**NOTE TO PREPARER**: THE FOLLOWING NOTES TO THE FINANCIAL STATEMENTS ARE INTENDED AS A MODEL ONLY AND ARE NOT INTENDED TO BE APPLICABLE IN EVERY ENGAGEMENT. THESE NOTES SHOULD BE MODIFIED AS NECESSARY TO DISCLOSE THE INFORMATION FOR FAIR PRESENTATION IN THE CIRCUMSTANCES OF EACH PARTICULAR AUDIT. CERTAIN INFORMATION MAY BE PRESENTED EITHER ON THE FACE OF THE FINANCIAL STATEMENTS OR IN THE NOTES TO THE FINANCIAL STATEMENTS. DISCLOSURE IN THE NOTES IS NEEDED ONLY WHEN THE INFORMATION REQUIRED TO BE DISCLOSED IS NOT DISPLAYED ON THE FACE OF THE FINANCIAL STATEMENTS. DO NOT COMPLETE THESE NOTES IF AN ADVERSE OPINION WILL BE ISSUED **AND** THE SCHOOL DISTRICT DID NOT PREPARE NOTES TO THE FINANCIAL STATEMENTS. (HOWEVER, IF THE SCHOOL DISTRICT PREPARED NOTES TO THE FINANCIAL STATEMENTS, INCLUDE THEM WITHOUT REVISION, AND MODIFY THE INDEPENDENT AUDITOR’S REPORT AS NECESSARY.)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SCHOOL DISTRICT NO. \_\_\_\_\_\_

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

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

**(INSERT BELOW A DESCRIPTION OF EACH COMPONENT UNIT INCLUDED IN THE FINANCIAL STATEMENTS. DESCRIBE ITS RELATIONSHIP TO THE PRIMARY GOVERNMENT; THE CRITERIA USED TO IDENTIFY IT; IDENTIFICATION OF REPORTING METHOD USED—BLENDING OR DISCRETE PRESENTATION; AND INFORMATION ABOUT WHERE FINANCIAL STATEMENTS FOR COMPONENT UNITS MAY BE OBTAINED. FOR COMPONENT UNITS WITH FISCAL YEAR-ENDS THAT VARY FROM THE SCHOOL DISTRICT’S, ADDITIONAL DISCLOSURES MAY BE NECESSARY.)**

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The School District is financially accountable if its Governing Board appoints a voting majority of another organization’s governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the School District (primary government). The School District may also be financially accountable for another organization if that organization is fiscally dependent on the School District.

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

1. Basis of Presentation:

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds, **(and fiduciary-type component units)**. The statements distinguish between governmental and business-type activities **(and discretely presented component units)**. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. **Discretely presented component units are legally separate organizations that meet certain criteria, as described in note 1.a., above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.a., above.**

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

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

*Fund Financial Statements:*

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

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

The funds of the School District financial reporting entity are described below within their respective fund types: **(amend accordingly based on fund structure of entity)**

**Governmental Funds:**

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

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

Capital Outlay Fund – A fund established by SDCL 13-16-6 to meet expenditures which result in the lease of, acquisition of or additions to real property, plant, or equipment, textbooks, and instructional software. This fund is financed by property taxes. This is **(not)** 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 School District. This fund is financed by grants and property taxes. This is **(not)** a major fund.

Post-Secondary Vocational-Technical Fund – A fund established by SDCL 13-39-39.1 to account for funds incidental to the operation of the post-secondary vocational-technical program. This is **(not)** a major fund.

Auditorium Building Fund – A fund established by SDCL 6-4-1 for the purpose of erecting or remodeling of an auditorium, coliseum, public gymnasium, or public community house and for the acquisition of sites and equipment, therefore. This is **(not)** a major fund.

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

The Bond Redemption Fund – A fund established by SDCL 13-16-13 to account for the proceeds of a special property tax restricted to use for the payment of principal and interest on general obligation bonded debt. The \_\_\_\_\_\_\_\_\_\_\_\_\_ Fund is the only debt service fund maintained by the School District. This is **(not)** a major fund.

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

The \_\_\_\_\_\_\_\_\_\_\_ Fund is the only capital projects fund maintained by the School District. This is **(not)** a major fund.

*Permanent Funds – Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the school district’s programs—that is, for the benefit of the School District or its citizenry.*

The \_\_\_\_\_\_\_\_\_\_\_ Fund is the only permanent fund maintained by the School District. This is **(not)** a major fund.

**Proprietary Funds:**

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

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

*b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*

*c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).*

Food Service Fund – A fund used to record financial transactions related to food service operations. This fund is financed by user charges and grants. This is **(not)** a major fund.

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund is an enterprise fund maintained by the School District. This is **(not)** a major fund.

*Internal Service Funds – A fund used to report activities that provide goods or services to other funds, departments, or agencies of the School District and its component units, or to other governments, on a cost-reimbursement basis. Internal Service Funds are never considered to be major funds.*

The \_\_\_\_\_\_\_\_\_\_\_\_ Fund is the only Internal Service Fund maintained by the School District.

**Fiduciary Funds:**

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

*Private-Purpose Trust Funds – Private-purpose trust funds are used to account for all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The School District maintains only the following private-purpose trust fund* ***(s****):* ***(BRIEFLY DESCRIBE THE PURPOSE OF THE PRIVATE-PURPOSE TRUST FUNDS, e.g., scholarships.- GASB Cod. 1300.125*)**

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*Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.* ***The School District maintains custodial funds to hold assets as an agent in a trustee capacity for various classes, clubs, and so on. –OR- The School District maintains custodial fund (s) for the following purposes:* (BRIEFLY DESCRIBE THE PURPOSES FOR WHICH CUSTODIAL FUNDS ARE USED.)**

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1. Measurement Focus and Basis of Accounting:

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

**Measurement Focus:**

*Government-wide Financial Statements:*

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

*Fund Financial Statements*:

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

**Basis of Accounting:**

*Government-wide Financial Statements:*

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

*Fund Financial Statements:*

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. “Available” means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the School District is \_\_\_\_\_days. The revenues which are accrued at June 30, 2021 are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenues, where asset recognition criteria have been met, but for which revenue recognition criteria have not been met, are reported as a deferred inflow of resources.

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

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

1. Interfund Eliminations and Reclassifications:   
     
   ***[NOTE: If the entity does not have any internal balances or internal service funds the following note would not be required.]***

*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.
    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 this manner, expense reductions occur in the (General Fund) (Internal Service Funds) (\_\_\_\_\_\_\_\_\_\_ Fund), so that expenses are reported only in the function to which they relate.

1. Deposits and Investments:

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

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

1. 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.

**(NOTE TO PREPARER: School Districts ordinarily do not have infrastructure assets. Infrastructure assets are long lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets. However, in the rare case that a School District has such assets, use the following: Infrastructure assets acquired since January 1, 1980 (update accordingly if necessary) are recorded at cost, and classified as “Improvements Other than Buildings.”)**

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

*Government-wide Financial Statements*

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

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

The total June 30, 2021 balance of capital assets for governmental activities includes approximately \_\_\_\_\_\_\_\_\_ percent for which the costs were determined by estimates of the original costs. The total June 30, 2021 balance of capital assets for business-type activities **(are all valued at original cost.) (OR) (includes approximately \_\_\_\_\_\_\_\_\_ percent for which the values were determined by estimates of the original cost)**. These estimated original costs were established by **(appraisals or deflated current replacement cost.) (OR)** \_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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**(INSERT OTHER METHOD DESCRIBING HOW COSTS WERE ESTABLISHED)**

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

Capitalization Depreciation Estimated

Threshold Method Useful Life

Land $ -----N/A------ ----N/A------

Improvements $ Straight-line yrs.

