

YANKTON SOUTH DAKOTA SCHOOL DISTRICT



ANNUAL

OFFICE SECRETARY, BOARD
OF EDUCATION
YANKTON, DAKOTA
TERRITORY, AUGUST 31, 1876

COMPREHENSIVE FINANCIAL REPORT

conception
continuity
1875 - 2025
completion
progressive



TO THE BOARD OF EDUCATION
OF THE CITY OF YANKTON: I
HEREBY SUBMIT THE FIRST
ANNUAL REPORT OF THE
SCHOOLS UNDER YOUR CHARGE.
AUGUST 31ST IS CHOSEN AS THE
DATE FOR THE ANNUAL REPORT,
TO GIVE TIME FOR THE SETTLEMENT
OF CLAIMS, OUTSTANDING AT
END OF THE SCHOOL YEAR IN JUNE.
YOUR BOARD WAS ORGANIZED ON
THE SECOND DAY OF FEBRUARY 1875,
AND AT ONCE ASSUMED THE MANAGE-
MENT AND CONTROL OF THE PUBLIC
SCHOOLS IN THE CITY, UNDER AN ACT
OF THE LEGISLATIVE ASSEMBLY OF THE
TERRITORY OF DAKOTA ENTITLED "AN

Fiscal Year ending June 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT
of the
YANKTON SCHOOL DISTRICT #63-3
Yankton, South Dakota
For the Fiscal Year Ended June 30, 2025

OFFICIAL ISSUING REPORT
Chareen Gerber, Business Manager

OFFICE ISSUING REPORT
Business Office

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Introductory Section



P.O. Box 738
2410 West City Limits Road
Yankton, SD 57078

Telephone: (605) 665-3980
Fax: (605) 665-1422

May 8, 2026

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, 2025, 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, 2025, 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, 2025, 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 2842 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 2024-25 School Year, the District employed 387 full-time equivalent (FTE) employees including 171 certified teachers and 74 paraprofessionals providing instructional services. Various support services were provided by another 142 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 28 years (Yankton High School) to 97 years (Beadle Elementary School).

The District continued major initiatives during the fiscal year ending June 30, 2025 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 195 students ages 3 and 4 years old during the 2024-25 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. Construction for the TLC Learning Center has begun. The Early Childhood Center opens FY2026 for students to attend. 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 23,509 residents, based on the 2024 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 1.9% (June 2025) 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 410. 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 387 full-time and part-time employees plus and an additional 127 +/- 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, FY2022, FY2023, FY2024 and FY2025.

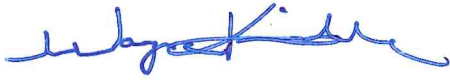
Additional components of the new formula include limitations on the amount of property valuation growth that could be taxed for capital outlay purposes year over year along with implementation of permanent flexibility on capital outlay transfers of up to 45% to the general fund at the district's discretion 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 comprehensive annual 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,

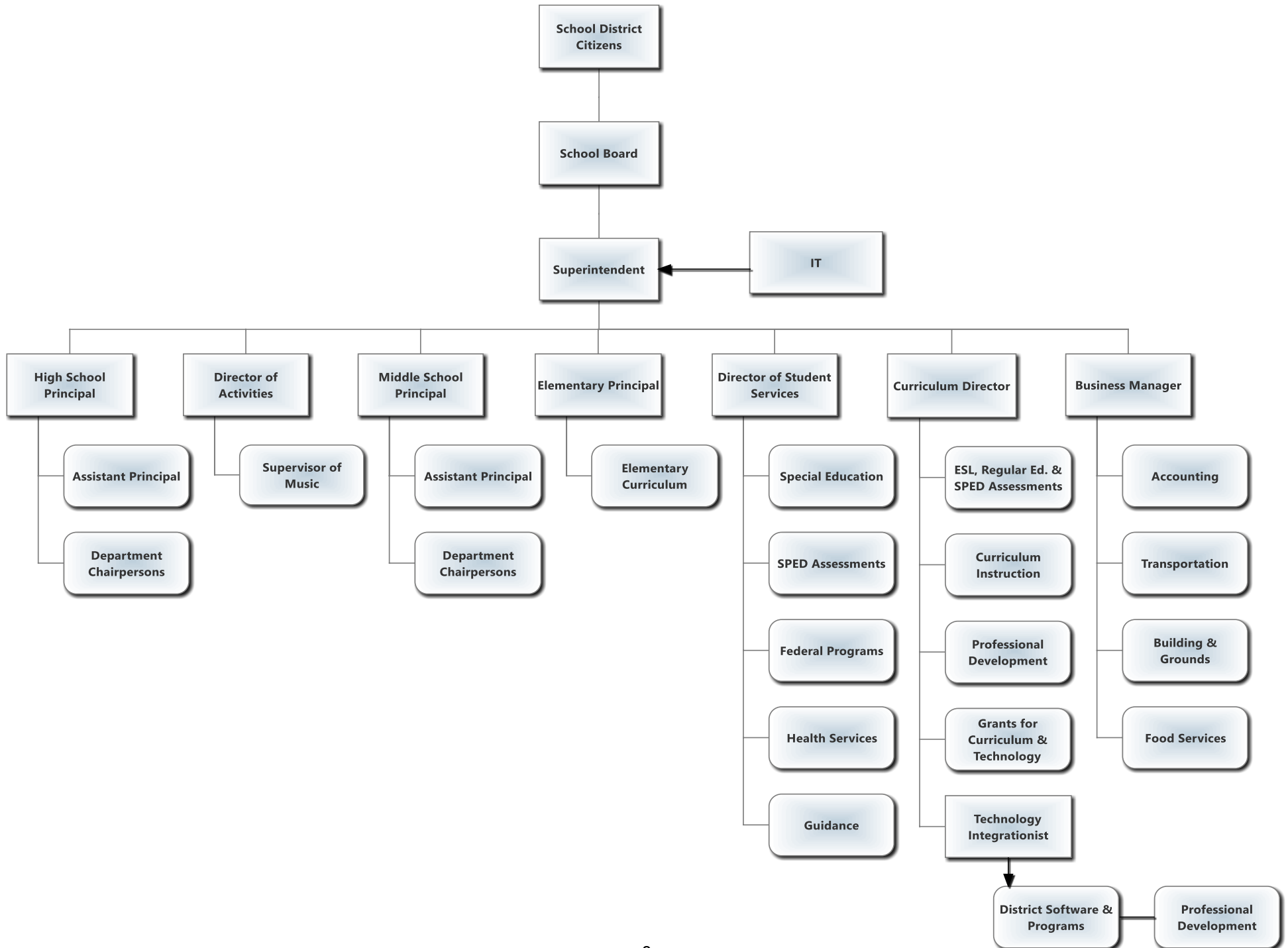
A handwritten signature in blue ink, appearing to read "Wayne Kindle".

Wayne Kindle, Ed.D.
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Chareen Gerber".

Chareen Gerber
Business Manager

Yankton School District Organizational Chart



**YANKTON SCHOOL DISTRICT NO. 63-3
SCHOOL DISTRICT OFFICIALS
YANKTON, SOUTH DAKOTA
JUNE 30, 2025**

SCHOOL BOARD

Sarah Carda	President
Kathy Greeneway	Vice President
Terry Crandall	Board Member
Jacklyn Mueller	Board Member
Dr. Jordan Schild	Board Member

SCHOOL DISTRICT STAFF

Wayne Kindle, Ed.D.	Superintendent
Jerome Klimisch	Director of Student Services
Chareen Gerber	Business Manager

Financial Section



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, 2025, 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 activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 65-74 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 auditors' 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 May 8, 2026, 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
May 8, 2026

**YANKTON SCHOOL DISTRICT 63-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

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, 2025. 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 District's governmental funds reported combined ending fund balances of \$18,916,508 as of June 30, 2025. Of this total, \$8,768,877 (46.4%) is unassigned and available for use within District policies as compared to combined ending fund balances of \$29,603,779 (\$8,250,178 or 27.9% unassigned) from the previous year.
- Unassigned fund balance for the general fund was \$8,768,877 or 34.5% of the total general fund expenditures during the period as compared to \$8,250,178 or 30.7% from the previous year.
- Restricted fund balance for the Capital Outlay Fund decreased \$1,007,920 from \$9,507,893, to \$8,499,973 due to increased principal and interest expenditures.
- Restricted fund balance for the Special Education Fund decreased \$41,939 from \$1,614,352 to \$1,572,413 primarily as a result of higher than expected expenditures for student services and special programs.
- Restricted fund balance for the TLC Building Project Fund decreased \$9,990,686 from \$10,018,499 to \$27,813 primarily as a result of the District continuing the spending the capital outlay certificates that were issued in FY23 for the construction of the new TLC Building.
- The District's net position from governmental activities increased by \$995,324 or 1.6% (see Table A-1), primarily from increased capital assets net of depreciation/amortization. The District's net position from business-type activities decreased by \$106,242 primarily due to an increase in food service expenses.
- The unrestricted net position in the District's Internal Services Fund (i.e. Self-funded Health Insurance) decreased from a beginning balance of \$3,477,778 to an ending balance of \$2,890,680 as of June 30, 2025 primarily due to increased self-insurance claims.

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

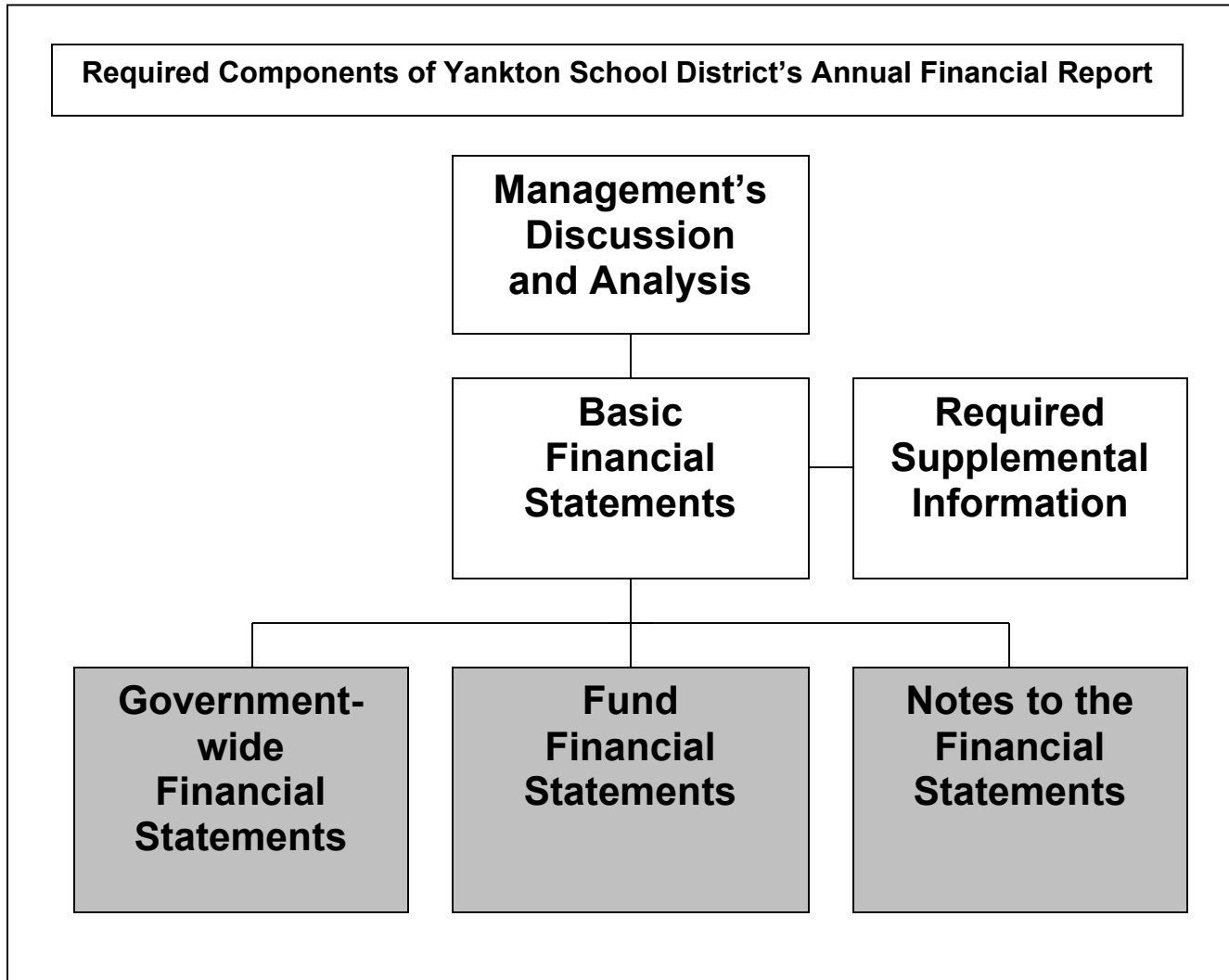


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents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

Figure A-2

Major Functions of the Government-wide and Fund Financial Statements				
		Fund Financial Statements		
	Government-wide 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:

	Governmental Activities		Business-Type Activities		Total	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Current and Other Assets	\$ 35,342,655	\$ 48,303,351	\$ 1,452,464	\$ 1,576,857	\$ 36,795,119	\$ 49,880,208
Capital Assets Net of Depreciation/Amortization	66,106,918	53,489,001	245,590	141,406	66,352,508	53,630,407
Total Assets	<u>101,449,573</u>	<u>101,792,352</u>	<u>1,698,054</u>	<u>1,718,263</u>	<u>103,147,627</u>	<u>103,510,615</u>
Deferred Outflows of Resources						
Pension Related Deferred Outflows	5,254,488	5,782,532	198,052	212,410	5,452,540	5,994,942
OPEB Related Deferred Outflows	158,695	250,757	-	-	158,695	250,757
Total Deferred Outflows of Resources	<u>5,413,183</u>	<u>6,033,289</u>	<u>198,052</u>	<u>212,410</u>	<u>5,611,235</u>	<u>6,245,699</u>
Long-Term Liabilities	28,255,552	27,296,402	-	3,674	28,255,552	27,300,076
Other Liabilities	5,348,495	8,948,612	174,542	107,618	5,523,037	9,056,230
Total Liabilities	<u>33,604,047</u>	<u>36,245,014</u>	<u>174,542</u>	<u>111,292</u>	<u>33,778,589</u>	<u>36,356,306</u>
Deferred Inflows of Resources						
Unavailable Revenue-Lease Receivable	236,500	242,000	-	-	236,500	242,000
Unavailable Revenue-Property Taxes	6,977,962	6,450,603	-	-	6,977,962	6,450,603
Pension Related Deferred Inflows of Resources	3,475,150	3,336,509	130,985	122,560	3,606,135	3,459,069
OPEB Related Deferred Inflows of Resources	229,102	206,844	-	-	229,102	206,844
Total Deferred Inflows of Resources	<u>10,918,714</u>	<u>10,235,956</u>	<u>130,985</u>	<u>122,560</u>	<u>11,049,699</u>	<u>10,358,516</u>
Net Position:						
Net Investment in Capital Assets	38,826,834	32,733,199	245,590	141,406	39,072,424	32,874,605
Restricted for:						
Capital Outlay	8,561,720	10,122,075	-	-	8,561,720	10,122,075
Special Education	1,593,052	1,631,637	-	-	1,593,052	1,631,637
SDRS Pension Purposes	27,558	66,447	1,039	2,441	28,597	68,888
Unrestricted	13,330,831	16,791,313	1,343,950	1,552,974	14,674,781	18,344,287
Total Net Position	<u>\$ 62,339,995</u>	<u>\$ 61,344,671</u>	<u>\$ 1,590,579</u>	<u>\$ 1,696,821</u>	<u>\$ 63,930,574</u>	<u>\$ 63,041,492</u>
Increase (Decrease) in Net Position	<u>\$ 995,324</u>	<u>\$ 4,157,837</u>	<u>\$ (106,242)</u>	<u>\$ (95,570)</u>	<u>\$ 889,082</u>	<u>\$ 4,062,267</u>
Percentage of Increase (Decrease) in Net Position	1.6%	7.3%	-6.3%	-5.3%	1.4%	6.9%

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 decreased \$12,960,696 from \$48,303,351 in FY2024 to \$35,342,655 in FY2025 primarily due to a significant decreases in Federal Aid and Investment Earnings as well as increased Instruction expenditures and ongoing construction in progress for the TLC Building.
- Capital assets net of depreciation/amortization increased \$12,617,917 from \$53,489,001 in FY2024 to \$66,106,918 in FY2025 primarily due to an increase in construction in progress for the TLC Building project.
- Pension Related Deferred Outflows decreased \$528,044 from \$5,782,532 in FY2024 to \$5,254,488 in FY2025. See Note 8 of Notes to the Basic Financial Statements for details.
- OPEB Related Outflows decreased \$92,062 from \$250,757 in FY2024 to \$158,695 in FY2025. See Note 6 of Notes to the Basic Financial Statements for details.
- Long-term liabilities increased by \$959,150 from \$27,296,402 in FY2024 to \$28,255,552 in FY2025. See Note 7 of Notes to Basic Financial Statements for details.
- Other Liabilities decreased \$3,600,117 from \$8,948,612 in FY2024 to \$5,348,495 in FY2025.
- Unavailable Revenue from Property Taxes increased \$527,359 from \$6,450,603 in FY2024 to \$6,977,962 in FY2025.
- Pension Related Deferred Inflows of Resources increased \$138,641 from \$3,336,509 in FY2024 to \$3,475,150 in FY2025. 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 \$995,324 or 1.6% in net position in FY2025.

Business-Type Activities:

- A decrease of \$124,393 in current and other assets and an increase of \$104,184 in capital assets net of depreciation from FY2024 to FY2025 contributed to a decrease in net position of \$106,242 for business-type activities in FY2025.

GOVERNMENTAL ACTIVITIES

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

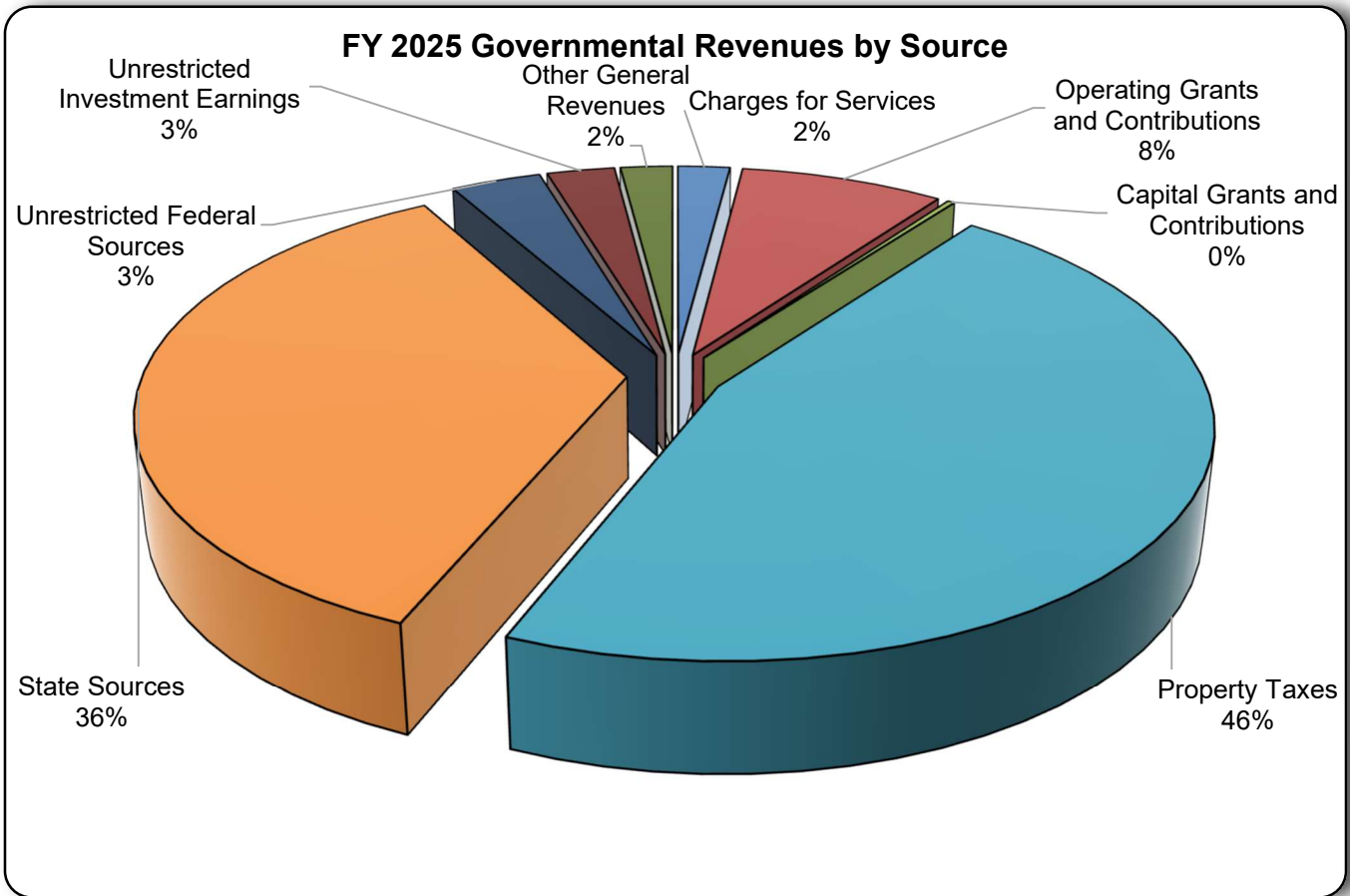
Table A-2
Yankton School District 63-3
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	\$ 784,864	\$ 948,411	\$ 1,128,933	\$ 1,086,177	\$ 1,913,797	\$ 2,034,588
Operating Grants and Contributions	3,066,987	2,835,993	1,163,563	1,053,927	4,230,550	3,889,920
Capital Grants and Contributions	103,717	187,307	-	-	103,717	187,307
General Revenues						
Property Taxes	17,740,533	17,031,979	-	-	17,740,533	17,031,979
State Sources	13,745,347	13,469,815	-	-	13,745,347	13,469,815
Unrestricted Federal Sources	1,355,161	2,879,008	-	-	1,355,161	2,879,008
Unrestricted Investment Earnings	1,019,560	1,943,519	65,714	83,783	1,085,274	2,027,302
Other General Revenues	784,516	1,244,670	-	975	784,516	1,245,645
Total Revenues	38,600,685	40,540,702	2,358,210	2,224,862	40,958,895	42,765,564
Expenses						
Instruction	21,377,790	18,444,882	-	-	21,377,790	18,444,882
Support Services	13,322,861	15,108,161	-	-	13,322,861	15,108,161
Community Services	45,728	36,667	-	-	45,728	36,667
Non-Programmed Charges	233,513	233,141	-	-	233,513	233,141
Interest on LT Debt	1,187,183	1,033,398	-	-	1,187,183	1,033,398
Co-Curricular Activities	1,438,286	1,543,177	-	-	1,438,286	1,543,177
Food Service	-	-	2,361,614	2,210,569	2,361,614	2,210,569
Concessions Fund	-	-	102,838	93,302	102,838	93,302
Total Expenses	37,605,361	36,399,426	2,464,452	2,303,871	40,069,813	38,703,297
Excess (Deficiency) of Revenue Over Expenses	995,324	4,141,276	(106,242)	(79,009)	889,082	4,062,267
Transfers	-	16,561	-	(16,561)	-	-
Changes in Net Position	995,324	4,157,837	(106,242)	(95,570)	889,082	4,062,267
Net Position - Beginning	61,344,671	57,186,834	1,696,821	1,792,391	63,041,492	58,979,225
Net Position - Ending	\$ 62,339,995	\$ 61,344,671	\$ 1,590,579	\$ 1,696,821	\$ 63,930,574	\$ 63,041,492

The District's FY2025 governmental revenues totaled \$38,600,685 a decrease of \$1,940,017 or 4.8% compared to FY2024 revenues of \$40,540,702 (See Table A-2). Property taxes provided 46.0% of the District's governmental revenue in FY2025 compared to 42.0% in FY2024 (See Figure A-3). Charges for services decreased \$163,547 from \$948,411 in FY2024 compared to \$784,864 in FY2025. Operating grants and contributions increased \$230,994 from \$2,835,993 in FY2024 to \$3,066,987 in FY2025. Capital grants and contributions decreased \$83,590 from \$187,307 in FY2024 to \$103,717 in FY2025 while unrestricted investment earnings decreased \$923,959 from \$1,943,519 in FY2024 to \$1,019,560 in FY2025. Other general revenues decreased \$460,154 from \$1,244,670 in FY2024 to \$784,516 in FY2025.

