

DELL RAPIDS SCHOOL DISTRICT NO. 49-3

AUDIT REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2012

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

School Board
Dell Rapids School District No. 49-3
Minnehaha County, South Dakota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Dell Rapids School District No. 49-3, Minnehaha County, South Dakota, as of June 30, 2012 and for the year then ended which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 13, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Current Audit Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2012-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Dell Rapids School District's response to the finding identified in our audit is described in the accompanying Schedule of Current Audit Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, state granting agencies, and the governing board and management of the Dell Rapids School District No. 49-3, South Dakota and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 and OMB Circular A-133, this report is a matter of public record and its distribution is not limited.

KMWF & Associates, PC

Dell Rapids, South Dakota
March 13, 2013



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

School Board
Dell Rapids School District No. 49-3
Dell Rapids, South Dakota

Compliance

We have audited the Dell Rapids School District No. 49-3, South Dakota compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2012. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Dell Rapids School District No. 49-3, South Dakota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the

purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2012-1 to be a material weakness.

The Dell Rapids School District's response to the finding identified in our audit is described in the accompanying Schedule of Current Audit Findings and Questioned Costs. We did not audit the school District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, state granting agencies, the governing board and management of the Dell Rapids School District No. 49-3, South Dakota and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 and OMB Circular A-133, this report is a matter of public record and its distribution is not limited.

KMWF & Associates, PC

Dell Rapids, South Dakota
March 13, 2013

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PRIOR FEDERAL AUDIT FINDINGS:

Prior Finding Number 2011-1:

A deficiency in controls existed due to a lack of segregation of duties. This finding has not been corrected and is restated as finding number 2012-1.

PRIOR OTHER AUDIT FINDINGS:

The lack of segregation of duties discussed above in finding number 2011-1 is the only prior other audit finding.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:

Financial Statements

- a. An unqualified opinion was issued on the financial statements of each opinion unit.
- b. A material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties as discussed in finding number 2012-1.
- c. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards

- d. A material weakness was disclosed for internal control over major federal programs for a lack of segregation of duties affecting the reporting compliance requirement category as discussed in finding number 2012-1.
- e. An unqualified opinion was issued on compliance with the requirements applicable to major programs.
- f. Our audit did not disclose any audit findings that need to be disclosed in accordance with the Office of Management and Budget Circular A-133, Section .510(a) except for material weakness resulting from lack of segregation of duties as discussed in finding number 2012-1.
- g. The federal awards tested as major programs were:

	Special Education Cluster:
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
84.010	Title I Grants to Local Educational Agencies

- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$300,000.
- i. Dell Rapids School District No. 49-3 did not qualify as a low-risk auditee.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Current Federal Audit Findings:

Internal Control-Related Findings - Material Weaknesses:

Finding Number 2012-1:

The major federal programs affected are the Special Education Cluster and Title I as noted on the previous page. This is the ninth consecutive audit report in which this finding has appeared.

Criteria:

Internal controls should be in place that provide reasonable assurance that management directives are carried out in regards to the recording and processing of financial data.

Condition Found:

A deficiency in controls existed due to a lack of segregation of duties regarding the cash receipts, cash disbursements and payroll. This lack of segregation of duties could adversely affect the District's ability to record, process and report financial data and increases the risk of inaccurate financial statements and/or misappropriation of assets.

Questioned Costs:

There are no questioned costs.

Recommendation:

Implementation of compensating controls.

Corrective Action Plan:

The School District is aware of this problem, which is a result of the size of the school district which precludes staffing at a level sufficient to provide an ideal environment for internal controls. They have included a response to the finding on page 61.

Federal Compliance – Related Audit Findings and Questioned Costs:

There are no written current federal compliance audit findings to report.

Current Other Audit Findings:

Internal Control – Related Findings – Material Weaknesses:

Finding Number 2012-1:

The lack of segregation of duties discussed in finding number 2012-1 is the only other current finding noted. The governing board's response is the same as noted above.



INDEPENDENT AUDITOR'S REPORT

School Board
Dell Rapids School District No. 49-3
Minnehaha County, South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dell Rapids School District No. 49-3, South Dakota as of June 30, 2012, and for the year then ended, which collectively comprise the School District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dell Rapids School District No. 49-3, South Dakota as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2013, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and Budgetary Comparison Schedules on pages 10 through 21 and 51 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures

to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Federal Awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

KMWF & Associates, PC

Dell Rapids, South Dakota
March 13, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Dell Rapids School District's annual financial report presents an overall discussion and analysis of the District's financial activities during the fiscal year ended on June 30, 2012. Please read it in conjunction with the District's financial statements and notes to the financial statements to enhance your understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's total net assets from governmental and business-type activities increased by \$227,350.54 (2.60%). Increases in revenue from state sources and local taxes exceeded decreases in revenue from other sources, while the District had only a slight increase in total expenditures.
- During the year, the District's total revenues of \$9,774,266.49 were comprised of general revenues in the amount of \$8,472,261.43 and program revenues totaling \$1,302,005.06.
- During the year, the District's revenues generated from taxes and other revenues of the governmental and business-type programs were \$227,350.54 more than the \$9,546,915.95 in governmental and business-type program expenditures.
- As of the year ended June 30, 2012, the District's government-wide ending net assets were \$8,990,888.88.
- The total cost of the District's programs decreased by .04%. The district incurred increased costs for food service operations, utilities for the additional school building, and purchase of non-capitalized equipment for the new elementary school. However, significant staff reductions, salary reductions, and other budget reductions were made to offset a 6% reduction in the per pupil funding allocation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts (Figure A-1) – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements (Statement of Net Assets and Statement of Activities) are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities that the school operates like businesses. Proprietary funds operated by the

school are the Food Service Operation and Other Enterprise Funds for fee based programs such as summer drivers' education and athletic camps.

- Fiduciary fund statements provide information about the financial relationships - like student organization accounts - in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

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

Figure A-1

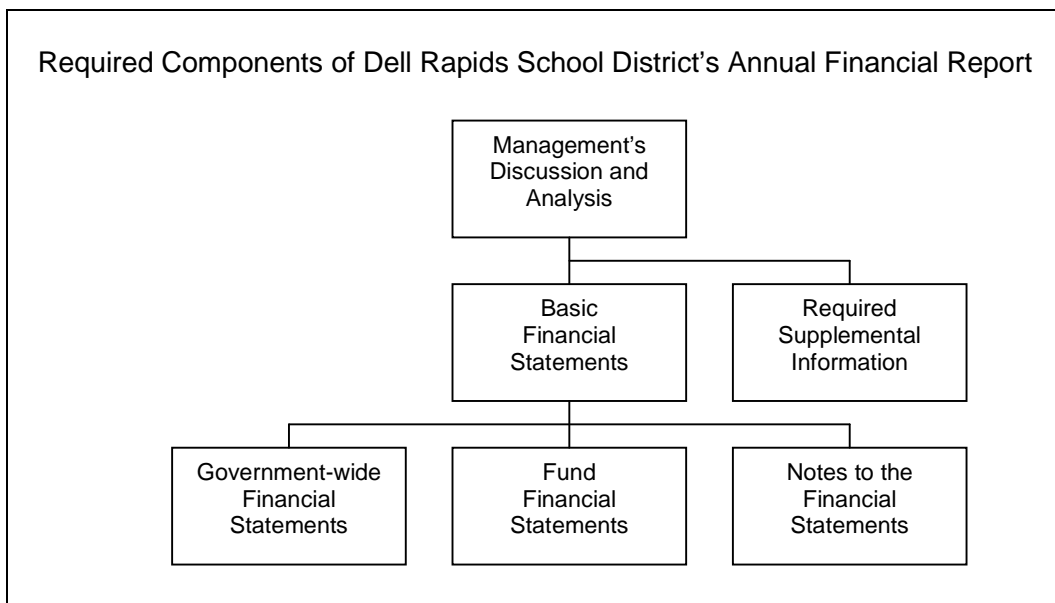


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the School government covered and the types of information contained. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each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

Figure A-2

Major Features of Dell Rapids School District's Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs	Activities the District operates similar to private businesses; such the food service operation, activity camps and drivers' education	Instances in which the District is the trustee or agent for someone else's resources
Required Financial Statements	*Statement of Net Assets *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balance	*Balance Sheet *Statement of Revenues, Expenses, and Changes in Net Assets *Statement of Cash Flows	*Statement of Fiduciary Net Assets
Account Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when good or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

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

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

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

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

- **Governmental Activities** - This category includes the District's basic instructional services, such as elementary and high school educational programs, support services (guidance counselor, executive administration, board of education, fiscal services, pupil transportation, etc.), debt service payments, extracurricular activities (sports, music, etc.) and capital equipment purchases. Property taxes, state grants, federal grants and interest earnings finance most of these activities.
- **Business-type Activities** - The school charges a fee to students to help cover the costs of providing hot lunch services, activity camps, and summer drivers' education. The Food Service Fund and the Other Enterprise Funds are the only business-type activities of the District.

Fund Financial Statements

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

- State Law requires some of the funds, such as Capital Outlay and Special Education.
- The School Board may establish other funds to control and manage money for particular purposes (like a Scholarship Trust).

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following sections will explain the differences between the current and prior year's assets, liabilities, and changes in net assets.

Net Assets

The Statement of Net Assets reports all financial and capital resources. The difference between the District's assets and liabilities is its net assets. Table A-1 shows how the District's combined net assets increased in fiscal years 2011 and 2012.

Table A-1
Dell Rapids School District 49-3
Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>
Current and other Assets	\$12,239,070.71	\$6,867,177.54	\$28,423.33	\$32,568.85	\$12,267,494.04	\$6,899,746.39
Capital Assets	<u>18,956,853.59</u>	<u>23,459,558.31</u>	<u>8,730.08</u>	<u>123,191.07</u>	<u>18,965,583.67</u>	<u>23,582,749.38</u>
Total Assets	\$31,195,924.30	\$30,326,735.85	\$37,153.41	\$155,759.92	\$31,233,077.71	\$30,482,495.77
Long-Term Debt Outstanding	\$18,226,003.77	\$18,757,435.69			\$18,226,003.77	\$18,757,435.69
Other Liabilities	<u>4,243,535.60</u>	<u>2,733,639.41</u>		<u>\$531.80</u>	<u>4,243,535.60</u>	<u>2,734,171.21</u>
Total Liabilities	\$22,469,539.37	\$21,491,075.09	\$0.00	\$531.80	\$22,469,539.37	\$21,491,606.89
Net Assets:						
Invested in Capital Assets	\$789,609.59	\$4,752,314.31	\$8,730.08	\$123,191.07	\$798,339.67	\$4,875,505.38
Net of Related Debt						
Restricted	6,776,237.16	2,779,061.74			6,776,237.16	2,779,061.74
Unrestricted	<u>1,160,538.18</u>	<u>1,304,284.71</u>	<u>28,432.33</u>	<u>32,037.05</u>	<u>1,188,970.51</u>	<u>1,336,321.76</u>
Total Net Assets	\$8,726,384.93	\$8,835,660.76	\$37,153.41	\$155,228.12	\$8,763,538.34	\$8,990,888.88
Beginning Net Assets	\$8,687,938.58	\$8,726,384.93	\$28,833.31	\$37,153.41	\$8,716,771.89	\$8,763,538.34
Increase (Decrease) in Net Assets	\$38,446.35	\$109,275.83	\$8,320.10	\$118,074.71	\$46,766.45	\$227,350.54
Percentage of Increase (Decrease) in Net Assets	.44%	1.26%	28.86%	317.80%	.54%	2.60%

Total assets changed by \$750,581.94 between June 30, 2011 and June 30, 2012; however, current assets decreased by \$5,367,747.65, while capital assets increased by \$4,617,165.71. This is mainly attributed to completion of the new elementary school and high school addition building projects.