Buildings $ Straight-line yrs.

Machinery and Equipment $ Straight-line yrs.

Land is an inexhaustible capital asset and is not depreciated.

*Fund Financial Statements:*

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

1. 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 primarily consist of compensated absences, early retirement benefits payable and capital outlay certificates payable. **(REVISE AS NEEDED.)**

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

1. Program Revenues:

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

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

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

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

i. Proprietary Funds Revenue and Expense Classifications:

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

j. Cash and Cash Equivalents:

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

**—OR—**

For the purpose of preparing the Statement of Cash Flows, the School District considers all highly liquid investments and deposits with a term to maturity of three months or less when purchased to be cash equivalents.

k. Equity Classifications:

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

l. Application of Net Position:

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

m. Fund Balance Classification Policies and Procedures:

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

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

The Nonspendable Fund Balance is comprised of the following:

* Amount reported in non-spendable form such as inventory, \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_.
* Amount legally or contractually required to be maintained intact such as \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_.
* Amount not in cash form such as long-term portion of loans receivable, \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_.

The Governing Board committed the following fund balance types by taking the following action:

**Fund Balance Type Amount Action**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

The Government ***does/does not***have a formal minimum fund balance policy.

**[INSERT MINIMUM FUND BALANCE POLICY, IF APPLICABLE]**

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

**Major Special Revenue Fund Revenue Source**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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***[IF THE SCHOOL DISTRICT DOES NOT PRESENT THE DETAIL OF THE FUND BALANCE CATEGORIES ON THE FACE OF THE FINANCIAL STATEMENTS, INSERT THE FOLLOWING]***

A schedule of fund balances is provided as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SCHOOL DISTRICT NO. \_\_\_\_\_\_\_\_** | | | | | | | | | | | | |
| **DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET** | | | | | | | | | | | | |
| **GOVERNMENTAL FUNDS** | | | | | | | | | | | | |
| **June 30, 20\_\_** | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  | **Other** |  | **Total** |
|  |  | **General** |  |  |  |  |  |  |  | **Governmental** |  | **Governmental** |
|  |  | **Fund** |  | **Fund** |  | **Fund** |  | **Fund** |  | **Funds** |  | **Funds** |
| **Fund Balances:** |  |  |  |  |  |  |  |  |  |  |  |  |
| Nonspendable: |  |  |  |  |  |  |  |  |  |  |  |  |
| Inventory |  |  |  |  |  |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |  |  |  |  |  |  |
| Restricted for: |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital Outlay Fund |  |  |  |  |  |  |  |  |  |  |  |  |
| Special Education Fund |  |  |  |  |  |  |  |  |  |  |  |  |
| Pension Fund |  |  |  |  |  |  |  |  |  |  |  |  |
| Debt Service Requirements |  |  |  |  |  |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |  |  |  |  |  |  |
| Committed for: |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital Projects |  |  |  |  |  |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |  |  |  |  |  |  |
| Assigned to: |  |  |  |  |  |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Unassigned |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Fund Balances |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

n. Pensions:

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

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2021, the School District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities accounting standard. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this standard required that the School District present a Statement of Changes in Fiduciary Net Position for Custodial Funds for 2021. The implementation of this standard required the School District to reclassify previously reported agency funds as custodial funds.(***Insert the following if applicable)*** **The implementation relates only to 2021 *(if biennial audit).* The impact to the School District resulted in certain activities previously reported as fiduciary not being considered fiduciary under GASB 84. The effect of the implementation of this standard on beginning net position is disclosed in Note 35.**

3. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

**[NOTE: DISCLOSURE IS REQUIRED FOR ANY FUND, INCLUDING NONMAJOR FUNDS (NOT CUSTODIAL FUNDS) IF THE OVER EXPENDITURE CONSTITUTES A SIGNIFICANT VIOLATION]**

The School District is prohibited by statute from spending in excess of appropriated amounts at the fund level. The following represents the significant overdrafts of the expenditures compared to appropriations:

Year Ended

6/30/2021

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Governing Board plans to take the following actions to address these violations:   
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**(NOTE: OTHER MATTERS, SUCH AS VIOLATIONS OF BONDED DEBT COVENANTS, SHOULD BE ADDRESSED IN A NOTE FOLLOWING THIS NOTE, AS APPLICABLE.)**

4. DEFICIT FUND BALANCES/NET POSITION OF INDIVIDUAL NONMAJOR FUND

As of June 30, 2021, the following individual nonmajor funds had deficit fund balances/net position in the amounts shown: **(DO NOT SHOW CUSTODIAL FUNDS.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***[Note: Optional But Not Required]***

The Governing Board plans to take the following actions to address these violations:   
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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

***(NOTE TO PREPARER: This example is based on a specific set of circumstances* *(SPECIFIC IDENTIFICATION, NO INVESTMENT POLICY*:)*, any deviation from which may require additional or modified disclosures in accordance with GASB Statement Nos. 40, 31, 3 and 72.)***

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

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

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

As of June 30, 2021, the School District the investments reported in the financial statements consist of only certificates of deposit.

**--OR--**

***(NOTE TO PREPARER--Fair Value Measurement and Application (GASB Statement 72): The following is an illustrative example of a General Purpose Government and additional disclosures may be necessary based on the nature and complexity of investments.)***

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

The School District has the following recurring fair value measurements as of June 30, 20\_\_:

***(List by each type of investment the fair value measurement, the level (1, 2 or 3) of the fair value hierarchy, and the description of the valuation technique used in the fair value measurement)***

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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

As of June 30, 2021, the School District had the following investments. Except for the investment in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for the\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_fund, all investments are in an internal deposit and investment pool.

Credit Fair

Investment Rating Maturities Value

U.S. Treasury Bills N/A $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_

US Treasury Notes N/A \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

Subtotals \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

Mutual Funds:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

External Investment Pools:

SDFIT Unrated \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

TOTAL INVESTMENTS $

========

**(INCLUDE THE FOLLOWING IF APPLICABLE)**

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing purposes. It is regulated by a nine member board with representation from municipalities, school districts and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis.