Net position of the business type activities decreased \$106,242 from \$1,696,821 in FY2024 to \$1,590,579 in FY2025 fueled largely by increased Food Service and Concessions Fund expenses.

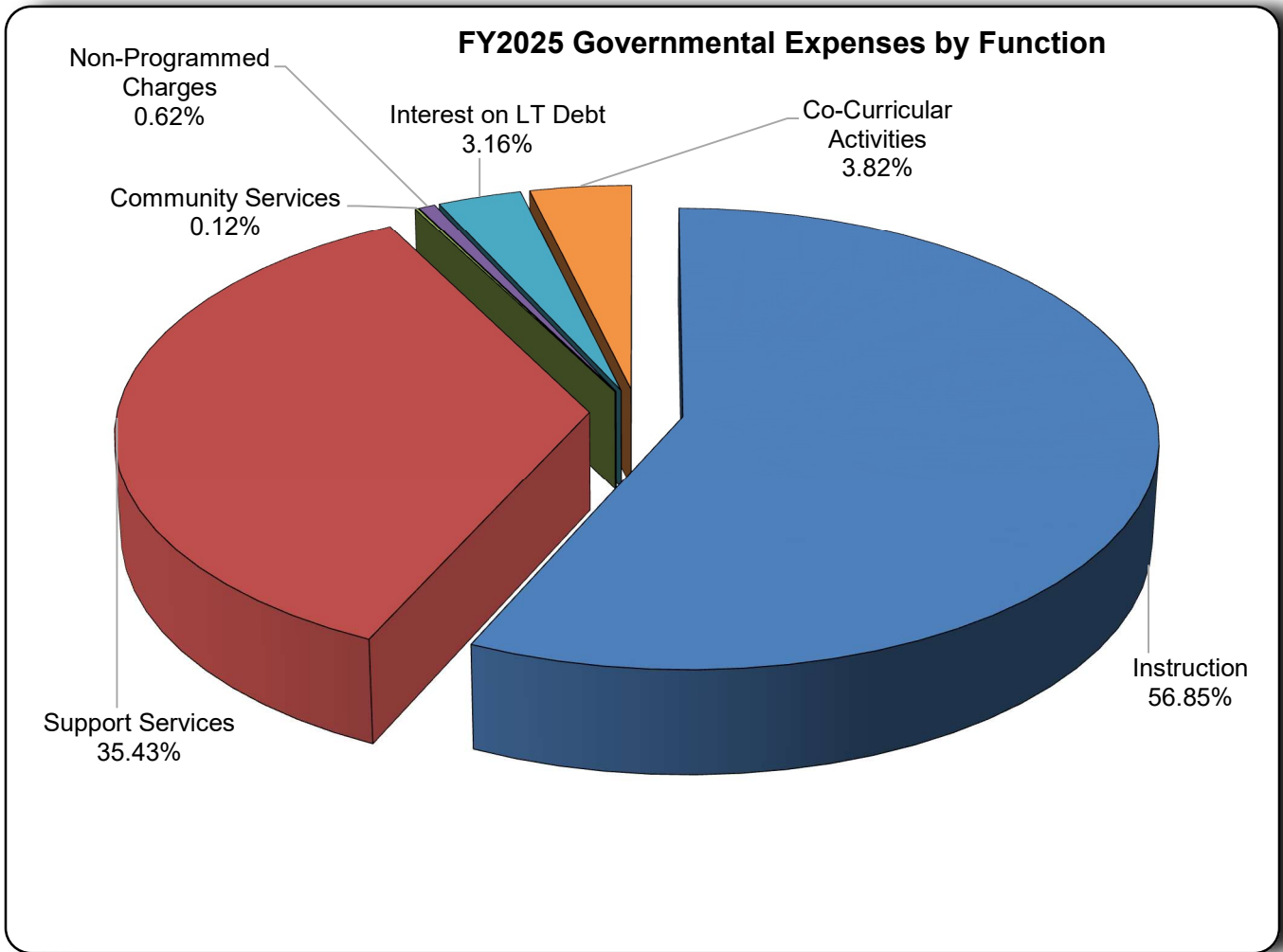
Figure A-3



The District's FY2025 governmental expenses totaled \$37,605,361 compared to \$36,399,426 for FY2024, an increase of \$1,205,935 or 3.3%, (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 FY2024 to FY2025 as follows: Instruction increased 15.9% from \$18,444,882 to \$21,377,790, Support Services decreased 11.8% from \$15,108,161 to \$13,322,861, Community Services increased 24.7% from \$36,667 to \$45,728, Non-Programmed Charges increased 0.2% from \$233,141 to \$233,513, Interest on Long Debt increased 14.9% from \$1,033,398 to \$1,187,183 and Co-Curricular Activities decreased 6.8% from \$1,543,177 to \$1,438,286. 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 FY2025 percentage of the total governmental expenses by function as follows: Instruction 56.85%, Support Services 35.43%, Community Services 0.12%, Non-Programmed Charges 0.62%, Interest on Long-Term Debt 3.16%, and Co-Curricular Activities 3.82%.

Figure A-4



BUSINESS-TYPE ACTIVITIES

Revenues for the District's combined business-type activities, (i.e., food service and a concessions fund), increased \$133,348 or 6.0% from \$2,224,862 in FY2024 to \$2,358,210 in FY2025.

- Concessions charges for services amounted to \$133,171 or 11.8% of the \$1,128,933 total charges for services.
- Concessions operating expenses amounted to \$102,838 or 4.2% of the \$2,464,452 total operating expenses.
- Food Service operating expenses amounted to \$2,361,614 during FY2025, an increase of \$151,045 from FY2024.
- The total number of lunches served increased to 351,899 in FY2025, an increase of 1,148 from 350,751 in FY2024.
- Operating Grants and Contributions for the food service program amounted to \$1,163,563, an increase of \$109,636 from the previous year primarily due increased federal meal reimbursements.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Fund balances changed as follows:

- General Fund increased \$353,274 from \$8,463,035 in FY2024 to \$8,816,309 in FY2025 primarily due to less than expected general fund expenditures.
- Capital Outlay Fund decreased \$1,007,920 from \$9,507,893 in FY2024 to \$8,499,973 in FY2025 primarily due to an early payment for principal and interest causing higher than expected expenditures.
- Special Education Fund decreased \$41,939 from \$1,614,352 in FY2024 to \$1,572,413 in FY2025 as a result of higher than expected costs for special programs and student services.
- TLC Building Project Fund decreased \$9,990,686 from \$10,018,499 in FY2024 to \$27,813 as a result of the District continuing to spend the capital outlay certificates that were issued in FY23 for the construction of the new TLC Building.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the budget one time. Detail can be found in the required supplementary information section of this report.

In the General Fund, there were several variances between the final amended revenue budget and the actual results for FY2025. State Aid, Ad Valorem Taxes, Contributions and Donations, and revenue from shared operations all exceeded expectations for the year while Utility Taxes, Interest Earnings, and Rentals came in less than expected for the year.

Expenditures for Regular Instruction were \$751,083 less than budgeted due to less than expected expenditures for Elementary and High School programs. Overall, actual general fund expenditures were \$25,443,300 or \$1,386,473 less than anticipated.

CAPITAL ASSET ADMINISTRATION

For governmental activities, the District had invested \$106,736,418 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 \$14,379,217 or 15.6% from the previous year. Facility improvement measures including parking lot and roof replacement 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, and classroom equipment. In 2023, we initiated the Trailhead Learning Center project, aimed at early childhood. Recognizing the need for strong financial resources to support this endeavor, we strategically opted to issue Capital Outlay Certificates as a means of securing funding. The project will be completed with students attending August 2025. Accumulated depreciation/amortization increased in the amount of \$1,761,300 in FY2025. Capital assets net of depreciation/amortization from governmental activities increased \$12,617,917 for the fiscal year.

For business-type activities, capital assets increased \$135,694 or 25.6% from the previous year. Total assets net of depreciation increased \$104,184 during FY2025 from \$141,406 in FY2024 to \$245,590 at year-end due to depreciation/amortization expenditures. 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	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Capital Assets (not being depreciated/amortized)						
Land	\$ 1,375,003	\$ 1,375,003	\$ -	\$ -	\$ 1,375,003	\$ 1,375,003
Construction in Progress	30,540,322	18,956,794	-	-	30,540,322	18,956,794
	<u>31,915,325</u>	<u>20,331,797</u>	<u>-</u>	<u>-</u>	<u>31,915,325</u>	<u>20,331,797</u>
Other Capital Assets (being depreciated/amortized)						
Buildings	55,132,731	54,220,416	-	-	55,132,731	54,220,416
Improvements other than Buildings	6,709,389	6,612,553	-	-	6,709,389	6,612,553
Equipment	12,811,899	11,025,361	664,937	529,243	13,476,836	11,554,604
Right-to-use leased equipment	167,074	167,074	-	-	167,074	167,074
	<u>74,821,093</u>	<u>72,025,404</u>	<u>664,937</u>	<u>529,243</u>	<u>75,486,030</u>	<u>72,554,647</u>
Accumulated Depreciation/Amortization	<u>(40,629,500)</u>	<u>(38,868,200)</u>	<u>(419,347)</u>	<u>(387,837)</u>	<u>(41,048,847)</u>	<u>(39,256,037)</u>
Total All Capital Assets net of depreciation/amortization	<u>\$ 66,106,918</u>	<u>\$ 53,489,001</u>	<u>\$ 245,590</u>	<u>\$ 141,406</u>	<u>\$ 66,352,508</u>	<u>\$ 53,630,407</u>

LONG-TERM DEBT

At year-end, the District had \$28,637,774 in total outstanding debt and obligations, an increase of \$37,730 from FY2024. Other debt and obligations include Early Retirement Benefits, Lease Agreements, Compensated Absences, Total OPEB Obligation, and Capital Outlay Certificates. (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
	FY2025	FY2024	FY2025	FY2025
Lease Agreements	\$ 38,741	\$ 57,248	\$ (18,507)	(32.3%)
Early Retirement Benefit Payable	223,590	232,995	(9,405)	(4.0%)
Compensated Absences and Benefits Payable	71,753	69,263	2,490	3.6%
Total OPEB Obligation Payable	1,062,347	1,193,253	(130,906)	(11.0%)
Capital Outlay Certificates	27,241,343	27,047,285	194,058	0.7%
Total Outstanding Debt and Obligations	<u>\$28,637,774</u>	<u>\$28,600,044</u>	<u>\$ 37,730</u>	<u>0.1%</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.

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 January 8, 2024, resolution for OPT OUT in the Yankton School District approved a 4-year property tax opt out of \$1,850,000 for taxes payable starting in 2024. This means the school board has the authority to request up to \$1,850,000 in additional property taxes annually through 2028. 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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 26,991,638	\$ 1,231,166	\$ 28,222,804
Taxes Receivable--Current	7,102,330	-	7,102,330
Taxes Receivable--Delinquent	202,719	-	202,719
Accounts Receivable, Net	34,752	-	34,752
Due from Other Governments	881,256	166,369	1,047,625
Inventories	7,054	47,251	54,305
Prepaid Expenses	95,348	6,639	101,987
Net Pension Asset	27,558	1,039	28,597
Capital Assets:			
Land	1,375,003	-	1,375,003
Construction In Progress	30,540,322	-	30,540,322
Other Capital Assets, Net of Depreciation/Amortization	34,191,593	245,590	34,437,183
Total Assets	101,449,573	1,698,054	103,147,627
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	5,254,488	198,052	5,452,540
OPEB Related Deferred Outflows	158,695	-	158,695
Total Deferred Outflows of Resources	5,413,183	198,052	5,611,235
LIABILITIES			
Accounts Payable	1,381,373	106,980	1,488,353
Contracts Payable	2,298,516	-	2,298,516
Due to Fiduciary Fund	29,885	-	29,885
Incurred but not Reported Claims	659,840	-	659,840
Due to Other Governments	276	-	276
Sales Tax Payable	-	20	20
Payroll Deductions and Withholdings and Employer Matching Payable	288,633	13,214	301,847
Unearned Revenue	311,424	50,654	362,078
Noncurrent Liabilities:			
Due within One Year			
Lease Agreements	38,741	-	38,741
Early Retirement Benefits	223,590	-	223,590
Compensated Absences and Benefits	13,616	3,674	17,290
OPEB Liability	102,601	-	102,601
Due in More Than One Year			
Compensated Absences and Benefits, Long-Term	54,463	-	54,463
OPEB Liability	959,746	-	959,746
Capital Outlay Certificates	27,241,343	-	27,241,343
Total Liabilities	33,604,047	174,542	33,778,589
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue -			
Lease Receivable	236,500	-	236,500
Property Taxes Intended to Finance Next Fiscal Year	6,977,962	-	6,977,962
Pension Related Deferred Inflows	3,475,150	130,985	3,606,135
OPEB Related Deferred Inflows	229,102	-	229,102
Total Deferred Inflows of Resources	10,918,714	130,985	11,049,699
NET POSITION			
Net Investment in Capital Assets	38,826,834	245,590	39,072,424
Restricted for:			
Capital Outlay	8,561,720	-	8,561,720
Special Education	1,593,052	-	1,593,052
SDRS Pension Purposes	27,558	1,039	28,597
Unrestricted	13,330,831	1,343,950	14,674,781
Total Net Position	\$ 62,339,995	\$ 1,590,579	\$ 63,930,574

See Accompanying Notes to Basic Financial Statements

**YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
Instruction	\$ 21,377,790	\$ 970	\$ 3,057,227
Support Services	13,322,861	162,476	-
Community Services	45,728	38,236	9,760
Nonprogrammed Charges	233,513	-	-
Interest on Long-term Debt	1,187,183	-	-
Cocurricular Activities	1,438,286	583,182	-
Total Governmental Activities	37,605,361	784,864	3,066,987
Business-Type Activities:			
Food Service	2,361,614	995,762	1,163,563
Concessions	102,838	133,171	-
Total Business-Type Activities	2,464,452	1,128,933	1,163,563
Total Primary Government	\$ 40,069,813	\$ 1,913,797	\$ 4,230,550

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

 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			
\$ 103,717	\$ (18,215,876)		\$ (18,215,876)
-	(13,160,385)		(13,160,385)
-	2,268		2,268
-	(233,513)		(233,513)
-	(1,187,183)		(1,187,183)
-	(855,104)		(855,104)
<u>103,717</u>	<u>(33,649,793)</u>		<u>(33,649,793)</u>
-		\$ (202,289)	(202,289)
-		30,333	30,333
-		<u>(171,956)</u>	<u>(171,956)</u>
<u>\$ 103,717</u>	<u>(33,649,793)</u>	<u>(171,956)</u>	<u>(33,821,749)</u>
	17,467,843	-	17,467,843
	272,690	-	272,690
	13,745,347	-	13,745,347
	1,355,161	-	1,355,161
	1,019,560	65,714	1,085,274
	65,005	-	65,005
	<u>719,511</u>	<u>-</u>	<u>719,511</u>
	<u>34,645,117</u>	<u>65,714</u>	<u>34,710,831</u>
	995,324	(106,242)	889,082
	<u>61,344,671</u>	<u>1,696,821</u>	<u>63,041,492</u>
<u>\$ 62,339,995</u>	<u>\$ 1,590,579</u>	<u>\$ 63,930,574</u>	

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Capital Outlay Fund
ASSETS		
Cash and Cash Equivalents	\$ 8,116,551	\$ 9,281,802
Taxes Receivable--Current	3,457,371	2,268,193
Taxes Receivable--Delinquent	142,970	37,230
Accounts Receivable, Net	33,402	1,350
Due from Other Funds	2,000,000	8,165
Due from Other Governments	619,733	5,850
Inventory of Supplies	7,054	-
Prepaid Expenses	40,378	45,585
Total Assets	<u>14,417,459</u>	<u>11,648,175</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts Payable	166,025	645,652
Contracts Payable	1,624,436	-
Due to Other Funds	38,050	-
Due to Other Governments	276	-
Payroll Deductions and Withholdings and Employer Matching Payable	225,691	-
Unearned Revenue	17,404	-
Total Liabilities	<u>2,071,882</u>	<u>645,652</u>
Deferred Inflows of Resources:		
Unavailable Revenue - Lease Receivable	-	236,500
Unavailable Revenue - Taxes Levied for a Future Period	3,393,095	2,232,116
Unavailable Revenue - Delinquent Property Taxes	136,173	33,934
Total Deferred Inflows of Resources	<u>3,529,268</u>	<u>2,502,550</u>
Fund Balances:		
Nonspendable:		
Inventory of Supplies	7,054	-
Prepaid Expenses	40,378	45,585
Restricted For:		
Capital Outlay	-	8,454,388
Special Education	-	-
Unassigned	8,768,877	-
Total Fund Balances	<u>8,816,309</u>	<u>8,499,973</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,417,459</u>	<u>\$ 11,648,175</u>

See Accompanying Notes to Basic Financial Statements

	TLC Building Project	Special Education Fund	Total Governmental Funds
\$	751,133	\$ 3,861,561	\$ 22,011,047
	-	1,376,766	7,102,330
	-	22,519	202,719
	-	-	34,752
	-	-	2,008,165
	-	255,673	881,256
	-	-	7,054
	-	9,385	95,348
	751,133	5,525,904	32,342,671
	500,885	65,514	1,378,076
	222,435	451,645	2,298,516
	-	2,000,000	2,038,050
	-	-	276
	-	62,942	288,633
	-	-	17,404
	723,320	2,580,101	6,020,955
	-	-	236,500
	-	1,352,751	6,977,962
	-	20,639	190,746
	-	1,373,390	7,405,208
	-	-	7,054
	-	9,385	95,348
	27,813	-	8,482,201
	-	1,563,028	1,563,028
	-	-	8,768,877
	27,813	1,572,413	18,916,508
\$	751,133	\$ 5,525,904	\$ 32,342,671

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, 2025

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

Total Fund Balances - Governmental Funds (page 29)	\$	18,916,508
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land & Construction in Progress	\$ 31,915,325	
Other Capital Assets net of Accumulated Depreciation/Amortization	<u>34,191,593</u>	66,106,918
The Net Pension Asset is not a current financial resource and, therefore, is not recorded in the funds		27,558
Accrued expenses such as early retirement benefits and compensated absences that are not reported on the modified accrual basis fund balance sheet.		(291,669)
Long-term liabilities, including lease agreements and capital outlay certificates payable are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital Outlay Certificates	(27,241,343)	
Lease Agreements	<u>(38,741)</u>	(27,280,084)
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	\$ 5,254,488	
Deferred Inflows of Resources	<u>(3,475,150)</u>	1,779,338
Assets such as delinquent taxes receivable are not available to pay for current period expenditures and therefore are deferred in the funds.		190,746
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.		<u>2,890,680</u>
Net Position- Governmental Funds (page 25)	\$	<u>62,339,995</u>

