	204	204	0.52%
2015 ^{^^^}	3,985,000	-	1,000,000	4,985,000	-	4,985,000	1,398,726	0.36%	220	220	0.57%
2016	3,335,000	-	800,000	4,135,000	-	4,135,000	1,516,638	0.27%	182	182	0.41%
2017	2,685,000	-	600,000	3,285,000	-	3,285,000	1,583,276	0.21%	145	145	0.32%
2018	2,025,000	-	400,000	2,425,000	-	2,425,000	1,662,675	0.15%	107	107	0.23%
2019	1,360,000	-	200,000	1,560,000	-	1,560,000	1,750,713	0.09%	68	68	0.14%
2020	685,000	-	175,000	860,000	-	860,000	1,893,678	0.05%	38	38	0.07%
2021	-	-	-	-	-	-	1,960,596	0.00%	-	-	0.00%
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,022,952	0.00%	-	-	0.00%

* The source of this information is District records unless otherwise noted.

** The source of this information is Yankton County records.

^A Includes \$4,055,000 cross-over refunding Capital Outlay Certificates. See Note 7 of Notes to Basic Financial Statements.

^{^^} The source of this information is the Bureau of Economic Analysis.

^{^^^} Energy loan financed through State of South Dakota

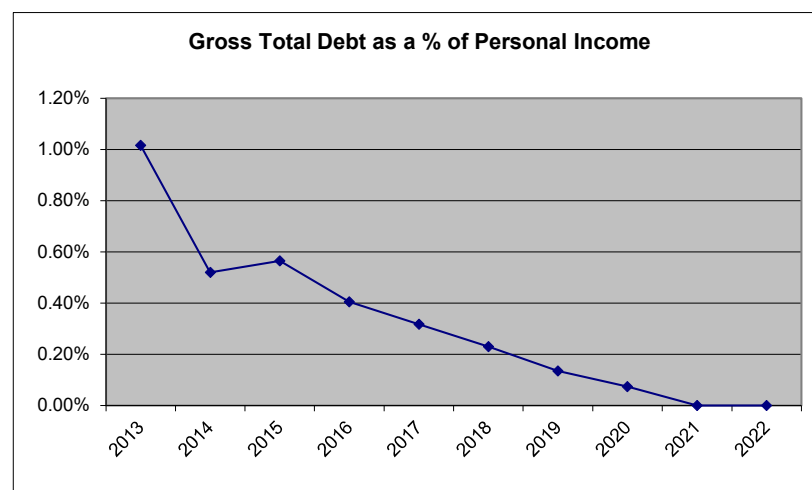
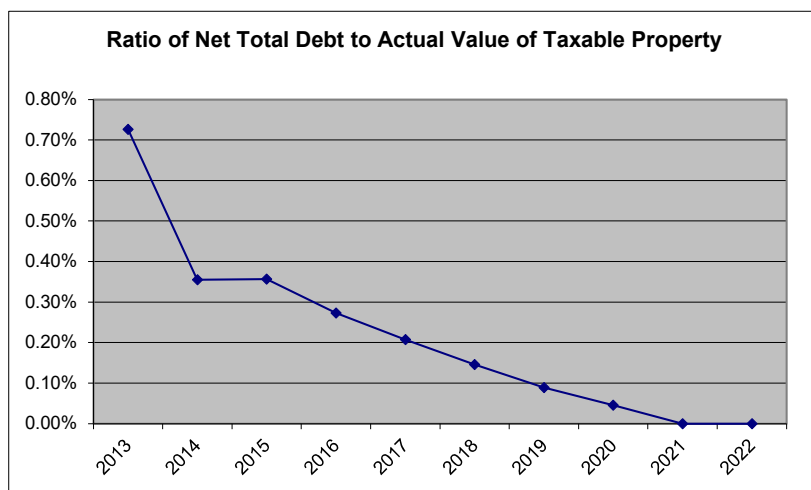


Table 23

**Yankton School District #63-3
Computation of Direct and
Overlapping Outstanding Debt*
June 30, 2022**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to School District	Amount Applicable to School District
Overlapping:			
Yankton County **	\$ 2,020,000	77.4 %	\$ 1,564,189
City of Yankton	13,774,010	100.0	13,774,010
Total Overlapping			<u>15,338,199</u>
Direct:			
Yankton School District 63-3 ***	\$ -	100.0	<u>-</u>
Total Direct and Overlapping Debt			<u><u>\$ 15,338,199</u></u>

*The source of this information is District and County records.

** Yankton County completely encompasses Yankton School District. Therefore, the percentage of County debt applicable to the District is determined by dividing the total taxable value of the District by the total taxable value of the County.

*** See Note 7 of Notes to Basic Financial Statements for details.

Table 24

**Yankton School District #63-3
Computation of Legal Debt Margin*
June 30, 2022**

District General Obligation Bonds, Capital Outlay Certificates and Long-Term Leases:

Assessed Value 2021 payable 2022	\$ 1,684,931,158
----------------------------------	------------------

Debt limit - 10% of assessed value	168,493,116
------------------------------------	-------------

Amount of debt applicable to debt limit:	
No debt for June 30, 2022	-

Total net debt applicable to limit	-
------------------------------------	---

Legal Debt Margin	<u>\$ 168,493,116</u>
--------------------------	------------------------------

* The source of this information is District records

Table 25

Yankton School District #63-3
Ratio of Net Bonded Debt to Assessed Value/Ratio of Legal Debt Margin to Debt Limit/
Ratio of Personal Income to Net Bonded Debt/Net Bonded Debt Per Capita*
Last Ten Fiscal Years

Fiscal Year	Total Assessed Value**	Debt Limit (10% Assessed Value)	Net Bonded Debt Applicable to Debt Limit	Legal Debt Margin	Ratio of Net Bonded Debt to Assessed Value	Ratio of Legal Debt Margin to Debt Limit	Ratio of Net Bonded Debt To Personal Income***	Net Bonded Debt Per Capita***
2013	\$ 1,079,989,635	\$ 107,998,964	\$ 5,100,124	\$ 102,898,840	0.47	95.3	0.57	226
2014	1,158,629,774	115,862,977	4,640,000	111,222,977	0.40	96.0	0.52	204
2015	1,244,186,322	124,418,632	3,985,000	120,433,632	0.32	96.8	0.45	176
2016	1,326,077,806	132,607,781	3,335,000	129,272,781	0.25	97.5	0.33	147
2017	1,390,798,240	139,079,824	2,685,000	136,394,824	0.19	98.1	0.26	119
2018	1,457,764,818	145,776,482	2,425,000	143,351,482	0.17	98.3	0.23	107
2019	1,525,816,101	152,581,610	1,560,000	151,021,610	0.10	99.0	0.14	68
2020	1,579,078,085	157,907,809	860,000	157,047,809	0.05	99.5	0.07	38
2021	1,632,959,276	163,295,928	-	163,295,928	0.00	100.0	0.00	0
2022	\$ 1,684,931,158	168,493,116	\$ -	\$ 168,493,116	0.00	100.0	0.00	0

* The source of this information is District records.