Changes in Net Assets

The next sections show condensed financial comparisons of revenues (Figure A-3) and expenses (Figure A-4) and provide explanations for significant differences.

The District's expenses cover a range of services, encompassing instruction, support services and food services. The total cost of all programs and services for FY2012 was \$9,546,915.95. 48.82% of the total expenses were for instruction, and 28.81% of the District's total expenses were for support services. (See Table A-2)

The District's total revenues for FY2012 were \$9,774,266.50, surpassing expenses by \$227,350.55. (See Table A-2.) 49.34% of the District's revenue came from property and other taxes, with another 31.67% coming from state aid. (See Figure A-3)

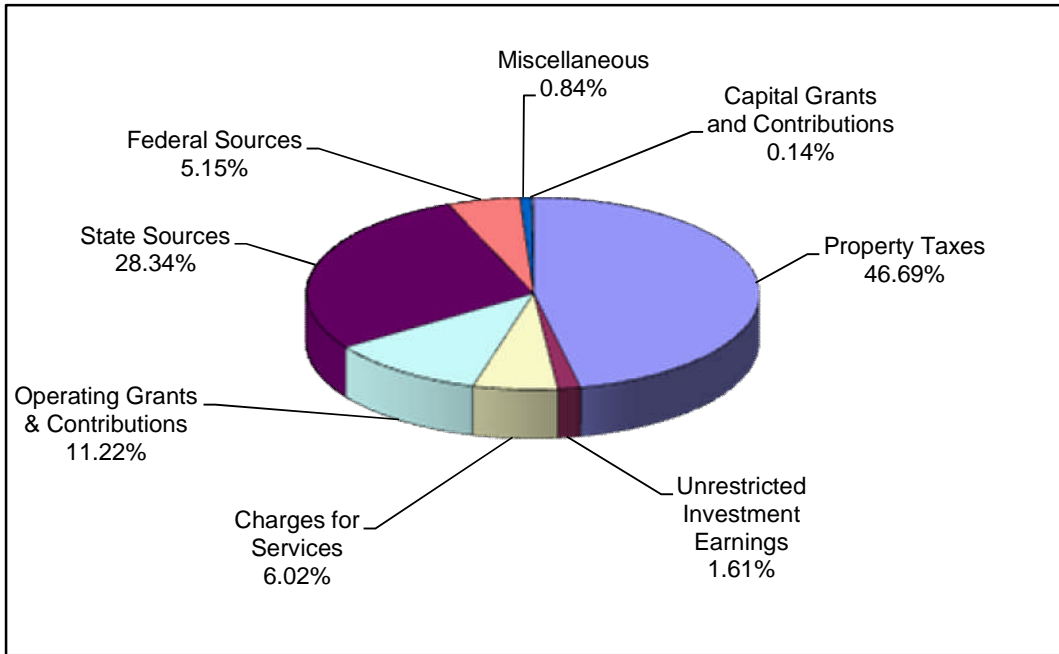
A transfer of \$164,799.80 from governmental funds to business-type funds included \$124,015.59 in contributions for capital assets and \$40,784.21 in non-capitalized equipment for the new elementary school Food Service operation.

Table A-2
Dell Rapids School District 49-3
Changes in Net Assets

	Total Governmental Activities		Total Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues						
Program Revenues						
Charges for Services	\$242,808.57	\$219,586.22	\$335,152.84	\$374,434.96	\$577,961.41	\$594,021.18
Operating Grants and Contributions	950,900.84	482,294.51	126,055.32	135,225.49	\$1,076,956.16	\$617,520.00
Capital Grants and Contributions	13,012.95	90,463.88			\$13,012.95	\$90,463.88
General Revenues						
Taxes	4,316,846.87	4,606,197.53			\$4,316,846.87	\$4,606,197.53
Gross Receipts Taxes	163,839.87	216,075.33			\$163,839.87	\$216,075.33
Revenue State Sources	2,719,529.40	3,095,572.26			\$2,719,529.40	\$3,095,572.26
Revenue Federal Sources	113.91	84.69			\$113.91	\$84.69
Revenue from Federal Interest Reimbursement	493,945.66	447,469.36			\$493,945.66	\$447,469.36
Revenue Intermediate Sources	59,172.88	59,323.13			\$59,172.88	\$59,323.13
Revenue Local Sources	21,689.45	27,620.11			\$21,689.45	\$27,620.11
Unrestricted Investment Earnings	154,107.49	19,865.50	82.46	53.53	\$154,189.95	\$19,919.03
Total Revenues	\$9,135,967.89	\$9,264,552.52	\$461,290.62	\$509,713.98	\$9,597,258.51	\$9,774,266.50
Expenses						
Instruction	\$4,591,544.83	\$4,661,205.81			\$4,591,544.83	\$4,661,205.81
Support Services	2,792,328.49	2,750,247.22			\$2,792,328.49	\$2,750,247.22
Community Services	114,111.90	152,161.81			\$114,111.90	\$152,161.81
Nonprogrammed Charges	47,385.89	21,387.59			\$47,385.89	\$21,387.59
Debt Service	1,140,339.09	986,728.90			\$1,140,339.09	\$986,728.90
Cocurricular Activities	411,811.34	418,745.55			\$411,811.34	\$418,745.55
Food Service			452,970.52	541,475.95	\$452,970.52	\$541,475.95
Other Enterprise				14,963.12	\$0.00	\$14,963.12
Total Expenses	\$9,097,521.54	\$8,990,476.88	\$452,970.52	\$556,439.07	\$9,550,492.06	\$9,546,915.95
Excess (Deficiency) Before Special Items and Transfers	\$38,446.35	\$274,075.64	\$8,320.10	(\$46,725.09)	\$46,766.45	\$227,350.55
Transfers		(164,799.80)		164,799.80	\$0.00	\$0.00
Increase (Decrease) in Net Assets	\$38,446.35	\$109,275.84	\$8,320.10	\$118,074.71	\$46,766.45	\$227,350.55
Net Assets, Beginning	\$8,687,938.58	\$8,726,384.93	\$28,833.31	\$37,153.41	\$8,716,771.89	\$8,763,538.34
Net Assets, Ending	\$8,726,384.93	\$8,835,660.77	\$37,153.41	\$155,228.12	\$8,763,538.34	\$8,990,888.89

Figure A-3

Dell Rapids School District
Sources of Revenue for Fiscal Year 2011



Dell Rapids School District
Sources of Revenue for Fiscal Year 2012

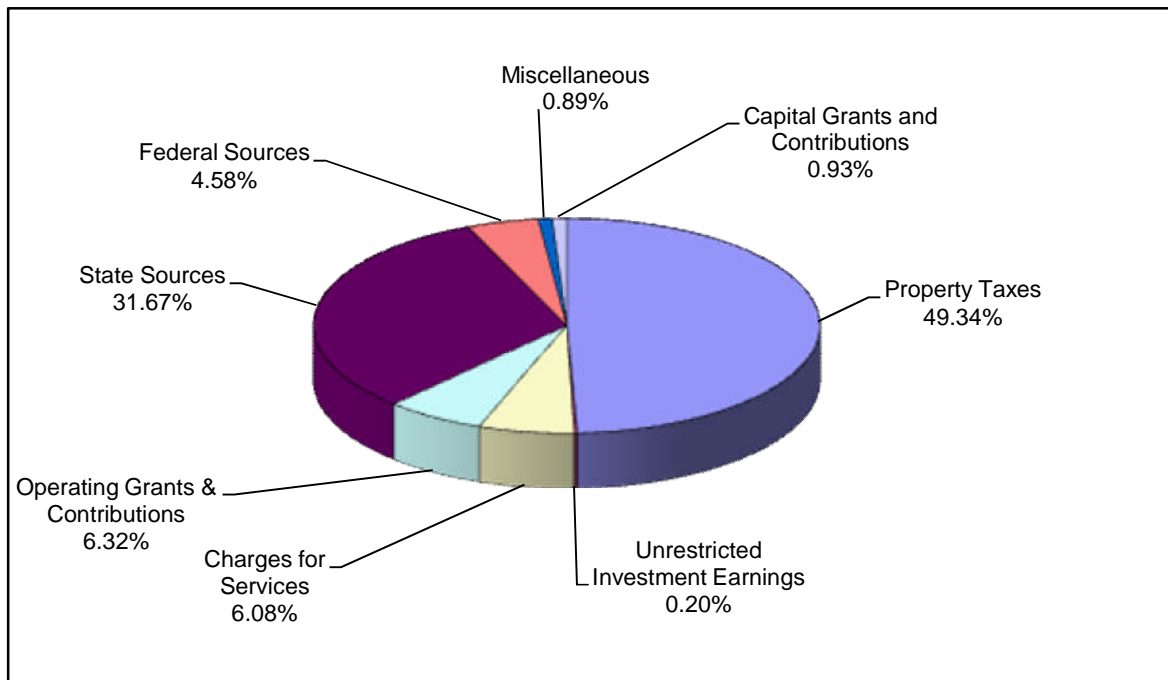
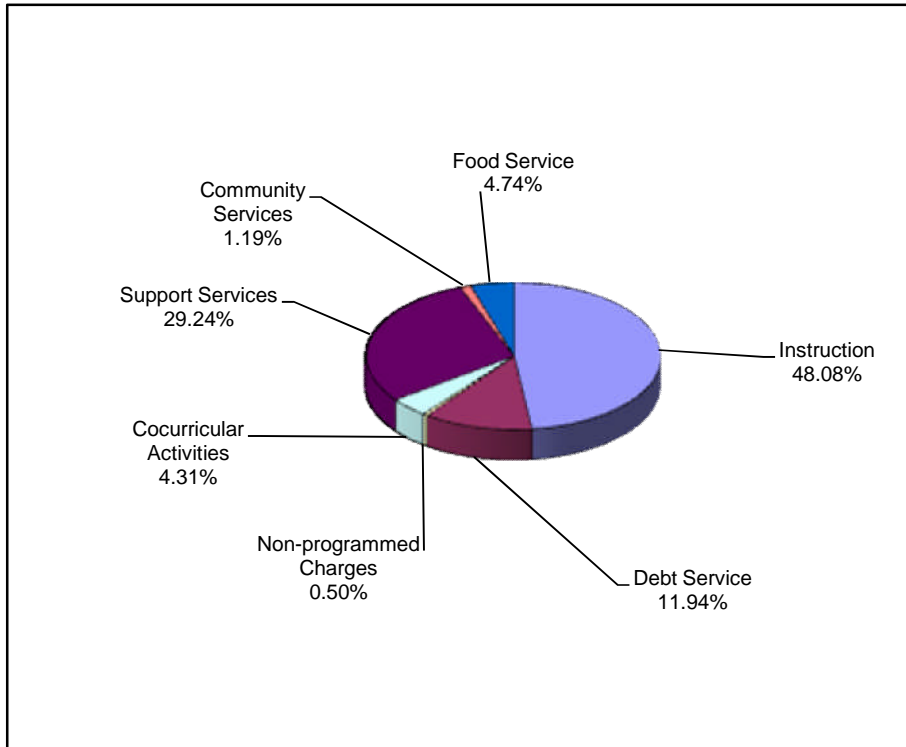
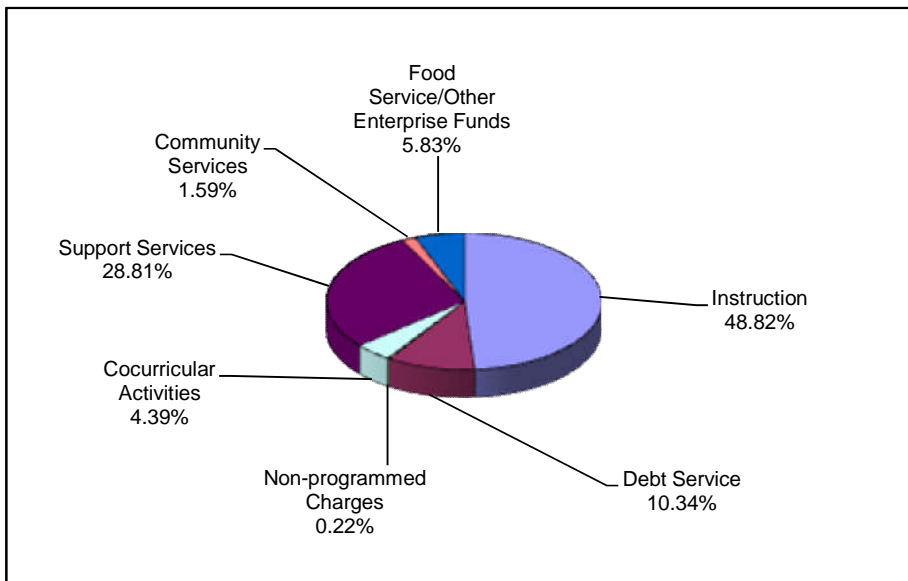