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, 2025

	General Fund	Capital Outlay Fund
Revenues:		
Revenue from Local Sources:		
Taxes:		
Ad Valorem Taxes	\$ 8,786,760	\$ 5,337,761
Prior Years' Ad Valorem Taxes	48,735	31,105
Utility Taxes	272,690	-
Tuition and Fees:		
Student Tuition	970	-
Earnings on Investments and Deposits	278,079	380,863
Cocurricular Activities:		
Admissions	87,578	-
Other Pupil Activity Income	23,644	-
Student Activity	471,960	-
Other Revenue from Local Sources:		
Rentals	44,049	-
Contributions and Donations	43,132	-
Charges for Services	38,236	-
Other	63,656	211,564
Revenue from Intermediate Sources:		
County Sources:		
County Apportionment	357,110	-
Revenue for Joint Facilities	114,462	48,014
Revenue from State Sources:		
Grants-in-Aid:		
Unrestricted Grants-in-Aid	13,745,347	-
Restricted Grants-in-Aid	-	-
Revenue from Federal Sources:		
Grants-in-Aid:		
Unrestricted Grants-in-Aid Received from Federal Government Through the State	1,355,161	103,717
Total Revenue	<u>25,731,569</u>	<u>6,113,024</u>
Expenditures:		
Current:		
Instruction:		
Regular Programs:		
Elementary	5,573,554	1,024,156
Middle/Junior High	2,792,344	70,888
High School	3,914,586	151,914
Preschool Services	683,490	-
Special Programs:		
Programs for Special Education	-	-
Educationally Deprived	623,171	-
Other Special Programs	101,510	-

See Accompanying Notes to Basic Financial Statements

	TLC Building Project	Special Education Fund	Total Governmental Funds
\$	-	\$ 3,214,551	\$ 17,339,072
	-	19,295	99,135
	-	-	272,690
	-	-	970
	209,868	150,750	1,019,560
	-	-	87,578
	-	-	23,644
	-	-	471,960
	-	-	44,049
	-	-	43,132
	-	9,760	47,996
	-	-	275,220
	-	-	357,110
	-	-	162,476
	-	-	13,745,347
	-	2,103,145	2,103,145
	-	954,082	2,412,960
	209,868	6,451,583	38,506,044

-	-	6,597,710
-	-	2,863,232
-	-	4,066,500
-	-	683,490
-	4,511,564	4,511,564
-	-	623,171
-	184,163	285,673

(CONTINUED)

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Capital Outlay Fund
Support Services:		
Pupils:		
Guidance	\$ 767,930	\$ -
Health	280,830	-
Psychological	-	-
Speech Pathology	-	-
Student Therapy	-	-
Instructional Staff:		
Improvement of Instruction	417,984	-
Educational Media	548,848	37,512
General Administration:		
Board of Education	311,568	-
Executive Administration	364,619	-
School Administration:		
Office of the Principal	1,929,498	-
Other School Administration Services	18,952	-
Business:		
Fiscal Services	590,487	74,393
Operation and Maintenance of Plant	4,055,366	1,263,339
Pupil Transportation	740,454	337,016
Food Services	96,729	-
Central:		
Staff	24,892	-
Special Education:		
Administrative Costs	-	-
Information	-	17,075
Transportation Costs	-	-
Community:		
Nonpublic School Pupils	45,728	-
Nonprogrammed Charges:		
Early Retirement Payments	232,995	-
Cocurricular Activities:		
Student Activity	374,300	-
Combined Activities	953,465	70,829
Other Expenditures:		
Debt Service		
Principal	-	1,745,000
Interest and Fees	-	1,851,093
Capital Outlay	-	520,144
Total Expenditures	<u>25,443,300</u>	<u>7,163,359</u>
Excess(Deficiency) of Revenue Over(Under) Expenditures	<u>288,269</u>	<u>(1,050,335)</u>
Other Financing Sources (Uses):		
Transfers In	-	-
Transfers Out	-	(2,064,203)
Proceeds from Long-Term Debt Issued	-	2,000,000
Bond Premium from Long-Term Debt Issued	-	106,618
Sale of Uncapitalized Property	65,005	-
Total Other Financing Sources	<u>65,005</u>	<u>42,415</u>
Net Change in Fund Balances	353,274	(1,007,920)
Fund Balance - Beginning	<u>8,463,035</u>	<u>9,507,893</u>
Fund Balance - Ending	<u>\$ 8,816,309</u>	<u>\$ 8,499,973</u>

See Accompanying Notes to Basic Financial Statements

	TLC Building Project	Special Education Fund	Total Governmental Funds
\$	-	\$ -	\$ 767,930
	-	67,558	348,388
	-	479,158	479,158
	-	556,989	556,989
	-	227,488	227,488
	-	101,886	519,870
	-	-	586,360
	-	-	311,568
	-	-	364,619
	-	-	1,929,498
	-	-	18,952
	-	-	664,880
	-	-	5,318,705
	-	-	1,077,470
	-	-	96,729
	-	-	24,892
	-	206,802	206,802
	-	-	17,075
	-	157,914	157,914
	-	-	45,728
	-	-	232,995
	-	-	374,300
	-	-	1,024,294
	-	-	1,745,000
	-	-	1,851,093
	12,264,757	-	12,784,901
	12,264,757	6,493,522	51,364,938
	(12,054,889)	(41,939)	(12,858,894)
	2,064,203	-	2,064,203
	-	-	(2,064,203)
	-	-	2,000,000
	-	-	106,618
	-	-	65,005
	2,064,203	-	2,171,623
	(9,990,686)	(41,939)	(10,687,271)
	10,018,499	1,614,352	29,603,779
\$	27,813	\$ 1,572,413	\$ 18,916,508

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, 2025

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

Net Change in Fund Balances - Total Governmental Funds (page 34) **\$ (10,687,271)**

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 capital outlays exceeded depreciation/amortization expense in the current period.

Capital Asset Expenditures	\$ 14,570,355	
Depreciation/Amortization Expense	<u>(1,946,396)</u>	12,623,959

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

18,507

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.

29,636

Governmental funds report only the proceeds from sale of capital assets as revenue whereas the Statement of Activities reports the gain or loss on the sale or disposal of capital assets. This is the effect on the change in net position on the statement of activities.

(6,042)

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

(705,574)

Proceeds from the issuance of a bond provide current financial resources to governmental funds, but the issuance of a bond increases long-term liabilities in the statement of net position.

Proceeds from long-term debt	(2,000,000)	
Bond premium from long-term debt	<u>(106,618)</u>	(2,106,618)

The repayment of principal of long-term debt consumes the current financial resources of governmental funds. The transaction, however, has no effect on net position. The amount of payments in the current year are as follows:

1,745,000

The governmental funds report the effect of premiums when new debt is issued, whereas, the premiums are amortized in the Statement of Activities.

167,560

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	496,350	
Early Retirement Expense	9,405	
Compensated Absences Expense	<u>(2,490)</u>	503,265

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.

(587,098)

Change in Net Position of Governmental Activities (page 27) **\$ 995,324**

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	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	\$ 1,051,341	\$ 179,825	\$ 1,231,166	\$ 4,980,591
Due from Federal Governments	166,369	-	166,369	-
Inventory of Supplies	8,488	1,696	10,184	-
Inventory of Stores Purchased for Resale	30,455	-	30,455	-
Inventory of Donated Food	6,612	-	6,612	-
Prepaid Expenses	6,639	-	6,639	-
Total Current Assets	1,269,904	181,521	1,451,425	4,980,591
Noncurrent Assets:				
Net Pension Asset	998	41	1,039	-
Capital Assets:				
Machinery and Equipment	664,937	-	664,937	-
Less: Accumulated Depreciation	(419,347)	-	(419,347)	-
Total Noncurrent Assets	246,588	41	246,629	-
Total Assets	1,516,492	181,562	1,698,054	4,980,591
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	190,294	7,758	198,052	-
OPEB Related Deferred Outflows	-	-	-	158,695
Total Deferred Outflows of Resources	190,294	7,758	198,052	158,695
LIABILITIES				
Current Liabilities:				
Accounts Payable	104,866	2,114	106,980	3,297
Sales Tax Payable	20	-	20	-
Accrued Vacation Payable	3,674	-	3,674	-
Incurred But Not Reported Claims	-	-	-	659,840
Payroll Deductions and Withholdings and Employer Matching Payable	12,942	272	13,214	-
Unearned Revenue	50,654	-	50,654	294,020
OPEB Liability	-	-	-	102,601
Total Current Liabilities	172,156	2,386	174,542	1,059,758
Long-Term Liabilities				
OPEB Liability	-	-	-	959,746
Total Long-Term Liabilities	-	-	-	959,746
Total Liabilities	172,156	2,386	174,542	2,019,504
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows	125,854	5,131	130,985	-
OPEB Related Deferred Outflows	-	-	-	229,102
Total Deferred Inflows of Resources	125,854	5,131	130,985	229,102
NET POSITION				
Investment in Capital Assets	245,590	-	245,590	-
Restricted for:				
SDRS Pension Purposes	998	41	1,039	-
Unrestricted	1,162,188	181,762	1,343,950	2,890,680
Total Net Position	\$ 1,408,776	\$ 181,803	\$ 1,590,579	\$ 2,890,680

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, 2025

	Business-Type Activities			Governmental Activities
	Major Fund Food Service Fund	Non Major Concessions Fund	Total	Health Insurance Fund
Operating Revenues:				
Sales:				
Student	\$ 956,859	\$ 133,171	\$ 1,090,030	\$ -
Adult	7,467	-	7,467	-
A la Carte	22,969	-	22,969	-
Other Charges for Goods & Services	8,467	-	8,467	-
Self Insurance Premiums	-	-	-	3,578,096
Stop Loss Insurance Claims	-	-	-	469,929
Total Operating Revenues	<u>995,762</u>	<u>133,171</u>	<u>1,128,933</u>	<u>4,048,025</u>
Operating Expenses:				
Salaries	872,823	34,566	907,389	-
Employee Benefits	146,823	-	146,823	-
Purchased Services	52,063	269	52,332	-
Supplies	151,056	68,003	219,059	-
Cost of Sales - Purchased Food	1,023,786	-	1,023,786	-
Cost of Sales - Donated Food	83,553	-	83,553	-
Depreciation	31,510	-	31,510	-
Self Insurance Claims	-	-	-	4,045,670
Self Insurance Administrative Costs	-	-	-	690,094
Health Insurance Membership	-	-	-	123,375
Total Operating Expenses	<u>2,361,614</u>	<u>102,838</u>	<u>2,464,452</u>	<u>4,859,139</u>
Operating Income (Loss)	<u>(1,365,852)</u>	<u>30,333</u>	<u>(1,335,519)</u>	<u>(811,114)</u>
Nonoperating Revenue:				
Local Sources:				
Earnings on Investments and Deposits	58,370	7,344	65,714	224,016
State Sources:				
Cash Reimbursements	4,184	-	4,184	-
Federal Sources:				
Cash Reimbursements	1,031,466	-	1,031,466	-
Donated Food	127,913	-	127,913	-
Total Nonoperating Revenue	<u>1,221,933</u>	<u>7,344</u>	<u>1,229,277</u>	<u>224,016</u>
Change in Net Position	<u>(143,919)</u>	<u>37,677</u>	<u>(106,242)</u>	<u>(587,098)</u>
Net Position - Beginning	<u>1,552,695</u>	<u>144,126</u>	<u>1,696,821</u>	<u>3,477,778</u>
Net Position- Ending	<u>\$ 1,408,776</u>	<u>\$ 181,803</u>	<u>\$ 1,590,579</u>	<u>\$ 2,890,680</u>

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, 2025**

	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	\$ 995,473	\$ 133,171	\$ 1,128,644	\$ -
Cash Receipts from Interfund Services Provided	-	-	-	4,342,045
Cash Payments to Suppliers of Goods and Services	(1,106,112)	(67,659)	(1,173,771)	(4,702,750)
Cash Payments to Employees for Services	(993,449)	(34,034)	(1,027,483)	-
Net Cash Provided (Used) by Operating Activities	<u>(1,104,088)</u>	<u>31,478</u>	<u>(1,072,610)</u>	<u>(360,705)</u>
Cash Flows from Noncapital Financing Activities:				
Operating Grants	905,049	-	905,049	-
Net Cash Provided by Non Capital Financing Activities	<u>905,049</u>	<u>-</u>	<u>905,049</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(135,694)	-	(135,694)	-
Cash Flows from Investing Activities:				
Cash Received for Interest	58,370	7,344	65,714	224,016
Net Increase (Decrease) in Cash and Cash Equivalents	(276,363)	38,822	(237,541)	(136,689)
Cash and Cash Equivalents at Beginning of Year	1,327,704	141,003	1,468,707	5,117,280
Cash and Cash Equivalents at End of Year	<u>1,051,341</u>	<u>179,825</u>	<u>1,231,166</u>	<u>4,980,591</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(1,365,852)	30,333	(1,335,519)	(811,114)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	31,510	-	31,510	-
Value of Donated Commodities Used	121,097	-	121,097	-
Change in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:				
Inventories	15,980	-	15,980	-
Prepaid Expenses	6,887	-	6,887	-
Accounts and Other Payables	60,359	613	60,972	172,975
Accrued Wages and Benefits Payable	2,564	(20)	2,544	-
Unearned Revenue	(266)	-	(266)	294,020
Net Pension Asset	1,358	44	1,402	-
Total OPEB Liability	-	-	-	(130,906)
Deferred Outflows - OPEB	-	-	-	92,062
Deferred Outflows - Pensions	14,705	(347)	14,358	-
Deferred Inflows - OPEB	-	-	-	22,258
Deferred Inflows - Pensions	7,570	855	8,425	-
Net Cash Provided (Used) by Operating Activities	<u>(1,104,088)</u>	<u>31,478</u>	<u>(1,072,610)</u>	<u>(360,705)</u>
Noncash Investing, Capital and Financing Activities:				
Value of Commodities Received	<u>\$ 127,913</u>	<u>\$ -</u>	<u>\$ 127,913</u>	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements

**YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	Private-Purpose Trust Fund	Custodial Fund
ASSETS:		
Cash and Cash Equivalents	\$ 166,336	\$ -
Other Receivables	1,065	-
Due from Other Funds	29,885	-
Investments, at Fair Value	7,336	-
	204,622	-
Total Assets	204,622	-
LIABILITIES:		
Accounts Payable	14,025	-
Other Liabilities	-	1,067
	14,025	1,067
Total Liabilities	14,025	1,067
NET POSITION		
Restricted for Individuals, Organizations, and Other Governments - Deficit	-	(1,067)
Held in Trust for Scholarships	190,597	-
	190,597	(1,067)
Total Net Position	\$ 190,597	\$ (1,067)

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Contributions and Donations	\$ 14,998	\$ 120,924
Interest and Dividend Income	6,045	-
Total Additions	<u>21,043</u>	<u>120,924</u>
DEDUCTIONS:		
Trust Deductions for Scholarships	<u>33,212</u>	<u>111,431</u>
Total Deductions	<u>33,212</u>	<u>111,431</u>
Change in Net Position	(12,169)	9,493
Net Position - Beginning	<u>202,766</u>	<u>(10,560)</u>
Net Position - Ending	<u>\$ 190,597</u>	<u>\$ (1,067)</u>

See Accompanying Notes to Basic Financial Statements

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025

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.

Capital Project Funds – Capital project funds are used to account for the expenditures and associated resources used for the specified purposes.

TLC Building Project Fund – A fund used to account for all resources used in the acquisition and construction of the new TLC Building facility and other capital assets. 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.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

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, 2025 include the following:

Cash and Cash Equivalents:

Cash on Hand		\$	11,406
General Fund	\$ 11,406		
Deposits in Bank			6,031,932
Food Service Fund	1,051,341		
Internal Service Funds	4,980,591		
Deposits in Bank			22,179,466
General Fund	8,105,145		
Capital Outlay Fund	9,281,802		
TLC Building Project Fund	751,133		
Special Education Fund	3,861,561		
Concessions	179,825		
Total Cash and Cash Equivalents		\$	28,222,804

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);

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2025, 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 \$7,336, per quoted market price. As of June 30, 2025, 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.

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Prepaids

In the fund financial statements, prepaid items in the General Fund, Capital Outlay Fund, Special Education Fund, and School Food Service Fund consist of prepaid workers' compensation. Prepaid items are accounted for using the consumption method. Under this method, prepaid items are recorded as assets when purchased and recognized as expenditures in governmental funds and expenses in proprietary funds when the related service or benefit is received. In the governmental fund financial statements, prepaid items are offset by nonspendable fund balance because they do not constitute available spendable resources, even though they are included in current assets.

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. Aggregate purchases of equipment could also be capitalized. The capitalization threshold for aggregate purchases is \$100,000 or more. The depreciation method is straight-line, full year depreciation 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.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. **Leases**

Lessee:

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, 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.

Lessor:

Yankton School District No. 63-3 is a lessor for a noncancellable lease of real estate. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

The District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

j. Unearned Revenues

Unearned revenues reported in the Statement of Net Position consists of employee insurance withholdings for July 2025, revenues received for school lunch, and preschool registrations that are unused as of June 30, 2025.

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 capital outlay certificates, lease agreements, early retirement benefit payable, compensated absences payable, total other post-employment benefit (OPEB) obligation payable.

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

I. 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.

Reconciliation of Deferred Inflows of Resources by Fund

Governmental Funds	
General Fund	
Unavailable Resources - Taxes Levied for a Future Period	\$ 3,393,095
Unavailable Resources - Delinquent Property Taxes	136,173
Capital Outlay Fund	
Unavailable Resources - Taxes Levied for a Future Period	2,232,116
Unavailable Resources - Delinquent Property Taxes	33,934
Unavailable Resources - Lease Receivable	236,500
Special Education Fund	
Unavailable Resources - Taxes Levied for a Future Period	1,352,751
Unavailable Resources - Delinquent Property Taxes	20,639
Total Governmental Funds	<u>\$ 7,405,208</u>
Governmental-Wide Reconciliation of Deferred Inflows of Resources	
Governmental Activities	
Lease Receivable	\$ 236,500
Property Taxes Intended to Finance Next Fiscal Year	6,977,962
Pension Related Deferred Inflows	3,475,150
OPEB Related Deferred Inflows	229,102
Business Type Activities	
Pension Related Deferred Inflows	130,985
Total Government-Wide Deferred Inflows	<u>\$ 11,049,699</u>

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2025 is as follows:

	Governmental Activities	Business-Type Activities
Land & Construction in Progress	\$ 31,915,325	\$ -
Other Capital Assets, Net of Depreciation/Amortization	34,191,593	245,590
Less: Capital Outlay Certificates	(27,241,343)	-
Less: Lease Agreements	(38,741)	-
	\$ 38,826,834	\$ 245,590

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.

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted net position as of June 30, 2025 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.

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.

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 3 ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

The receivables are comprised of the following as of June 30, 2025:

Accounts Receivable, Net:

Insurance Flex Plan	\$ 25,000
Other	9,752
	<u>\$ 34,752</u>

Due From Other Governments:

Title I	\$ 149,063
Title II, Part A	101,835
Title III	8,789
Title IV	1,993
Carl Perkins	5,850
Mentor Teacher Program	24,312
Special Education, IDEA, Part B, Sec. 611	238,425
Special Education, IDEA, Sec. 619	16,932
Utility Tax	179,969
State Grants	92,721
County Apportionment-Fines, Penalties & Interest	61,367
NSLP Summer Claim	166,369
	<u>\$ 1,047,625</u>

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 INDIVIDUAL FUND INTERFUND TRANSACTIONS

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
TLC Bldg. Project	Capital Outlay	\$ 2,064,203

During the year ended June 30, 2025, there was a transfer of \$2,064,203 made from the Capital Outlay Fund to the TLC Bldg. Project Fund. This was made to transfer fund dollars into the building project fund.

NOTE 5 CHANGES IN CAPITAL ASSETS

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

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Governmental Activities:				
Capital Assets (not being depreciated/amortized):				
Land	\$ 1,375,003	\$ -	\$ -	\$ 1,375,003
Construction In Progress	18,956,794	12,655,789	(1,072,261)	30,540,322
Total Capital Assets				
(not being depreciated/amortized)	20,331,797	12,655,789	(1,072,261)	31,915,325
Capital Assets (being depreciated/amortized):				
Buildings	54,220,416	912,315	-	55,132,731
Improvements other than Buildings	6,612,553	96,836	-	6,709,389
Equipment	11,025,361	1,977,676	(191,138)	12,811,899
Right-to-use leased equipment	167,074	-	-	167,074
	72,025,404	2,986,827	(191,138)	74,821,093
Accumulated Depreciation/Amortization:				
Buildings	(26,615,324)	(1,084,302)	-	(27,699,626)
Improvements other than Buildings	(4,465,175)	(266,545)	-	(4,731,720)
Equipment	(7,686,879)	(558,435)	185,096	(8,060,218)
Right-to-use leased equipment	(100,822)	(37,114)	-	(137,936)
	(38,868,200)	(1,946,396)	185,096	(40,629,500)
Net of Depreciation/Amortization	33,157,204	1,040,431	(6,042)	34,191,593
Total All Capital Assets, Net of Depreciation/Amortization	\$ 53,489,001	\$ 13,696,220	\$ (1,078,303)	\$ 66,106,918

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

Instruction	\$ 955,085
Support Services	960,316
Co-Curricular	30,995
Total Depreciation/Amortization Expense - Governmental Activities	\$ 1,946,396

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Business Type Activities:				
Other Capital Assets (being depreciated):				
Equipment	\$ 529,243	\$ 135,694	\$ -	\$ 664,937
Accumulated Depreciation:				
Equipment	(387,837)	(31,510)	-	(419,347)
Total Other Capital Assets, Net of Depreciation	\$ 141,406	\$ 104,184	\$ -	\$ 245,590

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

Food Service	<u>\$ 31,510</u>
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**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

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, 2025, the following members were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	8
Active members	<u>137</u>
 Total	 <u>145</u>

Total OPEB Liability – The District’s total OPEB liability of \$1,062,347 was measured as of June 30, 2025 and was determined by an actuarial valuation as July 1, 2024.