** Data is for calendar years 2012-2021, taxes payable in 2013-2022.

*** Estimates based on data found in "Yankton County Demographic Statistics", Table 26.

Net Bonded Debt

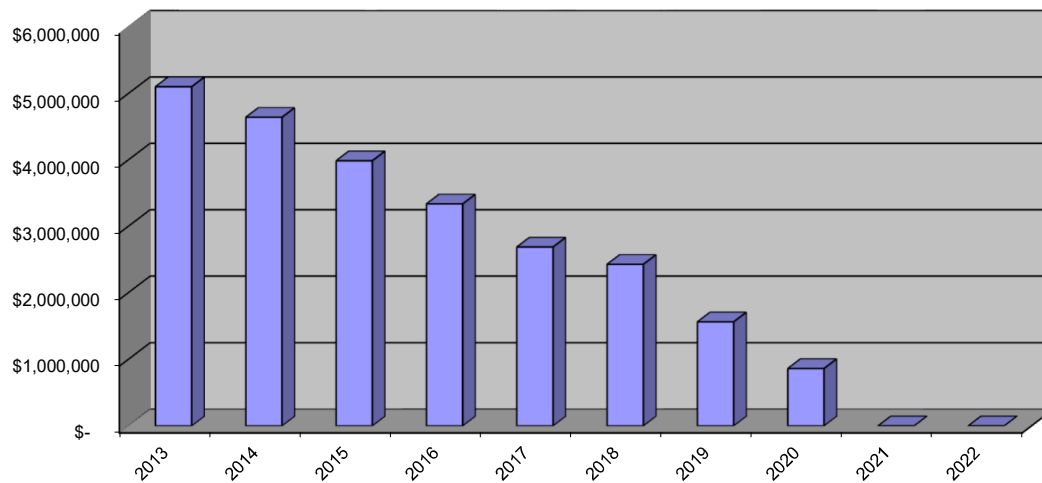


Table 26

**Yankton School District #63-3
Yankton County
Demographic Statistics
Last Ten Calendar Years**

Year	Estimated County Population *	Per Capita Personal Income**	Personal Income (thousands)**	Unemployment Rate (June)***
2012	22,603	\$ 39,364	\$ 889,755	4.1%
2013	22,696	39,308	892,144	3.5%
2014	22,684	38,870	881,716	2.9%
2015	22,702	44,953	1,020,514	2.5%
2016	22,616	45,748	1,034,627	2.6%
2017	22,662	46,470	1,053,101	2.5%
2018	22,869	49,826	1,149,737	2.9%
2019	22,814	51,910	1,163,770	6.4%
2020	23,310	55,638	1,265,314	3.0%
2021	23,297	\$ 59,224	\$ 1,379,749	2.4%

*The source of this information is the US Census Bureau.

**Data for the District is not available. The source of this information is the most recent information available from the US Bureau of Economic Analysis.

*** The source of this information is the Labor Market Information Center, SD Dept of Labor & Regulation in cooperation with U.S. Bureau of Labor Statistics.

Table 27

**Yankton School District #63-3
Principal Employers*
Yankton County, South Dakota**

Employers: Greater than 250 Employees	Classification	Employers: 100-249 Employees	Classification
Avera Majestic Bluffs	Medical	Applied Engineering, Inc.	Manufacturing
Avera Sacred Heart Hospital	Medical	Avera Health	Medical
Bladwin Filters	Manufacturing	First Dakota National Bank	Financial
Cimpl's LLC	Retail	First National Credit Card Center Inc.	Financial
Hy-Vee Inc.	Retail	Menards	Retail
Kolberg-Pioneer Inc.	Manufacturing	Mount Marty College	Education
Manitou Equipment America LLC	Manufacturing	Shur-Co	Manufacturing
SD Human Service Center	Government	Yankton City	Government
Truxedo Inc.	Manufacturing	Yankton County	Government
Vishay Dale Electronics Inc.	Manufacturing		
Wal-Mart Supercenter	Retail		
Wilson Trailer Co.	Manufacturing		
Yankton Medical Clinic PC	Medical		
Yankton Shool District 63-3	Education		

Source: Labor Market Information Center, South Dakota Department of Labor and Regulation 2022, using second quarter 2022 employment data from the Quarterly Census of Employment and Wages (QCEW). Only employment covered by reemployment assistance (unemployment insurance) is included in the QCEW program.

* Individual employee data per employer not available.

Table 28

Yankton School District #63-3
Miscellaneous Statistics*
June 30, 2022

Date established	1875
Area (square miles)	216
Yankton County Population (2022)	23,297 **
Number of Schools :	
Elementary Schools	4
Middle Schools	1
High Schools	1
Students to Staff Ratio (FY 2022)	18.9 ***
Official 2022 Student Enrollment	2,821
Students Transported (FY 2022)	1,150

* Except where otherwise indicated, the source of this information is District records.