Figure A-4

Dell Rapids School District
Expenses by Functional Area for Fiscal Year 2011



Dell Rapids School District
Expenses by Functional Area for Fiscal Year 2012



GOVERNMENTAL ACTIVITIES

Revenues of the District's governmental-type activities increased by 1.41%. Revenue from charges for services decreased by \$23,222.35 (9.56%), operating and capital grants and contributions decreased by \$318,985.23 (35.05%), tax revenue increased by \$341,586.12 (7.62%), revenue from local sources increased by \$5,930.66 (27.34%), and revenue from State sources increased by \$371,839.54 (13.67%). Charges for services decreased primarily because of a change in state law, moving drivers' education and activity camps from governmental funds to proprietary funds. Operating grants decreased due to the expiration of Federal stimulus payments (ARRA). Tax revenues increased as a result of taxes being levied for a full fiscal year on bonds for the new elementary school. Additional one-time state aid payments, an increased allocation from the special education extraordinary cost fund, and a state contribution for teacher training increased revenue from state sources. Unrestricted investment earnings decreased due to the use of invested construction funds.

Expenses for governmental-type activities decreased by .91% primarily due to reduction of staff, salary reductions, and other budget reductions made to offset a 6% reduction in the per pupil funding allocation and utility cost increases for the new elementary school.

BUSINESS-TYPE ACTIVITIES

Revenues of the District's business-type activities increased by 10.50% to \$509,713.98, while expenses increased by 22.84% to \$556,439.07. Because of a FY2012 change in state law, drivers' education and activity camps were changed from governmental funds to business-type activities, increasing both revenues and expenses. Increases in food service operations were due to a small increase in prices charged for meals, with increased participation and costs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of June 30, 2012 the District's funds reported combined ending fund balances of \$3,887,327.42, a decrease of \$3,853,713.68 mainly due to expenditures for capital projects. The \$3,887,327.42 includes \$12,359.56 in non-spendable funds (inventory), \$26,636.93 for unemployment, \$201,687.00 to finance the FY2013 budget, and \$983,476.33 for debt service.

The ending FY2012 Capital Outlay fund balance of \$1,756,245.46 was an increase of \$149,508.96 from the FY2011 ending fund balance. From a May 2012 \$960,000.00 Capital Outlay Certificate issue, \$938,116.87 was deposited with an escrow agent for partial crossover refunding of previously issued certificates. A change in state statute allowed school districts to use Capital Outlay funds for payment of utilities, property/liability insurance, and transportation fuel. \$176,749.91 was expended for these purposes during FY2012. Capital Outlay funds were also used for equipment, furnishings, and technology infrastructure expenses associated with the new elementary school and high school additions.

The Special Education ending fund balance of \$56,487.00 was a decrease of \$14,171.42 due to increased costs for services.

The Pension Fund ending fund balance of \$15,398.67 reflects a decrease of \$77,343.30. In FY2009 no retirement expenses were paid from the Pension Fund, since additional General Fund dollars were available from unusually high bank franchise revenue. In FY2010, FY2011, and FY2012, the Pension Fund was used to cover all retirement expenses.

BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revised the School budget four times. Amendments fall into two categories:

- Contingency transfers of \$31,000.00 were made to increase the expenditure budgets for legal services, recruitment, executive administration, and building administration.
- Supplemental budgets were approved to reflect revenue from grants, contributions, and donations and the related expenditures for purchase of supplies and equipment. Supplemental budgets were approved to record the revenue and expense associated with Common Core training provided by the State of South Dakota for the District's teachers, an increase in operations of the before/after school program, for increased admissions revenue, and for an increase in co-curricular travel expenses. A supplemental budget was approved for additional State Aid to Education. Supplemental appropriations were approved for payment of staff bonuses and the payment of utility expenses from the General Fund.

No significant budget variances existed.

CAPITAL ASSET ADMINISTRATION

By the end of fiscal year 2012, the District had invested \$32,082,405.00 in a broad range of capital assets, including, land, buildings, various machinery and equipment. (See Table A-3.)

- In February 2010, a bond election was passed for the construction of a new elementary school. Construction of the school was completed in December 2012 at a total cost of \$10,473,035.23.
- The District was approved in FY2010 for \$4,122,244.00 in Qualified School Construction Bonds for roof replacement projects and for additions/remodeling at the high school. The roof replacements were completed in FY2011. The High School addition/remodeling project was completed in December 2012 at a total cost of \$3,349,352.99.
- In FY2012, the District purchased land for an access road to the new elementary school, installed a playground at the new elementary school, made improvements to the technology infrastructure, and purchased furnishings for the new elementary school and high school additions.
- Food service equipment costing \$124,015.59 was installed in the new elementary school, resulting in a capital contribution for business-type activities.

Table A-3

**DELL RAPIDS SCHOOL DISTRICT - Capital Assets
(not including accumulated depreciation)**

	Governmental Activities		Business-type Activities		Total Dollar Change	Total Percent Change
	2011	2012	2011	2012	2011-2012	2011-2012
Land	\$484,615.75	\$494,615.75			\$10,000.00	2.06%
Buildings and Construction Work in Progress	24,661,135.84	29,294,574.40			\$4,633,438.56	18.79%
Improvements	781,487.64	977,846.33			\$196,358.69	25.13%
Machinery and Equipment	919,012.95	1,315,368.52	\$36,903.99	\$160,919.58	\$520,371.16	54.44%
Total Capital Assets	\$26,846,252.18	\$32,082,405.00	\$36,903.99	\$160,919.58	\$536,168.41	19.94%

LONG-TERM DEBT

At year-end, the District had \$18,757,435.69 in Capital Outlay certificates, bonds, and other long-term obligations. This is an increase of 2.92%, as shown on Table A-4 below.

Table A-4

Dell Rapids School District 49-3
Outstanding Debt and Obligations

Table A-4
DELL RAPIDS SCHOOL DISTRICT 49-3 - Outstanding Debt and Obligations

	Governmental Activities		Business-type Activities		Total Dollar Change	Total Percentage Change
	2011	2012	2011	2012	2011-2012	2011-2012
Bonds	\$12,245,000.00	\$12,115,000.00			-\$130,000.00	-1.06%
Capital Outlay Certificates	5,922,244.00	6,592,244.00			\$670,000.00	11.31%
Early Retirement	32,293.45	37,476.01			\$5,182.56	16.05%
Accrued Leave	26,466.32	12,715.68			-\$13,750.64	-51.96%
Total Outstanding Debt and Obligations	\$18,226,003.77	\$18,757,435.69	\$0.00	\$0.00	\$531,431.92	2.92%

During FY2012, the District paid \$420,000.00 in principal and \$965,959.84 in interest for Capital Outlay Certificates, General Obligation Bonds, and Qualified School Construction Bonds.

In May 2012, the District issued \$960,000.00 in Partial Crossover Refunding Certificates. After issuance expenses and interest, \$910,000.00 was deposited with an escrow agent for payment of Series 2009 Capital Outlay Certificates.

The District is liable for accrued annual vacation leave earned by full-time support staff. The District maintains an early retirement plan, which allows teachers meeting certain qualifications to retire early and receive 35% of their last year's teaching salary in equal payments spread over the next three years. This plan allows the District to reduce the overall program cost by hiring lower paid teachers to replace the higher paid teachers.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's current economic position has shown some change. The School experienced an increase in total property valuation (2011 valuation for taxes payable in 2012) of \$338,315.00, or .08% from the prior year. The total amount which can be levied is limited by the State of South Dakota. The District anticipates that valuations will increase in future years.

One of the primary sources of revenue to the District is based on a per student allocation received from the State of South Dakota. In the 2010-2011 school year, the per pupil allocation, consisting of property taxes plus state aid, was \$4,804.60. In FY2012, the per pupil allocation was reduced to \$4,389.95; however, this amount was supplemented by a one-time \$97.00 per pupil allocation. Two contract days were eliminated and staff reductions were made to reduce expenditures.

The District's enrollment is projected to increase over the long-term due to economic growth in Sioux Falls and its surrounding communities. In February 2010, the community voted in favor of a bond issue for the construction of a new elementary school which was completed for use in the second semester of FY2012. Additions to the high school building, including a gymnasium, were also completed in December 2012.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office, Dell Rapids School District 49-3, 1216 Garfield Avenue, Dell Rapids, SD 57022.