Actuarial Assumptions – The total OPEB liability in the June 30, 2025 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, 2025)	2.50% per annum
Rates of salary increase (effective June 30, 2025)	Ranging from 3.5% to 7.5%
Discount rate (effective June 30, 2025)	5.2% compounded annually, Including inflation
Healthcare cost trend rate (effective June 30, 2025)	Ranging from 6.0% to 5.5%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.2% 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.

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 1,193,253
Changes for the year:	
Service cost	7,808
Interest	59,959
Changes of Benefit Terms	-
Differences between expected and actual experiences	-
Changes of assumptions	(102,659)
Benefit payments	(96,014)
Net changes	(130,906)
Total OPEB liability end of year	\$ 1,062,347

Changes of assumptions reflect a change in the discount rate from 3.93% in fiscal year 2024 to 5.2% in fiscal year 2025.

The actuarial assumptions used in the July 1, 2024 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 (4.20%) or 1% higher (6.20%) than the current discount rate.

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	\$ 1,140,232	\$ 1,062,347	\$ 991,996

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 (5.0%) or 1% higher (7.0%) than the current healthcare cost trend rates.

	1% Decrease (5.0%)	Healthcare Cost Trend Rate (6.0%)	1% Increase (7.0%)
Total OPEB liability	\$ 1,015,145	\$ 1,062,347	\$ 1,112,478

OPEB Expense and Deferred Inflows and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2025, the District recognized OPEB expense of \$79,428. At June 30, 2025 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	\$ (57,008)	\$ 6,975
Changes of assumptions	(172,094)	151,720
Total	\$ (229,102)	\$ 158,695

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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
2026	\$ 11,661
2027	(16,208)
2028	(26,316)
2029	(19,261)
2030	(16,972)
Thereafter	(3,311)
Total	<u>\$ (70,407)</u>

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, 2025, the District has obligations to four participants with a total liability of \$223,590. Actual early retirement expenditures for the year ended June 30, 2025 totaled \$232,995.

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

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

The following summarizes long-term liabilities activity of the primary government for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Lease Agreements	\$ 57,248	\$ -	\$ 18,507	\$ 38,741	\$ 38,741
Capital Outlay Certificates	23,930,000	2,000,000	1,745,000	24,185,000	-
Unaccredited Certificate Premium	3,117,285	106,618	167,560	3,056,343	-
Early Retirement	232,995	223,590	232,995	223,590	223,590
Compensated Absences *	65,589	2,490	-	68,079	13,616
Governmental Activities Long-Term Liabilities	<u>\$27,403,117</u>	<u>\$ 2,332,698</u>	<u>\$ 2,164,062</u>	<u>\$27,571,753</u>	<u>\$ 275,947</u>
Business Type Activities					
Compensated Absences	\$ 3,674	\$ -	\$ -	\$ 3,674	\$ 3,674
Business Type Activities Long-Term Liabilities	<u>\$ 3,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,674</u>	<u>\$ 3,674</u>

* The change in compensated absences liability is presented as a net change.

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. 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. The agreement requires monthly payments of \$1,599 over 4 years with an implicit interest rate of

0.78%. During December 2023, the District extended the lease from April 1, 2024 through July 31, 2025. The new 15 month extension kept the same implicit interest rate of 0.78% and has a new monthly payment of \$1,381.

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 June 30, 2026.

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

	Principal	Interest	Total
2026	\$ 38,741	\$ 1,006	\$ 39,747
	<u>\$ 38,741</u>	<u>\$ 1,006</u>	<u>\$ 39,747</u>

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Capital Outlay Certificates

Details of the District's June 30, 2025 capital outlay certificate indebtedness are as follows:

	Date of Issuance	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2025
2023 CO Certificate:	2023	5.00%	2043	775,000 - 1,900,000	\$ 23,930,000	\$ 22,340,000
2025 CO Certificate:	2025	5.00%	2035	155,000 - 245,000	2,000,000	1,845,000
Total					\$ 25,930,000	\$ 24,185,000

Year Ending June 30,	Capital Outlay Certificates Paid by Capital Outlay	
	Principal	Interest
2026	\$ -	\$ -
2027	1,020,000	1,183,750
2028	1,075,000	1,131,375
2029	1,130,000	1,076,250
3030	1,190,000	1,018,250
2031-2035	6,910,000	4,112,750
2036-2040	7,430,000	2,323,750
2041-2043	5,430,000	416,250
	\$ 24,185,000	\$ 11,262,375

On April 13, 2023, the District issued \$23,930,000 of capital outlay, Series 2023, certificates for the TLC Building Project. The certificates bear interest at a rate of 5.00% per annum. Interest of \$1,756,000 and Principal of \$1,590,000 was paid during fiscal year 2025.

On January 30, 2025, the District issued \$2,000,000 of capital outlay, Series 2025, certificates for the TLC Building Project. The certificates bear interest at a rate of 5.00% per annum. Interest of \$50,278 and Principal of \$155,000 were paid during fiscal year 2025.

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). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. 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.

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 PENSION PLAN (CONTINUED)

Benefits Provided:

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

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

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

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

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

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

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 PENSION PLAN (CONTINUED)

are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The School District's share of contributions to the SDRS for the fiscal years ended June 30, 2025, 2024, and 2023 were \$1,232,305 \$1,187,901, and \$1,098,237, 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, 2024, SDRS is 100% funded and, accordingly, has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the District as of the measurement period ending June 30, 2024 and reported by the District as of June 30, 2025 are as follows:

Proportionate share of position liability	\$ 105,390,357
Less: proportionate share net pension restricted for pension benefits	(105,418,954)
Proportionate share of net pension liability(asset)	\$ (28,597)

At June 30, 2025 the District reported an asset of \$28,597 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024 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.

At June 30, 2024, the District's proportion was 0.70645200% which is an increase of 0.0006580% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$729,761. At June 30, 2025, 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	\$ 2,648,101	\$ -
Changes in assumption	471,481	3,593,890
Net difference between projected and actual earnings on pension plan investments	1,077,175	-
Changes in proportion and difference between School District contributions and proportionate share of contributions	23,478	12,245
District contributions subsequent to the measurement date	1,232,305	-
TOTAL	\$ 5,452,540	\$ 3,606,135

\$1,232,305 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 PENSION PLAN (CONTINUED)

Year Ending June 30	
2026	\$ (990,198)
2027	1,379,630
2028	138,710
2029	85,958
2030	-
Thereafter	-
Total	\$ 614,100

Actuarial Assumptions:

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

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

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

Active and Terminated Vested Members:

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

Retired Members:

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

Beneficiaries:

- PubG-2010 contingent survivor mortality table

Disabled Members:

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021. Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 PENSION PLAN (CONTINUED)

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, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	<u>1.9%</u>	0.8%
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 (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability (asset)	\$ 14,531,448	\$ (28,597)	\$ (11,943,249)

Pension Plan Fiduciary Net Position:

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

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, 2025, 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, 2025, the District managed its risks as follows:

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RISK MANAGEMENT (CONTINUED)

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 \$2,890,680 for the payment of future health insurance claims. The District has also reported liabilities of \$659,840 for claims incurred through June 30, 2025. A reconciliation of changes in the aggregate liability, including incremental costs, if any, for claims during the year ended June 30, 2025 is as follows:

	2025
Unpaid Claims at beginning of fiscal year	\$ 462,967
Incurred Claims for the fiscal year	4,045,670
Claims Paid during the fiscal year	(3,848,797)
Unpaid Claims at end of fiscal year	\$ 659,840

During the year ended June 30, 2025, the School District paid health insurance claims of \$4,045,670 and administrative costs and premiums of \$690,094. 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 \$29,721,901 for facilities improvement as of June 30, 2025. Costs of \$29,590,187 have been incurred against these contracts and there is \$131,714 of remaining commitment as of June 30, 2025.

NOTE 11 TAX ABATEMENTS

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

**YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 TAX ABATEMENTS (CONTINUED)

Tax Abatements of Other Entities

The information presented below is for the calendar year ended December 31, 2024. 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	\$ 446,412

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 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.

NOTE 13 INTERFUND BALANCES

The detail of interfund receivables and payables at June 30, 2025 is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Due From/To Other Funds:		
General Fund	\$ 2,000,000	\$ 38,050
Capital Outlay Fund	8,165	-
Special Education Fund	-	2,000,000
Private-Purpose Trust Fund	29,885	-
	<u>\$ 2,038,050</u>	<u>\$ 2,038,050</u>

NOTE 14 DEFICIT FUND BALANCE

The Custodial Fund showed a deficit in net position at June 30, 2025 of \$1,067. The primary reason for the deficit is timing of funding and disbursements. District management will monitor the situation to determine if future action will be needed.

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2025, the District implemented GASB Statement No. 101, Compensated Absences, which establishes a single recognition and measurement model for compensated absences. Adoption did not result in any reclassification or adjustments to beginning net position and had no material effect on the District's current-period financial statements.

Required
Supplementary
Information

**REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 8,607,339	\$ 8,607,339	\$ 8,786,760	\$ 179,421
Prior Years' Ad Valorem Taxes	60,000	60,000	48,735	(11,265)
Utility Taxes	325,000	325,000	272,690	(52,310)
Penalties and Interest on Taxes	15,000	15,000	-	(15,000)
Tuition and Fees:				
Student Tuition	2,350	2,350	970	(1,380)
Earnings on Investments and Deposits	286,481	286,481	278,079	(8,402)
Cocurricular Activities:				
Admissions	75,000	75,000	87,578	12,578
Other Pupil Activity Income	55,000	55,000	23,644	(31,356)
Student Activity	-	-	471,960	471,960
Other Revenue from Local Sources:				
Rentals	84,400	84,400	44,049	(40,351)
Contributions and Donations	35,000	35,000	43,132	8,132
Charges for Services	30,000	30,000	38,236	8,236
Other	128,595	128,595	63,656	(64,939)
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	360,000	360,000	357,110	(2,890)
Revenue for Joint Facilities	100,000	100,000	114,462	14,462
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	13,348,953	13,348,953	13,745,347	396,394
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	1,254,471	1,254,471	1,355,161	100,690
Total Revenue	24,767,589	24,767,589	25,731,569	963,980
Expenditures:				
Current:				
Instruction:				
Regular Programs:				
Elementary	5,968,311	5,968,311	5,573,554	394,757
Middle/Junior High	2,869,177	2,869,177	2,792,344	76,833
High School	4,194,079	4,194,079	3,914,586	279,493
Special Programs:				
Preschool Program	449,362	449,362	683,490	(234,128)
Programs for Special Education	1,840	1,840	-	1,840
Educationally Deprived	816,150	820,300	623,171	197,129
Other Special Programs	196,607	196,607	101,510	95,097
Support Services:				
Students:				
Attendance and Social Work	6,250	11,950	-	11,950
Guidance	800,575	885,275	767,930	117,345
Health	288,769	293,809	280,830	12,979
Instructional Staff:				
Improvement of Instruction	447,756	467,756	417,984	49,772
Educational Media	573,869	591,444	548,848	42,596
General Administration:				
Board of Education	299,933	330,288	311,568	18,720
Executive Administration	\$ 364,593	\$ 367,593	\$ 364,619	\$ 2,974

(CONTINUED)

**REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
School Administration:				
Office of the Principal	\$ 1,945,467	\$ 1,945,467	\$ 1,929,498	\$ 15,969
Other	27,401	27,401	18,952	8,449
Business:				
Fiscal Services	599,853	599,853	590,487	9,366
Operation and Maintenance of Plant	3,996,364	4,082,484	4,055,366	27,118
Security Services	71,750	71,750	-	71,750
Pupil Transportation	634,206	665,123	740,454	(75,331)
Food Services	85,000	90,000	96,729	(6,729)
Central:				
Staff Recruitment & Placement	66,625	67,533	24,892	42,641
Community:				
Non-public School Students/Programs	43,445	43,445	45,728	(2,283)
Nonprogrammed Charges:				
Early Retirement Payments	300,000	300,000	232,995	67,005
Cocurricular Activities:				
Student Activity	-	-	374,300	(374,300)
Combined Activities	1,480,320	1,488,926	953,465	535,461
Total Expenditures	26,527,702	26,829,773	25,443,300	1,386,473
Excess(Deficiency) of Revenue Over(Under) Expenditures	(1,760,113)	(2,062,184)	288,269	2,350,453
Other Financing Sources:				
Sale of Uncapitalized Property	130,000	130,000	65,005	(64,995)
Total Other Financing Sources	130,000	130,000	65,005	(64,995)
Net Change in Fund Balances	(1,630,113)	(1,932,184)	353,274	2,285,458
Fund Balance - Beginning	8,463,035	8,463,035	8,463,035	-
Fund Balance - Ending	\$ 6,832,922	\$ 6,530,851	\$ 8,816,309	\$ 2,285,458

**REQUIRED SUPPLEMENTARY INFORMATION
YANKTON SCHOOL DISTRICT NO. 63-3
BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 5,280,886	\$ 5,280,886	\$ 5,337,761	\$ 56,875
Prior Years' Ad Valorem Taxes	40,000	40,000	31,105	(8,895)
Penalties and Interest on Taxes	6,000	6,000	-	(6,000)
Earnings on Investments and Deposits	125,000	125,000	380,863	255,863
Other Revenue from Local Sources:				
Contributions and Donations	62,500	62,500	-	(62,500)
Other	153,500	153,500	211,564	58,064
Revenue from Intermediate Sources:				
Revenue for Joint Facilities	229,732	229,732	48,014	(181,718)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	118,557	118,557	103,717	(14,840)
Total Revenue	<u>6,016,175</u>	<u>6,016,175</u>	<u>6,113,024</u>	<u>96,849</u>
Expenditures:				
Current:				
Instruction:				
Regular Programs:				
Elementary	1,135,497	1,135,497	1,024,156	111,341
Middle/Junior High	183,160	183,160	70,888	112,272
High School	303,628	303,628	151,914	151,714
Special Programs:				
Programs for Special Education	9,000	9,000	-	9,000
Support Services:				
Instructional Staff:				
Educational Media	38,700	38,700	37,512	1,188
Business:				
Fiscal Services	87,100	87,100	74,393	12,707
Operation and Maintenance of Plant	3,808,556	3,808,556	1,783,483	2,025,073
Pupil Transportation	452,000	452,000	337,016	114,984
Support Services-Central:				
Information	40,400	91,692	17,075	74,617
Cocurricular Activities:				
Combined Activities	215,730	215,730	70,829	144,901
Debt Services	2,986,458	2,986,458	3,596,093	(609,635)
Total Expenditures	<u>9,260,229</u>	<u>9,311,521</u>	<u>7,163,359</u>	<u>2,148,162</u>
Other Financing Sources (Uses):				
Transfers Out	-	-	(2,064,203)	2,064,203
Proceeds from Long-Term Debt Issued	-	-	2,000,000	(2,000,000)
Bond Premium from Long-Term Debt Issued	-	-	106,618	(106,618)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>42,415</u>	<u>(42,415)</u>
Net Change in Fund Balances	<u>(3,244,054)</u>	<u>(3,295,346)</u>	<u>(1,007,920)</u>	<u>2,287,426</u>
Fund Balance - Beginning	6,811,845	6,811,845	9,507,893	-
Fund Balance - Ending	<u>\$ 3,567,791</u>	<u>\$ 3,516,499</u>	<u>\$ 8,499,973</u>	<u>\$ 4,983,474</u>

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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 2,730,982	\$ 2,730,982	\$ 3,214,551	\$ 483,569
Prior Years' Ad Valorem Taxes	20,000	20,000	19,295	(705)
Penalties and Interest on Taxes	3,000	3,000	-	(3,000)
Earnings on Investments and Deposits	35,000	35,000	150,750	115,750
Revenue from Local Sources:				
Charges for Services	11,000	11,000	9,760	(1,240)
Revenue from State Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid	2,059,412	2,059,412	2,103,145	43,733
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	852,778	852,778	954,082	101,304
Total Revenue	<u>5,712,172</u>	<u>5,712,172</u>	<u>6,451,583</u>	<u>739,411</u>
Expenditures:				
Current:				
Instruction:				
Special Programs:				
Programs for Special Education	4,350,612	4,524,612	4,511,564	13,048
Other Special Programs	4,500	4,500	184,163	(179,663)
Support Services:				
Pupils:				
Health	97,145	97,145	67,558	29,587
Psychological	474,732	478,732	479,158	(426)
Speech Pathology	586,433	586,433	556,989	29,444
Student Therapy	263,872	263,872	227,488	36,384
Instructional Staff:				
Improvement of Instruction	17,500	107,500	101,886	5,614
Educational Media	1,500	1,500	-	1,500
General Administration:				
Board of Education	6,500	6,500	-	6,500
Special Education:				
Administrative Costs	216,681	216,681	206,802	9,879
Transportation Costs	161,791	163,855	157,914	5,941
Other Special Education Costs	196,704	206,204	-	206,204
Total Expenditures	<u>6,377,970</u>	<u>6,657,534</u>	<u>6,493,522</u>	<u>164,012</u>
Net Change in Fund Balances	(665,798)	(945,362)	(41,939)	(903,423)
Fund Balance - Beginning	<u>1,020,519</u>	<u>1,020,519</u>	<u>1,614,352</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 354,721</u>	<u>\$ 75,157</u>	<u>\$ 1,572,413</u>	<u>\$ (903,423)</u>

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, 2025

	2025	2024	2023	2022
Service cost	\$ 7,808	\$ 10,769	\$ 14,644	\$ 19,381
Interest cost	59,959	44,153	45,288	30,631
Changes of benefit terms	-	-	-	-
Difference between expected and actual experiences	-	10,297	-	(69,742)
Changes of assumptions	(102,659)	(23,185)	(10,002)	(173,267)
Benefit payments	(96,014)	(74,756)	(100,185)	(84,808)
Net change in total OPEB liability	(130,906)	(32,722)	(50,255)	(277,805)
Total OPEB liability beginning of year	1,193,253	1,225,975	1,276,230	1,554,035
Total OPEB liability end of year	\$ 1,062,347	\$ 1,193,253	\$ 1,225,975	\$ 1,276,230
Covered-employee payroll	\$ 9,276,611	\$ 8,962,909	\$ 9,424,452	\$ 9,105,751
Total OPEB liability as a percentage of covered-employee payroll	11.45%	13.31%	13.01%	14.02%
Service cost	2021	2020	2019	2018
Interest cost	\$ 43,153	\$ 31,944	\$ 35,703	\$ 34,496
Changes of benefit terms	30,979	50,123	40,919	41,032
Difference between expected and actual experiences	-	(39,592)	-	-
Changes of assumptions	-	(154,274)	-	-
Benefit payments	136,144	491,182	-	62,161
Net change in total OPEB liability	(94,690)	(87,486)	(74,694)	(85,096)
Total OPEB liability beginning of year	1,438,449	1,146,552	1,144,624	1,092,031
Total OPEB liability end of year	\$ 1,554,035	\$ 1,438,449	\$ 1,146,552	\$ 1,144,624
Covered-employee payroll	\$ 10,705,777	\$ 10,343,746	\$ 11,299,227	\$ 10,917,128
Total OPEB liability as a percentage of covered-employee payroll	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.

**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, 2025**

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, 2025	5.20%
Year ended June 30, 2024	3.93%
Year ended June 30, 2023	3.65%
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 2025 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)**

	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset)	0.69048600%	0.69216820%	0.7169386%	0.70574030%	0.70574030%
District's proportionate share of net pension liability (asset)	\$ (2,929)	\$ 2,338	\$ (65)	\$ (16)	\$ (75)
District's covered payroll	\$ 12,600	\$ 13,045	\$ 14,554	\$ 14,662	\$ 15,074
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-23.2%	17.9%	-0.4%	-0.1%	-0.5%
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.10%	96.89%	100.10%	100.02%	100.09%
	2021	2022	2023	2024	2025
District's proportion of the net pension liability (asset)	0.71074210%	0.73514800%	0.69709500%	0.70579400%	0.70645200%
District's proportionate share of net pension liability (asset)	\$ (31)	\$ (5,630)	\$ (66)	\$ (69)	\$ (29)
District's covered payroll	\$ 15,880	\$ 16,648	\$ 16,620	\$ 18,176	\$ 19,698
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.2%	-33.8%	-0.4%	-0.4%	-0.1%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.04%	105.52%	100.10%	100.10%	100.00%

* 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.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 783	\$ 874	\$ 880	\$ 905	\$ 935
Contributions in relation to the contractually required contribution	<u>783</u>	<u>874</u>	<u>880</u>	<u>905</u>	<u>935</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,045	\$ 14,554	\$ 14,662	\$ 15,074	\$ 15,880
Contributions as a percentage of covered payroll	6.00%	6.01%	6.00%	6.00%	5.89%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 1,008	\$ 1,005	\$ 1,098	\$ 1,188	\$ 1,232
Contributions in relation to the contractually required contribution	<u>1,008</u>	<u>1,005</u>	<u>1,098</u>	<u>1,188</u>	<u>1,232</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,648	\$ 16,620	\$ 18,176	\$ 19,698	\$ 20,436
Contributions as a percentage of covered payroll	6.05%	6.05%	6.04%	6.03%	6.03%

YANKTON SCHOOL DISTRICT NO. 63-3
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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 June 2025, a supplemental budget was 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, 2025

NOTE 2 PENSION LIABILITY

Changes from Prior Valuation:

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023 Actuarial Valuation. The details of the changes since the last valuation are as follows:

Benefit Provision Changes:

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

Actuarial Method Changes:

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

Actuarial 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% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.