** District data not available. The source of this information is the U.S. Census Bureau.

*** The source of this information is District records, Table 35.

Table 29

Yankton School District #63-3
Capital Assets by Function*
Last Ten Fiscal Years**

Function	Capital Assets									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Elementary Schools	\$ 11,176,926	\$ 11,183,749	\$ 12,138,200	\$ 12,138,200	\$ 12,138,200	\$ 12,138,200	\$ 12,138,200	\$ 12,104,528	\$ 12,104,528	\$ 12,104,528
Middle School	13,889,311	14,003,314	14,003,314	14,003,314	14,003,314	14,003,314	14,024,721	13,886,222	13,886,222	13,897,127
High School	20,640,334	20,689,293	21,186,818	21,206,593	22,674,195	22,674,196	22,679,535	21,864,184	21,864,184	21,943,888
Special Education	6,823	-	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176
Total Instruction	45,713,395	45,876,357	48,573,509	48,593,284	50,060,885	50,060,886	50,087,632	49,100,110	49,100,110	49,190,719
Support Services										
Library Services	926,183	919,550	911,124	900,175	928,269	952,245	952,244	715,700	715,700	735,667
Superintendent	24,091	-	-	-	-	-	-	-	-	-
Business Office (Fiscal Services)	2,742,818	2,742,818	2,742,818	2,742,818	2,742,818	2,742,818	2,721,818	2,564,124	2,564,124	2,564,124
Improvements Other Than Buildings	714,443	714,443	714,443	714,443	778,648	778,648	778,648	778,648	778,648	778,348
Building/Building Improvements	72,015	1,666,331	111,965	204,775	370,071	1,122,594	5,226,391	5,601,485	5,601,485	6,742,364
Operation & Maintenance of Plant	459,566	459,566	459,566	465,536	478,531	493,031	499,286	499,286	510,823	510,823
Care & Upkeep of Grounds	638,921	652,511	652,511	687,640	760,352	772,930	797,098	1,641,965	1,671,177	1,671,177
Network	1,316,460	1,506,279	1,632,394	1,988,892	2,056,788	2,126,292	2,126,292	2,126,292	2,222,320	2,363,970
Pupil Transportation	2,446,808	2,473,703	2,473,703	2,538,643	2,640,589	2,937,417	2,982,897	3,083,799	3,331,803	3,414,512
Food Service	339,208	327,670	347,950	347,950	353,990	353,990	362,538	356,665	374,895	437,912
Website Development	36,827	36,827	36,827	36,827	36,827	36,827	36,827	-	-	-
Total Support Services	9,717,340	11,499,698	10,083,301	10,627,700	11,146,883	12,316,792	16,484,039	17,367,964	17,770,975	19,218,898
Co-Curricular	2,028,577	2,050,805	2,066,565	2,095,644	2,095,644	2,112,882	2,119,577	2,119,577	2,144,599	2,158,495
Total Capital Assets	\$ 57,459,312	\$ 59,426,860	\$ 60,723,375	\$ 61,316,628	\$ 63,303,413	\$ 64,490,560	\$ 68,691,248	\$ 68,587,651	\$ 69,015,684	\$ 70,568,112

*The source of this information is District records. This table does not include construction work in-progress

Table 30

**Yankton School District #63-3
General State Aid Adjusted Average Daily
Membership (ADM)/Fall Enrollment*
Last Ten Fiscal Years**

Fiscal Year	General State Aid Enrollment**	Fall Change
2013	2,690.56	24.50
2014	2,682.41	(8.15)
2015	2,685.36	2.95
2016	2,709.67	24.31
2017	2,717.19	7.52
2018	2,723.12	5.93
2019	2,775.69	52.57
2020	2,769.50	(6.19)
2021	2,808.99	39.49
2022	2,821.06	12.07

* The source of this information is the South Dakota Department of Education.

** Beginning with fiscal year 2007-08, the state based state aid on official fall enrollment in the previous year rather than ADM. Enrollment for state aid purposes includes partially enrolled students.

General State Aid Fall Enrollment

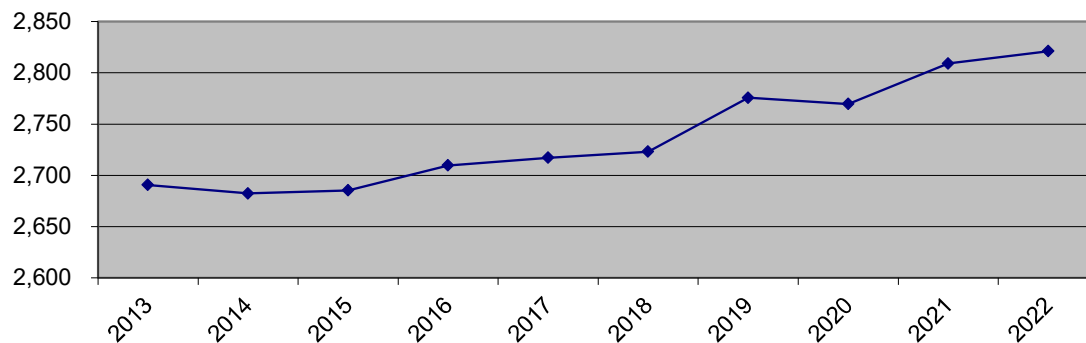


Table 31

Yankton School District #63-3
Average Daily Membership/Attendance
Last Ten Fiscal Years

Fiscal Year	Average Daily Membership (ADM)*	Average Daily Attendance (ADA)**	ADA as % of ADM
2013	2,657	2,544	95.7%
2014	2,654	2,564	96.6%
2015	2,655	2,554	96.2%
2016	2,691	2,598	96.5%
2017	2,669	2,595	97.2%
2018	2,686	2,585	96.2%
2019	2,734	2,585	94.5%
2020	2,742	2,662	97.1%
2021	2,910	2,676	92.0%
2022	2,980	2,675	89.8%

* The source of this information is South Dakota Department of Education.

** The source of this information is District records.

Table 32

Yankton School District #63-3
Enrollment Data (Last Friday of September)*
Last Ten Fiscal Years

GRADE	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
K	261	241	244	242	234	240	263	246	264	278
1	192	206	188	186	183	188	182	209	193	204
2	223	194	195	198	189	186	192	185	197	178
3	201	214	196	203	195	191	190	182	194	200
4	175	202	210	201	210	203	188	191	187	197
5	188	165	196	204	199	205	211	201	188	185
6	187	195	169	200	210	202	204	209	214	195
7	168	196	204	172	211	223	213	207	221	210
8	176	174	201	211	178	213	222	221	207	227
9	236	223	201	238	226	204	236	244	244	230
10	242	231	224	196	232	219	208	233	245	233
11	206	232	223	222	197	228	228	197	239	238
12	231	203	228	233	249	217	231	239	213	245
TOTAL	2,686	2,676	2,679	2,706	2,713	2,719	2,768	2,764	2,806	2,820
CHANGE	21	(10)	3	27	7	6	49	(4)	42	14

*The source of this information is District records.