**(NOTE TO Preparer: Use the following only when one or more depositories are listed on the** “***Depository Information For State And Local Government Accounts” section of the DLA web page for IPA Support.)***

**Custodial Credit Risk – Deposits** – The risk that, in the event of a depository failure, the School District’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of June 30, 2021, the District’s deposits in financial institutions were exposed to custodial credit risk as follows (Example):

|  |  |  |
| --- | --- | --- |
| Depository Name | % Under-collateralized | At- Risk Amount |
| Sample National Bank | 9.78% | $ |
| OUT-OF-STATE BANK |  |  |
|  |  |  |
| Total Deposits Exposed to Custodial Credit Risk |  | $ |
|  |  |  |

**Custodial Credit Risk – Investments** – The risk that, in the event of the counterparty to a transaction, the School District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

***(NOTE TO PREPARER: - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either:***

***a. The counterparty or***

***b. The counterparty’s trust department or agent but not in the government’s name.***

***If a government has investment securities at the end of the period that are exposed to custodial credit risk, it should disclose the investments’ type, the reported amount, and how the investments are held. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed to custodial credit risk because they are held by the buyer-lender. The term securities as used in this paragraph includes securities underlying repurchase agreements and investment securities. Also, this risk type would in all probability be a violation of SDCL 4-5-9.)***

***(NOTE TO PREPARER –NOTE THAT ADDITIONAL NOTE DISCLOSURES ARE REQUIRED IF THE SCHOOL DISTRICT REPORTS VALUE AT OTHER THAN FAIR VALUE, REPORTS INVESTMENTS AT AMORTIZED COSTS, OR PARTICIPATES IN AN EXTERNAL INVESTMENT POOL. IF ANY OF THESE SITUATIONS EXIST, SEE GASB STATEMENT* NO. 31 FOR THE NECESSARY MODIFICATIONS TO THESE NOTES.)**

***(NOTE TO PREPARER – If the concentration of credit risk for an opinion unit is greater than for the primary government, see GASB Statement 40, paragraphs 11 and 5 and make required disclosure.)***

**Concentration of Credit Risk** – The School District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the School District’s investments are in (name security, and indicate percentage) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

**–OR–**

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

6. RESTRICTED CASH AND INVESTMENTS

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

Amount: Purpose:

$ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Security for loan, bonds, and similar commitments

(such as a CD pledged as collateral for a loan)

$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ For Capital Asset construction (includes balances with

trustees)

$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ For Debt Service, by debt covenants

(sinking funds required to be in a separate account)

Additionally, the School District has an unused letter of credit from a commercial bank in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **[SFAS 5, par 12]**

7. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year. Appropriate allowances for estimated uncollectibles have been established as follows: **(*Provide appropriate detail)***

**– OR –**

The School District aggregates receivables and payables in the financial statements. Detail of the significant components is as follows:   
  
Receivables at June 30, 2021, were as follows:



Payables at June 30, 2021 were as follows:



8. INVENTORY

Inventory held for consumption is stated at cost.

Inventory for Resale is stated at the lower of cost or market. The cost valuation method is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (INSERT VALUATION METHOD). Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.   
  
In the government-wide financial statements, and in the enterprise fund financial statements, inventory items are initially recorded as assets and charged to expense in the various functions of government as they are consumed.   
  
In the governmental fund financial statements, inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased **(consumed)**. Reported inventories are equally offset by Nonspendable Fund Balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

9. PROPERTY TAXES

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

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

**--OR—**

School District property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Revenue related to current year property taxes receivable which is intended to be used to finance the current year's appropriations, but which will not be collected during the current fiscal year or within the "availability period" has been deferred in the fund financial statements. Property tax revenues intended to finance the current year's appropriations, and therefore susceptible to accrual, has been reported as revenue in the government-wide financial statements, even though collection will occur in a future fiscal year.

10. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 is as follows: **(PROFESSIONAL JUDGMENT SHOULD BE USED TO DETERMINE IF DISCLOSURE OF CAPITAL ASSET INFORMATION FOR COMPONENT UNITS MUST BE MADE. THIS DECISION SHOULD BE BASED ON THE INDIVIDUAL COMPONENT UNIT’S SIGNIFICANCE TO THE TOTAL OF ALL DISCRETELY PRESENTED COMPONENT UNITS AND THAT COMPONENT UNIT’S RELATIONSHIP WITH THE PRIMARY GOVERNMENT. IF THE COMPONENT UNIT’S CAPITAL ASSETS ARE TO BE DISCLOSED, ADD THE APPROPRIATE INFORMATION AS A SEPARATE NOTE.)**

#### *Primary Government*

# Balance Balance

### 7/01/2020 Increases Decreases 6/30/2021

### Governmental Activities:

Capital Assets, Not Being Depreciated:

Land $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_

Construction In Progress \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Total Capital Assets

Not Being Depreciated $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_

Capital Assets, Being Depreciated:

Improvements \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Buildings \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Machinery and Equipment \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Total Capital Assets

Being Depreciated $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_

Less Accumulated Depreciation For:

Improvements \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Buildings \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Machinery and Equipment \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Total Accumulated Depreciation $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_

###### Total Capital Assets, Being

Depreciated, Net \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

###### Total Governmental Activity Capital

###### Assets, Net $ $ $ $

=========== ======== ========== ==========

Depreciation expense was charged to functions as follows:

Governmental activities:

Instruction $\_\_\_\_\_\_\_\_\_

Support Services \_\_\_\_\_\_\_\_\_

Co-curricular Activities \_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

Depreciation-unallocated \_\_\_\_\_\_\_\_\_

###### Total Depreciation Expense—Governmental Activities $

==========

# Balance Balance

### 7/1/2020 Increases Decreases 6/30/2021

Business-type activities:

Capital Assets, Not Being Depreciated:

Land $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_

Construction In Progress \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Total Capital Assets

Not Being Depreciated $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_

Capital Assets, Being Depreciated:

Machinery and Equipment \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Total Capital Assets

Being Depreciated $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_

Less Accumulated Depreciation For:

Machinery and Equipment \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

Total Accumulated Depreciation $\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_

###### Total Capital Assets, Being

Depreciated, Net \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

###### Total Business-Type Activity Capital

###### Assets, Net $ $ $ $

=========== ======== ========== ==========

Depreciation expense was charged to functions as follows:

Business-type activities:

Food Services $\_\_\_\_\_\_\_\_

###### Total Depreciation Expense—Business-Type Activities

$========

Construction Work in Progress at June 30, 2021 is composed of the following:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | Expended |  |  |  | Required |
|  |  | Project |  | Thru |  |  |  | Future |
| Project Name |  | Authorization |  | 6/30/2021 |  | Committed |  | Financing |
|  |  | $ |  | $ |  | $ |  | $ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| TOTAL |  | $ |  | $ |  | $ |  | $ |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TOTAL |  | $ |  | $ |  | $ |  | $ |

11. SHORT-TERM DEBT

Short-term debt activity for the year ended June 30, 2021 was as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Balance |  |  |  |  |  | Balance |
|  |  | 7/1/2020 |  | Additions |  | Deletions |  | 6/30/2021 |
| Line of Credit |  | $ |  | $ |  | $ |  | $ |
| Loans/Notes Payable |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| TOTAL |  | $ |  | $ |  | $ |  | $ |

The above short-term debts were issued for the purpose of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

12. LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2021 is as follows:

**(PROFESSIONAL JUDGMENT SHOULD BE USED TO DETERMINE IF DISCLOSURE OF LONG-TERM LIABILITY INFORMATION FOR COMPONENT UNITS NEEDS TO BE MADE. THIS DECISION SHOULD BE BASED ON THE INDIVIDUAL COMPONENT UNIT’S SIGNIFICANCE TO THE TOTAL OF ALL DISCRETELY PRESENTED COMPONENT UNITS AND THAT COMPONENT UNIT’S RELATIONSHIP WITH THE PRIMARY GOVERNMENT. IF THE COMPONENT UNIT’S LONG-TERM DEBT INFORMATION IS TO BE DISCLOSED, ADD THE APPROPRIATE INFORMATION AS A SEPARATE NOTE.)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  |  |  |  |  |  |  |  |  |  |
|  | |  | Beginning |  |  |  |  |  | Ending |  | Due Within |  |
|  | |  | Balance |  | Additions |  | Deletions |  | Balance |  | One Year |  |
| **Primary Government:**  **Governmental Activities:**  Bonds Payable:  General Obligation | |  | $ |  | $ |  | $ |  | $ |  | $ |  |
| Capital Outlay  Certificates | |  |  |  |  |  |  |  |  |  |  |  |
| Direct Borrowings and Direct Placements | |  |  |  |  |  |  |  |  |  |  |  |
| Financing (Capital Acquisition) Leases | |  |  |  |  |  |  |  |  |  |  |  |
| **Total Debt** | |  |  |  |  |  |  |  |  |  |  |  |
| Early Retirement Payable | |  |  |  |  |  |  |  |  |  |  |  |
| Accrued Compensated Absences | |  |  |  |  |  |  |  |  |  |  |  |
| **Total Governmental Activities** | |  |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |
| **Business-Type Activities:** | |  |  |  |  |  |  |  |  |  |  |  |
| Bonds Payable: | |  |  |  |  |  |  |  |  |  |  |  |
| Revenue | |  |  |  |  |  |  |  |  |  |  |  |
| Capital Outlay  Certificates | |  |  |  |  |  |  |  |  |  |  |  |
| Direct Borrowings and Direct Placements | |  |  |  |  |  |  |  |  |  |  |  |
| Financing (Capital Acquisition) Leases | |  |  |  |  |  |  |  |  |  |  |  |
| **Total Debt** |  |  |  |  |  |  |  |  |  |  |  |
| Early Retirement Payable |  |  |  |  |  |  |  |  |  |  |  |
| Accrued Compensated Absences | | |  |  |  |  |  |  |  |  |  |  |
| **Total Business-Type Activities** | | |  |  |  |  |  |  |  |  |  |  |
| **TOTAL PRIMARY GOVERNMENT** | |  | $ |  | $ |  | $ |  | $ |  | $ |  |
|  | |  |  |  |  |  |  |  |  |  |  |  |
| **Component Unit:**  Bonds Payable:  Revenue | |  | $ |  | $ |  | $ |  | $ |  | $ |  |
| Direct Borrowings  and Direct  Placements | |  |  |  |  |  |  |  |  |  |  |  |
| Accrued  Compensated  Absences | |  |  |  |  |  |  |  |  |  |  |
| **TOTAL COMPONENT UNIT** | |  | $ |  | $ |  | $ |  | $ |  | $ |
|  | |  |  |  |  |  |  |  |  |  |  |
|  | |  |  |  |  |  |  |  |  |  |  |

Compensated absences for governmental activities typically have been liquidated from the General Fund and Special Education Fund. Early Retirement Benefits payable for governmental activities typically have been liquidated from the \_\_\_\_\_\_\_\_\_\_\_\_ Fund.

**(USE THE FOLLOWING TWO PARAGRAPHS IN THE YEAR IN WHICH THE SCHOOL DISTRICT REFUNDED DEBT.)**

During fiscal year 2021 the School District issued $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(ENTER TYPE OF REFUNDING DEBT SUCH AS CAPITAL OUTLAY REFUNDING CERTIFICATES OR REFUNDING BONDS)** with an average interest rate of \_\_\_\_\_\_ to \_\_\_\_\_\_ percent to refund the following:

Average Unpaid Principal

Year Interest at Time of

Issued Project Rate Refunding

\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The School District refunded the debt to reduce its total debt service payments over the next \_\_\_\_\_\_ years by $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and to obtain an economic gain of $\_\_\_\_\_\_\_\_\_\_\_\_\_.

The entire proceeds of the refunding issue in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ were deposited into an irrevocable trust with an escrow agent to provide for all future debt service requirements on the refunded issue. As a result, the refunded issue is considered to be defeased and the liability for that issue has been removed from the financial statements of the School District.

**(USE THE FOLLOWING PARAGRAPH FOR ALL AUDIT PERIODS SUBSEQUENT TO THE AUDIT PERIOD IN WHICH THE DEBT WAS REFUNDED WHEN THE SCHOOL DISTRICT HAD ASSETS ON DEPOSIT WITH AN ESCROW AGENT FOR REFUNDED DEBT.)**

In prior years the School District defeased certain long-term debt by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the assets being held in trust and the liability for the defeased debt are not included in the School District’s financial statements. On June 30, 2021, the School District had $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on deposit with the escrow agent in this irrevocable trust to retire $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of old debt still outstanding which is now considered to be defeased.

Liabilities payable at June 30, 2021 are comprised of the following:

*PRIMARY GOVERNMENT*

Governmental Activities: **(SHOW MATURITY DATE, INTEREST RATES, AND INDICATE THE FUND MAKING THE PAYMENT.)**

General Obligation Bonds Payable:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Capital Outlay Certificates:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Direct Borrowings and Direct Placements:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Early Retirement Payable:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Compensated Absences:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Payment to be made by the fund that the payroll expenditures are charged to.**

INDICATE THE FUND(S) THAT WILL BE PAYING THIS LIABILITY. IF OTHER THAN THE FUND TO WHICH RELATED PAYROLL EXPENDITURES WERE CHARGED, COST PRINCIPLES MAY BE VIOLATED, RESULTING IN QUESTIONED COSTS (FOR UNDERCHARGES) TO FEDERAL PROGRAMS.**)**

Financing (Capital Acquisition) Leases:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The purchase price at the commencement of the financing (capital acquisition) lease was:

Principal $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Interest \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

$

TOTAL ===================

**(GASB Statement No. 88 CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS: A GOVERNMENT SHOULD DISCLOSE IN THE NOTES TO THE FINANCIAL STATEMENTS SUMMARIZED INFORMAITON ABOUT THE FOLLOWING ITEMS *(PARGRAPH 5*):**

1. **aMOUNT OF UNUSED LINES OF CREDIT**
2. **ASSETS PLEDGED AS COLLATERAL FOR DEBT**
3. **TERMS SPECIFIED IN DEBT AGREEMENTS RELATED TO SIGNIFICANT (1) EVENTS OF DEFAULT WITH FINANCE-RELATED CONSEQUENCES, (2) TERMINATION EVENTS WITH FINANCE-RELATED CONSEQUENCES, AND (3) SUBJECTIVE ACCELERATION CLAUSES.**

The annual debt service requirements to maturity, except for compensated absences, for all debt outstanding as of June 30, 2021 are as follows:

Annual Requirements to Maturity for Long-Term Debt

June 30, 2021

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year  Ending  June 30 | General Obligation Bonds Payable | | Capital Outlay Certificates Payable | | Notes from Direct Borrowings and Direct Placements | | Financing (Capital Acquisition) Leases | | | Early Retirement Benefits Payable | |  | Ttotionefofn |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | |  | Total |  |  |  |  |  |  |  |  |  |
|  | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | | Interest | Principal Interest | Principal Interest | Interest |  |  |  |  |  |  |  |
| 2022 | $\_\_\_\_\_ | $\_\_\_\_\_ | $\_\_\_\_\_ | $\_\_\_\_\_ | $\_\_\_\_\_ | $\_\_\_\_\_ | $\_\_\_\_\_ | $\_\_\_\_ | $\_\_\_\_\_ | | $\_\_\_\_\_ | $\_\_\_\_\_ $\_\_\_\_\_ | $\_\_\_\_\_ $\_\_\_\_\_ | $\_\_\_\_\_ |  |  |  |  |  |  |  |
| 2023 | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_\_ | | \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_ | \_\_\_\_\_\_ |  |  |  |  |  |  |  |
| 2024 | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_\_ | | \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_ | \_\_\_\_\_\_\_ |  |  |  |  |  |  |  |
| 2025 | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_\_ | | \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ |  |  |  |  |  |  |  |
| 2026 | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_\_ | | \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ |  |  |  |  |  |  |  |
| 2027-2031 | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_\_ | | \_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ |  |  |  |  |  |  |  |
| 2032-2036 | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_\_ | | \_\_\_\_\_\_\_ | \_\_\_\_\_\_ \_\_\_\_\_\_ | \_\_\_\_\_\_\_ | \_\_\_\_\_\_\_ |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |
| Totals | $ | $ | $ | $ | $ | $ | $ | $ | $ | | $ | $ | $ $\_\_\_\_ | $ |  |  |  |  |  |  |  |

13. OPERATING LEASES

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**(INCLUDE A DESCRIPTION OF OPERATING LEASES INCLUDING WHAT IS BEING LEASED, WHICH FUND IS MAKING THE PAYMENTS AND SO ON.)**

The following are the minimum payments required for existing operating leases:

\_\_\_\_\_\_\_ \_\_\_\_\_\_\_ \_\_\_\_\_\_\_

Year Fund Fund Fund

2022 $ \_\_\_\_\_\_\_\_\_ $ \_\_\_\_\_\_\_\_\_\_ $ \_\_\_\_\_\_\_\_\_

2023 \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

2024 \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

2025 \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

2026 \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

2027-2031 \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

2032-2036 \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

14. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

**Note to Preparer in Inflows/Outflows are aggregated on the financial statements - Balances of deferred outflows of resources and deferred inflows of resources reported in a statement of net position or a governmental fund balance sheet may be aggregations of different types of deferred amounts. Governments should provide details of the different types of deferred amounts in the notes to the financial statements if significant components of the total deferred amounts are obscured by aggregation. Disclosure in the notes to the financial statements is required only if the information is not displayed on the face of the financial statements. (Possibly insert disclosure)**

15. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

This requirement is effectively met by the statements in this report because the one enterprise fund maintained by the school district, the Food Service Fund has been reported as a major fund, and therefore, the required segment information has already been disclosed in the fund basic financial statements. **(Use only where enterprise revenue –secured debt has been issued.)**

(OR)

***[NOTE TO PREPARER – This is only required for “non major” enterprise funds which have revenue bonds secured by all or a portion of the revenues of the enterprise fund. It is also required for a major enterprise fund with two or more revenue bond issues, where only a specific portion of the operating revenues secure each revenue-backed debt.]***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

are maintained by the School District which proved \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

services financed partially by user charges. Segment information for these enterprise funds are as follows:

Year Ended June 30, 2021

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Activity/** | |  | | **Activity/** | |  | | **Activity/** | |  | |
|  | **Fund** | |  | | **Fund** | |  | | **Fund** | |  | |
| **CONDENSED STATEMENT OF** |  |  | |  | |  | |  | |  | |
| **NET POSITION** |  |  | |  | |  | |  | |  | |
| Assets |  |  | |  | |  | |  | |  | |
| Current Assets |  |  | |  | |  | |  | |  | |
| Capital Assets |  |  | |  | |  | |  | |  | |
| Other Assets |  |  | |  | |  | |  | |  | |
| Total Assets | 0 |  | | 0 | |  | | 0 | |  | |
| Liabilities |  |  | |  | |  | |  | |  | |
| Interfund payables |  |  | |  | |  | |  | |  | |
| Other Current Liabilities |  |  | |  | |  | |  | |  | |
| Noncurrent Liabilities |  |  | |  | |  | |  | |  | |
| Total Liabilities | 0 |  | | 0 | |  | | 0 | |  | |
| Net Position |  |  | |  | |  | |  | |  | |
| Net Investment in Capital Assets |  |  | |  | |  | |  | |  | |
| Restricted |  |  | |  | |  | |  | |  | |
| Unrestricted |  |  | |  | |  | |  | |  | |
| Total Net Position | 0 |  | | 0 | |  | | 0 | |  | |
|  |  |  | |  | |  | |  | |  | |
| **CONDENSED STATEMENT OF** |  |  | |  | |  | |  | |  | |
| **REVENUES, EXPENSES, AND** |  |  | |  | |  | |  | |  | |
| **CHANGES IN NET POSITION** |  |  | |  | |  | |  | |  | |
| Operating Revenues |  |  | |  | |  | |  | |  | |
| Depreciation Expense |  |  | |  | |  | |  | |  | |
| Other Operating Expenses |  |  | |  | |  | |  | |  | |
| Operating Income | 0 |  | | 0 | |  | | 0 | |  | |
| Nonoperating Revenues (Expenses) |  |  | |  | |  | |  | |  | |
| Investment Income |  |  | |  | |  | |  | |  | |
| Interest Expense |  |  | |  | |  | |  | |  | |
| Capital Contributions |  |  | |  | |  | |  | |  | |
| Transfers Out |  |  | |  | |  | |  | |  | |
| Changes in Net Position | 0 |  | | 0 | |  | | 0 | |  | |
| Beginning Net Position |  |  | |  | |  | |  | |  | |
| Ending Net Position | 0 |  | | 0 | |  | | 0 | |  | |
|  |  |  | |  | |  | |  | |  | |
| **CONDENSED STATEMENT OF** |  |  | |  | |  | |  | |  | |
| **CASH FLOWS** |  |  | |  | |  | |  | |  | |
| Net Cash Provided (Used) by: |  |  | |  | |  | |  | |  | |
| Operating Activities |  |  | |  | |  | |  | |  | |
| Noncapital Financing Activities |  |  | |  | |  | |  | |  | |
| Capital and Related Financing Activities | |  | |  | |  | |  | |  | |
| Investing Activities |  |  | |  | |  | |  | |  | |
| Net Increase (Decrease) | 0 |  | | 0 | |  | | 0 | |  | |
| Beginning Cash and Cash Equivalents |  |  | |  | |  | |  | |  | |
| Ending Cash and Cash Equivalents | 0 |  | | 0 | |  | | 0 | |  | |

16. INDIVIDUAL FUND INTERFUND BALANCES AND TRANSACTIONS

Interfund receivable and payable balances at June 30, 2021 were:

Interfund Interfund

Fund Receivables Payables

General Fund $\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

17. RESTRICTED NET POSITION

***(If the school district has a permanent endowments or permanent fund principal amounts, “restricted Net Position” should be displayed (on face of financial statements) in two additional components—expendable and nonexpendable. Nonexpendable Net Position are those that are required to be retained in perpetuity. [GASBS 34, ¶35])***

Restricted Net Position for the year ended June 30, 2021 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Major Purposes:** | | **Restricted By** |  |  |
|  | Capital Outlay Purposes | Law | $ |  |
|  | Special Education Purposes | Law |  |  |
|  | Pension Purposes | Law |  |  |
|  | Debt Service Purposes | Debt Covenants |  |  |
|  | \_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |  |
|  |  |  |  |  |
| **Permanently Restricted Purposes:** | |  |  |  |
|  | ­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_– Expendable |  | $ |  |
|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_– Nonexpendable |  |  |  |
|  |  |  |  |  |
| **Other Purposes:** | |  |  |  |
|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  | $ |  |
|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |  |
|  |  |  |  |  |
|  | Total Other Purposes |  | $ |  |
|  |  |  |  |  |
|  | **Total Restricted Net Position** |  |  | **$** |

These balances are restricted due to federal grant and statutory requirements.

18. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 were as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Transfers to:**­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | | | |
|  |  |  |  |  | Special |  |  |  |  |
|  |  |  | General |  | Education |  | Food Service |  |  |
| **Transfers From:** | |  | Fund |  | Fund |  | Funds |  | Total |
|  |  |  |  |  |  |  |  |  |  |
| Major Funds: | |  |  |  |  |  |  |  |  |
|  | General Fund |  | $ |  | $ |  | $ |  | $ |

***(Note to Preparer: the purpose of interfund transfers must be disclosed. A common example FOLLOWS :)***

Transfers of investment and deposit earnings to the General Fund are reported. SDCL 4-5-9 and 13-16-18 give the school board the authority to designate whether all such earnings should be retained by any individual funds or credited to the General Fund. These interfund transfers are not violations of the statutory restrictions on interfund transfers. Certain other statutes and debt covenants require earnings from investments and deposits to be retained in the fund that services the long-term debt.

19. TAX ABATEMENTS

***[IN ACCORDANCE WITH gasb #77, Governments should disclose in the notes to financial statements information related to tax abatement agreements that they enter into IN THE NOTES TO THE FINANCIAL STATEMENTS. DISCLOSURE INFORMATION FOR TAX ABATAMENTS MAY BE PROVIDED INDIVIDUALLY OR MAY BE AGGREGATED. WHETHER PRESENTED INDIVIDUALLY OR IN AGRREGATE THE INFORMATION SHOULD BE ORGANIZED BY EACH MAJOR TAX ABATEMENT PROGRAM. THE DISCLOSURE SHOULD INCLUDE THE FOLLOWING; Names and purposes of the tax abatement programs, The specific taxes being abated, authority under which tax abatement agreements are entered into, ELIGIBILITY criteria, mechanism by which the taxes are abated, RECAPTURE Provisions, types of commitments made by the recipients of the tax abatements, gross dollar amount OF government’s tax revenues were reduced during the reporting period.***

***ALSO, GOVERNMENTS SHOULD DISCLOSE tax abatement agreements that are entered into by other governments and that reduce the reporting government’s tax revenues.***

20. PRIOR PERIOD ADJUSTMENTS

**(INSERT AN EXPLANATION FOR PRIOR PERIOD ADJUSTMENTS CONTAINED ON THE FINANCIAL STATEMENTS IN THE AUDIT REPORT UNLESS THE ADJUSTMENTS ARE ADEQUATELY EXPLAINED ON THE FACE OF THE STATEMENTS.)**

21. PENSION PLAN

**Plan Information:**

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

**Benefits Provided:**

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

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

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

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

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

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

**(NOTE: If the benefit terms included postemployment benefit changes, the School District should disclose information about those terms, as required by paragraph 76b of Statement 68)**

**(NOTE: If the pension plan was closed to new entrants, the School District should disclose that fact, as required by paragraph 76b of Statement 68)**

**Contributions:**

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee’s contribution. The School District’s share of contributions to the SDRS for the fiscal years ended June 30, 2021, 2020, and 2019 were $\_\_\_\_\_\_\_\_\_\_, $\_\_\_\_\_\_\_\_\_, and $\_\_\_\_\_\_\_\_\_, respectively, equal to the required contributions each year.

**(NOTE: GASB REQUIRES THREE YEARS OF DATA, EVEN FOR A ONE YEAR AUDIT PERIOD.)**

**(NOTE: IF THE SCHOOL DISTRICT HAS ANY ADDITIONAL EMPLOYEE RETIREMENT PLANS, INSERT THE APPROPRIATE DISCLOSURES. IF THE SCHOOL DISTRICT EMPLOYEES WERE PROVIDED ALSO CONSIDER WHETHER A VIOLATION OF SDCL 3-12-66 HAS OCCURRED.)**

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:**

At June 30, 2020, SDRS is 100.04% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the School District as of June 30, 2021 are as follows:

|  |  |  |
| --- | --- | --- |
| Proportionate share of pension liability |  | $ |
| Less proportionate share of net pension restricted for pension benefits |  | $ |
|  |  | ------------------------ |
| Proportionate share of net pension asset |  | ($ ) |
|  |  | ============= |

At June 30, 2021, the School District reported an asset of $\_\_\_\_\_\_\_\_\_\_ for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020 and the total pension liability used to calculate the net pension asset was based on a projection of the School District’s share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2020, the School District’s proportion was \_\_\_\_\_\_\_\_\_\_\_%, which is an increase (decrease) of \_\_\_\_\_\_\_\_\_\_% from its proportion measured as of June 30, 2019.

**(NOTE: If there had been a change of benefit terms that affected the measurement of the total pension liability (asset) since the prior measurement date, the School District should disclose information required by paragraph 80e of Statement 68.)**

**(NOTE: If changes expected to have a significant effect on the measurement of the net pension liability (asset) had occurred between the measurement date and the reporting date, the School District should disclose information required by paragraph 80f of Statement 68.)**

For the year ended June 30, 2021, the School District recognized pension expense (reduction of expense) of $\_\_\_\_\_\_\_\_\_. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Deferred Outflows  Of Resources |  | Deferred Inflows  Of Resources |
|  |  |  |  |  |
| Difference between expected and actual experience. |  | $ |  | $ |
|  |  |  |  |  |
| Changes in assumption. |  | $ |  | $ |
|  |  |  |  |  |
| Net Difference between projected and actual earnings on pension plan investments. |  | $ |  | $ |
|  |  |  |  |  |
| Changes in proportion and difference between District contributions and proportionate share of contributions. |  | $ |  | $ |
|  |  |  |  |  |
| School District contributions subsequent to the measurement date. |  | $ |  | $ |
|  |  | ----------------------------- |  | ---------------------------- |
| TOTAL |  | $ |  | $ |
|  |  | ================ |  | =============== |

***(NOTE: First three items above are provided at plan level and last two items are employer level information)***

$\_\_\_\_\_\_\_\_\_\_ reported as deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Year Ended June 30: |  |  |
|  |  |  |  |
|  | 2022 |  | $ |
|  | 2023 |  | $ |
|  | 2024 |  | $ |
|  | 2025 |  | $ |
|  | 2026 |  | $ |
|  | Thereafter |  | $ |
|  |  |  | ----------------------- |
|  | TOTAL |  | $ |
|  |  |  | ============ |

**Actuarial Assumptions**:

The total pension liability (asset) in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.25 percent

Salary Increases 6.50% at entry to 3.00% after 25 years of service

Discount Rate 6.50% net of plan investment expense

Future COLAs 1.41%

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2011, to June 30, 2016.