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

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

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

Statistical Section

Statistical Section

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

Contents	Table
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	1-11
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	12-21
<u>Debt Capacity</u> 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
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	27-33
<u>Operating Information</u> 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.	34-39

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

Table 1

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities					
Net Position:					
Net Investment in Capital Assets	\$ 29,218,906	\$ 30,955,635	\$ 34,067,402	\$ 34,734,782	\$ 34,832,621
Restricted	7,379,743	7,293,379	8,094,466	6,884,224	5,527,440
Unrestricted	11,127,010	10,626,613	8,879,438	8,082,585	7,315,701
Total net position	47,725,659	48,875,627	51,041,306	49,701,591	47,675,762
Business-Type Activities					
Net Position:					
Net Investment in Capital Assets	56,672	51,332	43,103	42,710	40,320
Restricted	189,657	155,293	224,328	168,025	92,067
Unrestricted	550,805	424,935	389,922	367,947	678,412
Total net position	797,134	631,560	657,353	578,682	810,799
Total Primary Government					
Net Position:					
Net Investment in Capital Assets	29,275,578	31,006,967	34,110,505	34,777,492	34,872,941
Restricted	7,379,743	7,448,672	8,318,794	7,052,249	5,619,507
Unrestricted	11,677,815	11,051,548	9,269,360	8,450,532	7,994,113
Total net position	\$ 48,333,136	\$ 49,507,187	\$ 51,698,659	\$ 50,280,273	\$ 48,486,561

* The source of this information is District records.

Table 1

Fiscal Year				
2021	2022	2023	2024	2025
\$ 34,761,991	\$ 34,553,263	\$ 34,445,170	\$ 32,733,199	\$ 38,826,834
4,997,828	8,672,263	10,818,677	11,820,159	10,182,330
9,358,791	10,573,778	11,922,987	16,791,313	13,330,831
49,118,610	53,799,304	57,186,834	61,344,671	62,339,995
47,493	99,098	164,536	141,406	245,590
37,032	98,859	102,614	2,441	1,039
1,050,197	1,537,692	1,525,241	1,552,974	1,343,950
1,134,722	1,735,649	1,792,391	1,696,821	1,590,579
34,809,484	34,652,361	34,609,706	32,874,605	39,072,424
5,034,860	8,771,122	10,921,291	11,822,600	10,183,369
10,408,988	12,111,470	13,448,228	18,344,287	14,674,781
\$ 50,253,332	\$ 55,534,953	\$ 58,979,225	\$ 63,041,492	\$ 63,930,574

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Expenses										
Instruction	\$13,549,999	\$15,627,229	\$14,318,368	\$16,963,368	\$17,354,714	\$17,483,264	\$17,025,207	\$18,570,509	\$18,444,882	\$21,377,790
Support Services	8,341,157	9,604,872	8,846,302	10,564,739	11,104,887	11,268,650	10,939,593	12,410,104	15,108,161	13,322,861
Community Services	8,934	14,132	32,039	35,059	26,033	73,702	34,407	46,407	36,667	45,728
Non-Programmed Charges	88,806	55,934	208,740	106,883	317,178	294,735	171,173	227,763	233,141	233,513
and Amortization of Bond Discount	44,814	40,011	34,055	26,528	17,235	6,103	766	462,153	1,033,398	1,187,183
Co-Curricular	768,718	862,536	734,134	870,492	822,506	1,069,773	1,091,099	1,401,875	1,543,177	1,438,286
Total Expenses	22,802,428	26,204,714	24,173,638	28,567,069	29,642,553	30,196,227	29,262,245	33,118,811	36,399,426	37,605,361
Revenues										
Charges for Services										
Instruction	1,546	4,050	3,150	3,370	4,335	6,675	6,874	4,270	210	970
Support Services	131,635	224,141	138,809	173,646	508,053	144,256	236,791	216,629	322,728	162,476
Co-Curricular	130,653	127,814	148,268	166,347	151,586	418,898	518,069	550,901	625,473	621,418
Operating Grants/Contributions										
Instruction	1,720,181	2,073,502	2,178,140	2,010,753	1,758,699	1,910,640	1,711,636	2,046,408	2,825,855	3,057,227
Support Services	560,513	729,045	-	-	-	-	-	-	-	-
Community Services	-	-	19,856	11,310	8,292	11,085	9,650	13,370	10,138	9,760
Capital Grants/Contributions										
Instruction	55,275	1,592,617	439,923	230,798	87,980	140,227	560,002	82,402	187,307	103,717
Support Services	-	-	8,617	-	-	-	-	-	-	-
General Revenues										
Property Taxes	13,107,430	12,824,327	12,451,601	12,751,442	13,280,352	14,985,483	16,270,750	16,281,734	16,741,440	17,467,843
Gross Receipts/Utility Taxes	320,912	327,491	323,665	331,395	336,080	292,823	281,327	295,140	290,539	272,690
State Aid	6,995,286	8,674,172	9,391,319	9,759,838	9,827,833	10,494,410	11,050,036	12,227,442	13,469,815	13,745,347
Unrestricted Federal	45,776	46,762	675,400	712,716	828,669	2,307,207	2,375,136	2,680,723	2,879,008	1,355,161
Unrestricted Investment Earnings	63,744	116,569	132,152	184,104	102,960	22,518	41,826	771,839	1,943,519	1,019,560
Other General Revenue	618,784	689,192	829,626	807,120	637,920	665,906	805,045	5,000	891,624	719,511
Sale of Uncapitalized Assets	-	-	-	84,515	83,965	55,355	67,897	3,691	75,757	65,005
Gain on Sale of Capitalized Assets	-	-	-	-	-	-	7,900	1,007,475	277,289	-
Transfers	(75,000)	(75,000)	-	-	-	-	-	-	16,561	-
Total Revenues and Transfers	23,676,735	27,354,682	26,740,526	27,227,354	27,616,724	31,455,483	33,942,939	36,187,024	40,557,263	38,600,685
Total Net (Expense) Revenue	874,307	1,149,968	2,566,888	(1,339,715)	(2,025,829)	1,259,256	4,680,694	3,068,213	4,157,837	995,324
Changes in Net Position										
Net Position-Beginning	46,649,584	47,725,659	48,875,627	51,041,306	49,701,591	47,675,762	49,118,610	54,118,621	57,186,834	61,344,671
Change in Net Position	874,307	1,149,968	2,566,888	(1,339,715)	(2,025,829)	1,259,256	4,680,694	3,068,213	4,157,837	995,324
Correction of Errors	201,768	-	(401,209)	-	-	183,592	-	-	-	-
Net Position-Ending	\$47,725,659	\$48,875,627	\$51,041,306	\$49,701,591	\$47,675,762	\$49,118,610	\$53,799,304	\$57,186,834	\$61,344,671	\$62,339,995

(continued on next page)

Table 2 (cont)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Type Activity										
Food Service	\$1,658,945	\$1,836,900	\$1,693,084	\$1,880,923	\$2,105,434	\$2,102,367	\$2,159,238	\$2,145,701	\$2,210,569	\$2,361,614
Preschool Fund	138,794	179,401	-	-	-	-	-	-	-	-
Concessions	86,347	68,760	59,313	86,629	78,421	42,173	86,349	78,242	93,302	102,838
Total Expenses	1,884,086	2,085,061	1,752,397	1,967,552	2,183,855	2,144,540	2,245,587	2,223,943	2,303,871	2,464,452
Revenues										
Charges for Services	982,290	939,954	909,067	972,315	794,824	235,968	361,933	1,093,631	1,086,177	1,128,933
Operating Grants and Contributions	843,590	898,767	890,104	898,212	1,616,090	2,230,724	2,479,427	1,133,936	1,053,927	1,163,563
Unrestricted Investment Earnings	2,583	3,913	6,392	9,806	4,987	1,771	5,154	58,118	84,758	65,714
Other General Revenues	1,729	1,853	264	8,548	71	-	-	(5,000)	(16,561)	-
Transfers	75,000	75,000	-	-	-	-	-	-	-	-
Total Revenues and Transfers	1,905,192	1,919,487	1,805,827	1,888,881	2,415,972	2,468,463	2,846,514	2,280,685	2,208,301	2,358,210
Total Net (Expense) Revenue	21,106	(165,574)	53,430	(78,671)	232,117	323,923	600,927	56,742	(95,570)	(106,242)
Changes In Net Position										
Net Position-Beginning	776,028	797,134	631,560	657,353	578,682	810,799	1,134,722	1,735,649	1,792,391	1,696,821
Change In Net Position	21,106	(165,574)	53,430	(78,671)	232,117	323,923	600,927	56,742	(95,570)	(106,242)
Correction of Errors	-	-	(27,637)	-	-	-	-	-	-	-
Net Position-Ending	797,134	631,560	657,353	578,682	810,799	1,134,722	1,735,649	1,792,391	1,696,821	1,590,579
Total Primary Government Expenses										
Expenses	24,686,514	28,289,775	25,926,035	30,534,621	31,826,408	32,340,767	31,507,832	35,342,754	38,703,297	40,069,813
Revenues and Transfers	25,581,927	29,274,169	28,546,353	29,116,235	30,032,696	33,923,946	36,789,453	38,467,709	42,765,564	40,958,895
Total Net (Expense) Revenue	895,413	984,394	2,620,318	(1,418,386)	(1,793,712)	1,583,179	5,281,621	3,124,955	4,062,267	889,082
Changes in Net Position										
Net Position-Beginning	47,425,612	48,522,793	49,507,187	51,698,659	50,280,273	48,486,561	50,253,332	55,854,270	58,979,225	63,041,492
Change in Net Position	895,413	984,394	2,620,318	(1,418,386)	(1,793,712)	1,583,179	5,281,621	3,124,955	4,062,267	889,082
Correction of Errors	201,768	-	(428,846)	-	-	183,592	-	-	-	-
Net Position-Ending	\$48,522,793	\$49,507,187	\$51,698,659	\$50,280,273	\$48,486,561	\$50,253,332	\$55,534,953	\$58,979,225	\$63,041,492	\$63,930,574

*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				
	2016	2017	2018	2019	2020
General Fund (10)					
Nonspendable:					
Interfund Loan	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Inventory of Supplies	21,868	30,153	19,749	25,397	14,673
Pre-Paid	169,246	206,014	204,937	234,470	233,273
Unassigned	6,697,818	6,056,243	5,307,753	5,041,215	4,498,404
Total	6,888,932	6,292,410	5,532,439	5,301,082	5,546,350
Capital Outlay Fund (21)					
Nonspendable:					
Pre-Paid	13,566	32,639	41,466	55,702	43,539
Restricted for Capital Outlay	2,124,497	2,914,723	1,238,790	965,448	1,660,189
Total	2,138,063	2,947,362	1,280,256	1,021,150	1,703,728
Special Education Fund (22)					
Nonspendable:					
Pre-Paid	30,636	25,585	37,927	42,517	38,677
Restricted for Special Education	1,196,403	1,056,721	1,238,364	1,470,104	1,475,286
Total	1,227,039	1,082,306	1,276,291	1,512,621	1,513,963
Pension Fund (24)					
Restricted for Pension Fund	30,582	12,008	-	-	-
Total	30,582	12,008	-	-	-
Capital Projects Fund (41)					
Restricted for Capital Projects	-	-	-	-	-
Total	-	-	-	-	-
All Governmental Funds					
Non-Spendable	235,316	294,391	304,079	358,086	1,130,162
Restricted	3,320,900	3,971,444	2,477,154	2,435,552	3,135,475
Unassigned	6,697,818	6,056,243	5,307,753	5,041,215	4,498,404
Total	\$10,254,034	\$10,322,078	\$ 8,088,986	\$ 7,834,853	\$ 8,764,041

* The source of this information is from District records.

Table 3 (cont)

Fiscal Year				
2021	2022	2023	2024	2025
\$ -	\$ -	\$ -	\$ -	\$ -
26,187	47,567	25,047	15,526	7,054
271,683	252,936	216,792	197,331	40,378
6,887,018	7,777,848	9,191,168	8,250,178	8,768,877
7,184,888	8,078,351	9,433,007	8,463,035	8,816,309
28,781	22,409	34,818	30,816	45,585
2,390,527	4,820,228	6,969,536	9,477,077	8,454,388
2,419,308	4,842,637	7,004,354	9,507,893	8,499,973
47,167	45,823	36,888	38,333	9,385
1,552,841	1,411,685	1,230,438	1,576,019	1,563,028
1,600,008	1,457,508	1,267,326	1,614,352	1,572,413
-	-	-	-	-
-	-	-	-	-
-	-	25,319,827	10,018,499	27,813
-	-	25,319,827	10,018,499	27,813
373,818	368,735	313,545	282,006	102,402
3,943,368	6,231,913	33,519,801	21,071,595	10,045,229
6,887,018	7,777,848	9,191,168	8,250,178	8,768,877
<u>\$ 11,204,204</u>	<u>\$ 14,378,496</u>	<u>\$ 43,024,514</u>	<u>\$ 29,603,779</u>	<u>\$ 18,916,508</u>

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

Table 4

	2016	2017	2018	2019	2020
Revenues by Source					
Local	\$ 13,772,013	\$ 13,747,000	\$ 13,692,521	\$ 14,028,035	\$ 14,273,526
Intermediate	489,796	581,028	518,428	551,216	762,057
State	7,850,757	10,160,884	11,120,015	11,051,640	10,875,863
Federal	1,478,032	1,615,921	1,404,242	1,505,767	1,592,132
Total Revenue	23,590,598	26,104,833	26,735,206	27,136,658	27,503,578
Expenditures by Function					
Instruction	12,565,872	14,308,596	14,462,849	14,853,370	14,771,514
Support Services	8,560,042	8,811,439	8,886,816	9,081,468	10,061,235
Community Services	8,934	14,132	32,039	34,265	26,033
Non-Programmed Charges	119,969	86,712	53,010	222,386	98,047
Co-Curricular Activities	697,563	728,984	736,992	786,017	719,569
Other Expenditures					
Debt Service					
Principal	850,000	850,000	860,000	865,000	700,000
Interest and Fees	45,000	40,225	34,325	26,869	17,650
Capital Outlay	-	1,140,275	3,914,013	1,855,931	664,307
Total Expenditures	22,847,380	25,980,363	28,980,044	27,725,306	27,058,355
Excess (Deficiency) of Revenue Over Expenditures	743,218	124,470	(2,244,838)	(588,648)	445,223
Other Financing Sources (Uses)					
Proceeds from Long Term Debt	-	-	-	-	-
Transfers In	-	-	13,062	250,000	1,050,000
Transfers Out	(75,000)	(75,000)	(13,062)	-	(650,000)
Lease Agreements	-	-	-	-	-
Sale of Uncapitalized Property	-	-	-	84,515	83,965
Sale of Capitalized Property	-	-	-	-	-
Total Other Financing Sources (Uses)	(75,000)	(75,000)	-	334,515	483,965
Net Changes in Fund Balances	668,218	49,470	(2,244,838)	(254,133)	929,188
Fund Balance - Beginning	8,865,564	9,735,550	9,785,020	7,539,920	7,285,787
Correction of Error and Reclassification Adjustments	201,768	-	(262)	-	-
Fund Balance - Beginning (As Restated)	9,067,332	9,735,550	9,784,758	7,539,920	7,834,853
Fund Balance - Ending	\$ 9,735,550	\$ 9,785,020	\$ 7,539,920	\$ 7,285,787	\$ 8,764,041
Debt Service as a percentage of non-capital expenditures**	4.0%	3.8%	3.6%	3.4%	2.8%

* 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)

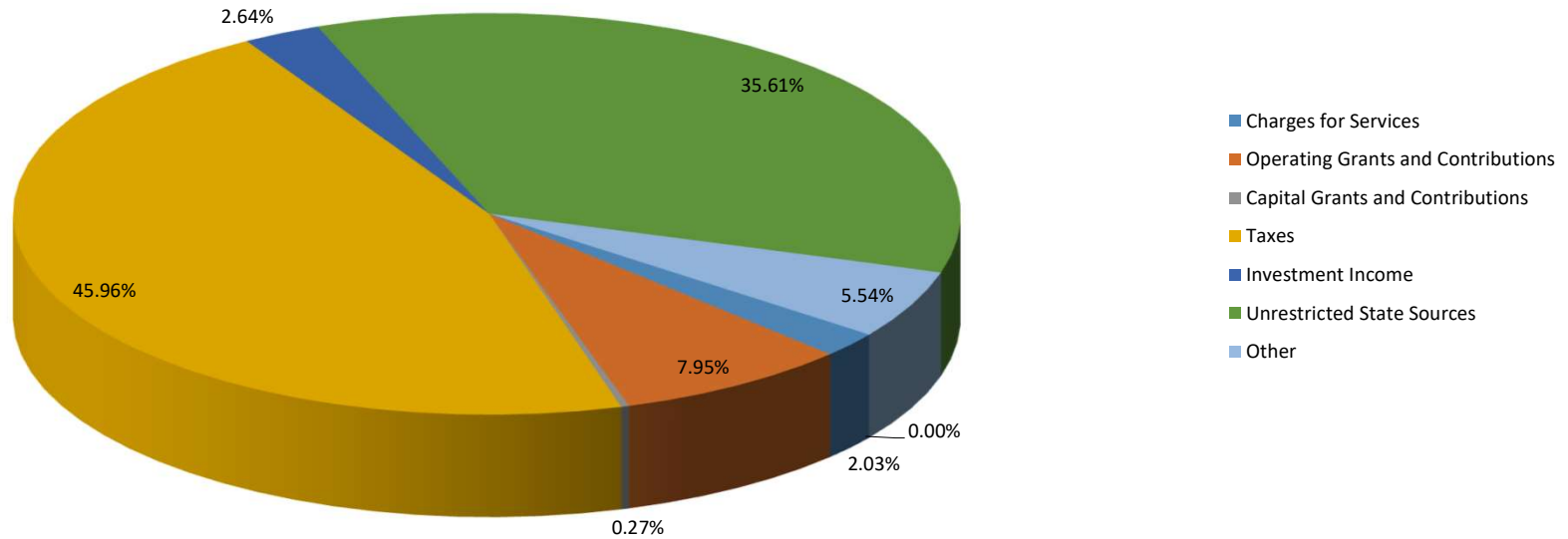
2021	2022	2023	2024	2025
\$ 16,198,152	\$ 17,239,335	\$ 18,061,365	\$ 19,889,856	\$ 19,449,786
398,122	694,978	876,551	589,816	632,330
11,524,073	11,286,827	12,444,071	13,792,543	13,907,823
3,292,235	4,639,652	4,809,533	5,872,170	4,516,105
31,412,582	33,860,792	36,191,520	40,144,385	38,506,044
15,993,418	17,051,984	17,676,625	18,768,907	19,631,340
10,449,145	10,914,698	11,956,461	14,111,359	13,675,287
73,702	34,407	46,407	36,667	45,728
332,557	290,356	163,484	233,053	232,995
999,048	1,102,825	1,386,450	1,588,779	1,398,594
860,000	-	-	-	1,745,000
6,594	-	231,852	957,550	1,851,093
609,343	1,454,614	3,329,634	17,245,562	12,784,901
29,323,807	30,848,884	34,790,913	52,941,877	51,364,938
2,088,775	3,011,908	1,400,607	(12,797,492)	(12,858,894)
-	-	-	-	2,106,618
1,262,441	400,000	27,010,868	20,000	2,064,203
(1,150,000)	(400,000)	(27,005,868)	(1,003,439)	(2,064,203)
-	86,587	23,930,000	-	-
55,355	67,897	3,306,720	75,757	65,005
-	7,900	3,691	284,439	-
167,796	162,384	27,245,411	(623,243)	2,171,623
2,256,571	3,174,292	28,646,018	(13,420,735)	(10,687,271)
8,764,041	11,204,204	14,378,496	43,024,514	29,603,779
183,592	-	-	-	-
8,947,633	11,204,204	14,378,496	43,024,514	29,603,779
\$ 11,204,204	\$ 14,378,496	\$ 43,024,514	\$ 29,603,779	\$ 18,916,508
3.0%	0.0%	0.7%	1.8%	7.1%

**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
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
2023	771,800	2,059,778	82,402	16,576,874	771,839	12,227,442	3,691,889	5,000	36,187,024
2024	948,411	2,835,993	187,307	17,031,979	1,943,519	13,469,815	4,123,678	16,561	40,557,263
2025	\$ 784,864	\$ 3,066,987	\$ 103,717	\$ 17,740,533	\$ 1,019,560	\$ 13,745,347	\$ 2,139,677	\$ -	\$ 38,600,685

*The source of this information is District records.