Dell Rapids School District 49-3
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and Cash Equivalents	\$ 3,413,680.66	\$ 32,568.85	\$ 3,446,249.51
Taxes Receivable	2,180,835.00		2,180,835.00
Inventories	12,359.56		12,359.56
Other Assets	322,185.45		322,185.45
Restricted Assets - Temporarily Restricted			
Cash and Investments Held in Escrow	938,116.87		938,116.87
Capital Assets:			
Land and Construction in Progress	494,615.75		494,615.75
Other Capital Assets, Net of Depreciation	<u>22,964,942.56</u>	<u>123,191.07</u>	<u>23,088,133.63</u>
TOTAL ASSETS	<u>\$ 30,326,735.85</u>	<u>\$ 155,759.92</u>	<u>\$ 30,482,495.77</u>
LIABILITIES:			
Accounts Payable	\$ 30,841.59	\$ 531.80	\$ 31,373.39
Deferred Revenue	2,157,923.54		2,157,923.54
Other Current Liabilities	544,874.27		544,874.27
Noncurrent Liabilities:			
Due Within One Year	658,795.86		658,795.86
Due in More than One Year	<u>18,098,639.83</u>		<u>18,098,639.83</u>
TOTAL LIABILITIES	<u>21,491,075.09</u>	<u>531.80</u>	<u>21,491,606.89</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	4,752,314.31	123,191.07	4,875,505.38
Restricted for:			
Capital Outlay	1,733,443.45		1,733,443.45
Special Education	58,886.76		58,886.76
Debt Service	986,731.53		986,731.53
Unrestricted	<u>1,304,284.71</u>	<u>32,037.05</u>	<u>1,336,321.76</u>
TOTAL NET ASSETS	<u>8,835,660.76</u>	<u>155,228.12</u>	<u>8,990,888.88</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,326,735.85</u>	<u>\$ 155,759.92</u>	<u>\$ 30,482,495.77</u>

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

Dell Rapids School District 49-3
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Expenses	Total
Primary Government:							
Governmental Activities:							
Instruction	\$ 4,661,205.81	\$ -	\$ 357,086.13	\$ 3,699.00	\$ (4,300,420.68)	\$ -	\$ (4,300,420.68)
Support Services	2,750,247.22	22,055.20	102,756.06	31,620.39	(2,593,815.57)		(2,593,815.57)
Community Services	152,161.81	117,521.90	17,938.95	493.60	(16,207.36)		(16,207.36)
Nonprogrammed Charges	21,387.59				(21,387.59)		(21,387.59)
* Interest on Long-term Debt	986,728.90				(986,728.90)		(986,728.90)
Cocurricular Activities	418,745.55	80,009.12	4,513.37	54,650.89	(279,572.17)		(279,572.17)
Total Governmental Activities	8,990,476.88	219,586.22	482,294.51	90,463.88	(8,198,132.27)		(8,198,132.27)
Business-type Activities:							
Food Service	541,475.95	358,999.96	135,225.49			(47,250.50)	(47,250.50)
Other	14,963.12	15,435.00	-			471.88	471.88
Total Business-type Activities:	556,439.07	374,434.96	135,225.49	-	-	(46,778.62)	(46,778.62)
Total Primary Government	\$ 9,546,915.95	\$ 594,021.18	\$ 617,520.00	\$ 90,463.88	\$ (8,198,132.27)	\$ (46,778.62)	\$ (8,244,910.89)

General Revenues:

Taxes:		
Property Taxes	4,606,197.53	4,606,197.53
Gross Receipts Tax	216,075.33	216,075.33
Revenue from State Sources:		
State Aid	2,887,402.90	2,887,402.90
Other	208,169.36	208,169.36
Revenue from Federal Sources:		
Federal Interest Reimbursement	447,469.36	447,469.36
Other	84.69	84.69
Unrestricted Investment Earnings	19,865.50	53.53
Other General Revenues	86,943.23	86,943.23
Transfers	(164,799.80)	164,799.80
Total General Revenue	8,307,408.10	164,853.33
Change in Net Assets	109,275.83	118,074.71
Net Assets - Beginning	8,726,384.93	37,153.41
NET ASSETS - ENDING	\$ 8,835,660.76	\$ 155,228.12

* The district does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

Dell Rapids School District 49-3
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Capital Outlay Fund	Special Education Fund	Pension Fund	Bond Redemption Fund	Elementary School Capital Projects Fund	High School Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:									
Cash and Cash Equivalents	\$ 1,482,406.53	\$ 822,909.75	\$ 104,489.38	\$ 15,398.67	\$ 576,108.78	\$ 5,000.00	\$ -	\$ 407,367.55	\$ 3,413,680.66
Cash Held in Escrow		938,116.87							938,116.87
Taxes Receivable--Current	822,844.48	611,943.58	286,602.20	61,227.58	297,391.63			77,914.08	2,157,923.55
Taxes Receivable--Delinquent	11,486.88	5,314.86	2,399.76	454.75	2,587.66			667.54	22,911.45
Accounts Receivable, Net	13,117.19								13,117.19
Due from Other Government	59,885.00		25,884.00						85,769.00
Inventory of Supplies	12,359.56								12,359.56
TOTAL ASSETS	\$ 2,402,099.64	\$ 2,378,285.06	\$ 419,375.34	\$ 77,081.00	\$ 876,088.07	\$ 5,000.00	\$ -	\$ 485,949.17	\$ 6,643,878.28
LIABILITIES AND FUND BALANCES:									
Liabilities:									
Accounts Payable	\$ 18,838.48	\$ 4,781.16	\$ 2,221.95	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 30,841.59
Contracts Payable	381,662.88		56,273.80						437,936.68
Payroll Deductions and Withholdings and Employer Matching Payable	91,546.96		15,390.63						106,937.59
Deferred Revenue	834,331.36	617,258.44	289,001.96	61,682.33	299,979.29			78,581.62	2,180,835.00
Total Liabilities	1,326,379.68	622,039.60	362,888.34	61,682.33	299,979.29	5,000.00	-	78,581.62	2,756,550.86
Fund Balances:									
Nonspendable	12,359.56								12,359.56
Restricted:									
Capital Outlay		1,756,245.46							1,756,245.46
Special Education			56,487.00						56,487.00
Pension				15,398.67					15,398.67
Debt Service					576,108.78			407,367.55	983,476.33
Assigned	228,323.93								228,323.93
Unassigned	835,036.47								835,036.47
Total Fund Balances	1,075,719.96	1,756,245.46	56,487.00	15,398.67	576,108.78	-	-	407,367.55	3,887,327.42
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,402,099.64	\$ 2,378,285.06	\$ 419,375.34	\$ 77,081.00	\$ 876,088.07	\$ 5,000.00	\$ -	\$ 485,949.17	\$ 6,643,878.28

Dell Rapids School District No. 49-3
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 June 30, 2012

Total Fund Balances - Governmental Funds		\$ 3,887,327.42
Amounts reported for governmental activities in the statement of net assets are different because:		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.</p>	<p>The cost of capital assets are Accumulated depreciation is Net</p>	<p>\$ 32,082,405.00 <u>(8,622,846.69)</u> 23,459,558.31</p>
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>	<p>Bonds CO Certificates Early Retirement Accrued Leave Net</p>	<p>\$ (12,115,000.00) (6,592,244.00) (37,476.00) <u>(12,715.69)</u> (18,757,435.69)</p>
Assets, such as taxes receivable that are not available to pay for current period expenditures, are deferred in the funds.		22,911.46
Unamortized debt issue costs and bond discounts are not accounted for in the governmental funds but are accounted for in the Statement of Net Assets.		223,299.26
Net Assets - Governmental Funds		<u>\$ 8,835,660.76</u>

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

Dell Rapids School District 49-3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General Fund	Capital Outlay Fund	Special Education Fund	Pension Fund	Bond Redemption Fund	Elementary School Capital Projects Funds	High School Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Revenues:									
Revenue from Local Sources:									
Taxes:									
Ad Valorem Taxes	\$ 1,686,113.90	\$ 1,255,035.06	\$ 587,370.62	\$ 125,503.11	\$ 720,061.06	\$ -	\$ -	\$ 158,204.23	\$ 4,532,287.98
Prior Years' Ad Valorem Taxes	34,164.28	15,413.19	7,209.39	1,541.32	6,254.38			1,924.95	66,507.51
Tax Deed Revenue	2,774.77	976.57	456.70	97.65				773.77	5,079.46
Gross Receipts Taxes	216,075.33								216,075.33
Penalties and Interest on Taxes	5,561.77	2,828.50	1,322.52	282.84	361.30			1,144.88	11,501.81
Tuition and Fees:									
Regular Day School Transportation Fees	11,856.72								11,856.72
Other Transportation Fees	10,198.48								10,198.48
Earnings on Investments and Deposits	1,363.59	2,710.50	10.68	150.14	807.79	6,615.46	7,942.62	264.72	19,865.50
Cocurricular Activities:									
Admissions	79,375.62								79,375.62
Other Pupil Activity Income	633.50								633.50
Other Revenue from Local Sources:									
Rentals	1,614.75								1,614.75
Contributions and Donations	32,792.72	62,822.16							95,614.88
Charges for Services	27,689.00		25,825.06						53,514.06
Day Care Services	135,242.45								135,242.45
Other	19,781.14								19,781.14
Revenue from Intermediate Sources:									
County Sources:									
County Apportionment	59,323.13								59,323.13
Revenues from State Sources:									
Grants-in-Aid:									
Unrestricted Grants-in-Aid	2,702,148.04								2,702,148.04
Restricted Grants-in-Aid	23,942.90		365,278.00						389,220.90
Revenue from Federal Sources:									
Grants-in-Aid:									
Unrestricted Grants-in-Aid Received from Federal Government Through an Intermediate Source	84.69								84.69
Restricted Grants-in-Aid Received from Federal Government Through the State	175,665.00	27,148.12	209,320.00						412,133.12
Other Federal Revenue		228,372.32			219,097.04				447,469.36
Total Revenue	5,226,401.78	1,595,306.42	1,196,792.97	127,575.06	946,581.57	6,615.46	7,942.62	162,312.55	9,269,528.43

Dell Rapids School District 49-3
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	General Fund	Capital Outlay Fund	Special Education Fund	Pension Fund	Bond Redemption Fund	Elementary School Capital Projects Funds	High School Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Expenditures:									
Instruction:									
Regular Programs:									
Elementary	\$ 990,437.75	\$ 279,868.39	\$ -	\$ 43,381.55	\$ -	\$ -	\$ -	\$ -	\$ 1,313,687.69
Middle/Junior High	819,288.63	16,127.21		38,119.67					873,535.51
High School	965,129.78	52,493.53		43,820.56					1,061,443.87
Special Programs:									
Programs for Special Education			808,708.20						808,708.20
Educationally Deprived	91,003.06								91,003.06
Other Special Programs	42,491.63			2,150.64					44,642.27
Support Services:									
Pupils:									
Attendance and Social Work	2,500.00								2,500.00
Guidance	119,287.71			6,215.27					125,502.98
Health	59,558.26		8,709.00	2,826.96					71,094.22
Psychological			46,012.67						46,012.67
Speech Pathology			153,094.16						153,094.16
Student Therapy Services			100,482.00						100,482.00
Orientation and Mobility Services			3,657.33						3,657.33
Support Services - Instructional Staff:									
Improvement of Instruction	55,721.98		156.76	120.01					55,998.75
Educational Media	175,039.45	73,038.36		7,008.95					255,086.76
Support Services - General Administration:									
Board of Education	29,264.26	11,191.00							40,455.26
Executive Administration	124,949.51			6,070.48					131,019.99
Support Services - School Administration:									
Office of the Principal	311,376.12	694.39		15,350.50					327,421.01
Other	1,579.00								1,579.00
Support Services - Business:									
Fiscal Services	96,745.53	7,875.20		4,879.48					109,500.21
Facilities Acquisitions and Construction		7,089.68							7,089.68
Operation and Maintenance of Plant	646,292.40	110,631.02		14,292.82					771,216.24
Pupil Transportation	152,268.64	55,683.51		3,123.93					211,076.08
Internal Services	2,444.72	10,278.00							12,722.72
Support Services - Central:									
Staff	4,251.92								4,251.92
Other	18,260.59								18,260.59
Support Services - Special Education:									
Administrative Costs			6,317.47						6,317.47
Transportation Costs			83,826.80						83,826.80
Community Services:									
Custody and Care of Children	149,867.48								149,867.48
Nonpublic School	698.87	1,595.46							2,294.33