Total Enrollment Last Ten Years

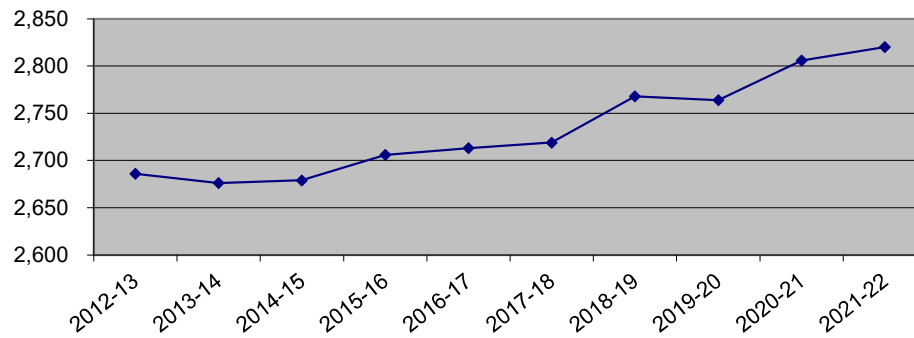
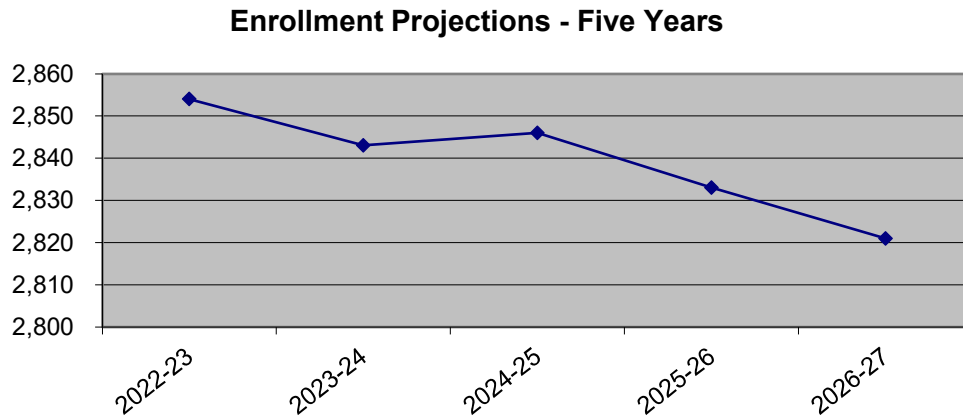


Table 33

**Yankton School District #63-3
Enrollment Projections*
Next Five Fiscal Years**

GRADE	2022-23 Projected	2023-24 Projected	2024-25 Projected	2025-26 Projected	2026-27 Projected
K	279	279	279	279	279
1	213	208	208	208	208
2	211	213	208	208	208
3	189	211	213	208	208
4	207	189	211	213	208
5	202	207	189	211	213
6	190	202	207	189	211
7	196	190	202	207	189
8	220	196	190	202	207
9	244	239	210	215	226
10	246	244	239	210	215
11	219	246	244	239	210
12	238	219	246	244	239
TOTAL	2,854	2,843	2,846	2,833	2,821
CHANGE	34	(11)	3	(13)	(12)

*The source of this information is District records.



Yankton School District #63-3
Full-Time Equivalent (FTE) Employees by Function*
Last Ten Fiscal Years

Table 34

	2012-13	2013-14	2014-15
Instruction			
Certified Teachers			
Regular Pre K-12	127	127	129
Alternative Education 9-12	2	2	2
Special Education	18	18	19
Music	8	8	8
Enrichment/Technology	1	0	0
Title 1	6	6	7
Total Teachers	162	161	165
Paraprofessionals			
Regular PreK-12	4	4	4
ESSER	0	0	0
Special Education	54	54	55
Total Paraprofessionals	58	58	59
Total Instruction	220	219	224
Support			
Guidance	7	7	7
Librarian/Library Aides	5	5	5
School Nurses	2	2	2
School Psychologists	2	2	2
Speech Therapists	5	5	6
Occupational/Physical Therapists	2	2	2
Social Worker/Braillist	1	1	1
IT Supervisor/Support/Integration	2	3	3
Other Paraprofessionals/Library Aides	6	6	6
Custodial/Maintenance	29	29	29
Secretarial/Clerical	19	19	19
Food Service	25	25	26
Transportation	15	15	15
Administrators/Curriculum	12	12	12
Total Support	131	132	133
Total Employees (FTE)	351	351	357

* The source of this information is District records.

Table 34 (cont)

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
130	130	131	132	133	134	134
2	2	2	2	2	2	2
19	19	19	19	21	22	22
8	8	8	8	8	8	8
0	0	0	0	0	0	0
7	7	7	6	5	5	5
166	167	167	168	169	171	171
4	6	5	5	6	6	6
0	0	0	0	0	6	12
55	57	60	63	62	64	64
59	63	65	68	68	76	82
225	230	232	236	237	247	253
7	7	7	7	8	8	9
5	5	5	5	5	5	5
2	2	2	2	2	6	6
2	2	2	2	2	2	2
6	6	6	6	6	6	6
2	2	2	2	2	2	2
1	1	1	1	0	0	0
3	3	3	3	3	4	4
6	6	4	4	4	4	4
29	29	29	29	29	29	29
19	19	19	19	19	19	19
26	26	26	26	26	26	26
15	15	15	16	16	16	16
12	12	12	12	12	13	13
133	134	133	134	134	139	141
359	364	365	370	371	386	394