FY 2024-25 Government-wide Revenues

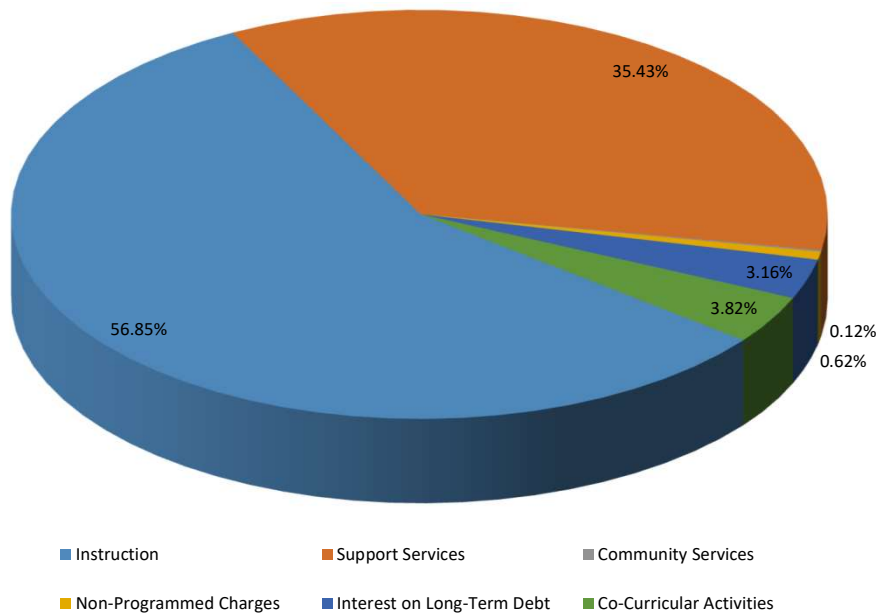


**Yankton School District #63-3
Governmental Activities Expenses By Function - Government Wide*
Last Ten Fiscal Years
(accrual basis of accounting)**

Fiscal Year	Instruction	Support Services	Community Services	Non-Programmed Charges	Interest on Long-Term Debt	Co-Curricular Activities	Total
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
2023	18,570,509	12,410,104	46,407	227,763	462,153	1,401,875	33,118,811
2024	18,444,882	15,108,161	36,667	233,141	1,033,398	1,543,177	36,399,426
2025	\$ 21,377,790	\$ 13,322,861	\$ 45,728	\$ 233,513	\$ 1,187,183	\$ 1,438,286	\$ 37,605,361

*The source of this information is District records.

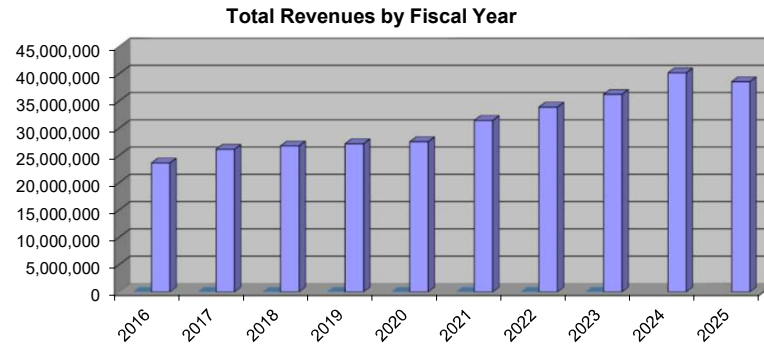
FY 2024-25 Government-wide Expenses



**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	
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	162,609	411,244	283,734	11,286,827	4,639,652	33,860,792
2023	16,590,061	4,270	771,839	506,251	188,944	625,262	251,289	12,444,071	4,809,533	36,191,520
2024	16,988,708	210	1,943,519	586,308	614,511	346,416	322,728	13,469,815	5,872,170	40,144,385
2025	\$ 17,710,897	\$ 970	\$ 1,019,560	\$ 583,182	\$ 410,397	\$ 357,110	\$ 162,476	\$ 13,745,347	\$ 4,516,105	\$ 38,506,044

*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.



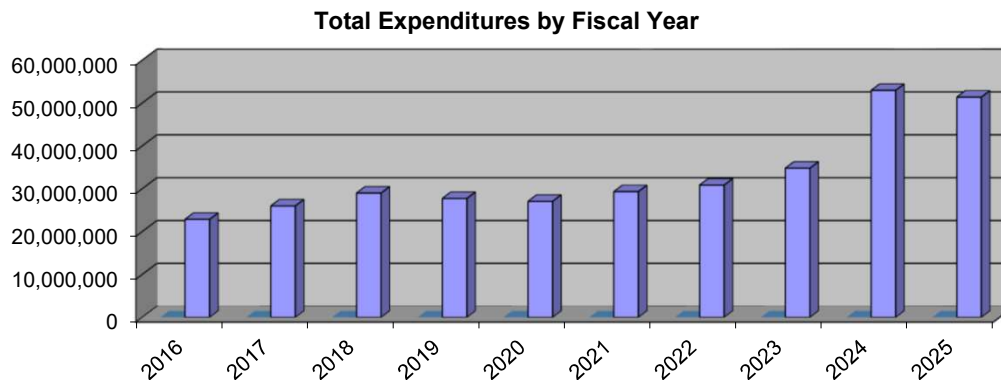
**Yankton School District #63-3
Expenditures By Function for Governmental Funds*
Last Ten Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year	Instruction	Support Services	Community Services	Non-Programmed Charges	Co-Curricular Activities	Debt Services	Capital Outlay**	Total
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
2023	17,676,625	11,956,461	46,407	163,484	1,386,450	231,852	3,329,634	34,790,913
2024	18,768,907	14,111,359	36,667	233,053	1,588,779	957,550	17,245,562	52,941,877
2025	\$ 19,631,340	\$ 13,675,287	\$ 45,728	\$ 232,995	\$ 1,398,594	\$ 3,596,093	\$ 12,784,901	\$ 51,364,938

* 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
Revenue and Expenditures by Fund for Governmental Funds*
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 9

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenue					
General Fund	\$15,797,831	\$17,461,799	\$17,626,642	\$18,086,266	\$18,168,263
Capital Outlay Fund	3,984,695	4,498,533	4,776,577	4,728,903	5,072,506
Special Education Fund	3,418,443	3,965,479	4,330,933	4,321,489	4,262,809
Pension Fund	389,629	179,022	1,054	-	-
TLC Projects Fund	-	-	-	-	-
Total Revenues	<u>\$23,590,598</u>	<u>\$26,104,833</u>	<u>\$26,735,206</u>	<u>\$27,136,658</u>	<u>\$27,503,578</u>
Expenditures**					
General Fund	\$14,990,951	\$17,983,321	\$18,399,413	\$18,652,138	\$19,056,960
Capital Outlay Fund	3,854,845	3,689,234	6,443,683	4,988,009	3,739,928
Special Education Fund	3,627,624	4,110,212	4,136,948	4,085,159	4,261,467
Pension Fund	373,960	197,596	-	-	-
TLC Projects Fund	-	-	-	-	-
Total Expenditures	<u>\$22,847,380</u>	<u>\$25,980,363</u>	<u>\$28,980,044</u>	<u>\$27,725,306</u>	<u>\$27,058,355</u>

*The source of this information is District records.

Table 9 (cont)

Fiscal Year				
2021	2022	2023	2024	2025
\$ 21,719,410	\$ 23,457,325	\$ 25,338,578	\$ 26,842,569	\$ 25,731,569
5,068,523	5,858,634	5,601,559	6,279,635	6,113,024
4,624,649	4,544,833	4,978,207	5,982,940	6,451,583
-	-	-	-	-
-	-	273,176	1,039,241	209,868
\$ 31,412,582	\$ 33,860,792	\$ 36,191,520	\$ 40,144,385	\$ 38,506,044
\$ 21,582,260	\$ 23,039,659	\$ 23,992,613	\$ 26,904,859	\$ 25,443,300
3,202,943	3,121,892	3,670,694	4,060,535	7,163,359
4,538,604	4,687,333	5,168,389	5,635,914	6,493,522
-	-	-	-	-
-	-	1,959,217	16,340,569	12,264,757
\$ 29,323,807	\$ 30,848,884	\$ 34,790,913	\$ 52,941,877	\$ 51,364,938

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
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
2023	48,567,192	57,871,543	101,012,511	4,932,905	43,825,677	57,186,834	9.85	11.73	2.30	1.30
2024	38,863,026	48,303,351	107,825,641	7,648,644	46,480,970	61,344,671	5.08	6.32	2.32	1.32
2025	\$ 26,991,638	\$ 35,342,655	\$ 106,862,756	\$ 4,969,947	\$ 44,522,761	\$ 62,339,995	5.43	7.11	2.40	1.40

*The source of this information is District records.

**Includes all assets excluding capital assets.

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

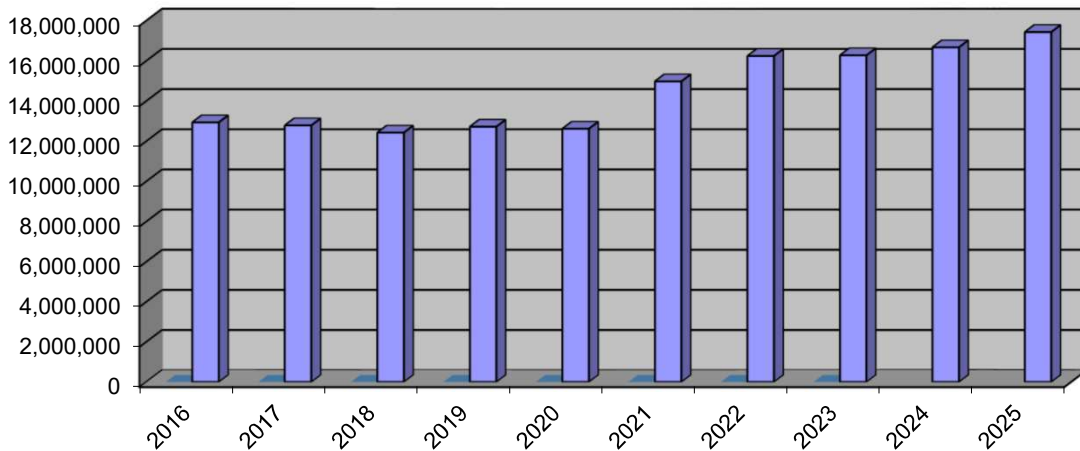
**Yankton School District #63-3
Property Tax Levies and Collections*
Last Ten Fiscal Years
(modified accrual basis of accounting)**

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
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	16,119,940	99.6%	125,154	16,245,094	100.4%
2023	16,364,801	16,149,566	98.7%	130,221	16,279,787	99.5%
2024	17,030,266	16,598,013	97.5%	79,571	16,677,584	97.9%
2025	\$ 17,832,658	\$ 17,339,072	97.2%	\$ 99,135	\$ 17,438,207	97.8%

* 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



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

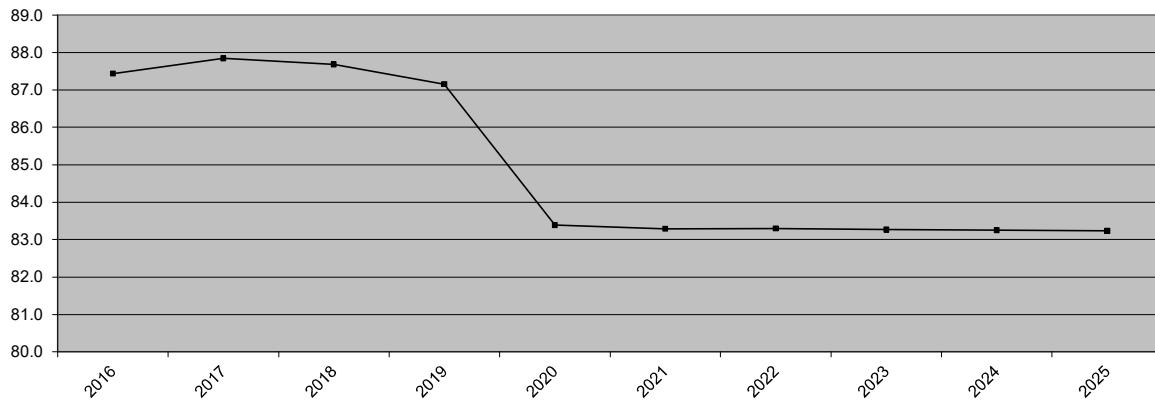
Fiscal Year	Total Direct Levy Rate ***	Real Property		Utilities**		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
		Assessed Value(000)	Estimated Actual Value(000)	Assessed Value(000)	Estimated Actual Value(000)	Assessed Value(000)	Estimated Actual Value(000)	
2016	9.805	\$ 1,289,455	\$ 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	54,580	58,499	1,686,237	2,024,351	83.3
2023	8.920	1,773,860	2,137,180	53,275	57,100	1,827,134	2,194,281	83.3
2024	8.920	1,981,357	2,387,178	56,028	60,052	2,037,386	2,447,229	83.3
2025	8.535	\$ 2,135,462	\$ 2,572,845	\$ 56,077	\$ 60,104	\$ 2,191,538	\$ 2,632,949	83.2

*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.

Ratio of Total Assessed Value to Total Estimated Actual Value



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

Year**	Property Classification				Percent Change	Assessed Valuation by Property Classification as % of Total					
	Agriculture	Owner Occupied		Non-Ag (Commercial)		Total	Agriculture	Owner Occupied		Non-Ag (Commercial)	Total

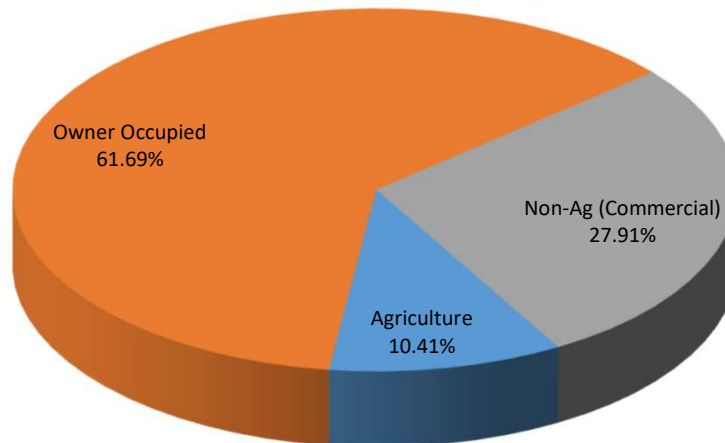
2015	\$ 201,531,820	\$ 726,056,388	\$ 398,489,598	\$ 1,326,077,806	6.6%	15.20%	54.75%	30.05%	100%		
2016	220,190,752	755,348,256	415,259,232	1,390,798,240	4.9%	15.83%	54.31%	29.86%	100%		
2017	225,074,181	794,240,863	438,449,774	1,457,764,818	4.8%	15.44%	54.48%	30.08%	100%		
2018	233,142,815	836,572,945	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%		
2022	229,324,762	1,065,748,875	533,366,038	1,828,439,675	8.5%	12.54%	58.29%	29.17%	100%		
2023	229,735,414	1,228,883,093	578,767,108	2,037,385,615	19.3%	11.28%	60.32%	28.41%	100%		
2024	\$ 228,461,346	\$ 1,353,756,294	\$ 612,320,653	\$ 2,194,538,293	18.0%	10.41%	61.69%	27.91%	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 2011 are payable in 2012.

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

**Assessed Valuation by Property Classification
2024 Taxes payable in 2025**



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

Table 14

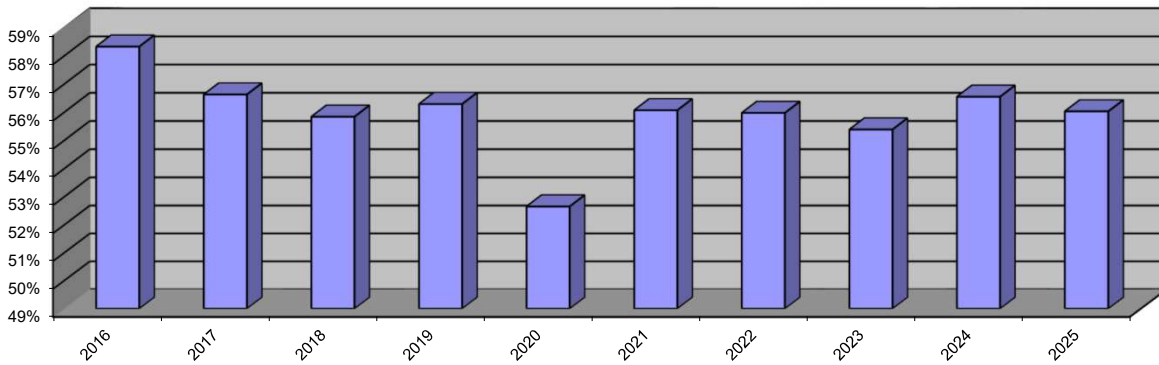
Fiscal Year	Yankton School District					School Total	Yankton City	Yankton County	Grand Total	School % of Total
	General Fund ***	Capital Outlay	Special Education	Pension Fund	Bond Redemption					
2016	\$ 5.096	\$ 3.000	\$ 1.409	\$ 0.300	\$ -	\$ 9.805	\$ 3.427	\$ 3.576	\$ 16.808	58.3%
2017	4.529	2.920	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%
2023	4.509	2.812	1.599	-	-	8.920	3.866	3.317	16.103	55.4%
2024	4.581	2.643	1.574	-	-	8.798	3.567	3.191	15.556	56.6%
2025	\$ 4.124	\$ 2.453	\$ 1.488	\$ -	\$ -	\$ 8.065	\$ 3.350	\$ 2.977	\$ 14.392	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 \$9.805 for FY 2016 is the tax rate for calendar year 2015. 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 2025			Fiscal Year 2016		
		Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Dakoa Plains Ag Center LLC **TIF**	Commercial	\$ 28,846,200	1	1.31%			
Northwestern Public Service	Utility	28,397,082	2	1.29%			
South Bow USA	Utility	22,281,051	3	1.02%			
Jamesville Hutterian	Ag/Residential	16,623,400	4	0.76%			
Ralph Marquardt	Ag/Residential	12,978,258	5	0.59%			
Fox Run Townhomes LLC	Commercial	12,814,400	6	0.58%			
NuStar	Utility	12,588,457	7	0.57%			
Kolberg-Pioneer, Inc.	Manufacturing	10,448,900	8	0.48%			
Heine Farms	Agricultural	10,116,337	9	0.46%			
Real Estate Company 3	Commercial	9,716,600	10	0.44%			
Keystone	Utility				\$ 25,106,824	1	1.89%
Jamesville Hutterian	Ag/Residential				15,407,713	2	1.16%
Northwestern Public Service	Utility				14,887,228	3	1.12%
Ralph Marquardt	Ag/Commercial				10,750,652	4	0.81%
Heine Farms	Agricultural				9,689,460	5	0.73%
SAPA	Ag/Commercial				9,400,201	6	0.71%
Karl Shenk	Agricultural				9,126,712	7	0.69%
Hastings Filters Inc	Commercial				8,926,100	8	0.67%
Kolberg-Pioneer, Inc.	Manufacturing				8,574,400	9	0.65%
Lewis & Clark	Commercial				8,335,500	10	0.63%
		<u>\$ 164,810,685</u>		<u>7.50%</u>	<u>\$ 120,204,790</u>		<u>9.06%</u>
Total Assessed Valuation		\$ 2,194,538,293			\$ 1,326,077,806		

*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.

**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
2016	15	\$ 5,048	34	\$ 5,389	\$ 201,532	\$ 726,056	\$ 398,490	\$ 1,326,078
2017	10	5,309	35	5,293	220,191	755,348	415,259	1,390,798
2018	11	36,005	40	7,185	225,074	794,241	438,450	1,457,765
2019	7	4,412	33	5,310	233,143	836,573	456,100	1,525,816
2020	14	32,723	25	4,595	234,878	879,147	465,054	1,579,078
2021	11	10,115	50	7,727	230,047	920,579	482,333	1,632,959
2022	14	16,135	45	13,341	223,515	968,691	492,726	1,684,931
2023	11	36,022	34	26,847	229,325	1,065,749	533,366	1,828,440
2024	6	44,258	26	17,784	229,735	1,228,883	578,767	2,037,386
2025	8	\$ 87,543	21	\$ 42,474	\$ 228,461	\$ 1,353,756	\$ 612,321	\$ 2,194,538

* 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

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)
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
2022	1.409	3.153	6.525
2023	1.362	3.048	6.308
2024	1.320	2.954	6.113
2025	\$ 1.197	\$ 2.679	\$ 5.544

*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 2015 are payable in 2016.

**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., 2024 rates payable 2025 are levied for the first six months of the FY 2026 budget and 2025 rates payable 2026 are levied for the second six months of the FY 2025 budget.

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

Fund	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Agriculture	\$ 1.568	\$ 1.507	\$ 1.512	\$ 1.473	\$ 1.443	\$ 1.409	\$ 1.409	\$ 1.362	\$ 1.320	\$ 1.197
Owner Occupied	3.687	3.372	3.383	3.296	3.229	3.153	3.153	3.048	2.954	2.679
Non-Ag (Commercial)	7.630	6.978	7.001	6.821	6.682	6.525	6.525	6.308	6.113	5.544
General Fund - Opt Out										
Agriculture					0.411	0.398	0.398	0.267	0.329	0.306
Owner Occupied					0.920	0.891	0.891	0.598	0.736	0.684
Non-Ag (Commercial)					1.903	1.845	1.845	1.237	1.524	1.415
Capital Outlay Fund										
Total Assessed Value	2.919	2.870	2.823	2.837	2.868	2.905	2.905	2.812	2.643	2.453
Special Education Fund										
Total Assessed Value	1.505	1.461	1.567	1.616	1.684	1.670	1.670	1.599	1.574	1.488
All Funds/Aggregate Rate										
Agriculture	5.992	5.838	5.902	5.926	6.406	6.382	6.382	6.040	5.866	5.444
Owner Occupied	8.111	7.703	7.773	7.749	8.701	8.619	8.619	8.057	7.907	7.304
Non-Ag (Commercial)	\$ 12.054	\$ 11.309	\$ 11.391	\$ 11.274	\$ 13.137	\$ 12.945	\$ 12.945	\$ 11.956	\$ 11.854	\$ 10.900

* 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.