Dell Rapids School District 49-3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General Fund	Capital Outlay Fund	Special Education Fund	Pension Fund	Bond Redemption Fund	Elementary School Capital Projects Funds	High School Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Nonprogrammed Charges:									
Payments to State - Unemployment	\$ 5,440.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,440.54
Early Retirement Payments				10,764.49					10,764.49
Debt Services		616,270.76			630,879.08			160,475.00	1,407,624.84
Cocurricular Activities:									
Male Activities	59,212.66			2,011.85					61,224.51
Female Activities	43,305.38			1,537.17					44,842.55
Transportation	39,937.11	16,434.27		238.23					56,609.61
Combined Activities	85,813.81	7,917.65		3,005.80					96,737.26
Capital Outlay		681,785.55				2,246,218.82	2,543,658.16		5,471,662.53
Total Expenditures	<u>5,092,166.79</u>	<u>1,948,973.98</u>	<u>1,210,964.39</u>	<u>204,918.36</u>	<u>630,879.08</u>	<u>2,246,218.82</u>	<u>2,543,658.16</u>	<u>160,475.00</u>	<u>14,038,254.58</u>
Excess of Revenue Over (Under) Expenditures	<u>134,234.99</u>	<u>(353,667.56)</u>	<u>(14,171.42)</u>	<u>(77,343.30)</u>	<u>315,702.49</u>	<u>(2,239,603.36)</u>	<u>(2,535,715.54)</u>	<u>1,837.55</u>	<u>(4,768,726.15)</u>
Other Financing Sources:									
Transfers In							158,755.10	294,446.00	453,201.10
Transfers Out		(456,823.48)				(37,161.83)			(493,985.31)
General Long-Term Debt Issued		960,000.00							960,000.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>503,176.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,161.83)</u>	<u>158,755.10</u>	<u>294,446.00</u>	<u>919,215.79</u>
Net Changes in Fund Balances	<u>134,234.99</u>	<u>149,508.96</u>	<u>(14,171.42)</u>	<u>(77,343.30)</u>	<u>315,702.49</u>	<u>(2,276,765.19)</u>	<u>(2,376,960.44)</u>	<u>296,283.55</u>	<u>(3,849,510.36)</u>
Changes in Nonspendable		(4,203.32)							(4,203.32)
Fund Balance - Beginning	<u>945,688.29</u>	<u>1,606,736.50</u>	<u>70,658.42</u>	<u>92,741.97</u>	<u>260,406.29</u>	<u>2,276,765.19</u>	<u>2,376,960.44</u>	<u>111,084.00</u>	<u>7,741,041.10</u>
FUND BALANCE - ENDING	<u>\$ 1,075,719.96</u>	<u>\$ 1,756,245.46</u>	<u>\$ 56,487.00</u>	<u>\$ 15,398.67</u>	<u>\$ 576,108.78</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,367.55</u>	<u>\$ 3,887,327.42</u>

Dell Rapids School District 49-3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds		\$ (3,849,510.36)
Amounts reported for governmental activities in the statement of activities are different because:		
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.		5,314,101.21
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.		(811,396.49)
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets.		
Bond	\$ 130,000.00	
CO Certificate	290,000.00	420,000.00
The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.		
CO Certificate	(960,000.00)	(960,000.00)
In both the government-wide and fund financial statements, revenues from property tax levies are applied to finance the budget of a particular period. Accounting for revenues from property tax accruals in the funds' statements differs from the accounting in the government wide statement in that the fund financial statements require the amounts to be "available". This amount reflects the application of both the application period and "availability criteria".		(9,179.22)
Governmental funds recognize expenditures for amounts of compensated absences and early retirement benefits actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits or elect to retire early.		
Vacation Leave	\$ 13,750.64	
Early Retirement	(5,182.56)	8,568.08
Bond discounts and issuance costs are deferred and amortized over the life of the bonds in the Statement of Activities.		18,065.00
Bond discounts and issuance costs are deferred and amortized over the life of the bonds. This amount of amortization is recognized on the statement of activities as part of the interest expense.		(17,169.07)
Supplies acquired are an expenditure on the fund financial statements when purchased but are expensed on the statement of activities when consumed. This amount represents the "change in" inventory of supplies.		(4,203.32)
Change in Net Assets of Governmental Activities		\$ 109,275.83

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

Dell Rapids School District No.49-3
BALANCE SHEET
PROPRIETARY FUNDS
June 30, 2012

	Food Service Fund	Other Enterprise Funds	Total Proprietary Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 31,565.17	\$ 1,003.68	\$ 32,568.85
Total Current Assets	31,565.17	1,003.68	32,568.85
Noncurrent Assets:			
Machinery and Equipment - Local Funds	160,919.58		160,919.58
Less: Accumulated Depreciation	(37,728.51)	-	(37,728.51)
Total Noncurrent Assets	123,191.07	-	123,191.07
TOTAL ASSETS	\$ 154,756.24	\$ 1,003.68	\$ 155,759.92
LIABILITIES:			
Accounts Payable	\$ -	\$ 531.80	\$ 531.80
TOTAL LIABILITIES	\$ -	\$ 531.80	\$ 531.80
NET ASSETS:			
Invested in Capital Assets	\$ 123,191.07	\$ -	\$ 123,191.07
Unrestricted Net Assets	31,565.17	471.88	32,037.05
Total Net Assets	154,756.24	471.88	155,228.12
TOTAL LIABILITIES AND NET ASSETS	\$ 154,756.24	\$ 1,003.68	\$ 155,759.92

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

Dell Rapids School District No. 49-3
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Food Service Fund	Other Enterprise Funds	Total Proprietary Funds
Operating Revenue:			
Sales:			
Student	\$ 344,075.26	\$ -	\$ 344,075.26
Adults	14,924.70		14,924.70
Other Charges for Goods and Services		15,435.00	15,435.00
Total Operating Revenue	358,999.96	15,435.00	374,434.96
Operating Expenses:			
Food Service:			
Salaries	5,009.60	11,480.00	16,489.60
Employee Benefits	668.43	1,468.64	2,137.07
Purchased Services	453,838.61		453,838.61
Supplies	46,309.26	2,014.48	48,323.74
Cost of Sales - Donated	26,095.45		26,095.45
Depreciation - Local Funds	9,554.60		9,554.60
Total Operating Expenses	541,475.95	14,963.12	556,439.07
Operating Income (Loss)	(182,475.99)	471.88	(182,004.11)
Nonoperating Revenue:			
Investment Earnings	53.53		53.53
State Grants	3,566.69		3,566.69
Federal Grants	105,563.35		105,563.35
Donated Food	26,095.45		26,095.45
Total Nonoperating Revenue (Expense)	135,279.02	-	135,279.02
Other Financing Sources:			
Capital Contributions	124,015.59		124,015.59
Transfers In	40,784.21		40,784.21
Total Other Financing Sources (Uses)	164,799.80	-	164,799.80
Change in Net Assets	117,602.83	471.88	118,074.71
Net Assets - Beginning	37,153.41	-	37,153.41
NET ASSETS - ENDING	\$ 154,756.24	\$ 471.88	\$ 155,228.12

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

Dell Rapids School District No. 49-3
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Food Service Fund	Other Enterprise Funds	Total Proprietary Funds
Cash Flows from Operating Activities			
Receipts from Customers	\$ 358,999.96	\$ 15,435.00	\$ 374,434.96
Payments to Employees for Services	(5,678.03)	(12,948.64)	(18,626.67)
Payments to Suppliers of Goods and Services	<u>(500,147.87)</u>	<u>(1,482.68)</u>	<u>(501,630.55)</u>
Net Cash (Used)/Provided by Operating Activities	<u>(146,825.94)</u>	<u>1,003.68</u>	<u>(145,822.26)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers In	40,784.21		40,784.21
Operating Grants	<u>109,130.04</u>		<u>109,130.04</u>
Net Cash Flows from Noncapital Financing Activities	<u>149,914.25</u>	<u>-</u>	<u>149,914.25</u>
Cash Flows from Investing Activities:			
Interest Earnings	<u>53.53</u>		<u>53.53</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 3,141.84</u>	<u>\$ 1,003.68</u>	<u>\$ 4,145.52</u>
Cash and Cash Equivalents at Beginning of Year	\$ 28,423.33	\$ -	\$ 28,423.33
Cash and Cash Equivalents at End of Year	<u>31,565.17</u>	<u>1,003.68</u>	<u>32,568.85</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 3,141.84</u>	<u>\$ 1,003.68</u>	<u>\$ 4,145.52</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$(182,475.99)	\$ 471.88	\$(182,004.11)
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	9,554.60	-	9,554.60
Value of Donated Commodities Used	26,095.45		26,095.45
Change in Assets and Liabilities:			
Accounts Payable		<u>531.80</u>	<u>531.80</u>
Net Cash Provided (Used) by Operating Activities	<u>\$(146,825.94)</u>	<u>\$ 1,003.68</u>	<u>\$(145,822.26)</u>
Noncash Investing, Capital and Financing Activities:			
Value of Commodities Received	\$ 26,095.45		\$ 26,095.45
Equipment Purchased by Capital Outlay Fund	\$ 124,015.59		\$ 124,015.59

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

Dell Rapids School District No. 49-3
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 June 30, 2012

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	\$ 44,778.83
Investments, at Fair Value	46,766.55
TOTAL ASSETS	\$ 91,545.38
LIABILITIES:	
Amounts Held for Others	\$ 91,545.38
NET ASSETS:	-
TOTAL LIABILITIES AND NET ASSETS	\$ 91,545.38

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

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
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 Dell Rapids School District No. 49-3 consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The School District participates in a cooperative service unit with ten 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 District.

b. Basis of Presentation

Government-wide Financial Statements:

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

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

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

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

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 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 District financial reporting entity are described below within their respective fund types:

Governmental Funds:

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

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

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

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

Pension Fund - a fund established by SDCL 13-10-6 for the purpose of paying pensions to retired employees of school districts, which have established such systems, paying the District's share of retirement plan contributions, and for funding early retirement benefits to qualifying employees. This fund is financed by property taxes. The District has chosen to treat this as a major fund.

Debt Service Fund Types - 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.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

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. Three Bond Redemption Funds are maintained by the School District – the Elementary School Bond Redemption Fund, the Middle School Bond Redemption Fund and the Qualified School Construction Bond Fund. The Elementary School Bond Redemption Fund is a major fund. The other Bond Redemption funds are non-major funds.

Capital Projects Fund Types - 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 district established two Capital Projects funds for construction of a new elementary school and for projects being funded by Qualified School Construction Bonds. The new elementary school and high school addition projects funds are major funds.

Proprietary Funds:

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

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

Other Enterprise Fund – a fund used to account for fee based programs such as drivers' education and athletic camps. This is not a major fund.

Fiduciary Funds:

Fiduciary Funds are never considered to be major funds.

Agency Fund Types - Agency funds are used to account for resources held by the School District in a purely custodial capacity (assets equal liabilities). Since agency funds are custodial in nature they do not involve the measurement of results of operations.

The District maintains agency funds for the following purposes: classes, clubs, and clearing accounts.

c. Measurement Focus and Basis of Accounting

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

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

Measurement Focus:

Government-wide Financial Statements:

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

Fund Financial Statements:

All governmental 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 60 days. The revenues which are accrued at June 30, 2012 are:

Title I reimbursement receivable	\$ 41,112.00
Title IIA reimbursement receivable	\$ 17,541.00
Perkins grant reimbursement receivable	\$ 1,232.00
IDEA reimbursement receivable	\$ 25,884.00
EMC Insurance claim receivable	\$ 6,224.22
Sioux Valley Energy grant receivable	\$ 1,462.50
Building rent receivable	\$ 216.00
Gannett Newspaper refunds receivable	\$ 103.50
Haven tuition receivable	\$ 4,935.97
Workshop reimbursement receivable	\$ 175.00

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. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

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

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

The business-type activities and enterprise funds do not apply any FASB Statements and Interpretations issued after November 30, 1989.

d. Interfund Eliminations and Reclassifications

Government-wide Financial Statements:

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

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.