**(NOTE: If the benefit terms included ad hoc postemployment benefit changes, the School District should disclose information about assumptions related to those changes, as required by paragraph 77 of Statement 68)**

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 (see the discussion of the pension plan’s investment policy) are summarized in the following table using geometric means:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Asset Class |  | Target  Allocation |  | Long-Term Expected  Real Rate of Return |
|  |  |  |  |  |  |
|  | Global Equity |  | 58.0% |  | 5.1% |
|  | Fixed Income |  | 30.0% |  | 1.5% |
|  | Real Estate |  | 10.0% |  | 6.2% |
|  | Cash |  | 2.0% |  | 1.0% |
|  |  |  | -------------- |  |  |
|  | Total |  | 100% |  |  |
|  |  |  | ======== |  |  |

**Discount Rate:**

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. **(NOTE: If there had been a change in the discount rate since the prior measurement date, the School District should disclose information about that change, as required by paragraph 78a of Statement 68)**

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

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | 1%  Decrease |  | Current  Discount  Rate |  | 1%  Increase |
|  |  |  |  |  |  |  |  |
|  | School District’s proportionate share of the net pension liability (asset) |  | $ |  | $ |  | $ |
|  |  |  |  |  |  |  |  |

**Pension Plan Fiduciary Net Position:**

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

(**NOTE: If significant changes had occurred that indicate that the disclosure included in the pension plan’s financial report generally did not reflect the facts and circumstances at the measurement date, the School District should disclose additional information, as required by paragraph 79 of Statement 68.)**

**Payables to the Pension Plan:**

(**NOTE: If the School District reported payables to the defined benefit pension plan, it should disclose information required by paragraph 122 of Statement 68.)**

22. DEFERRED COMPENSATION PLAN   
  
**(NOTE: THERE ARE A FEW LOCAL GOVERNMENTS WHO HAVE DEFERRED COMPENSATION PLANS OTHER THAN THE STATE PLAN. A SEPARATE DETERMINATION OF THE NOTE DISCLOSURE REQUIREMENTS FOR THESE PLANS WILL HAVE TO BE MADE IN ACCORDANCE WITH GASB STATEMENT 32.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

23. OTHER POST EMPLOYMENT BENEFITS - HEALTHCARE PLAN

**(NOTE: GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is effective for fiscal years beginning after June 15, 2018. GASB 75 requires specific note disclosures and required supplementary information of which examples are not currently provided in this section. The preparer should CONSULT AND REVIEW THE APPLICABLE GASB REQUIREMENTS TO ASSURE THAT PROPER DISCLOSURES ARE INCLUDED IN THE NOTES TO THE FINANCIAL STATEMENTS AND REQUIRED SUPPLENTARY INFORMATION IS PRESENTED.)**

24. ENCUMBRANCES OUTSTANDING:

***[NOTE: Significant encumbrances should be disclosed in the notes to the financial statements by major funds and nonmajor funds in the aggregate in conjunction with required disclosures about other significant commitments. Encumbering amounts for specific purposes for which resources already have been restricted, committed, or assigned should not result in separate display of the encumbered amounts within those classifications. Encumbered amounts for specific purposes for which resources have not been previously restricted, committed, or assigned should not be classified as unassigned but, rather, should be included within committed or assigned fund balance, as appropriate, based on the definitions and criteria in paragraphs .170 through .176 of Section 1800]***

25. SIGNIFICANT COMMITMENTS

**(NOTE: COMMITMENTS ARE EXISTING ARRANGEMENTS TO ENTER INTO FUTURE TRANSACTIONS OR EVENTS, SUCH AS LONG-TERM CONTRACTUAL OBLIGATIONS WITH SUPPLIERS FOR FUTURE PURCHASES AT SPECIFIED PRICES AND SOMETIMES AT SPECIFIC QUANTITIES. ENCUMBRANCES MAY BE DISCLOSED HERE IF DEEMED SIGNIFICANT. COMMITMENTS ON CONSTRUCTION CONTRACTS ARE DISCUSSED ELSEWHERE IN THESE NOTES. DESCRIBE COMMITMENTS AS APPROPRIATE.)** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

26. GOING CONCERN

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

27. ACCOUNTABILITY FOR RELATED ORGANIZATIONS:

**(Excluding those for which the School District is financially accountable.)** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

28. RELATED PARTY TRANSACTIONS

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

29. JOINT VENTURES

The School District participates in the joint venture known as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ formed for the purpose of providing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ services to the member school districts.

The members of the co-op and their relative percentage participation in the co-op are as follows:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_%

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_’s **(ENTER NAME OF JOINT VENTURE)** governing board is composed of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**(ENTER TITLES SUCH AS SUPERINTENDENTS OF THE SCHOOLS, SCHOOL BOARD MEMBERS ETC.)** The board is responsible for adopting the joint venture's budget and setting service fees at a level adequate to fund the adopted budget.

The School District has an equity interest in the Net Position of the joint venture. This interest has been reported using the equity method of accounting.

**(OR)**

The School District retains no equity in the Net Position of the joint venture, but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**(ENTER WHERE THE FINANCIAL STATEMENTS FOR THE JOINT VENTURE MAY BE OBTAINED.)**

At June 30, 2021, this joint venture had total assets of $\_\_\_\_\_\_\_\_\_\_\_\_, total liabilities of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and net position of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

30. RISK MANAGEMENT

**(THE FOLLOWING NOTE TRIES TO COVER SOME OF THE MORE COMMON RISK MANAGEMENT SITUATIONS. IT DOES NOT PRESENT ALL POSSIBILITIES. IT MUST BE REVIEWED, ANALYZED, COMPARED TO THE RISK MANAGEMENT PRACTICES AT THE SCHOOL DISTRICT, AND MODIFIED TO FIT THE SITUATION. SEE ALSO GASB PARAGRAPHS C50.131 - .143.)**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2021, the School District managed its risks as follows:

Employee Health Insurance:

**[Note: Employee Health coverage addresses an employee risk, not an employer’s risk. The risk of injury to an employee is covered by workers’ compensation coverage. The health insurance note could be deleted unless the government retains ALL OR A PORTION OF the risk through self-insurance or through a pool wherein risk does not transfer. In that case the lifetime maximum would be a good DISCLOSURE AND THE SCHOOL DISTRICT’S risk of incurring claims in excess of the reinsurance limits and the lifetime maximum would be good disclosures. Also, if the government is retaining responsibility for all or a portion of the employee deductible, in order to obtain lower premiums, this note should be included and modified as needed.]**

The School District purchases health insurance for its employees from a commercial insurance carrier. **Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.**

**(OR)**

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

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

**(OR)**

**(INSERT DATA DESCRIBING THE COVERAGE PROVIDED BY THE SCHOOL DISTRICT.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Liability Insurance:

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

**(OR)**

The School District has elected to be self-insured and retain all risk for liabilities resulting from claims for torts; theft or damage to property; and errors and omissions of public officials. **(MODIFY AS APPLICABLE)**

The School District has reserved equity in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_ for the payment of future such claims.