**Yankton School District #63-3
Comparative Tax Rates - FY 2024 and FY 2025*
(Per \$1,000 of Assessed Value)**

Funds/ Property Classifications	Fiscal Year 2023-2024				Fiscal Year 2024-2025			
	July 1-December 31, 2023		January 1-June 30, 2024		July 1-December 31, 2024		January 1-June 30, 2025	
	Assessed Value ****	Rate**	Assessed Value ****	Rate**	Assessed Value ****	Rate**	Assessed Value ****	Rate**
General Fund								
Agriculture	\$ 229,324,762	\$ 1.362	\$ 229,735,414	\$ 1.320	\$ 229,735,414	\$ 1.320	\$ 228,461,346	\$ 1.197
Owner Occupied	1,065,748,875	3.048	1,228,883,093	2.954	1,228,883,093	2.954	1,353,756,294	2.679
Non-Ag (Commercial)	484,244,038	6.308	578,767,108	6.113	578,767,108	6.113	612,320,653	5.544
Total Assessed Value	1,779,317,675		2,037,385,615		2,037,385,615		2,194,538,293	
General Fund-Opt Out ***								
Agriculture			229,735,414	\$ 0.164			228,461,346	\$ 0.306
Owner Occupied			1,228,883,093	0.368			1,353,756,294	0.068
Non-Ag (Commercial)			578,767,108	0.762			612,320,653	1.415
Total Assessed Value			2,037,385,615				2,194,538,293	
Capital Outlay Fund								
Total Assessed Value	1,779,317,675	2.812	2,037,385,615	2.643	2,037,385,615	2.643	2,194,538,293	2.453
Special Education Fund								
Total assessed Value	1,779,317,675	1.599	2,037,385,615	1.574	2,037,385,615	1.574	2,194,538,293	1.488
All Funds/Aggregate Rate								
Agriculture	229,324,762	5.773	229,735,414	5.537	229,735,414	5.537	228,461,346	5.138
Owner Occupied	1,065,748,875	7.459	1,228,883,093	7.171	1,228,883,093	7.171	1,353,756,294	6.620
Non-Ag (Commercial)	\$ 484,244,038	10.719	\$ 578,767,108	10.330	\$ 578,767,108	10.330	\$ 612,320,653	9.485

* 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.

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

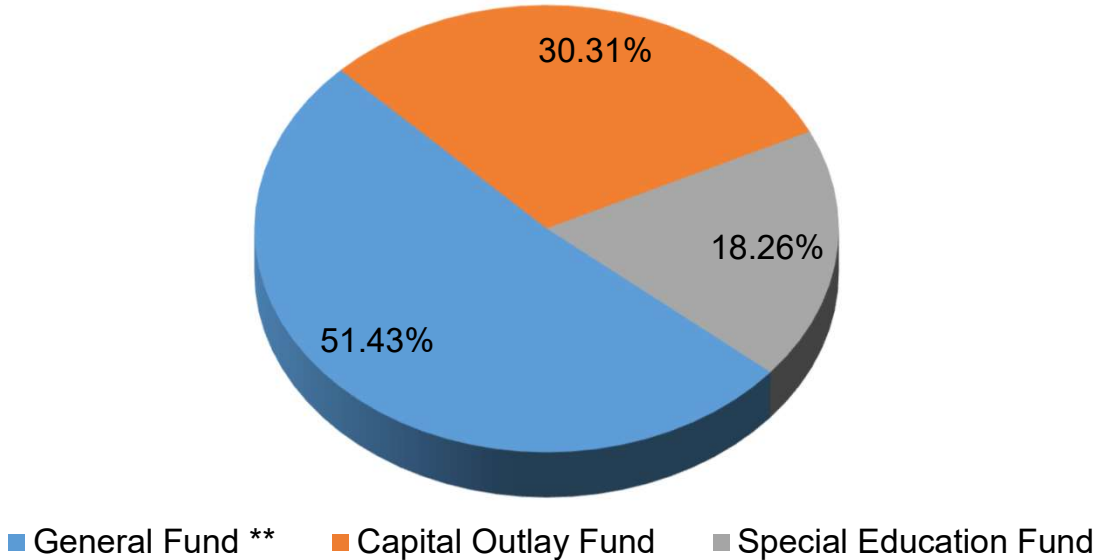
Property Tax						
Fiscal Year	General Fund **	Capital Outlay Fund	Special Education Fund	Pension Fund	Bond Redemption Fund	Total**
2015-16	\$ 7,137,812	\$ 3,894,670	\$ 1,869,608	\$ 389,443	\$ -	\$ 13,291,533
2016-17	6,919,585	4,041,219	2,001,854	178,447	-	13,141,105
2017-18	6,517,798	4,140,647	2,119,184	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
2022-2023	8,666,555	5,043,267	2,880,239	-	-	16,590,061
2023-24 ***	8,648,202	5,263,158	3,077,348	-	-	16,988,708
2024-25 ***	\$ 9,108,185	\$ 5,368,866	\$ 3,233,846	\$ -	\$ -	\$ 17,710,897

*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

2024-25 Property Tax Revenues by Fund

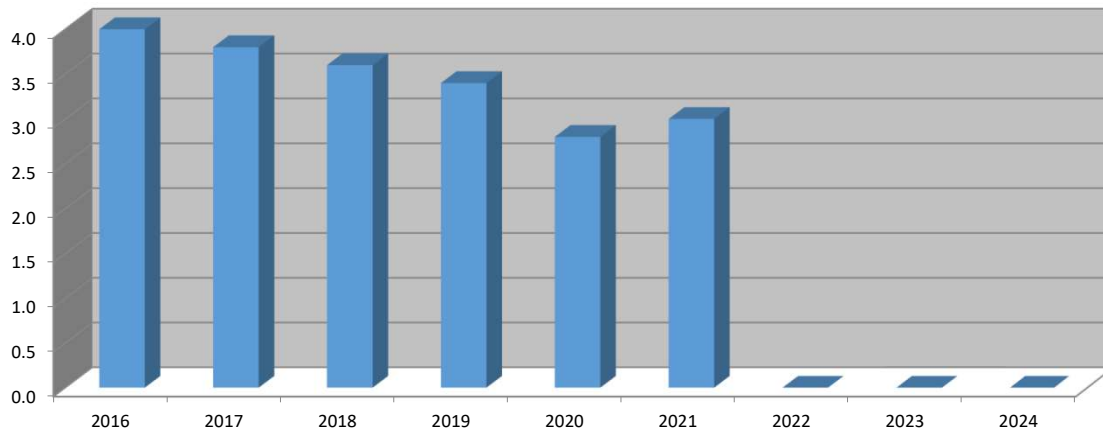


Yankton School District #63-3
Ratio of Annual Debt Service Expenditures for General Bonded Debt to
Total General Expenditures and Noncapital Expenditures
Last Ten Fiscal Years

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 (%)
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%
2023	-	231,852	231,852	34,790,913	0.7%	31,461,279	0.0%
2024	-	957,550	957,550	52,941,877	1.8%	35,696,315	0.0%
2025	\$ 1,745,000	\$ 1,851,093	\$ 3,596,093	\$ 51,364,938	7.0%	\$38,580,037	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



**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**

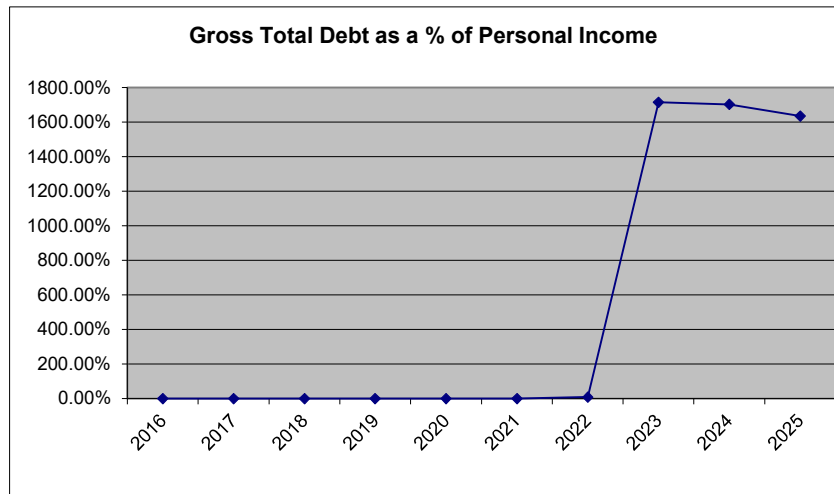
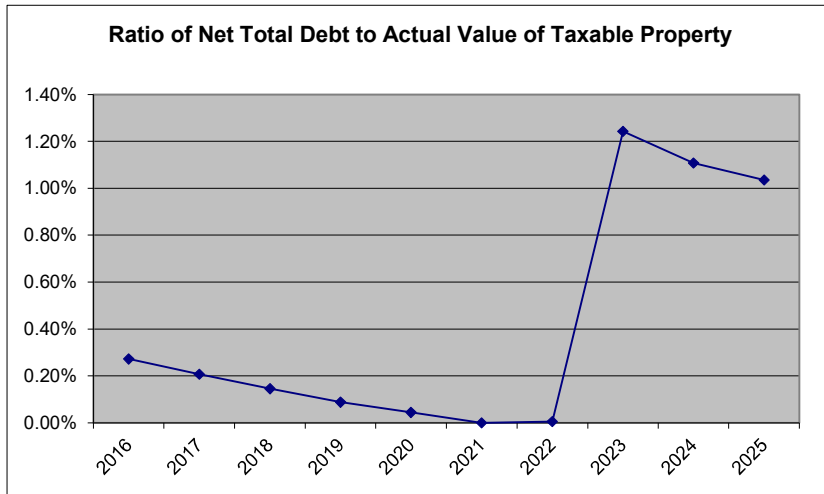
Fiscal Year	Outstanding Principal				Reserved for Payment of GO Bond Debt	Net Total Debt	Estimated Actual Value of Taxable Property (000) **	Ratio of Net Total Debt to Actual Value of Taxable	Net Debt Per Capita ^^	Gross Debt Per Capita ^^	Gross Total Debt as a % of Personal Income ^^
	Capital Outlay Certificate Debt	General Obligation Bond Debt	Other Long Term Debt	Total Debt							
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	-	-	109,328	109,328	-	109,328	2,024,351	0.01%	5	5	7.92%
2023	27,210,580	-	71,597	27,282,177	-	27,282,177	2,194,281	1.24%	1,167	1,171	1713.91%
2024	27,047,285	-	57,248	27,104,533	-	27,104,533	2,447,229	1.11%	1,153	1,163	1702.75%
2025	\$ 27,241,343	\$ -	\$ 38,741	\$ 27,280,084	\$ -	\$ 27,280,084	\$ 2,632,949	1.04%	1,160	1,171	1633.92%

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

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

^ 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.



**Yankton School District #63-3
Computation of Direct and
Overlapping Outstanding Debt**
June 30, 2025**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to School District	Amount Applicable to School District
Overlapping:			
Yankton County **	\$ -	76.2 %	\$ -
City of Yankton	12,552,763	100.0	<u>12,552,763</u>
Total Overlapping			<u>12,552,763</u>
Direct:			
Yankton School District 63-3 ***	\$ 24,185,000	100.0	<u>24,185,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 36,737,763</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.

**Yankon School District #63-3
Computation of Legal Debt Margin*
June 30, 2025**

<u>District General Obligation Bonds, Capital Outlay Certificates and Long-Term Capital Leases:</u>		
Assessed Value 2024 payable 2025		\$ 2,194,538,293
Debt limit - 10% of assessed value		219,453,829
Amount of debt applicable to debt limit:		
Capital Outlay Certificates, Series 2023	\$ 22,340,000	
Capital Outlay Certificates, Series 2025	\$ 1,845,000	
Total net debt applicable to limit		<u>24,185,000</u>
Legal Debt Margin		<u><u>\$ 195,268,829</u></u>

* The source of this information is District records

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

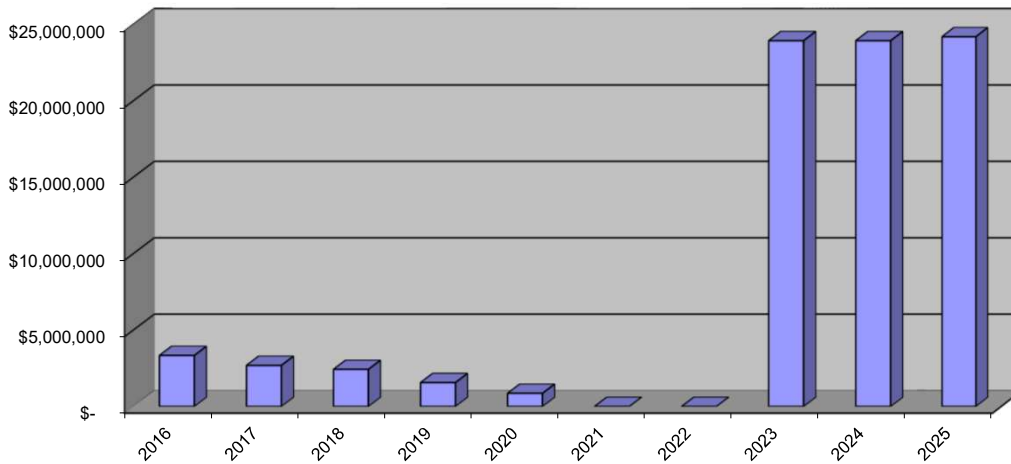
Fiscal Year	Total Assessed Value**	Debt Limit (10% Assessed Value)	Net Bonded Debt Applicable to Debt Limit	Legal Debt Margin	Ratio of Net Bonded Debt to Assessed Value	Ratio of Legal Debt Margin to Debt Limit	Ratio of Net Bonded Debt To Personal Income***	Net Bonded Debt Per Capita***
2016	\$ 1,326,077,806	\$ 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
2023	1,828,439,675	182,843,968	23,930,000	158,913,968	1.31	86.9	1.50	1024
2024	2,037,385,615	203,738,562	23,930,000	179,808,562	1.17	88.3	1.43	1018
2025	\$ 2,194,538,293	\$ 219,453,829	\$ 24,185,000	\$ 195,268,829	1.10	89.0	1.39	1029

* The source of this information is District records.

** Data is for calendar years 2015-2024, taxes payable in 2016-2025.

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

Net Bonded Debt



**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)***
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%
2022	23,373	68,105	1,591,810	1.9%
2023	23,517	70,996	1,669,606	1.5%
2024	23,509	\$ 74,264	\$ 1,745,868	1.9%

*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.

**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
First National Credit Card Center Inc.	Financial	Bladwin Filters	Manufacturing
Hydro Extrusion USA LLC	Manufacturing	Cimpl's LLC	Retail
Kolberg-Pioneer Inc.	Manufacturing	Lewis & Clark Behaviour Health	Education
Manitou Equipment America LLC	Manufacturing	Menards	Retail
Mount Marty College	Education	Wilson Trailer Co.	Manufacturing
Sapa Extrusions, Inc	Manufacturing	Yankton City	Government
Shur-Co	Manufacturing	Yankton County	Government
SD Human Service Center	Government		
Truxedo Inc.	Manufacturing		
Vishay Dale Electronics Inc.	Manufacturing		
Wal-Mart Supercenter	Retail		
Yankton Medical Clinic PC	Medical		
Yankton School District 63-3	Education		

Source: Labor Market Information Center, South Dakota Department of Labor and Regulation 2025, using second quarter 2025 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.

Yankton School District #63-3
Miscellaneous Statistics*
June 30, 2025

Date established	1875
Area (square miles)	216
Yankton County Population (2025)	23,509 **
Number of Schools :	
Elementary Schools	4
Middle Schools	1
High Schools	1
Students to Staff Ratio (FY 2025)	18.6 ***
Official 2025 Student Enrollment	2,839
Students Transported (FY 2025)	1,379

* 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.

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

Function	Capital Assets									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Elementary Schools	\$ 12,138,200	\$ 12,138,200	\$ 12,138,200	\$ 12,138,200	\$ 12,104,528	\$ 12,104,528	\$ 12,104,528	\$ 12,104,528	\$ 12,104,528	\$ 12,894,903
Middle School	14,003,314	14,003,314	14,003,314	14,024,721	13,886,222	13,886,222	13,897,127	13,917,780	13,954,933	13,963,166
High School	21,206,593	22,674,195	22,674,196	22,679,535	21,864,184	21,864,184	21,882,416	21,943,888	22,238,132	22,260,945
Special Education	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,245,176	1,257,326	1,257,326
Total Instruction	48,593,284	50,060,885	50,060,886	50,087,632	49,100,110	49,100,110	49,129,247	49,211,372	49,554,919	50,376,340
Support Services										
Library Services	900,175	928,269	952,245	952,244	715,700	715,700	735,667	735,667	735,667	735,667
Superintendent	-	-	-	-	-	-	-	-	-	-
Business Office (Fiscal Services)	2,742,818	2,742,818	2,742,818	2,721,818	2,564,124	2,564,124	2,564,124	2,564,124	2,564,124	2,564,124
Improvements Other Than Buildings	714,443	778,648	778,648	778,648	778,648	778,648	778,348	1,382,153	1,375,003	1,471,839
Building/Building Improvements	204,775	370,071	1,122,594	5,226,391	5,601,485	5,601,485	6,370,819	7,400,650	8,424,089	10,021,695
Operation & Maintenance of Plant	465,536	478,531	493,031	499,286	499,286	510,823	510,823	510,823	600,715	600,715
Care & Upkeep of Grounds	687,640	760,352	772,930	797,098	1,641,965	1,671,177	810,222	1,732,522	1,732,522	1,760,232
Network	1,988,892	2,056,788	2,126,292	2,126,292	2,126,292	2,222,320	2,363,970	2,387,253	2,387,253	2,387,253
Pupil Transportation	2,538,643	2,640,589	2,937,417	2,982,897	3,083,799	3,331,803	3,417,169	3,537,745	3,867,620	4,107,394
Food Service	347,950	353,990	353,990	362,538	356,665	374,895	421,912	529,243	529,243	664,937
Website Development	36,827	36,827	36,827	36,827	-	-	-	-	-	-
Total Support Services	10,627,700	11,146,883	12,316,792	16,484,039	17,367,964	17,770,975	17,973,055	20,780,180	22,216,236	24,313,856
Co-Curricular	2,095,644	2,095,644	2,112,882	2,119,577	2,119,577	2,144,599	1,989,765	2,158,495	2,158,495	2,170,837
Total Capital Assets	\$ 61,316,628	\$ 63,303,413	\$ 64,490,560	\$ 68,691,248	\$ 68,587,651	\$ 69,015,684	\$ 69,092,068	\$ 72,150,047	\$ 73,929,650	\$ 76,861,033

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

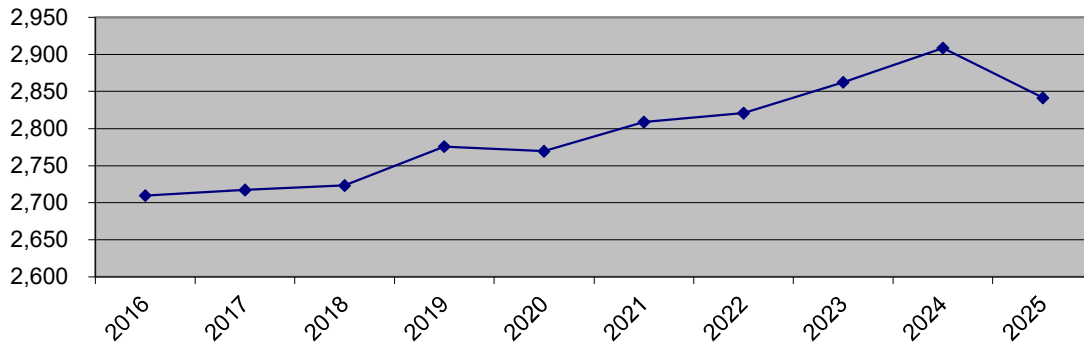
**Yankton School District #63-3
General State Aid Adjusted Average Daily
Membership (ADM)/Fall Enrollment*
Last Ten Fiscal Years**

Fiscal Year	General State Aid Fall Enrollment**	Change
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
2023	2,862.43	41.37
2024	2,908.87	46.44
2025	2,841.58	(67.29)

* 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



**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
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%
2023	3,020	2,674	88.6%
2024	3,036	2,865	94.4%
2025	2,977	2,820	94.7%

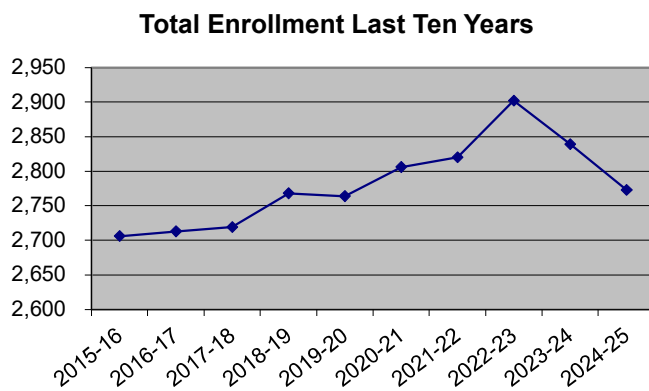
* The source of this information is South Dakota Department of Education.

** The source of this information is District records.

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

GRADE	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K	242	234	240	263	246	264	278	284	259	251
1	186	183	188	182	209	193	204	206	217	185
2	198	189	186	192	185	197	178	220	202	214
3	203	195	191	190	182	194	200	217	218	195
4	201	210	203	188	191	187	197	195	211	221
5	204	199	205	211	201	188	185	205	198	213
6	200	210	202	204	209	214	195	207	211	199
7	172	211	223	213	207	221	210	201	203	204
8	211	178	213	222	221	207	227	205	194	195
9	238	226	204	236	244	244	230	241	223	219
10	196	232	219	208	233	245	233	246	229	235
11	222	197	228	228	197	239	238	238	236	209
12	233	249	217	231	239	213	245	237	238	233
TOTAL	2,706	2,713	2,719	2,768	2,764	2,806	2,820	2,902	2,839	2,773
CHANGE	27	7	6	49	(4)	42	14	82	19	(129)

*The source of this information is District records.