Fund Financial Statements:

Noncurrent portions of long-term interfund receivables are reported as Nonspendable Fund Balance to the extent that the proceeds from the collection of those receivables are not Restricted, Committed, or Assigned. Current portions of interfund receivables are considered "available spendable resources" and are reported in the appropriate fund balance category.

e. Capital Assets

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

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

Government-Wide Statements:

All capital assets are valued at historical cost 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.

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

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

The total June 30, 2012 balance of capital assets for governmental activities includes approximately ten percent for which the costs were determined by estimates of the original cost. Business-type activities are all valued at original cost.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All Land	----N/A----	----N/A----
Improvements other than Buildings	\$ 15,000.00	Straight-line	20 yrs.
Buildings	\$ 50,000.00	Straight-line	50 yrs.
Building Improvements	\$ 25,000.00	Straight-line	20 yrs.
Machinery and Equipment	\$ 5,000.00	Straight-line	10-15 yrs.
Food Service Equipment	\$ 3,000.00	Straight-line	12 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.

f. Long-Term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide 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 early retirement benefits payable, accrued leave, capital outlay certificates payable, bonds payable, and installment contracts payable.

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

g. Program Revenues

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

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

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.

h. 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.

i. Cash and Cash Equivalents

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

j. Equity Classifications

Government-wide Statements:

Equity is classified as net assets and is displayed in three components

1. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and is distinguished between Nonspendable, Restricted, Committed, Assigned or Unassigned components. Proprietary

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity (except for Agency Funds, which have no fund equity) is reported as net assets held in trust for other purposes.

k. Application of Net Assets

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

l. 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 School Board or Business Manager.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Nonspendable Fund Balance is comprised of the following:

Amount reported in non-spendable form for inventory	\$12,359.56
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The Governing Board committed the following fund balance types by taking the following action:

The General Fund Assigned Fund Balance as authorized by the Governing Board is comprised of the following:

Assigned for the Subsequent Year's Budget	\$201,687.00
Assigned for Unemployment Benefits	\$26,636.93

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

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

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

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

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.

Deposits are reported at cost plus interest, if the account is of the add-on type.

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.

The actual bank balances at June 30, 2012 were as follows:

	Bank Balance
Insured (FDIC/NCUA)	\$ 500,000.00
Uninsured, collateral jointly held by state's/School's agent in the name of the state and the pledging financial institution.	3,115,928.28
Uninsured, uncollateralized	-
Total Deposits	\$ 3,615,928.28

The School District's carrying amount of deposits at June 30, 2012 was \$3,534,744.89.

Investments – In general, SDCL 4-5-6 permits school funds to be invested in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) 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 that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent. There were no investments held as of June 30, 2012.

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.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

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

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

3. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The School District expects all receivables to be collected within one year. No allowances for estimated uncollectibles have been established.

4. INVENTORY

Inventory for the enterprise fund is stated at the lower of cost or market. The cost valuation method is current cost, First-In, First-Out (FIFO) basis. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

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

In the fund financial statements, inventories in the General Fund and Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. 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. The district’s inventory of consumable supplies at June 30, 2012 was \$12,359.56.

5. PROPERTY TAXES

Property taxes are levied on or before each October 1, attach as an enforceable lien on property, and become due an 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 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.”

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2012 is as follows:

Primary Government

	Balance 7/1/2011	Increases	Decreases	Balance 6/30/2012
<i>Governmental Activities:</i>				
Capital assets, not being depreciated:				
Land	\$484,615.75	10,000.00		\$ 494,615.75
Construction Work in Progress	9,188,949.66		9,188,949.66	0.00
Total, not being depreciated	9,673,565.41	10,000.00	9,188,949.66	494,615.75
Capital assets, being depreciated:				
Improvements	781,487.64	196,358.69		977,846.33
Buildings	15,472,186.18	13,822,388.22		29,294,574.40
Machinery and Equipment	919,012.95	474,303.96	77,948.39	1,315,368.52
Total, being depreciated	17,172,686.77	14,493,050.87	77,948.39	31,587,789.25
Less accumulated depreciation for:				
Improvements	379,109.58	48,612.25		427,721.83
Buildings	7,053,929.87	616,259.57		7,670,189.44
Machinery and Equipment	456,359.14	146,524.67	77,948.39	524,935.42
Total accumulated depreciation	7,889,398.59	811,396.49	77,948.39	8,622,846.69
Total capital assets, being depreciated, net	9,283,288.18	13,681,654.38	0.00	22,964,942.56
Governmental activity capital assets, net	<u>\$ 18,956,853.59</u>	<u>\$ 13,691,654.38</u>	<u>\$9,188,949.66</u>	<u>\$ 23,459,558.31</u>

** Depreciation expense was charged to functions as follows:

<i>Governmental activities:</i>	
Instruction	\$ 426,232.85
Support Services	225,832.02
Co-curricular Activities	159,331.62
Total depreciation expense - governmental activities	<u>\$ 811,396.49</u>

	Balance 7/1/2011	Increases	Decreases	Balance 6/30/2012
<i>Business-type activities:</i>				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 36,903.99	\$ 124,015.59	\$ -	\$ 160,919.58
Less accumulated depreciation for:				
Machinery and Equipment	28,173.91	9,554.60	-	37,728.51
Total capital assets, being depreciated, net	8,730.08	114,460.99	-	123,191.07
Business-type activity capital assets, net	<u>\$ 8,730.08</u>	<u>\$ 114,460.99</u>	<u>\$ -</u>	<u>\$ 123,191.07</u>

** Depreciation expense was charged to functions as follows:

<i>Business-type activities:</i>	
Food Service - Current Year Depreciation	<u>\$ 9,554.60</u>

There was no Construction Work in Progress on June 30, 2012.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

7. LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2012 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 12,245,000.00		\$ 130,000.00	\$ 12,115,000.00	\$ 335,000.00
Capital Outlay Certificates	5,922,244.00	960,000.00	290,000.00	6,592,244.00	295,000.00
Total Debt	<u>18,167,244.00</u>	<u>960,000.00</u>	<u>420,000.00</u>	<u>18,707,244.00</u>	<u>630,000.00</u>
Early Retirement Payable-					
Governmental Funds	32,293.45	15,947.05	10,764.49	37,476.01	16,080.18
Accrued Compensated Absences-					
Governmental Funds	26,466.32	42,680.12	56,430.76	12,715.68	12,715.68
Total Governmental Activities	<u>\$ 18,226,003.77</u>	<u>\$ 1,018,627.17</u>	<u>\$ 487,195.25</u>	<u>\$ 18,757,435.69</u>	<u>\$ 658,795.86</u>

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

Annual payments of \$294,446.00 are being made into a Sinking Fund for the payment of QSCB certificate principal at maturity in 2025.

On May 10, 2012 the District issued \$960,000 in Limited Tax General Obligation Refunding Certificates. The certificate issuance is a crossover refunding of the Series 2009 Capital Outlay Certificates. The new certificates have an average interest rate of 1.30% compared to a 3.72% average interest rate of the old certificates. The net proceeds of \$910,000 (after \$18,065 in issuance costs and a refund of \$3,818.13 in contingency funds) plus \$28,116.87 in accrued interest were deposited in an irrevocable trust with an escrow agent to provide for future debt service requirements on the refunded issuance which will be called on June 17, 2014 (crossover date). The crossover refunding resulted in reduced debt service payments over the next ten years of \$30,539.38 and an economic gain (difference between the present values of the old and new debt service payments) of \$29,324.06.

Liabilities payable at June 30, 2012 are comprised of the following:

Primary Government:

Governmental Activities:

Bonds Payable – Payable from Bond Redemption Fund

Series 2010A-1; Tax Exempt Bonds; Maturity – 1/15/2014; Interest Rate – 1.75%

Series 2010A-2; Build America Bonds; Maturity – 6/30/2035; Interest Rate – 3.073% to 6.407%

Series 2010B; Maturity – 7/1/2019; Interest Rate - .9% to 3.3%

Total \$12,115,000.00

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

Capital Outlay Certificates – Payable from Capital Outlay Fund

2009; Maturity – 7/15/2014; Interest Rate – 1.5% to 3%
 2009; Maturity – 7/15/2019; Interest Rate – 1.5% to 4%
 2010; Qualified School Construction Bonds; Maturity – 6/1/2025; Interest Rate – 6.05%
 2012; Refunding Certificates; Maturity – 7/15/2019; Interest Rate - .75% to 1.7%

Total \$6,592,244.00

Early Retirement Benefits Payable

Teachers retiring between the ages of 55 and 62, with 20 years of service in the District, may elect to apply for a retirement incentive. Up to three teachers per year may take the retirement incentive. Each teacher granted the retirement incentive receives an employer contribution to a 403(b) on-ERISA employer funded plan of 35% of his/her last year's teaching salary. The benefit is paid in three equal annual installments, beginning the year following retirement. Because the retirement is limited to three teachers per year, the maximum number of teachers receiving payment in any giving school year is nine.

The amount payable in July 2012 for three retired teachers is \$16,080.18. \$16,080.15 is payable in July 2013. \$5,315.68 is payable in July 2014 for one teacher.

Total \$ 37,476.01

Compensated Absences

Accrued vacation leave for full-time employees from General Fund.

Total \$ 12,715.68

Primary Government:

Governmental Activities:

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2012, excluding accrued vacation leave of \$12,715.68, are as follows:

Year Ending June 30,	Capital Outlay Certificates		General Obligation Bonds		Early Retirement Benefits Payable		TOTALS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	295,000	299,591	335,000	656,309	16,080	-	646,080	955,900
2014	1,215,000	308,981	365,000	649,254	16,080	-	1,596,080	958,235
2015	190,000	260,953	395,000	639,238	5,316	-	590,316	900,191
2016	190,000	259,528	420,000	626,707	-	-	610,000	886,235
2017	190,000	257,723	460,000	611,648	-	-	650,000	869,371
2018-2022	390,000	1,256,436	2,125,000	2,761,064	-	-	2,515,000	4,017,500
2023-2027	4,122,244	748,187	2,450,000	2,156,329	-	-	6,572,244	2,904,516
2028-2032	-	-	3,205,000	1,286,978	-	-	3,205,000	1,286,978
2033-2035	-	-	2,360,000	232,254	-	-	2,360,000	232,254
TOTALS	\$ 6,592,244	\$ 3,391,401	\$ 12,115,000	\$ 9,619,780	\$ 37,476	\$ -	\$ 18,744,720	\$ 13,011,181

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

8. OPERATING LEASES

The District leases one vehicle for use by the special education department to transport handicapped children to and from contracted service centers and two copier/printers for each of the three school buildings.

The District's four-year lease for a 2008 Chevrolet Collins Midbus began in March 2008 at a monthly payment of \$649.00. This lease was extended for four months through June 2012. Total rent expenditures for the fiscal year ended June 30, 2012 were \$7,788.

The District's four-year lease for six Kyocera 5050 copier/printers began in August 2009, with a monthly payment of \$856.50 from the Capital Outlay Fund. Total lease expenditures for the fiscal year ended June 30, 2012 were \$10,278.00.