Table 35

**Yankton School District #63-3
Certified Staff Data
Last Ten Fiscal Years**

Staff Data	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Education *										
Masters Degree	108	103	101	100	100	114	111	106	109	98
Bachelors Degree	80	83	83	87	87	75	79	86	86	97
CTE Educator's Certificate	0	0	0	0	0	0	0	1	1	1
Total	188	186	184	187	187	189	190	193	196	196
Masters as % of Total	57%	55%	55%	53%	53%	60%	58%	55%	56%	50%
Age Range *										
20-25	3	5	8	11	12	9	9	20	19	21
26-30	12	15	17	16	16	18	15	15	24	30
31-35	23	22	24	28	22	20	28	23	20	22
36-40	27	26	21	20	25	25	22	29	27	24
41-45	23	24	28	27	27	29	26	23	25	18
46-50	46	41	36	29	25	21	25	27	25	27
51-55	18	26	27	35	39	44	37	26	24	19
56-60	23	17	17	14	17	15	21	27	28	29
61+	13	10	6	7	4	8	7	3	4	6
Total	188	186	184	187	187	189	190	193	196	196
Experience Range YSD 63-3 *										
0-5	39	44	47	49	51	52	52	37	65	82
6-10	26	24	27	30	26	23	27	32	30	29
11-15	43	42	34	29	26	23	19	25	22	13
16-20	26	30	31	33	33	39	37	22	21	18
21-25	25	23	22	19	23	20	22	25	28	28
26-30	15	17	20	23	19	20	18	21	14	10
31-35	9	5	2	3	7	10	13	27	13	12
36+	5	1	1	1	2	2	2	4	3	4
Total	188	186	184	187	187	189	190	193	196	196
Average Experience YSD 63-3	14.6	14.9	13.8	13.6	13.9	14.5	14.5	14.5	13.0	11.7

* The source of this information is District records.

Table 35 (cont)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Experience Range - Total *										
0-5	19	20	26	41	35	29	28	37	45	54
6-10	23	20	23	24	18	23	28	32	27	29
11-15	32	34	31	21	24	23	19	25	25	25
16-20	26	29	26	29	32	32	32	22	21	15
21-25	34	29	27	25	24	25	25	25	28	25
26-30	25	34	34	31	32	29	24	21	22	18
31-35	17	14	10	9	14	19	25	27	20	18
36+	12	6	7	7	8	9	9	4	8	12
Total	188	186	184	187	187	189	190	193	196	196
Average Total Experience *	19.3	18.5	17.9	17.7	17.8	18.5	18.5	17.0	16.5	15.5
YSD 63-3 Average Experience as % of Total Average Experience	75.6%	80.5%	77.2%	76.7%	78.4%	78.3%	78.4%	85.5%	78.7%	75.5%
Salary										
Base Average (Teachers Only)	\$ 44,581	\$ 44,431	\$ 44,759	\$ 45,341	\$ 50,157	\$ 51,511	\$ 51,713	\$ 52,392	\$ 53,108	\$ 53,576
Base + Activities Average	\$ 46,571	\$ 46,496	\$ 46,900	\$ 47,447	\$ 52,398	\$ 53,798	\$ 53,681	\$ 54,609	\$ 55,266	\$ 56,049
Student/Teacher Ratio										
Regular K-12 Teachers	144.0	142.0	141.0	144.0	144.0	146.0	147.0	148.0	148.0	149.0
K-12 Enrollment	2,686	2,676	2,679	2,706	2,713	2,719	2,768	2,774	2,806	2,820
Student/Teacher Ratio	18.7	18.8	19.0	18.8	18.8	18.6	18.8	18.7	19.0	18.9

* Includes all Administrators, Teachers, Guidance Counselors, Librarians and Speech

** The source of this information is District records.

Table 36

Yankton School District #63-3
Per Pupil Costs Based on General School System Expenditures*
Last Ten Fiscal Years

Fiscal Year													Per Pupil Costs			
	Instruction	Instructional % of Total	Support, Community and Non-program Services	Support, Community and NP Services % of Total	Debt Services	Debt Services % of Total	Co-Curricular Activities	Co-Curricular Activities % of Total	Capital Outlay**	Capital Outlay Activities % of Total	Total Expenditures	Official Enrollment ***	Instructional Expenditures	Total Expenditures		
2013	\$ 11,264,999	53.2%	\$ 7,541,245	35.6%	\$ 1,736,442	8.2%	\$ 641,337	3.0%	\$ -	0.0%	\$ 21,184,023	2,686	\$ 4,194	\$ 7,887		
2014	12,665,291	45.3%	9,946,708	35.6%	4,694,083	16.8%	653,194	2.3%	-	0.0%	27,959,276	2,676	4,733	10,448		
2015	12,171,965	53.7%	9,106,659	40.1%	711,708	3.1%	696,912	3.1%	-	0.0%	22,687,244	2,679	4,543	8,469		
2016	12,565,872	55.3%	8,560,042	37.7%	895,000	3.9%	697,563	3.1%	-	0.0%	22,718,477	2,706	4,644	8,396		
2017	14,308,596	55.1%	8,912,283	34.3%	890,225	3.4%	728,984	2.8%	1,140,275	4.4%	25,980,363	2,713	5,274	9,576		
2018	14,462,849	49.9%	8,971,865	31.0%	894,325	3.1%	736,992	2.5%	3,914,013	13.5%	28,980,044	2,719	5,319	10,658		
2019	14,853,370	53.6%	9,338,119	33.7%	891,869	3.2%	786,017	2.8%	1,855,931	6.7%	27,725,306	2,768	5,366	10,016		
2020	14,771,514	54.6%	10,185,315	37.6%	717,650	2.7%	719,569	2.7%	664,307	2.5%	27,058,355	2,664	5,545	10,157		
2021	15,993,418	54.5%	10,855,404	37.0%	866,594	3.0%	999,048	3.4%	609,343	2.1%	29,323,807	2,806	5,700	10,450		
2022	\$ 17,051,984	55.3%	\$ 11,239,461	36.4%	\$ -	0.0%	\$ 1,102,825	3.6%	\$ 1,454,614	4.7%	\$ 30,848,884	2,820	\$ 6,047	\$ 10,939		

* Includes General Fund, Capital Outlay Fund, Special Education Fund, Pension Fund and Bond Redemption Fund. Capital Projects Funds are excluded.