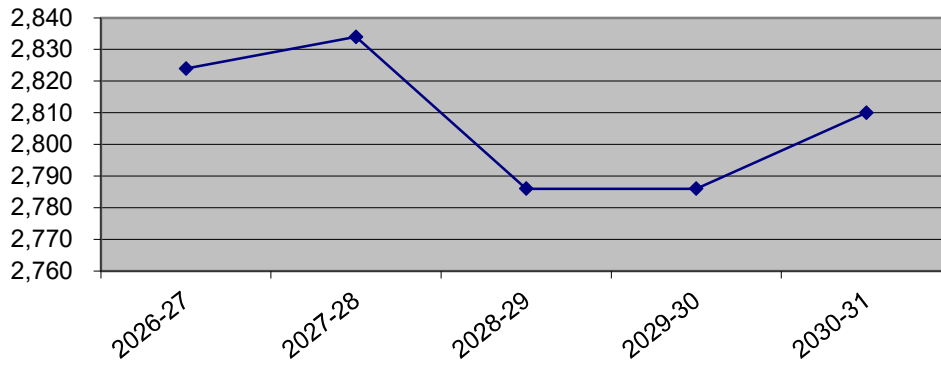


**Yankton School District #63-3
Enrollment Projections*
Next Five Fiscal Years**

	2026-27	2027-28	2028-29	2029-30	2030-31
GRADE	Projected	Projected	Projected	Projected	Projected
K	284	284	284	284	284
1	251	219	219	219	219
2	185	251	219	219	219
3	214	185	219	219	219
4	195	214	185	219	219
5	221	195	214	185	219
6	213	221	195	214	185
7	199	213	221	195	214
8	204	199	213	221	195
9	195	204	199	213	221
10	219	195	204	199	213
11	235	219	195	204	199
12	209	235	219	195	204
TOTAL	2,824	2,834	2,786	2,786	2,810
CHANGE	51	10	(48)	(48)	24

*The source of this information is District records.

Enrollment Projections - Five Years



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

Table 34

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Instruction										
Certified Teachers										
Regular Pre K-12	130	130	131	132	133	134	134	134	134	134
Alternative Education 9-12	2	2	2	2	2	2	2	2	2	2
Special Education	19	19	19	19	21	22	22	22	22	22
Music	8	8	8	8	8	8	8	8	8	8
Enrichment/Technology	0	0	0	0	0	0	0	0	0	0
Title 1	7	7	7	6	5	5	5	5	5	5
Total Teachers	166	167	167	168	169	171	171	171	171	171
Paraprofessionals										
Regular PreK-12	4	6	5	5	6	6	6	6	6	9
ESSER	0	0	0	0	0	6	12	13	6	0
Special Education	55	57	60	63	62	64	64	66	64	65
Total Paraprofessionals	59	63	65	68	68	76	82	85	76	74
Total Instruction	225	230	232	236	237	247	253	256	247	245
Support										
Guidance	7	7	7	7	8	8	9	9	9	9
Librarian/Library Aides	1	5	5	5	5	5	5	5	5	5
School Nurses	2	2	2	2	2	6	6	6	6	6
School Psychologists	2	2	2	2	2	2	2	2	2	2
Speech Therapists	6	6	6	6	6	6	6	6	6	6
Occupational/Physical Therapists	2	2	2	2	2	2	2	2	2	2
Social Worker/Braillist	1	1	1	1	0	0	0	0	0	0
IT Supervisor/Support/Integration	3	3	3	3	3	4	4	4	4	4
Other Paraprofessionals/Library Aides	4	6	4	4	4	4	4	4	4	4
Custodial/Maintenance	28	29	29	29	29	29	29	30	30	30
Secretarial/Clerical	19	19	19	19	19	19	19	19	19	19
Food Service	25	26	26	26	26	26	26	26	26	26
Transportation	15	15	15	16	16	16	16	16	16	16
Administrators/Curriculum	12	12	12	12	12	13	13	13	13	13
Total Support	127	134	133	134	134	139	141	142	142	142
Total Employees (FTE)	352	364	365	370	371	386	394	398	389	387

* The source of this information is District records.

Table 35

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

Staff Data	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Education *										
Masters Degree	100	100	114	111	106	109	98	115	112	108
Bachelors Degree	87	87	75	79	86	86	97	94	92	96
CTE Educator's Certificate	0	0	0	0	1	1	1	1	1	1
Total	187	187	189	190	193	196	196	210	205	205
Masters as % of Total	53%	53%	60%	58%	55%	56%	50%	55%	55%	53%
Age Range *										
20-25	11	12	9	9	20	19	21	21	23	21
26-30	16	16	18	15	15	24	30	35	28	30
31-35	28	22	20	28	23	20	22	17	20	23
36-40	20	25	25	22	29	27	24	36	32	29
41-45	27	27	29	26	23	25	18	21	25	33
46-50	29	25	21	25	27	25	27	27	22	20
51-55	35	39	44	37	26	24	19	21	27	26
56-60	14	17	15	21	27	28	29	22	19	17
61+	7	4	8	7	3	4	6	10	9	6
Total	187	187	189	190	193	196	196	210	205	205
Experience Range YSD 63-3 *										
0-5	49	51	52	52	37	65	82	97	93	95
6-10	30	26	23	27	32	30	29	27	26	25
11-15	29	26	23	19	25	22	13	19	21	23
16-20	33	33	39	37	22	21	18	14	16	18
21-25	19	23	20	22	25	28	28	27	23	18
26-30	23	19	20	18	21	14	10	14	16	18
31-35	3	7	10	13	27	13	12	10	9	5
36+	1	2	2	2	4	3	4	2	1	3
Total	187	187	189	190	193	196	196	210	205	205
Average Experience YSD 63-3	13.6	13.9	14.5	14.5	14.5	13.0	11.7	10.5	11.0	10.7

* The source of this information is District records.

Table 35 (cont)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-2024	2024-2025
Experience Range - Total *										
0-5	41	35	29	28	37	45	54	53	49	54
6-10	24	18	23	28	32	27	29	39	34	32
11-15	21	24	23	19	25	25	25	31	33	34
16-20	29	32	32	32	22	21	15	17	24	27
21-25	25	24	25	25	25	28	25	21	20	17
26-30	31	32	29	24	21	22	18	20	18	20
31-35	9	14	19	25	27	20	18	17	15	11
36+	7	8	9	9	4	8	12	12	12	10
Total	187	187	189	190	193	196	196	210	205	205
Average Total Experience *	17.7	17.8	18.5	18.5	17.0	16.5	15.5	13.5	14.0	13.0
YSD 63-3 Average Experience as % of Total Average Experience	76.7%	78.4%	78.3%	78.4%	85.5%	78.7%	75.5%	77.8%	78.6%	82.3%
Salary										
Base Average (Teachers Only)	\$ 45,341	\$ 50,157	\$ 51,511	\$ 51,713	\$ 52,392	\$ 53,108	\$ 53,576	\$ 55,874	\$ 58,435	\$ 61,153
Base + Activities Average	\$ 47,447	\$ 52,398	\$ 53,798	\$ 53,681	\$ 54,609	\$ 55,266	\$ 56,049	\$ 58,836	\$ 61,452	\$ 62,988
Student/Teacher Ratio										
Regular K-12 Teachers	144.0	144.0	146.0	147.0	148.0	148.0	149.0	149.0	149.0	149.0
K-12 Enrollment	2,706	2,713	2,719	2,768	2,774	2,806	2,820	2,902	2,839	2,773
Student/Teacher Ratio	18.8	18.8	18.6	18.8	18.7	19.0	18.9	19.5	19.1	18.6

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

** The source of this information is District records.

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

Per Pupil Costs

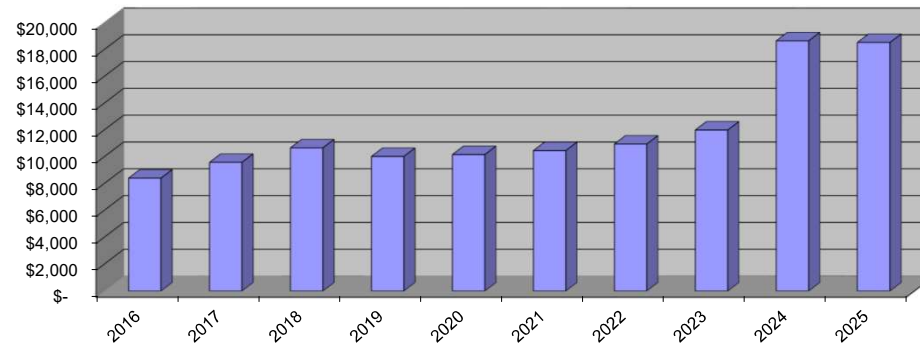
Fiscal Year	Instruction	Instructional % of Total	Support, Community and Non-program Services	Support, Community and NP Services % of Total	Debt Services	Debt Services % of Total	Co-Curricular Activities	Co-Curricular Activities % of Total	Capital Outlay**	Capital Outlay Activities % of Total	Total Expenditures	Official Enrollment ***	Instructional Expenditures	Total Expenditures
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
2023	17,676,625	50.8%	12,166,352	35.0%	231,852	0.7%	1,386,450	4.0%	3,329,634	9.6%	34,790,913	2,902	6,091	11,989
2024	18,768,907	35.5%	14,381,079	27.2%	957,550	1.8%	1,588,779	3.0%	17,245,562	32.6%	52,941,877	2,839	6,611	18,648
2025	\$ 19,631,340	38.2%	\$ 13,954,010	27.2%	\$ 3,596,093	7.0%	\$ 1,398,594	2.7%	\$ 12,784,901	24.9%	\$ 51,364,938	2,773	\$ 7,079	\$ 18,523

* 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



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

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Local Sources										
Sales	\$ 824,663	\$ 827,052	\$ 843,802	\$ 871,922	\$ 722,106	\$ 194,237	\$ 229,798	\$ 975,980	\$ 955,162	\$ 995,762
Interest Earnings	2,113	3,428	6,129	9,059	4,479	1,699	4,896	54,732	76,506	58,370
Other Local	-	-	170	8,548	-	-	-	-	444	-
State Sources										
Cash Reimbursements	10,417	7,409	5,688	6,602	5,970	5,009	4,919	4,611	4,270	4,184
Federal Sources										
Cash Reimbursements	669,128	691,782	699,550	744,394	1,449,063	2,071,990	2,307,962	990,439	925,138	1,031,466
Donated Commodities	164,045	199,576	184,866	147,216	161,057	153,725	166,546	138,886	124,519	127,913
Total Revenues	1,670,366	1,729,247	1,740,205	1,787,741	2,342,675	2,426,660	2,714,121	2,164,648	2,086,039	2,217,695
Expenses										
Salaries/Benefits	677,323	854,398	736,481	883,394	769,659	970,578	930,509	946,967	987,441	1,019,646
Purchased Services	38,560	39,304	36,681	36,548	197,145	38,885	50,536	44,374	43,312	52,063
Supplies	86,815	78,006	83,459	115,397	31,603	149,820	225,208	203,534	222,308	151,056
Cost of Sales (food)	844,665	853,812	828,234	836,643	984,721	932,028	941,572	924,933	934,378	1,107,339
Depreciation	11,582	11,380	8,229	8,941	9,537	11,056	11,413	25,893	23,130	31,510
Other	-	-	-	-	-	-	-	-	-	-
Total Expenses	1,658,945	1,836,900	1,693,084	1,880,923	1,992,665	2,102,367	2,159,238	2,145,701	2,210,569	2,361,614
Transfers In	-	-	-	-	-	-	-	-	3,439	-
Change in Net Position	11,421	(107,653)	47,121	(93,182)	237,241	324,293	554,883	18,947	(121,091)	(143,919)
Net Position-Beginning	680,715	692,136	584,483	631,604	538,422	775,663	1,099,956	1,654,839	1,673,786	1,552,695
Net Position-Ending	\$ 692,136	\$ 584,483	\$ 631,604	\$ 538,422	\$ 775,663	\$ 1,099,956	\$ 1,654,839	\$ 1,673,786	\$ 1,552,695	\$ 1,408,776

*The source of this information is District records

(continued)

Ending Net Position-Last Ten years

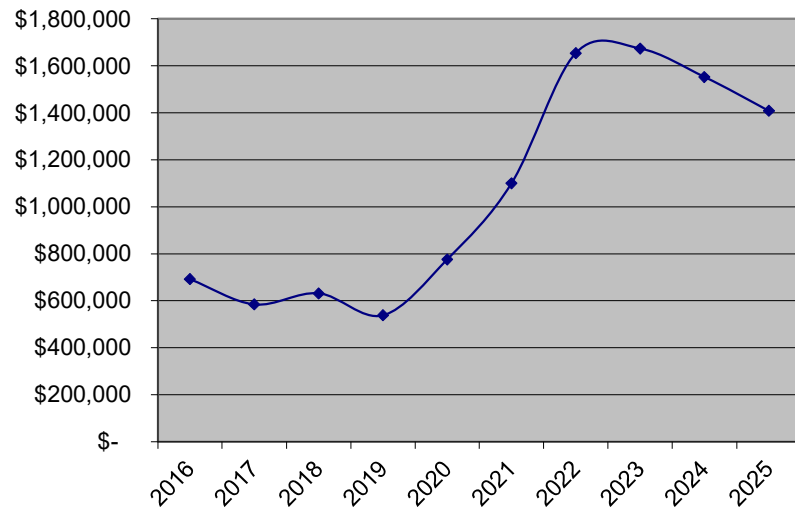


Table 38

**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 (%)
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	389,512	2,278	85.2%	2,278	389,512	2,278	171	100.0%
2023	2,674	353,412	2,116	79.1%	972	123,710	741	167	76.2%
2024	2,865	343,889	2,072	72.3%	1,015	122,859	740	166	72.9%
2025	2,820	347,352	2,031	72.0%	992	127,725	747	171	75.3%

* 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 (%)

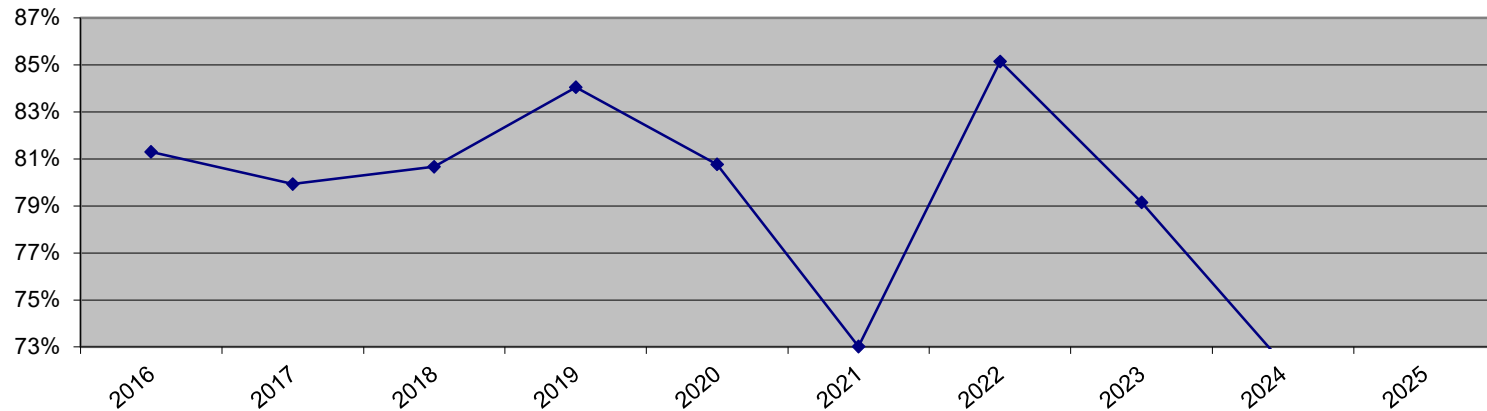


Table 39

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

School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	387	385	392	407	386	386	394	404	413	412
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	369	363	360	358	371	371	379	409	419	416
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 **	287	281	273	270	275	275	265	278	287	272
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 ***	191	181	188	191	191	191	204	210	204	205
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	583	599	638	639	642	642	632	606	613	608
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	889	904	868	903	941	941	946	947	968	926
Career Manufacturing Technical Education Academy (2016) ****										
Square Feet		25,440	25,440	25,440	25,440	25,440	25,440	25,440	25,440	25,440
Enrollment		904	868	903	941	941	946	947	968	926
Career & Technical Education (2018) *****										
Square Feet			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Enrollment			868	903	941	941	946	947	968	926

* 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, 2025**

Grantor/Program	Federal Assistance Listing Number	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)				
School Breakfast Program	10.553	FY25	\$ 140,696	\$ -
National School Lunch Program	10.555	FY25	799,176	-
Summer Food Service Program for Children	10.559	FY25	212,691	-
Fresh Fruit and Vegetable Program	10.582	FY25	96,729	-
Total Child Nutrition Cluster			<u>1,249,292</u>	<u>-</u>
Direct:				
U.S. Department of Education:				
Impact Aid (Note 4)	84.041	N/A	49,856	-
Indirect:				
U.S. Department of Education:				
South Dakota Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY25	729,903	-
Special Education Cluster (Note 3)				
Special Education (IDEA) - Grants to States	84.027	FY25	930,093	-
Special Education - Preschool Grants	84.173	FY25	23,989	-
Total Special Education Cluster			<u>954,082</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048A	FY25	54,675	-
Improving Teacher Quality State Grants	84.367	FY25	147,578	-
Title III-English Language Acquisition	84.365	FY25	20,644	-
Title IV-Student Support and Academic Enrichment (SSAE)	84.424A	FY25	107,632	-
Education Stabilization Fund				
COVID-19 - American Rescue Plan - Elementary and Secondary School Relief (ESSER III) Funds	84.425U	FY25	174,878	-
COVID-19 - American Rescue Plan - Homeless Children and Youth II Formula Grant	84.425W	FY25	7,904	-
Total Education Stabilization Funds			<u>182,782</u>	<u>-</u>
U.S. Department of Health and Human Services:				
South Dakota Department of Human Services:				
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126A	FY25	53,748	-
Environmental Protection Agency				
South Dakota Department of Agriculture and Natural Resources				
Diesel Emissions Reduction Act (DERA) State Grants	66.040	FY25	97,867	-
Total			<u>\$ 3,648,059</u>	<u>\$ -</u>

*Includes \$121,097 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, 2025. 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, 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 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.



**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, 2025, 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 May 8, 2026.

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 identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, 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, 2025 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
May 8, 2026



**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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 other 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 Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or 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 judgment 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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
May 8, 2026

**YANKTON SCHOOL DISTRICT NO. 63-3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION II - FINANCIAL STATEMENT FINDINGS

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

MATERIAL WEAKNESSES:

2025-001 – Financial Accounting - Material Adjusting Journal Entries

Criteria: Management is responsible for the preparation and fair presentation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition: During the audit, we identified material audit adjustments that were necessary for the financial statements to be presented in accordance with GAAP.

Cause: The entity's existing year-end financial reporting and review procedures did not detect all material misstatements prior to the audit.

Effect: As a result, the financial statements initially provided by management were not entirely presented in accordance with GAAP and required auditor-proposed adjustments to achieve fair presentation.

Recommendation: The entity should evaluate and enhance its financial reporting processes to ensure that all necessary year-end adjustments are properly identified, recorded, and reviewed in a timely manner prior to the preparation of the financial statements.

Management Response: Management acknowledges the finding and will continue to review and strengthen financial reporting procedures to improve the accuracy and completeness of the financial statements.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.



P.O. Box 738
2410 West City Limits Road
Yankton, SD 57078

Chareen Gerber, Business Manager

Telephone: (605) 665-3980
Fax: (605) 665-1422
Chareen.Gerber@k12.sd.us

**YANKTON SCHOOL DISTRICT NO. 63-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

PRIOR AUDIT FINDINGS:

The following deficiency regarding Internal Control Over Financial Reporting was considered to be a material weakness for the year ended June 30, 2024.

FINANCIAL STATEMENT FINDINGS:

2024-001-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, 2025 (See comment 2025-001). 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.



Chareen Gerber, Business Manager

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2410 West City Limits Road
Yankton, SD 57078

Telephone: (605) 665-3980
Fax: (605) 665-1422
Chareen.Gerber@k12.sd.us

**YANKTON SCHOOL DISTRICT NO. 63-3
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025**

CURRENT-YEAR AUDIT FINDINGS:

The following deficiency regarding Internal Control over Financial Reporting is considered to be a material weakness at June 30, 2025:

FINANCIAL STATEMENT FINDINGS

2025-001 – Financial Accounting – Material Adjusting Journal Entries

Criteria: Management is responsible for the preparation and fair presentation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition: During the audit, we identified material audit adjustments that were necessary for the financial statements to be presented in accordance with GAAP.

Cause: The entity's existing year-end financial reporting and review procedures did not detect all material misstatements prior to the audit.

Effect: As a result, the financial statements initially provided by management were not entirely presented in accordance with GAAP and required auditor-proposed adjustments to achieve fair presentation.

Recommendation: The entity should evaluate and enhance its financial reporting processes to ensure that all necessary year-end adjustments are properly identified, recorded, and reviewed in a timely manner prior to the preparation of the financial statements.

Management Response: Management acknowledges the finding and will continue to review and strengthen financial reporting procedures to improve the accuracy and completeness of the financial statements.

CORRECTIVE ACTION PLAN:

Chareen Gerber 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.

Chareen Gerber
Business Manager