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

<u>Year</u>	<u>Capital Outlay Fund Amount</u>
FY2013	\$10,278.00
FY2014	\$856.40

9. INDIVIDUAL FUND INTERFUND BALANCES AND TRANSACTIONS

There were no interfund receivable or payable balances on June 30, 2012.

There were six interfund transfers for the year ended June 30, 2012.

A transfer for \$294,446.00 was made from the Capital Outlay Fund to a Debt Service Fund. The purpose of the transfer was to make the first of fourteen payments into a sinking fund for the 2025 redemption of \$4,122,244.00 in Qualified School Construction bond principal.

Transfers of \$155,235.76 and \$3,519.34 were made from the Capital Outlay Fund to the High School Capital Projects Fund. The purpose of the transfers was to pay for project costs not covered by Qualified School Construction Bonds.

\$3,622.38 of Capital Outlay Funds were used to purchase non-capitalized equipment for the Food Service Fund.

The Elementary School Capital Projects Fund purchased \$161,177.42 in equipment to furnish the kitchen in the new elementary school. \$37,161.83 was for non-capitalized equipment and \$124,015.59 was the contribution for capitalized equipment.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

10. RESTRICTED NET ASSETS

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

Fund	Restricted By	Amount
Special Education	Law	\$ 58,886.76
Capital Outlay	Law	1,733,443.45
Bond Redemption	Debt Covenants	986,731.53
Total Restricted Net Assets		\$ 2,779,061.74

11. RETIREMENT PLAN

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 public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivors 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 South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

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. State statute also requires the employer to make an additional contribution in the amount of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The District's share of contributions to the SDRS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$243,503.72, \$268,602.63, and \$255,357.84, respectively, equal to the required contributions each year.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

12. POST EMPLOYMENT HEALTH CARE PLAN

The School District pays a set rate toward medical insurance premiums for current employees.

Eligible retirees and their qualified dependents are allowed to continue with the District's group medical and/or dental insurance coverage until age 65. An eligible retiree must qualify for benefits under the South Dakota Retirement System Rule of 85 and have been a participant in the insurance plan for the 12 months immediately prior to retirement. Retirees continuing with the District's group medical or health insurance coverage pay 100% of the insurance premium.

13. JOINT VENTURES

The School District participates in the joint venture known as Prairie Lakes Educational Cooperative formed for the purpose of providing special education services to the member school districts.

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

Colman - Egan	5.20%
Chester	5.69%
Tri-Valley	13.40%
Baltic	8.02%
Garretson	7.26%
Flandreau	14.43%
Dell Rapids	15.73%
Howard	9.11%
Madison Central	14.82%
Oldham - Ramona	3.80%
Rutland	2.54%

The Prairie Lakes Educational Cooperative's governing board is composed of one representative from each member school district, who is a school board member. The board is responsible for adopting the cooperative's budget and setting service fees at a level adequate to fund the adopted budget.

The School District retains no equity in the net assets 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 Prairie Lakes Educational Cooperative.

At June 30, 2012, this joint venture had total assets of \$105,536.85, total liabilities of \$51,740.96 and a fund balance of \$53,795.89.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO THE FINANCIAL STATEMENTS

14. RISK MANAGEMENT

The school district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2012, the school district managed its risks as follows:

The school district joined the South Dakota School District Benefits Fund. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The school district pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. Four coverage plans are offered with deductibles ranging from \$500 per person/\$1,000 per family up to \$2,000 per person/\$4,000 per family. The plans also provide for coinsurance of 80 percent with a maximum of \$7,500 per person/\$15,000 per family. The coverage also includes a \$2,000,000.00 annual 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 never exceeded the liability coverage.

Liability Insurance

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

Worker's Compensation

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

Unemployment Benefits

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

The school district has assigned equity in the General Fund in the amount of \$26,636.93 for the payment of future unemployment benefits.

During the year ended June 30, 2012, two claims of \$5,440.54 were filed for unemployment benefits. At June 30, 2012, three claims totaling \$1,274.11 had been filed. It is estimated that claims of \$7,500.00 for unemployment benefits may be filed in the next fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION
Dell Rapids School District 49-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 1,705,124.00	\$ 1,705,124.00	\$ 1,686,113.90	\$ (19,010.10)
Prior Years' Ad Valorem Taxes			34,164.28	34,164.28
Tax Deed Revenue			2,774.77	2,774.77
Gross Receipt Taxes	209,000.00	209,000.00	216,075.33	7,075.33
Penalties and Interest on Taxes	4,000.00	4,000.00	5,561.77	1,561.77
Tuition and Fees:				
Summer School Fees	10,500.00	10,500.00	-	(10,500.00)
Regular Day School Transportation Fees	8,000.00	8,000.00	11,856.72	3,856.72
Other Transportation Fees	9,500.00	9,500.00	10,198.48	698.48
Earning Investments and Deposits	15,000.00	15,000.00	1,363.59	(13,636.41)
Cocurricular Activities:				
Admissions	41,500.00	63,390.00	79,375.62	15,985.62
Other Pupil Activity Income	250.00	250.00	633.50	383.50
Other Revenue from Local Sources:				
Rentals	1,200.00	1,200.00	1,614.75	414.75
Contributions and Donations	12,210.00	21,654.05	32,792.72	11,138.67
Charges for Services	38,000.00	38,000.00	27,689.00	(10,311.00)
Day Care Services	125,349.00	139,349.00	135,242.45	(4,106.55)
Other	1,500.00	1,500.00	19,781.14	18,281.14
Revenue from Intermediate Sources:				
County Sources:				
County Apportionment	60,000.00	60,000.00	59,323.13	(676.87)
Revenue from State Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid	2,448,540.00	2,692,387.00	2,702,148.04	9,761.04
Restricted Grants-in-Aid		18,750.00	23,942.90	5,192.90
Revenue from Federal Sources:				
Grants-in-Aid:				
Unrestricted Grants-in-Aid Received from Federal Government Through an Intermediate Source	100.00	100.00	84.69	(15.31)
Restricted Grants-in-Aid Received from Federal Government Through the State	186,585.00	193,185.00	175,665.00	(17,520.00)
Total Revenue	\$ 4,876,358.00	\$ 5,190,889.05	\$ 5,226,401.78	\$ 35,512.73

REQUIRED SUPPLEMENTARY INFORMATION
Dell Rapids School District 49-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	\$ 1,029,420.00	\$ 1,046,040.22	\$ 990,437.75	\$ 55,602.47
Middle/Junior High	835,250.00	847,468.91	819,288.63	28,180.28
High School	984,718.00	1,001,433.92	965,129.78	36,304.14
Special Programs:				
Educationally Deprived	99,135.00	100,535.00	91,003.06	9,531.94
Other Special Programs	44,964.00	45,664.00	42,491.63	3,172.37
Support Services:				
Pupils:				
Attendance and Social Work	2,500.00	2,500.00	2,500.00	-
Guidance	125,087.00	127,686.00	119,287.71	8,398.29
Health	58,847.00	59,960.00	59,558.26	401.74
Support Services - Instructional Staff:				
Improvement of Instruction	32,284.00	57,634.00	55,721.98	1,912.02
Educational Media	183,524.00	185,024.00	175,039.45	9,984.55
Support Services - General Administration:				
Board of Education	29,294.00	44,294.00	29,264.26	15,029.74
Executive Administration	119,873.00	126,673.00	124,949.51	1,723.49
Support Services - School Administration:				
Office of the Principal	304,940.00	315,140.00	311,376.12	3,763.88
Other	2,200.00	2,200.00	1,579.00	621.00
Support Services - Business:				
Fiscal Services	97,887.00	98,887.00	96,745.53	2,141.47
Operation and Maintenance of Plant	457,243.00	640,043.00	646,292.40	(6,249.40)
Pupil Transportation	143,214.00	144,714.00	152,268.64	(7,554.64)
Food Service				-
Internal Services	4,700.00	4,700.00	2,444.72	2,255.28
Support Services - Central:				
Staff	1,400.00	4,300.00	4,251.92	48.08
Other	19,440.00	19,440.00	18,260.59	1,179.41
Community Services:				
Custody and Care of Children	125,349.00	149,669.00	149,867.48	(198.48)
Nonpublic School	4,691.00	4,691.00	698.87	3,992.13
Nonprogrammed Charges:				
Payments to State - Unemployment	27,500.00	27,500.00	5,440.54	22,059.46

REQUIRED SUPPLEMENTARY INFORMATION
 Dell Rapids School District 49-3
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 General Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
Cocurricular Activities:				
Male Activities	\$ 57,230.00	\$ 59,920.00	\$ 59,212.66	\$ 707.34
Female Activities	44,425.00	44,722.00	43,305.38	1,416.62
Transportation	33,225.00	39,705.00	39,937.11	(232.11)
Combined Activities	77,809.00	92,809.00	85,813.81	6,995.19
Contingencies	90,090.00	59,090.00		59,090.00
Total Expenditures	<u>5,036,239.00</u>	<u>5,352,443.05</u>	<u>5,092,166.79</u>	<u>260,276.26</u>
Excess of Revenue Over (Under) Expenditures	(159,881.00)	(161,554.00)	134,234.99	295,788.99
Changes in Nonspendable			(4,203.32)	(4,203.32)
Fund Balance - Beginning	<u>945,688.29</u>	<u>945,688.29</u>	<u>945,688.29</u>	-
FUND BALANCE - ENDING	<u><u>\$ 785,807.29</u></u>	<u><u>\$ 784,134.29</u></u>	<u><u>\$ 1,075,719.96</u></u>	<u><u>\$ 291,585.67</u></u>

The notes to the required supplementary schedules are an integral part of this schedule.

REQUIRED SUPPLEMENTARY INFORMATION
Dell Rapids School District 49-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
Capital Outlay Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 1,260,498.00	\$ 1,260,498.00	\$ 1,255,035.06	\$ (5,462.94)
Prior Years' Ad Valorem Taxes			15,413.19	15,413.19
Tax Deed Revenue			976.57	976.57
Penalties and Interest on Taxes	1,500.00	1,500.00	2,828.50	1,328.50
Earning Investments and Deposits	5,800.00	5,800.00	2,710.50	(3,089.50)
Other Revenue from Local Sources:				
Contributions and Donations		62,222.31	62,822.16	599.85
Revenue from State Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid	27,745.00	27,745.00		(27,745.00)
Revenue from Federal Sources:				
Restricted Grants-in-Aid Received from Federal Government Through the State				
		2,210.00	27,148.12	24,938.12
Other Federal Revenue	228,372.00	228,372.00	228,372.32	0.32
Total Revenue	\$ 1,523,915.00	\$ 1,588,347.31	\$ 1,595,306.42	\$ 6,959.11
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	\$ 255,016.00	\$ 256,657.66	\$ 349,779.39	\$ (93,121.73)
Middle/Junior High	28,517.00	28,616.00	16,127.21	12,488.79
High School	128,517.00	153,487.11	118,255.15	35,231.96
Special Programs:				
Programs for Special Education	4,500.00	4,500.00		4,500.00
Support Services - Instructional Staff:				
Educational Media	82,679.00	85,509.61	84,195.45	1,314.16
Support Services - General Administration:				
Board of Education	14,600.00	14,600.00	11,191.00	3,409.00
Executive Administration	375.00	375.00	-	375.00
Support Services - School Administration:				
Office of the Principal	1,125.00	1,125.00	694.39	430.61
Other	375.00	375.00	-	375.00
Support Services - Business:				
Fiscal Services	8,675.00	8,675.00	7,875.20	799.80
Facilities Acquisition and Construction	645,500.00	645,500.00	422,219.80	223,280.20
Operation and Maintenance of Plant	296,975.00	296,975.00	138,576.74	158,398.26
Pupil Transportation	146,900.00	146,900.00	136,135.51	10,764.49
Food Services	16,000.00	16,000.00	-	16,000.00
Internal Services	10,278.00	10,278.00	10,278.00	-