** Capital Outlay function reported for the first time in Fiscal Year 2016-17.

*** Official enrollment is recorded the fourth Friday in September.

Per Pupil Costs-Total Expenditures

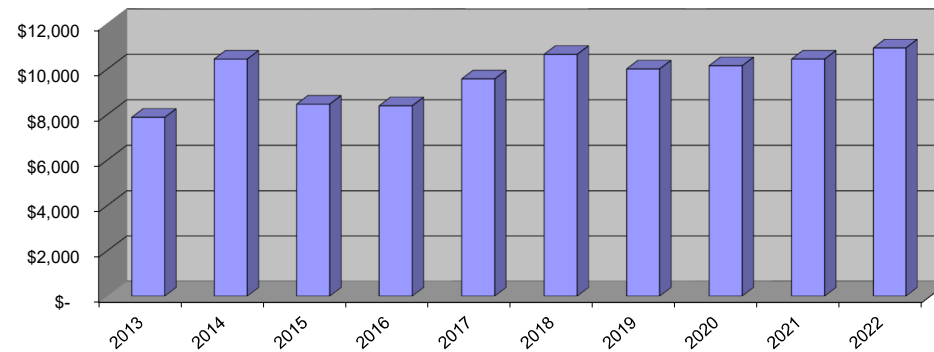


Table 37

**Yankton School District #63-3
Food Service Operations
Last Ten Fiscal Years***

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Local Sources										
Sales	\$ 828,076	\$ 843,062	\$ 848,667	\$ 824,663	\$ 827,052	\$ 843,802	\$ 871,922	\$ 722,106	\$ 194,237	\$ 229,798
Interest Earnings	1,143	1,390	1,664	2,113	3,428	6,129	9,059	4,479	1,699	4,896
Other Local	335	200	8,706	-	-	170	8,548	-	-	-
State Sources										
Cash Reimbursements	11,224	6,320	8,420	10,417	7,409	5,688	6,602	5,970	5,009	4,919
Federal Sources										
Cash Reimbursements	617,607	638,963	633,615	669,128	691,782	699,550	744,394	1,449,063	2,071,990	2,307,962
Donated Commodities	106,169	138,767	114,871	164,045	199,576	184,866	147,216	161,057	153,725	166,546
Total Revenues	<u>1,564,554</u>	<u>1,628,702</u>	<u>1,615,943</u>	<u>1,670,366</u>	<u>1,729,247</u>	<u>1,740,205</u>	<u>1,787,741</u>	<u>2,342,675</u>	<u>2,426,660</u>	<u>2,714,121</u>
Expenses										
Salaries/Benefits	623,249	644,069	602,227	677,323	854,398	736,481	883,394	769,659	970,578	930,509
Purchased Services	31,115	33,745	32,680	38,560	39,304	36,681	36,548	197,145	38,885	50,536
Supplies	63,010	66,807	78,331	86,815	78,006	83,459	115,397	31,603	149,820	225,208
Cost of Sales (food)	737,763	787,953	787,002	844,665	853,812	828,234	836,643	984,721	932,028	941,572
Depreciation	16,047	12,496	18,185	11,582	11,380	8,229	8,941	9,537	11,056	11,413
Other	5,195	813	-	-	-	-	-	-	-	-
Total Expenses	<u>1,476,379</u>	<u>1,545,883</u>	<u>1,518,425</u>	<u>1,658,945</u>	<u>1,836,900</u>	<u>1,693,084</u>	<u>1,880,923</u>	<u>1,992,665</u>	<u>2,102,367</u>	<u>2,159,238</u>
Capital Contributions	-	5,378	-	-	-	-	-	-	-	-
Transfers In	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>101,175</u>	<u>88,197</u>	<u>97,518</u>	<u>11,421</u>	<u>(107,653)</u>	<u>47,121</u>	<u>(93,182)</u>	<u>237,241</u>	<u>324,293</u>	<u>554,883</u>
Net Position-Beginning	292,426	393,601	481,798	680,715	692,136	584,483	631,604	538,422	775,663	1,099,956
Prior Period Adjustments	-	-	101,399	-	-	-	-	-	-	-
Net Position-Ending	<u>\$ 393,601</u>	<u>\$ 481,798</u>	<u>\$ 680,715</u>	<u>\$ 692,136</u>	<u>\$ 584,483</u>	<u>\$ 631,604</u>	<u>\$ 538,422</u>	<u>\$ 775,663</u>	<u>\$ 1,099,956</u>	<u>\$ 1,654,839</u>

*The source of this information is District records

(continued)

Table 37 (cont)