During the year ended June 30, 2021, no claims for these matters were paid. At June 30, 2021 no claims had been filed for these matters and none are anticipated.

**(DELETE THE PRECEDING TWO SENTENCES IF NOT APPLICABLE AND COMPLETE THE FOLLOWING ONES.)**

During the year ended June 30, 2021, \_\_\_\_\_\_\_\_ claims **(INSERT NUMBER OF CLAIMS)** were filed for these matters. These claims resulted in the payments of $\_\_\_\_\_\_\_\_\_\_ **(no payments)**. At June 30, 2021, \_\_\_\_\_\_\_\_\_\_ claims **(insert number of claims)** had been filed and were outstanding. It is estimated, based upon historical trends, that these claims will result in the future payment of approximately $\_\_\_\_\_\_\_\_\_\_\_\_. It is not anticipated that any additional material claims for these matters will be filed in the next fiscal year.

**(OR)**

The School District joined the Associated School Boards of South Dakota Property and Liability Fund (ASBSD-PLF), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota school districts. The objective of the ASBSD-PLF is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The School District’s responsibility is to promptly report to and cooperate with the ASBSD-PLF to resolve any incident which could result in a claim being made by or against the School District. The School District pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the ASBSD-PLF member, based on their exposure or type of coverage. The School District pays an annual premium to the pool to provide coverage for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**(INSERT ITEMS COVERED SUCH AS AUTOMOBILE LIABILITY AND SO ON)**

The agreement with the ASBSD-PLF provides that the above coverage's will be provided to a $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of $100,000 to the upper limit. The school district carries a $\_\_\_\_\_\_\_\_\_\_\_\_ deductible for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ coverage **(INSERT TYPE OF COVERAGE APPLICABLE)** and $\_\_\_\_\_\_\_\_\_\_\_\_ deductible for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ coverage **(INSERT TYPE OF COVERAGE APPLICABLE).**

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

**(OR)**

**(IF THE SCHOOL PROVIDES LIABILITY COVERAGE THROUGH SOME OTHER MEANS, INSERT THE APPLICABLE INFORMATION BELOW.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Worker's Compensation:

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

**(OR)**

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

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

**(OR)**

**(IF THE SCHOOL DISTRICT PROVIDES WORKMEN’S COMPENSATION THROUGH SOME OTHER MEANS, INSERT THE APPLICABLE INFORMATION BELOW. SEE GASB CODIFICATION C50.144 c.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Unemployment Benefits:

The School District provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

**(OR)**

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

The School District has Assigned Fund Balance in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the payment of future unemployment benefits.

During the year ended June 30, 2021, no claims for unemployment benefits were paid. At June 30, 2021, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

**(DELETE THE PRECEDING TWO SENTENCES IF NOT APPLICABLE AND COMPLETE THE FOLLOWING ONES.)**

During the year ended June 30, 2021, \_\_\_\_\_\_\_\_\_\_ claims **(INSERT NUMBER OF CLAIMS FILED)** were filed for unemployment benefits. These claims resulted in the payment of (no) benefits in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_. At June 30, 2021, \_\_\_\_\_\_\_\_\_\_ claims **(INSERT NUMBER OF CLAIMS)** had been filed and were outstanding. It is estimated, based upon historical trends, that these claims will result in the future payment of unemployment benefits in the amount of approximately $\_\_\_\_\_\_\_\_\_\_\_\_\_\_. It is not anticipated that any additional claims for unemployment benefits will be filed in the next fiscal year. **(IF CLAIMS ARE ANTICIPATED, DELETE THIS LAST SENTENCE AND INSERT ONE DETAILING THE EXTENT OF ANTICIPATED NEW CLAIMS TO BE FILED.)**

31. Significant Contingencies – Litigation

At June 30, 2021, the School District was **(not)** involved in **(any) (the)** litigation **(noted below)**:

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CONSIDER INSERTING THE FOLLOWING IF LAWSUITS EXIST FOR WHICH THE OUTCOME IS UNCERTAIN**

At June 30, 2021, the School District was involved in \_\_\_\_\_\_\_\_\_ **(several)** lawsuit**(s)**. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the School District has liability coverage for itself and its employees with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Therefore, no material effects are anticipated to the School District as a result of the potential outcome of these lawsuits.

32. Significant Contingencies–Federally Assisted Programs–Compliance Audits

**(WHEN QUESTIONED COSTS HAVE BEEN REPORTED IN CONNECTION WITH A SINGLE AUDIT, USE THE FOLLOWING NOTE, AND MODIFY IT AS NECESSARY IN THE CIRCUMSTANCES.)**

Testing for compliance with provisions of federal grants and contracts resulted in questioned costs totaling $\_\_\_\_\_\_\_\_\_. The ultimate resolution of the related compliance matters and the determination of the amounts of federal awards that must be repaid, if any, is up to the federal granting agency, and will be determined at a future date. The School District believes that any amounts that may be required to be repaid to granting agencies is not material; and accordingly, has not made provision in the financial statements for any possible losses in connection herewith.

33. SIGNIFICANT UNUSUAL AND/OR INFREQUENT TRANSACTIONS

**(IF SIGNIFICANT TRANSACTIONS OR OTHER EVENTS THAT ARE EITHER UNUSUAL OR INFREQUENT BUT THAT ARE NOT WITHIN THE CONTROL OF MANAGEMENT ARE NOT SEPARATELY IDENTIFIED WITH THE APPROPRIATE REVENUE OR EXPENDITURE CATEGORY DIRECTLY ON THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AS EXTRAORDINARY ITEMS, THEY SHOULD BE DISCLOSED HERE.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

34. SUBSEQUENT EVENTS

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

35. IMPLEMENTATION OF NEW STANDARD AND RESTATEMENT

As of June 30, 2021, the School District implemented GASB Statement No. 84, *Fiduciary Activities* (GASB 84).Certain agency funds previously accounted for activities that are not considered fiduciary in nature and are now reported in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund**(s)**.

The School District restated the net position and fund balance of the fund(s) indicated below to appropriately reflect the July 1, 2020 balances as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Governmental  Activities  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Business-Type  Activities  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |  |
| Net position at June 30, 2020, as previously stated |  | $ |  | $ |
| Restatement – Implementation of GASB 84 |  | $ |  | $ |
|  |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Net Position at July 1, 2020, as restated |  |  |  |  |
|  |  | ================ |  | ================= |
|  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Net Position  June 30, 2020  As previously Stated  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Restatement  Implementation of GASB 84  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Net Position  July 1, 2020  As Restated  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |  |  |  |  |
| General Fund |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I have read the preceding notes to the financial statements and concur with their contents and consent to their use as part of my financial statements.

***(Use where the auditor provided significant assistance in the production of these notes as a by–product of conducting an audit.)***

**—OR—**

I have prepared the preceding notes to the financial statements.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_

SIGNATURE TITLE DATE