REQUIRED SUPPLEMENTARY INFORMATION
Dell Rapids School District 49-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
Capital Outlay Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
Support Services - Special Education Transportation Costs	9,300.00	9,300.00		9,300.00
Community Services Nonpublic School	1,600.00	1,600.00	1,595.46	4.54
Debt Services	974,102.00	995,985.00	616,270.76	379,714.24
Cocurricular Activities:				
Transportation	20,600.00	20,600.00	16,434.27	4,165.73
Combined Activities	7,000.00	10,890.93	19,345.65	(8,454.72)
Total Expenditures	<u>2,652,634.00</u>	<u>2,707,949.31</u>	<u>1,948,973.98</u>	<u>758,975.33</u>
Excess of Revenue Over (Under) Expenditures	(1,128,719.00)	(1,119,602.00)	(353,667.56)	765,934.44
Other Financing Sources:				
Transfers Out		(158,755.76)	(456,823.48)	298,067.72
Proceeds of General Long-Term Liabilities		960,000.00	960,000.00	-
Total Other Financial Sources (Uses)		<u>801,244.24</u>	<u>503,176.52</u>	<u>298,067.72</u>
Net Change in Fund Balance	<u>(1,128,719.00)</u>	<u>(318,357.76)</u>	<u>149,508.96</u>	<u>467,866.72</u>
Fund Balance - Beginning	<u>1,606,736.50</u>	<u>1,606,736.50</u>	<u>1,606,736.50</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 478,017.50</u>	<u>\$ 1,288,378.74</u>	<u>\$ 1,756,245.46</u>	<u>\$ 467,866.72</u>

The notes to the required supplementary schedules are an integral part of this schedule.

REQUIRED SUPPLEMENTARY INFORMATION
Dell Rapids School District 49-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
Special Education Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 588,232.00	\$ 588,232.00	\$ 587,370.62	\$ (861.38)
Prior Years' Ad Valorem Taxes			7,209.39	7,209.39
Tax Deed Revenue			456.70	456.70
Penalties and Interest on Taxes	750.00	750.00	1,322.52	572.52
Earning Investments and Deposits	50.00	50.00	10.68	(39.32)
Other Revenue from Local Sources:				
Charges for Services	30,500.00	30,500.00	25,825.06	(4,674.94)
Revenue from State Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid	216,297.00	366,130.00	365,278.00	(852.00)
Revenue from Federal Sources:				
Grants-in-Aid:				
Restricted Grants-in-Aid Received from Federal Government Through the State	209,685.00	209,685.00	209,320.00	(365.00)
Total Revenue	\$ 1,045,514.00	\$ 1,195,347.00	\$ 1,196,792.97	\$ 1,445.97
Expenditures:				
Special Programs:				
Programs for Special Education	\$ 828,649.00	\$ 849,649.00	\$ 808,708.20	\$ 40,940.80
Support Services:				
Pupils:				
Health		8,800.00	8,709.00	91.00
Psychological	48,200.00	48,200.00	46,012.67	2,187.33
Speech Pathology	140,552.00	153,252.00	153,094.16	157.84
Student Therapy Services	70,000.00	100,600.00	100,482.00	118.00
Orientation and Mobility Services	5,000.00	5,000.00	3,657.33	1,342.67
Support Services - Instructional Staff:				
Improvement of Instruction	1,500.00	1,500.00	156.76	1,343.24
Support Services - Special Education:				
Administrative Costs	8,379.00	8,379.00	6,317.47	2,061.53
Transportation Costs	85,110.00	86,310.00	83,826.80	2,483.20
Total Expenditures	1,187,390.00	1,261,690.00	1,210,964.39	50,725.61
Excess of Revenue Over (Under) Expenditures	(141,876.00)	(66,343.00)	(14,171.42)	52,171.58
Fund Balance - Beginning	70,658.42	70,658.42	70,658.42	-
FUND BALANCE - ENDING	\$ (71,217.58)	\$ 4,315.42	\$ 56,487.00	\$ 52,171.58

The notes to the required supplementary schedules are an integral part of this schedule.

REQUIRED SUPPLEMENTARY INFORMATION
Dell Rapids School District 49-3
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
Pension Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Revenue from Local Sources:				
Taxes:				
Ad Valorem Taxes	\$ 126,050.00	\$ 126,050.00	\$ 125,503.11	\$ (546.89)
Prior Years' Ad Valorem Taxes			1,541.32	1,541.32
Tax Deed Revenue			97.65	97.65
Penalties and Interest on Taxes	150.00	150.00	282.84	132.84
Earning Investments and Deposits	1,000.00	1,000.00	150.14	(849.86)
Total Revenue	\$ 127,200.00	\$ 127,200.00	\$ 127,575.06	\$ 375.06
Expenditures:				
Instruction:				
Regular Programs:				
Elementary	\$ 45,184.00	\$ 45,184.00	\$ 43,381.55	\$ 1,802.45
Middle/Junior High	36,860.00	36,860.00	38,119.67	(1,259.67)
High School	43,058.00	43,058.00	43,820.56	(762.56)
Other Special Programs	2,115.00	2,115.00	2,150.64	(35.64)
Support Services:				
Pupils:				
Guidance	6,107.00	6,107.00	6,215.27	(108.27)
Health	2,790.00	2,790.00	2,826.96	(36.96)
Support Services - Instructional Staff:				
Improvement of Instruction	120.00	120.00	120.01	(0.01)
Educational Media	7,346.00	7,346.00	7,008.95	337.05
Support Services - General Administration:				
Executive Administration	5,920.00	5,920.00	6,070.48	(150.48)
Support Services - School Administration:				
Office of the Principal	14,913.00	14,913.00	15,350.50	(437.50)
Support Services - Business:				
Fiscal Services	4,524.00	4,524.00	4,879.48	(355.48)
Operation and Maintenance of Plant	14,140.00	14,140.00	14,292.82	(152.82)
Pupil Transportation	3,058.00	3,058.00	3,123.93	(65.93)
Nonprogrammed Charges:				
Early Retirement Payments	11,590.00	11,590.00	10,764.49	825.51
Cocurricular Activities:				
Male Activities	2,618.00	2,618.00	2,011.85	606.15
Female Activities	2,137.00	2,137.00	1,537.17	599.83
Transportation			238.23	(238.23)
Combined Activities	2,835.00	2,835.00	3,005.80	(170.80)
Total Expenditures	205,315.00	205,315.00	204,918.36	396.64
Net Change in Fund Balances	(78,115.00)	(78,115.00)	(77,343.30)	771.70
Fund Balance - Beginning	92,741.97	92,741.97	92,741.97	-
FUND BALANCE - ENDING	\$ 14,626.97	\$ 14,626.97	\$ 15,398.67	\$ 771.70

The notes to the required supplementary schedules are an integral part of this schedule.

DELL RAPIDS SCHOOL DISTRICT NO. 49-3
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Basis of Presentation

The Budgetary Comparison Schedule has been prepared on the modified accrual basis of accounting. The Budgetary Comparison Schedule presents expenditures for capital outlay purposes within each function while the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances presents capital outlay expenditures as a separate function.

2. Budgetary Legal Requirements

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

1. Prior to the first regular board meeting in May of each year, the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General.
2. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year.
3. The proposed budget is published for public review no later than July 15 each year.
4. Public hearings are held to solicit taxpayer input prior to the approval of the budget.
5. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.
6. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 8.
7. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.
8. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.
9. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds
11. Budgets for the General Fund and each major special revenue fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**DELL RAPIDS SCHOOL DISTRICT NO. 49-3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures Amount FY 2012
US Department of Agriculture:			
Pass-Through the SD Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	N/A	\$ 26,095.45
Cash Assistance:			
School Breakfast Program (Note 2)	10.553	N/A	15,058.37
National School Lunch Program (Note 2)	10.555	N/A	90,302.85
Special Milk Program for Children (Note 2)	10.556	N/A	<u>202.13</u>
Total US Department of Agriculture			<u>131,658.80</u>
US Department of the Interior:			
Pass-Through Minnehaha County:			
Payments in Lieu of Taxes (Note 2) - Federal Wetlands	15.226	N/A	<u>84.69</u>
Total US Department of the Interior			<u>84.69</u>
US Environmental Protection Agency:			
Pass-Through the SD Department of Environment and Natural Resources:			
State Clean Diesel Grant Program, Recovery Act	66.040	N/A	<u>24,940.12</u>
Total US Environmental Protection Agency			<u>24,940.12</u>
US Department of Education:			
Pass-Through the SD Department of Education:			
Special Education Cluster:			
Special Education - Grants to States (Notes 2 &3)	84.027	N/A	198,006.00
Special Education - Preschool Grants (Note 3)	84.173	N/A	11,314.00
Title I Grants to Local Educational Agencies (Note 3)	84.010	N/A	112,268.00
Career and Technical Education - Basic Grants to States	84.048	N/A	7,359.00
Improving Teacher Quality State Grants	84.367	N/A	51,924.00
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Education Jobs Fund Program	84.410	N/A	<u>3,025.00</u>
Total US Department of Education			<u>383,896.00</u>
US Department of Health and Human Services:			
Pass-Through the SD Department of Health:			
School Absenteeism Reporting Grant	93.069	N/A	<u>3,297.00</u>
Total US Department of Health and Human Services			<u>3,297.00</u>
Grand Total			<u>\$ 543,876.61</u>

**DELL RAPIDS SCHOOL DISTRICT NO. 49-3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1: The accompanying schedule of expenditures of federal awards includes the federal grant activity of the school and is presented on the modified accrual basis of accounting unless otherwise noted. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

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

Dell Rapids School District

Member of North Central Association

Board of Education

Tom Morris, Pres.
Cindy Schuch, V.Pres.
Troy Randall
Matthew Weiland
Steve Stofferahn

"Home of the Quarriers"

Administration

Summer Schultz, Supt.
Kimberly Kludt, 9-12 Prin.
Fran Ruesink, 5-8 Prin.
Jay Nelson, K-4 Prin.
Dr. John Jewett, Tech.Dir.
Jeff Dvorak, Activities Dir.
Barb Littel, Bus. Mgr.
Jennifer Ruesink, 9-12 Counselor
Amanda Coble, 5-8 Counselor
Melissa Elrod-Miller, K-4 Counselor

To Whom It May Concern:

This letter is in response to the following audit finding:

Internal controls should be in place that provide reasonable assurance that management directives are carried out in regards to the recording and processing of financial data.

This reportable condition exists due to a lack of segregation of duties in the Dell Rapids School District. It is a result of the size of the school district which precludes staffing at a level sufficient to provide an ideal environment for internal controls.

Compensating controls and separation of related functions by employees is implemented to the extent possible with limited staff. It is not cost beneficial to take corrective action that would remove this comment as an audit finding.

Barbara Littel
Business Manager

Our Mission:

“We promote spirited thinking, responsible citizenship and lifelong learning”

Dell Rapids Schools * 1216 N. Garfield, Dell Rapids, SD 57022 * (605) 428-5473 * Fax (605) 428-5609 * dellrapids.k12.sd.us/district