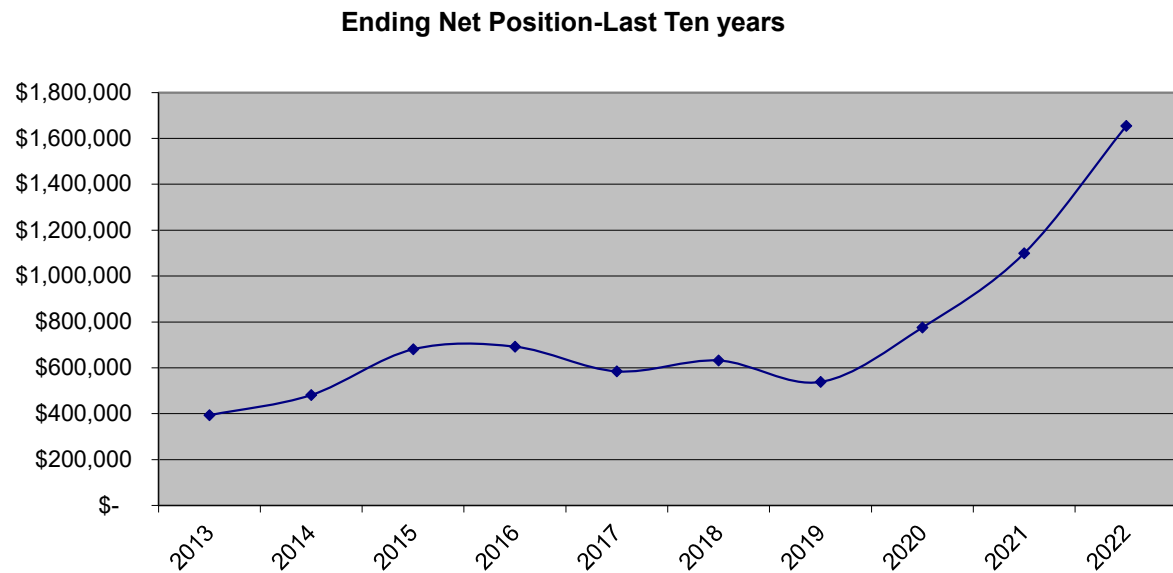


Table 38

**Yankton School District #63-3
Food Service Participation Rates
Last Ten Fiscal Years***

Fiscal Year	Average Daily Attendance (ADA)	Total Lunches Served	Average Lunches Served/Day	Average Daily Participation Rate (%)	Free/Reduced Average Daily Eligibility	Total Free/Reduced Lunches Served	Average Free/Reduced Lunches Served/Day	Number of Serving Days	Average Free/Reduced Daily Participation Rate (%)
2013	2,544	367,143	2,147	84.4%	1,011	144,628	846	171	83.7%
2014	2,564	366,423	2,130	83.1%	1,015	145,924	848	172	83.6%
2015	2,554	362,535	2,096	82.1%	983	136,583	789	173	80.3%
2016	2,598	359,071	2,112	81.3%	1,259	137,779	810	170	64.4%
2017	2,595	358,859	2,074	79.9%	1,032	138,064	798	173	77.3%
2018	2,585	356,554	2,085	80.7%	996	135,368	792	171	79.5%
2019	2,585	365,015	2,173	84.1%	1,086	144,650	861	168	79.3%
2020**	2,662	281,670	2,150	80.8%	1,924	107,568	821	131	42.7%
2021***	2,676	336,081	1,954	73.0%	1,954	336,081	1,954	172	100.0%
2022***	2,675	396,608	2,319	86.7%	2,319	396,608	2,319	171	100.0%

* The source of this data is District records.

** With in-person school shutting down due to the Covid-19 pandemic on March 13, 2020. FY2020 data is only reflective through that date.

*** All school meals were approved as "free" during the 2020-21 and 2021-22 School Years due Covid-19 pandemic and approved meal pattern waivers from the USDA

Average Daily Participation Rates (%)

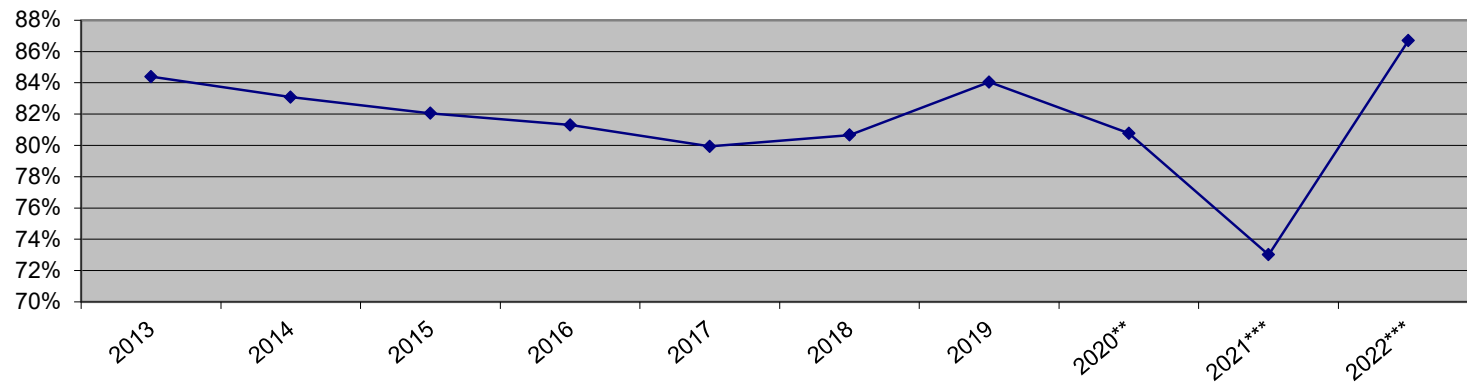


Table 39

Yankton School District #63-3
School Instructional Building Information*
Last Ten Fiscal Years

School	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Beadle Elementary (1926)										
Square Feet	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43,400
Enrollment	370	377	383	387	385	392	407	386	386	394
Lincoln Elementary (1951)										
Square Feet	40,420	40,420	40,420	40,420	40,420	40,420	40,420	40,420	40,420	40,420
Enrollment	389	371	369	369	363	360	358	371	371	379
Stewart Elementary (1965)										
Square Feet	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710
Enrollment **	297	286	280	287	281	273	270	275	275	265
Webster Elementary (1950)										
Square Feet	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233
Enrollment ***	184	188	197	191	181	188	191	191	191	204
Yankton Middle School (1956)										
Square Feet	167,747	167,747	167,747	167,747	167,747	167,747	167,747	167,747	167,747	167,747
Enrollment	531	565	574	583	599	638	639	642	642	632
Yankton High School (1995)										
Square Feet	288,465	288,465	288,465	288,465	288,465	288,465	288,465	288,465	288,465	288,465
Enrollment	915	889	876	889	904	868	903	941	941	946
Career Manufacturing Technical Education Academy (2016) ****										
Square Feet					25,440	25,440	25,440	25,440	25,440	25,440
Enrollment					904	868	903	941	941	946
Career & Technical Education (2018) *****										
Square Feet						10,000	10,000	10,000	10,000	10,000
Enrollment						868	903	941	941	946

* The source of this information is District records. Enrollment count as of fourth Friday in September in corresponding year.

** Birth - 3 special services also provided at this location (not counted in enrollment).

*** Jr. Kindergarten program started at this location in 2004-05 (counted in enrollment). Preschool program started in 2007-08 (not counted in enrollment).

**** Acquired July 1, 2016, this facility houses Career and Technical Education Programming for high school students.

***** Built in 2017-2018 for indoor construction of student built house.

Single Audit Section

**YANKTON SCHOOL DISTRICT NO. 63-3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Program	Federal Assistance Listing Number	Grant Year	Pass-Through Entity Identifying Number	Expenditures	Pass-Through to Subrecipients
Indirect:					
U.S. Department of Agriculture:					
South Dakota Department of Education:					
Child Nutrition Cluster Programs: (Note 3) (Note 4)					
COVID-19 - School Breakfast Program	10.553	FY22	N/A	\$ 332,985	\$ -
COVID-19 - National School Lunch Program	10.555	FY22	N/A	1,917,250 *	-
COVID-19 - Summer Food Service Program for Children	10.559	FY22	N/A	213,517	-
Fresh Fruit and Vegetable Program	10.582	FY22	N/A	73,006	-
Total Child Nutrition Cluster				<u>2,536,758</u>	<u>-</u>
Direct:					
U.S. Department of Education:					
Impact Aid (Note 4)	84.041	FY22	N/A	46,291	-
Indirect:					
U.S. Department of Education:					
South Dakota Department of Education:					
Title I Grants to Local Educational Agencies	84.010	FY22	S010A200041	491,479	-
Special Education Cluster					
Special Education (IDEA) - Grants to States	84.027	FY22	H027A200091	622,074	-
Special Education - Preschool Grants	84.173	FY22	H173A210091	19,569	-
Total Special Education Cluster				<u>641,643</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048	FY22	V048A210041	38,158	-
Improving Teacher Quality State Grants	84.367	FY22	S367A200039	90,416	-
Title III-English Language Acquisition	84.365A	FY22	S365A210041	3,763	5,110
Title IV-Student Support and Academic Enrichment (SSAE)	84.424	FY22	S424A200043	57,801	-
Education Stabilization Fund (Note 3)					
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Funds	84.425D	FY22	S425D210050	1,353,687	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Relief (ESSER III) Funds	84.425U	FY22	S425U210050	251,253	-
Total Education Stabilization Funds				<u>1,604,940</u>	<u>-</u>
Direct:					
U.S. Department of Health and Human Services					
SAMHSA Disaster Relief Grant	93.982	FY22	N/A	2,501	-
Direct:					
Federal Communications Commission					
COVID-19 - Emergency Connectivity Fund Program	32.009	FY22	N/A	46,002	-
Indirect:					
National Foundation on the Arts and Humanities					
South Dakota Department of Education:					
Grants to States	45.310	FY22	N/A	24,849	-
Indirect:					
U.S. Department of Homeland Security					
South Dakota Office of Emergency Management:					
Disaster Grants - Public Assistance	97.036	FY22	FEMA-4440-DR-SO	333,083	-
Total				<u>\$ 5,917,684</u>	

*Includes \$155,789 of non-cash awards.

BASIS OF PRESENTATION

Note 1: The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. 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 the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 2: Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM

Note 3: This represents a major federal financial assistance program.

FEDERAL REIMBURSEMENT

Note 4: Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.



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**INDEPENDENT AUDITORS' 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
Yankton School District No. 63-3
Yankton County, South Dakota

We have audited, in accordance with the 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 remaining fund information of Yankton School District No. 63-3 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yankton School District No. 63-3 (the District)'s basic financial statements, and have issued our report thereon dated February 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Yankton School District No. 63-3'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 Yankton School District No. 63-3's internal control. Accordingly, we do not express an opinion on the effectiveness of Yankton School District No. 63-3'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yankton School District No. 63-3's financial statements are free from 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*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Yankton School District No. 63-3's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Yankton School District No. 63-3's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Yankton School District No. 63-3's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District'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.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Yankton School District No. 63-3 during the course of our audit. If you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.

Williams & Company P.C.
Certified Public Accountants

Le Mars, Iowa
February 6, 2023



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

School Board
Yankton School District No. 63-3
Yankton County, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Yankton School District No. 63-3's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yankton School District No. 63-3 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion of Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Yankton School District No. 63-3 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 District's compliance with the compliance requirements referred to above.

Responsibilities of Manage 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 grant agreements applicable to the District's federal programs.

Auditors' 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 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of 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 judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 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 the 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 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 Auditors' 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 in internal control over compliance. 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.

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 purpose.

Williams & Company P.C.
Certified Public Accountants

Le Mars, Iowa
February 6, 2023

**YANKTON SCHOOL DISTRICT NO. 63-3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiencies identified? ☐ Yes ☒ None

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

☐ Yes ☒ No

Identification of major programs:

Child Nutrition Cluster	Assistance Listing Numbers #10.553, 10.555, 10.559, 10.582
ESSER Fund	Assistance Listing Numbers #84.425D, 84.425U

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

\$ 750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

**YANKTON SCHOOL DISTRICT NO. 63-3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

MATERIAL WEAKNESSES:

2022-001 – Financial Accounting - Material Adjusting Journal Entries

Condition and Criteria – The auditors were required to propose and have management post adjusting journal entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

Recommendation - We recommend that the District train additional business office staff on U.S. GAAP and government accounting standards to help reduce the amount of adjusting journal entries and increase their knowledge of the required reporting standards.

Views of Responsible Officials - District management feels that hiring additional personnel to implement the additional U.S. GAAP adjusting journal entries would not be cost-effective. However, management has and will continue to monitor this process on a regular basis.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

MATERIAL WEAKNESSES:

No matters were noted.



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Jason L. Bietz, Business Manager

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**YANKTON SCHOOL DISTRICT NO. 63-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

PRIOR AUDIT FINDINGS:

The following significant deficiency regarding Internal Control Over Financial Reporting was considered to be a material weakness for the year ended June 30, 2021.

FINANCIAL STATEMENT FINDINGS:

2021-001-Financial Accounting-Material Adjusting Journal Entries

Condition and Criteria – The auditors were required to propose and have management post adjusting journal entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles. (GAAP).

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

Recommendation – We recommend that the District train additional business office staff on U.S. GAAP and government accounting standards to help reduce the amount of adjusting journal entries and increase their knowledge of the required reporting standards.

Views of Responsible Officials – District management feels that hiring additional personnel to implement the additional U.S. GAAP adjusting journal entries would not be cost-effective. However, management has and will continue to monitor this process on a regular basis.

Current Status - This finding still exists at June 30, 2022 (See comment 2022-001). This finding was first reported in fiscal year 2007.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

MATERIAL WEAKNESSES:

No matters were noted.



Jason L. Bietz, Business Manager

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**YANKTON SCHOOL DISTRICT NO. 63-3
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022**

CURRENT-YEAR AUDIT FINDINGS:

The following significant deficiency regarding Internal Control over Financial Reporting is considered to be a material weakness at June 30, 2022:

FINANCIAL STATEMENT FINDINGS

2022-001 – Financial Accounting – Material Adjusting Journal Entries

Condition and Criteria – The auditors were required to propose and have management post adjusting journal entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

Recommendation - We recommend that the District train additional business office staff on U.S. GAAP and government accounting standards to help reduce the amount of adjusting journal entries and increase their knowledge of the required reporting standards.

Views of Responsible Officials - District management feels that hiring additional personnel to implement the additional U.S. GAAP adjusting journal entries would not be cost-effective. However, management has and will continue to monitor this process on a regular basis.

CORRECTIVE ACTION PLAN:

Jason L. Bietz is the contact person responsible for the corrective action plan for this comment. This comment is the result of a limited number of staff and time constraints. Management will double check the financial statements in the future and all supporting schedules to verify that all adjustments are properly made.

Jason L. Bietz
Business Manager